

2017-2018

**ANNUAL
REPORT**



**Communication
and Transmission
Solutions**

Valiant Communications Limited



Integrating
voice, data
and IP
networks

communication
& transmission
equipment
and solutions

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 is focussing on providing solutions for secure and redundant networks to its customers which include Encryption, Firewall and redundant switchover and Failover solutions for its customer that can build reliable networks which can withstand the onslaught of cyber-attacks, malicious hacking attempts, Denial-of-Service attack and unauthorized intrusion.

Valiant's solutions include for Digital Sub-Stations, GPS / GNSS Primary Reference Clock Synchronization, PTP IEEE-1588v2 Grandmaster Clocks, PTP 1588v2 Slave Units that deliver accuracy of less than 100 nano-seconds for synchronization applications in modern Cellular networks and also for Distributing Time and Frequency Reference for Power Utilities, Smart Grid, Synchronization of Defence Networks, Airports communications, Railway Signalling Networks and Railway Communications, Broadcasting Network and Broadcast equipment.

Valiant has continued to add to its range of product versions for Frequency, Phase and the Time Synchronization for GPS / GNSS Primary Reference Clock and IEEE-1588v2 PTP Grandmaster and NTP Time Server solutions.

Valiant also offers a wide range of Power Utility / SCADA / Utility solutions including Multiplexers, Packet Optical Transport Equipment, IP Multiplexers, Teleprotection / Protection Signalling / Digital Protection Coupler equipment and a comprehensive range of reliable and high-performance clocks capable of referencing GPS and GLONASS and Sub-Station Automation (SAS) Solutions.



Valiant's latest PMU (Phasor Measurement Unit) Wide Area Monitoring (WAMS) solution entails monitoring and controlling the Power Supply / Grid at the national level. This equipment improves power system monitoring, control and protection.

Valiant is also proud to announce its successful deployment of its protection devices in the European Union including the Swiss Grid (in Switzerland) and other developed power grid networks.

Valiant also offers a wide range of Packet over Optical / TDM over IP / TDM over Ethernet / TDM over MPLS products with unique features providing packet synchronization mechanism for Frequency and Time-of-Day synchronization for all points of the network to a common, single (GPS) source.

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

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



Board of Directors

Mr. Inder Mohan Sood
Managing Director

Mr. Davinder Mohan Sood
Director-Finance

Mr. Gaurav Kaura
Independent Non-Executive Director

Mr. Sumit Mehta
Independent Non-Executive Director

Mr. Avinash Verma
Independent Non-Executive Director

Ms. Neepa Chatterjee
Independent Non-Executive Director

Secretary

Mr. Manish Kumar

Registered Office

71/1, Shivaji Marg, New Delhi-110 015
 T: 011-2592 8415, E: investors@valiantcom.com

Corporate Identification Number

L74899DL1993PLC056652

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

Pawan Nanak Bansal & Co.
Chartered Accountants
 Z-418B, Sector-XII, Noida (U.P.)

Share Registrars

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

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

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Communication & transmission solutions

DIRECTORS' REPORT

To the Members,

The Directors present their 25th Annual Report on the business and operations of the Company and the audited statement of accounts for the year ended 31 March 2018.

Financial Results

(In ₹)

| Particulars | 2017-2018 | 2016-2017 |
|---|--------------|--------------|
| Sales & Other Income | 23,24,65,257 | 18,84,87,320 |
| Profit before depreciation, exceptional item and taxation | 3,68,45,511 | 2,55,99,388 |
| Less : Depreciation | 1,64,54,463 | 1,71,82,381 |
| Taxes | 56,00,565 | 22,39,464 |
| Net Profit after tax | 1,47,90,483 | 61,77,543 |
| Other comprehensive income (net) | (91,824) | (53,800) |
| Total comprehensive income | 1,46,98,659 | 61,23,743 |

Corporate Highlights

During the year under review, the total income is ₹ 2,325 lakh (previous year: ₹ 1,885 lakh). The profit before depreciation and taxation is ₹ 368 lakh (previous year: ₹ 256 lakh) and the net profit is ₹ 148 lakh (previous year: ₹ 62 lakh).

Indian Accounting Standard

Pursuant to the notification dated 16 February 2015, issued by Ministry of Corporate Affairs (MCA), the Indian Accounting Standards (Ind AS) are applicable on the Company from 01 April 2017 with a transition date of 01 April 2016. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014.

Up to the year ended 31 March 2017, the Company prepared its Financial Statements in accordance with previous GAAP. These are the Company's first Ind AS Financial Statements.

The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note 4 in the notes to accounts in the standalone financial statements and in Note 4 in the notes to accounts in the consolidated financial statements.

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. Whereas, Valcomm Technologies Inc., USA, is its step-down subsidiary of the Company. 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: <https://www.valiantcom.com/corporate/misc/notice/policy-material.pdf>

Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

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 (Indian Accounting Standard) Rules, 2015 ("Ind AS"), 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. They are also available on the website of the Company.

Share Capital

The paid-up Equity Share Capital as on 31 March 2018 was ₹ 722 lac. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. The shareholding of directors has been provided in report of Corporate Governance and form part of this report.

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 31 March 2018, 97.05% (previous year: 96.19%) of the outstanding equity shares of the Company have been dematerialized.

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: https://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 (AGM) of the Company held on 26 September 2014, the Members had approved the appointments of Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee as Independent Directors for a term of five years.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and 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. Inder Mohan Sood, Managing 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-a-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: <https://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: <https://www.valiantcom.com/corporate/misc/notice/criteria.pdf>

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: <https://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: <https://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 2017-18, 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.

Secretarial Standards

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

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 Members at the 24th AGM of the Company held on 29 September 2017, had appointed M/s. Pawan Nanak Bansal & Co., Chartered Accountants, (ICAI Firm Registration no. 008953C) as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the said Annual General Meeting until the conclusion of 29th AGM of the Company, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7 May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting

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 had 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 March 2018 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.

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.

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.

On behalf of the Board of Directors
For Valiant Communications Limited

Inder Mohan Sood
Chairman and Managing Director

Place: New Delhi
Date: 29 May 2018

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 States of America | Valiant Infrastructure Ltd., India |
| Reporting period for the subsidiary, if different from the holding company's reporting period | Financial year ended on 31 March 2018 (identical with the holding company's reporting period) | Financial year ended on 31 March 2018 (identical with the holding company's reporting period) | Financial year ended on 31 March 2018 (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 | 92.285 | 65.044 | 1.000 |
| Share Capital | 225,000 Ordinary Shares amounting to ₹ 2,07,64,035 | 8,250,000 Capital Stock amounting to ₹ 53,66,137 | 321,882 Equity Shares amounting to ₹ 3,218,820 |
| Reserves | 30,98,363 | 17,89,818 | 2,25,272 |
| Total Assets | 3,10,43,432 | 71,55,957 | 37,83,946 |
| Total Liabilities | 71,81,034 | - | 3,39,854 |
| Investments | 47,09,006 | - | - |
| Turnover | 1,58,02,935 | - | - |
| Profit/ (Loss) before taxation | (14,53,907) | 5,87,893 | (53,128) |
| Provision for taxation | - | 8,94,225 | 1,796 |
| Profit/ (Loss) after taxation | (14,53,907) | (3,06,332) | (54,924) |
| 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
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**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 March 2018 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 March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) as amended thereto 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, 2015; 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

(Proprietor)
Sushant Bhalla
ACS: 46640 CP: 17201

Place: New Delhi
Date: 29 May 2018

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. Where ever 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

(Proprietor)
Sushant Bhalla
ACS: 46640 CP: 17201

Place: New Delhi
Date: 29 May 2018

Annexure-3

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

As on financial year ended on 31 March 2018

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, E-mail: investors@valiantcom.com |
| 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, 2 nd 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 | 26309 | 98.74 |

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, 310-328, 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. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

| S. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|------------|--|---|----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals/ HUF | 25,35,163 | - | 25,35,163 | 35.10 | 25,35,163 | - | 25,35,163 | 35.10 | - |
| (b) | Central / State Government(s) | - | - | - | - | - | - | - | - | - |
| (c) | Financial Institutions/Bank | - | - | - | - | - | - | - | - | - |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Bodies Corporate | 5,08,768 | - | 5,08,768 | 7.04 | 5,08,768 | - | 5,08,768 | 7.04 | - |
| | Sub Total (A)(1) | 30,43,931 | - | 30,43,931 | 42.14 | 30,43,931 | - | 30,43,931 | 42.14 | - |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | - | - | - | - | - | - | - | - | - |
| (b) | Government | - | - | - | - | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(2) | - | - | - | - | - | - | - | - | - |
| | Total Shareholding of Promoter Group Group(A)= (A)(1)+(A)(2) | 30,43,931 | - | 30,43,931 | 42.14 | 30,43,931 | - | 30,43,931 | 42.14 | - |

| S. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|------------|--|---|-----------------|------------------|-------------------|---|-----------------|------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds/UTI | - | 3,900 | 3,900 | 0.05 | - | 1,200 | 1,200 | 0.02 | (0.04) |
| (b) | Financial Institutions/Banks | - | - | - | - | 50 | - | 50 | 0.00 | 0.00 |
| (c) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (B)(1) | - | 3,900 | 3,900 | 0.05 | 50 | 1,200 | 1,250 | 0.02 | (0.04) |
| [2] | Central/State Government(s)/ President of India | | | | | | | | | |
| | IEPF authority | - | - | - | - | 56,345 | - | 56,345 | 0.78 | 0.78 |
| | Sub Total (B)(2) | - | - | - | - | 56,345 | - | 56,345 | 0.78 | 0.78 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 15,26,772 | 1,84,886 | 17,11,658 | 23.70 | 15,65,153 | 1,34,675 | 16,99,828 | 23.53 | (0.16) |
| ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 13,91,179 | - | 13,91,179 | 19.26 | 15,10,614 | - | 15,10,614 | 20.91 | 1.65 |
| (b) | NBFCs registered with RBI | - | - | - | - | - | - | - | - | - |
| (c) | Employee Trusts | - | - | - | - | - | - | - | - | - |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | - | - | - | - | - | - | - | - | - |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Trusts | 3,990 | - | 3,990 | 0.06 | 3,990 | - | 3,990 | 0.06 | - |
| | Hindu Undivided Family | 1,06,194 | - | 1,06,194 | 1.47 | 1,37,020 | - | 1,37,020 | 1.90 | 0.43 |
| | Non Resident Indians (Non Repat) | 18,514 | - | 18,514 | 0.26 | 37,078 | - | 37,078 | 0.51 | 0.26 |
| | Non Resident Indians (Repat) | 1,52,565 | 63,689 | 2,16,254 | 2.99 | 83,333 | 55,889 | 1,39,222 | 1.93 | (1.07) |
| | Overseas Bodies Corporates | - | 6,037 | 6,037 | 0.08 | - | 6,037 | 6,037 | 0.08 | - |
| | Clearing Member | 1,04,245 | - | 1,04,245 | 1.44 | 48,817 | - | 48,817 | 0.68 | (0.77) |
| | Bodies Corporate | 6,00,957 | 16,601 | 6,17,558 | 8.55 | 5,24,128 | 15,200 | 5,39,328 | 7.47 | (1.08) |
| | Sub Total (B)(3) | 39,04,416 | 2,71,213 | 41,75,629 | 57.81 | 39,10,133 | 2,11,801 | 41,21,934 | 57.06 | (0.74) |
| | Total Public (B)=(B)(1)+(B)(2)+(B)(3) | 39,04,416 | 2,75,113 | 41,79,529 | 57.86 | 39,66,528 | 2,13,001 | 41,79,529 | 57.86 | - |
| | Total (A)+(B) | 69,48,347 | 2,75,113 | 72,23,460 | 100.00 | 70,10,459 | 2,13,001 | 72,23,460 | 100.00 | - |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | - | - | - | - | - | - | - | - | - |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - | - | - | - | - | - |
| | Total (A)+(B)+(C) | 69,48,347 | 2,75,113 | 72,23,460 | 100.00 | 70,10,459 | 2,13,001 | 72,23,460 | 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 | | | % change 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 | 11,49,086 | 15.91 | - | 11,49,086 | 15.91 | - | - |
| 2 | Davinder Mohan Sood | 11,47,758 | 15.89 | - | 11,47,758 | 15.89 | - | - |
| 3 | Shompa Sood | 96,600 | 1.34 | - | 96,600 | 1.34 | - | - |
| 4 | Garv Mohan Sood | 1,03,837 | 1.44 | - | 1,03,837 | 1.44 | - | - |
| 5 | Anupam Sood | 12,000 | 0.17 | - | 12,000 | 0.17 | - | - |
| 6 | Gaurav Mohan Sood | 25,882 | 0.36 | - | 25,882 | 0.36 | - | - |
| 7 | Gem Financiaries and Distributions (P) Ltd. | 3,10,373 | 4.30 | - | 3,10,373 | 4.30 | - | - |
| 8 | Great Films (P) Ltd. | 1,98,395 | 2.75 | - | 1,98,395 | 2.75 | - | - |
| | TOTAL | 30,43,931 | 42.14 | - | 30,43,931 | 42.14 | - | - |

(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 Apr 17 | | | | | 30,43,931 | 42.14 |
| 2 | Changes during the year | | | NONE | | | - | - |
| 3 | At the end of the year | 31 Mar 18 | | | | | 30,43,931 | 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 the year | | Transactions during the year | | Cumulative Shareholding at the end of the year | |
|--------|-----------------------------------|---|-------------------|------------------------------|---------------|--|-------------------|
| | | No. of shares | % of total shares | Date of transaction | No. of shares | No. of shares | % of total shares |
| 1 | Mohini Singh | 2,00,000 | 2.77 | | | 2,00,000 | 2.77 |
| | Transfer | | | 25 Aug 2017 | (10,000) | 1,90,000 | 2.63 |
| | At the end of the year | | | | | 1,90,000 | 2.63 |
| 2 | Ostrich Estate Private Limited | 1,94,429 | 2.69 | | | 1,94,429 | 2.69 |
| | Transfer | | | 07 Apr 2017 | (25,000) | 1,69,429 | 2.35 |
| | Transfer | | | 12 May 2017 | (30,000) | 1,39,429 | 1.93 |
| | Transfer | | | 30 Jun 2017 | 28,025 | 1,67,454 | 2.32 |
| | At the end of the year | | | | | 1,67,454 | 2.32 |
| 3 | Narinder Kaur Suri | 1,28,850 | 1.78 | | | 1,28,850 | 1.78 |
| | At the end of the year | | | | | 1,28,850 | 1.78 |
| 4 | Narayan Sultania | 81,000 | 1.12 | | | 81,000 | 1.12 |
| | Transfer | | | 07 Apr 2017 | 14,723 | 95,723 | 1.33 |
| | Transfer | | | 16 Feb 2018 | (5,723) | 90,000 | 1.25 |
| | At the end of the year | | | | | 90,000 | 1.25 |
| 5 | Usha Chandra Singh Mehta | 63,500 | 0.88 | | | 63,500 | 0.88 |
| | Transfer | | | 14 Apr 2017 | 16,500 | 80,000 | 1.11 |
| | At the end of the year | | | | | 80,000 | 1.11 |
| 6 | Sheetal Rahul Mehta | 63,500 | 0.88 | | | 63,500 | 0.88 |
| | Transfer | | | 07 Apr 2017 | 16,500 | 80,000 | 1.11 |
| | At the end of the year | | | | | 80,000 | 1.11 |
| 7 | Rahul Chandra Singh Mehta | 63,500 | 0.88 | | | 63,500 | 0.88 |
| | At the end of the year | | | | | 63,500 | 0.88 |
| 8 | Sushila Sultania | 35,881 | 0.50 | | | 35,881 | 0.50 |
| | Transfer | | | 21 Apr 2017 | 33,907 | 69,788 | 0.97 |
| | Transfer | | | 16 Feb 2018 | (6,788) | 63,000 | 0.87 |
| | At the end of the year | | | | | 63,000 | 0.87 |
| 9 | Opus Software Solutions Pvt. Ltd. | 44,152 | 0.61 | | | 44,152 | 0.61 |
| | Transfer | | | 06 Oct 2017 | 820 | 44,972 | 0.62 |
| | Transfer | | | 09 Mar 2018 | 10,652 | 55,624 | 0.77 |
| | Transfer | | | 16 Mar 2018 | 1,909 | 57,533 | 0.80 |
| | At the end of the year | | | | | 57,533 | 0.80 |

(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 the year | | Transactions during the year | | Cumulative Shareholding at the end of the year | |
|--------|--|---|-------------------|------------------------------|---------------|--|-------------------|
| | | No. of shares | % of total shares | Date of transaction | No. of shares | No. of shares | % of total shares |
| 10 | Investor Education and Protection Fund Authority Ministry of Corporate Affairs | - | - | | | - | - |
| | Transfer | | | 08 Dec 2017 | 55,811 | 55,811 | 0.77 |
| | Transfer | | | 15 Dec 2017 | 534 | 56,345 | 0.78 |
| | At the end of the year | | | | | 56,345 | 0.78 |
| 11 | Sunny Gupta | 47,343 | 0.66 | | | 47,343 | 0.66 |
| | Transfer | | | 05 May 2017 | (5,200) | 42,143 | 0.58 |
| | Transfer | | | 07 Jul 2017 | 2,331 | 44,474 | 0.62 |
| | Transfer | | | 14 Jul 2017 | 245 | 44,719 | 0.62 |
| | At the end of the year | | | | | 44,719 | 0.62 |
| 12 | Shaaji Palliyath | 51,472 | 0.71 | | | 51,472 | 0.71 |
| | Transfer | | | 05 May 2017 | (31,472) | 20,000 | 0.28 |
| | Transfer | | | 12 May 2017 | (20,000) | - | - |
| | At the end of the year | | | | | - | - |

Note: The above information is based on the weekly beneficiary position received from depositories and calculated based on PAN details of 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: Neepa Chatterjee | | | | | | |
| | At the beginning of the year | | | | | - | - |
| | Changes during the year | 26-03-2018 | Purchase | 1,948 | 0.03 | 1,948 | 0.03 |
| | At the end of the year | | | | | 1,948 | 0.03 |
| 2 | Name: Manish Kumar | | | | | | |
| | At the beginning of the year | | | | | 50 | 0.00 |
| | Changes during the year | | | | | - | - |
| | 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 Independent Directors 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.

(In ₹)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S. No. | Particulars of Remuneration Designation | Mr. Inder Mohan Sood Managing Director & CEO | Mr. Davinder Mohan Wholetime Director & CFO | Total Amount (₹) |
|--------|---|---|--|---------------------|
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 31,85,000 | 28,99,000 | 60,84,000 |
| | (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 | - | - | - |
| | Total (A) | 31,85,000 | 28,99,000 | 60,84,000 |
| | Ceiling as per the Act | 84,00,000 | 84,00,000 | 1,68,00,000 |

B. Remuneration to other Directors

| S. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount (₹) |
|--------|--|-------------------|-------------------|-----------------|----------------------|------------------|
| 1 | Independent Directors | Mr. Gaurav Kaura | Mr. Avinash Verma | Mr. Sumit Mehta | Ms. Neepa Chatterjee | |
| | Fee for attending board / committee meetings | 30,000 | 30,000 | 30,000 | 30,000 | 1,20,000 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | 30,000 | 30,000 | 30,000 | 30,000 | 1,20,000 |
| 2 | Other Non-Executive Directors | - | - | - | - | - |
| | Fee for attending board / committee meetings | - | - | - | - | - |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | 30,000 | 30,000 | 30,000 | 30,000 | 1,20,000 |
| | Total Managerial Remuneration | | | | | 1,20,000 |
| | Overall Ceiling as per the Act | 11,00,000 | 11,00,000 | 11,00,000 | 11,00,000 | 44,00,000 |

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

| S. No. | Particulars of Remuneration | Name of Key Managerial Personnel | | | Total Amount (₹) |
|--------|---|----------------------------------|--------------------------------|-----------------------------------|------------------|
| | Name Designation | 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 | | | 21,32,000 | 21,32,000 |
| | (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 | | | - | - |
| | Total | - | - | 21,32,000 | 21,32,000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

NONE

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

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year and; 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 / Designation | Ratio to Median | % increase in Remuneration |
|-------------------------|---------------------------|-----------------|----------------------------|
| Mr. Inder Mohan Sood | Managing Director & CEO | 4.90 : 1 | -19.65 |
| Mr. Davinder Mohan Sood | Whole-time Director & CFO | 4.60 : 1 | -21.28 |
| 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 Chatterjee | Independent Director | 0.05 : 1 | None |
| Mr. Manish Kumar | Company Secretary | 3.28 : 1 | -1.24 |

2. The percentage increase in the median remuneration of employees in the financial year: 9.89%
3. The number of permanent employees on the rolls of Company as at reporting date: 41
4. 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 11.10%, as against an decrease of 14.06% 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.
5. 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.

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:

- Employment of highly efficient low power consuming manufacturing equipment, e.g., LED lighting and automatic testing equipment using state-of-the-art technology.
- 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 lakh | |
|--|-----------|-----------|
| | 2017-2018 | 2016-2017 |
| Capital | 130.31 | 85.56 |
| Recurring | - | - |
| Total | 130.31 | 85.56 |
| Total R&D expenditure as % of total turnover | 5.69 | 4.67 |

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, operational activities of the Company are relating to exports promotion:

| Particulars | ₹ in lakh | |
|-------------------------------|-----------|-----------|
| | 2017-2018 | 2016-2017 |
| The foreign exchange earnings | 1024.51 | 1119.32 |
| The foreign exchange outgo | 602.89 | 463.94 |

MANAGEMENT DISCUSSION & ANALYSIS

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs (MCA) vide notification dated 16 February 2015. 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 providing communications equipment and solutions to Utilities including Power Sector, Oil and Gas, Water and integrated providers. Communication solutions are also provided to Railways / Metro Rail, Airport Communications, Corporate Networks, Mobile / Cellular Communication Networks. These sectors are substantially dominated by large 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 a mandatory part of modern life. We cannot think of a day without Internet connectivity, either at work or at play.

That said, the introduction of modern technologies also throws up some challenges. These include billions of dollars worth of legacy communication equipment that is already installed in the network, which has to be up-dated to inter-operate with modern communication hardware. This legacy equipment will not be discarded or removed from service since substantial investments were made in this equipment also. This legacy equipment also needs to be integrated with the new and latest technologies. The opportunity to do this is considerably large.

The other challenge modern networks are throwing up are challenges of network and cyber security. Lack of domain knowledge and know-how are exposing networks to serious financial fraud, data and ID theft and compromising and exposing utility networks, corporate networks and even governments to crippling shutdown of essential services, across countries.

The changes in technology are complex, but offer significant growth potential.

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

1. To capitalize on opportunities across sectors and technologies, media and telecommunications;
2. Explosion of connected (always-on) devices;

3. Rapid smartphone adoption which is driving growth in mobile advertising, new combinations of fixed, mobile and TV services;
4. Growing focus on strategic services based on IP, Ethernet, VPN and managed services capabilities;
5. Large-scale 4G and fiber rollouts and the advent of 5G will lead to sharp rises in capex in fixed and mobile; and
6. Focus on Network and cyber security.

Business Operation

The Company, while being mainly focused on the export market; has seriously and with reasonable success been able to start offering its products and solution in India due to 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 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) and most State Electricity Boards (SEBs) etc., which shall provide a distinct advantage to the Company over some MNCs.

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.

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

With expectations of significant opportunities expected to materialize in near term, across various utility sectors, each of these opportunities have potential to make a significant positive impact on the financials of the Company.

Opportunities

One of the technologies that Valiant is focussed on is providing Network Security products and solutions to its customers. We have added to our range of Encryption & Firewall Equipment along with Network Protection solutions for providing Network / Path / Equipment (Server/Router) redundancy solutions for network reliability to currently cater to the network security requirements to its international customers and also in the domestic markets.

Valiant continues to add to its range of Frequency, Phase and the Time Synchronization range of products with its GPS / GNSS based Primary Reference Clocks with integrated IEEE-1588v2 PTP Grandmaster, PTP Slave and NTP Time Server for use in various sectors. This is another area of focused growth.

While competing against 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 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.

The Company has a focus on new product development, obtaining of existing products in various markets and sectors and building a larger base of distributors and re-sellers through which it can sell its products, worldwide.

Quality Initiatives

Valiant believes in sustained commitment to highest levels of quality, best-in-class product offerings and robust and fair business practices to help the Company to attain its objectives.

The Company has successfully achieved the yardsticks to meet with standards ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and the ISO 10001:2007 (Customer Satisfaction). The substantial part of the Company's product-line of the Company is now **CE**certified.

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/5G 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.

A range of Encryption & Firewall Equipment along with Network Protection solutions proving Network / Path / Equipment (Server/Router) redundancy solutions for network reliability are being introduced and are currently undergoing approvals in 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 2018-2019 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.

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 31 March 2019.

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 2017-18, the 56.60% (previous year: 50.61%) of operating revenue comes from the India, while the 11.89% (previous year: 17.82%) and 5.08% (previous year: 2.75%) is from the US and European market respectively. The balance 26.43% (previous year: 28.82%) 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 trend 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.

Internal Control System

The Company has an adequate system of internal controls, implemented by the management to achieve efficiency in operations, optimum utilization of resources, effective monitoring of systems and compliance with applicable laws.

A qualified and independent Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy of internal controls.

Exchange Rate Fluctuation

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

Human Resources

Human resource is 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.

Shareholders' Fund

A statement of Shareholders' Fund as on 31 March 2018 along with the comparison with previous two years is given below:

| Particulars | (In ₹) | | |
|---------------------------------------|--|--|--|
| | Year ended on 31 March 2018 (Audited) | Year ended on 31 March 2017 (Audited) | Year ended on 31 March 2016 (Audited) |
| Equity Paid-up Capital | 7,22,34,600 | 7,22,34,600 | 7,22,34,600 |
| Reserve and Surplus | | | |
| - P&L A/c (Cr.) | 12,84,25,056 | 11,37,26,397 | 10,88,09,935 |
| - Security Premium | 8,96,76,647 | 8,96,76,647 | 8,96,76,647 |
| - Capital Redemption Reserve | 1,42,21,400 | 1,42,21,400 | 1,42,21,400 |
| - Reserve for equity instrument (OCI) | - | - | (12,07,281) |
| Shareholders Fund / Equity | 30,45,57,703 | 28,98,59,044 | 28,37,35,301 |
| Book Value (per equity share) | ₹ 42.16/- | ₹ 40.13/- | ₹ 39.28/- |

Financial and Operational Performance

The Company has posted its all-time high annual revenue (net) figures at ₹ 2264 lac (previous year: ₹ 1756 lac). The total revenue of the Company has increased by 29% on annual basis.

The Company has recorded annual EBITDA Profit at ₹ 368 lac Vs. ₹ 256 lac on year on year basis.

The other income is dropped from ₹ 55 lac to ₹ 36 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 ₹ 148 lac Vs. ₹ 62 lac on year on year basis.

At consolidated level, the net revenue of the Group has increased by 33% to ₹ 2341 lac from ₹ 1760 lac on annual basis. Whereas, the reported net profit after taxes is ₹ 130 lac as compared to ₹ 61 lac on annual basis.

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

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 03.05.2017, 14.08.2017, 11.11.2017 and 09.02.2018 during the financial year 2017-2018.

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 2017-2018, are given below:

| Name of Directors | Board meetings attended During the year | Directorship in other Indian & overseas companies |
|---|---|---|
| Sh. I.M. Sood <i>Chairman & 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 AGM.

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 9 February 2018, 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: <https://www.valiantcom.com/corporate/misc/notice/familiarization-2017-18.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 03.05.2017, 14.08.2017, 11.11.2017 and 09.02.2018 during the financial year 2017-2018.

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 applicable 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 twelve 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 31 March 2018.

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 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 on 09.02.2018 during the financial year 2017-2018.

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.

(in ₹)

| Name & Category | Annual Salary | Directors' Fees paid | Service Contract |
|---|---------------|----------------------|------------------|
| Sh. I.M. Sood <i>Chairman & Managing Director</i> | 31,85,000 | Nil | Up to 16/08/2019 |
| Sh. D.M. Sood <i>Executive Director</i> | 28,99,000 | 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 |

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 31 March 2018, none of Non-Executive Independent Directors holds any share in the Company except Ms. Neepa Chatterjee. She holds 1,948 (0.03%) equity shares as on reporting date.

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.

General Body Meeting

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

| Particulars | Date and Time | Venue |
|---|--|--|
| 24 th Annual General Meeting | September 29 th 2017 at 9.30 a.m. | 96/4, Post & Village, Tikri Kalan, New Delhi 110 041 |
| 23 rd Annual General Meeting | September 30 th 2016 at 9.30 a.m. | 96/4, Post & Village, Tikri Kalan, New Delhi 110 041 |
| 22 nd Annual General Meeting | September 30 th 2015 at 9.30 a.m. | 96/4, Post & Village, Tikri Kalan, New Delhi 110 041 |

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.

Disclosures

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

- 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.

Shareholders' Information

a. Annual General Meeting (AGM)

The information regarding the 25th AGM during the year 2018 is as follows:

Date : 28 September 2018
 Day: Friday
 Time: 9.30 a.m.
 Place: 96/4, Post & Village, Tikri Kalan,
 New Delhi – 110 041

b. Financial Calendar: 1st April to 31st March

c. Date of Book Closure: Saturday, 22 September 2018 to Friday, 28 September 2018 (both days inclusive)

d. Stock Code :

Bombay Stock Exchange (BSE): 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:

BSE Limited, Mumbai, Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai - 400 001

Listing Fee: The Company has paid, till date, the listing fees of BSE Limited, Mumbai, for the year 2017-2018 and 2018-2019.

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 mode. 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, 2nd 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 demat trading segment and the Company has established connectivity with both NSDL and CDSL by signing the necessary agreements. As on 31 March 2018, 97.05% (previous year: 96.19%) 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 substantial part 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:

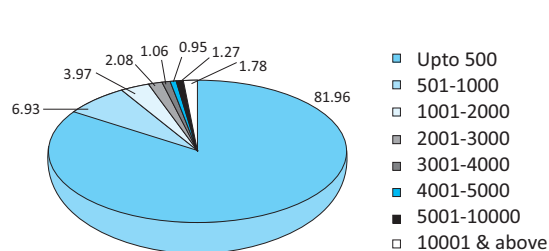
Valiant Communications Ltd.
 71/1, Shivaji Marg,
 New Delhi – 110 015, India

l. Compliance Officer

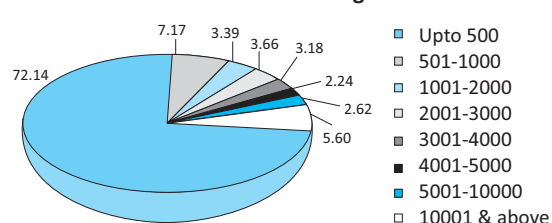
Mr. Manish Kumar, Company Secretary
 Valiant Communications Ltd.

**m. Distribution of Shareholding
(as on 31 March 2018)**

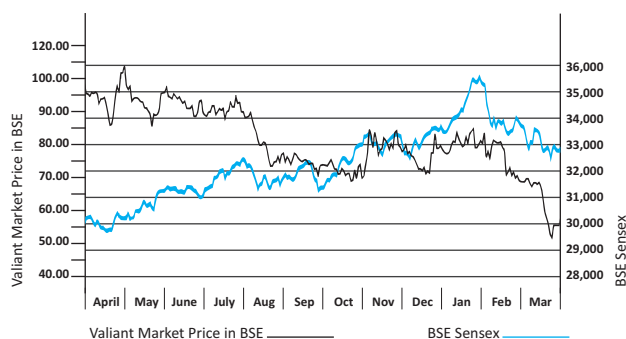
| No. of equity shares held | No. of Shareholders | % of Shareholders |
|---------------------------|---------------------|-------------------|
| Up to 500 | 3,549 | 81.96 |
| 501-1000 | 300 | 6.93 |
| 1001-2000 | 172 | 3.97 |
| 2001-3000 | 90 | 2.08 |
| 3001-4000 | 46 | 1.06 |
| 4001-5000 | 41 | 0.95 |
| 5001-10000 | 55 | 1.27 |
| 10001 & above | 77 | 1.78 |
| Total | 4,330 | 100.00 |

Distribution of Shareholders


| No. of equity shares held | No. of Shares held | % of Shares held |
|---------------------------|--------------------|------------------|
| Up to 500 | 5,18,063 | 7.17 |
| 501-1000 | 2,44,707 | 3.39 |
| 1001-2000 | 2,64,428 | 3.66 |
| 2001-3000 | 2,29,404 | 3.18 |
| 3001-4000 | 1,62,018 | 2.24 |
| 4001-5000 | 1,89,270 | 2.62 |
| 5001-10000 | 4,04,550 | 5.60 |
| 10001 & above | 52,11,020 | 72.14 |
| Total | 72,23,460 | 100.00 |

Distribution of Total Shareholding

n. Market Price Data: High / Low during each month in financial year 2017-2018*

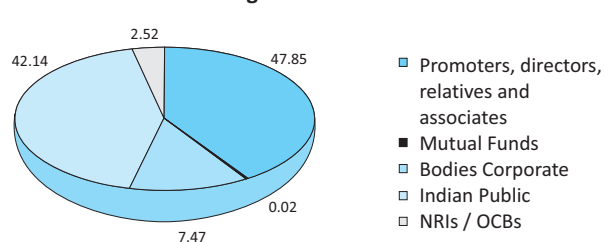
| Month | Valiant' market price in BSE | |
|--------------|------------------------------|-------|
| | High | Low |
| April-17 | 104.00 | 83.60 |
| May-17 | 115.00 | 84.00 |
| June-17 | 99.90 | 87.45 |
| July-17 | 101.00 | 84.40 |
| August-17 | 93.50 | 71.00 |
| September-17 | 83.55 | 70.00 |
| October-17 | 77.00 | 65.00 |
| November-17 | 87.90 | 67.75 |
| December-17 | 84.90 | 66.80 |
| January-18 | 87.00 | 73.35 |
| February-18 | 85.40 | 68.00 |
| March-18 | 70.50 | 47.25 |

Valiant Market Price Vs. BSE Sensex*


*Data Source – official website of BSE Ltd. www.bseindia.com

o. Shareholding Pattern(as on 31 March 2018)*

| Categories | No. of Shares | Shareholding in % |
|---|------------------|-------------------|
| Promoters and Promoters' Group [§] | 30,43,931 | 42.14 |
| Mutual funds | 1,200 | 0.02 |
| Bodies Corporate | 5,39,328 | 7.47 |
| Indian public & others | 34,56,664 | 47.85 |
| NRIs/OCBs/FIIs | 1,82,337 | 2.52 |
| Total | 72,23,460 | 100.00 |

Shareholding Distribution


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

[§] The entire shareholding of Promoter and Promoter's Group is free from any kind of encumbrance.

AUDITOR'S 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 31 March 2018 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 carried out in accordance with the Guidance note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholder Relationship 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
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No. 008953C

Alok Jain
Partner
Membership No. 510960

New Delhi, 29 May 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Valiant Communications Limited

Report on the Audit of the Standalone Ind AS financial statements

We have audited the accompanying Standalone Ind AS financial statements of Valiant Communications Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "Standalone Ind AS financial statements.")

Management's responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the state of affairs, profit (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosure in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial statements of the Company for the corresponding year ended 31 March 2017, were audited by the predecessor auditors under the Companies Act, 2013 who, vide their report dated 3 May 2017, expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the 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 (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 23.1 to the standalone Ind AS 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; and
 - iv. the disclosure in the standalone Ind AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No. 008953C

Alok Jain
Partner
Membership No. 510960

New Delhi, 29 May 2018

ANNEXURE-I TO THE INDEPENDENT AUDITOR'S 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 March 2018, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of plant, property and equipment, and investment properties.
- b) The plant, property and equipment, and investment properties of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- 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. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
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. Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable.
4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
5. The Company has not accepted any deposits from the public as per directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
6. The Company is not required to maintain cost records as prescribed under section 148(1) of the Act.
7. a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and Goods and Service Tax with effect from July 1, 2017 and other material statutory dues applicable to it to the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employees' State Insurance, Income tax, sales tax, service tax, duty of customs, Duty of Excise, value added tax, cess Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no material dues of sales tax, service tax, duty of customs or duty of excise and cess and Goods and Service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

| Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------|----------------|---------------|------------------------------------|------------------------------------|
| Income Tax Act, 1961 | Income Tax | ₹ 69,38,270/- | Assessment Year 2009-10 | Tribunal |

8. According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or Government nor has issued any debentures; 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 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. In our opinion and according to the information and explanations given to us, the Company in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
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 them. 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. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No. 008953C

Alok Jain
Partner
Membership No. 510960

New Delhi, 29 May 2018

ANNEXURE - II TO THE INDEPENDENT AUDITOR'S 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 March 2018 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.

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 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No. 008953C

Alok Jain
Partner
Membership No. 510960

New Delhi, 29 May 2018

Valiant Communications Limited

Balance Sheet as at 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | Note | As at 31-03-2018 | As at 31-03-2017 | As at 01-04-2016 |
|---|-------|---------------------|---------------------|---------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| (a) Property, plant and equipment | 5(a) | 4,50,21,850 | 4,33,79,723 | 4,39,44,312 |
| (b) Other intangible assets | 5(b) | 2,45,25,189 | 2,25,75,820 | 2,61,36,115 |
| (c) Intangible assets under development | 5(b) | 16,80,000 | 12,80,000 | - |
| (d) Financial assets | | | | |
| (i) Investments | 6 | 2,06,21,000 | 2,06,21,000 | 2,18,93,193 |
| (ii) Other financial assets | 7(a) | 22,000 | 22,000 | 24,250 |
| (e) Income tax assets (net) | 8 | 52,07,398 | 55,62,826 | 55,54,876 |
| (f) Other non-current assets | 9(a) | 42,37,500 | 43,42,501 | 34,99,125 |
| Total non-current assets | | 10,13,14,937 | 9,77,83,870 | 10,10,51,871 |
| Current assets | | | | |
| (a) Inventories | 10 | 5,99,14,856 | 7,99,17,160 | 8,94,56,880 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 11 | 12,02,36,785 | 10,17,91,557 | 4,44,24,687 |
| (ii) Cash and cash equivalents | 12(a) | 71,35,537 | 1,88,77,724 | 3,62,11,680 |
| (iii) Bank balances other than (ii) above | 12(b) | 3,93,59,177 | 1,10,24,431 | 2,86,75,492 |
| (iv) Other financial assets | 7(b) | 6,96,875 | 3,07,216 | 5,92,579 |
| (c) Income tax assets (net) | | 2,70,698 | 3,28,793 | 5,96,313 |
| (d) Other current assets | 9(b) | 53,32,646 | 36,70,444 | 60,39,168 |
| Total current assets | | 23,29,46,574 | 21,59,17,325 | 20,59,96,799 |
| Total assets | | 33,42,61,511 | 31,37,01,195 | 30,70,48,670 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity share capital | 13 | 7,22,34,600 | 7,22,34,600 | 7,22,34,600 |
| (b) Other equity | 14 | 23,23,23,103 | 21,76,24,444 | 21,15,00,701 |
| Total equity | | 30,45,57,703 | 28,98,59,044 | 28,37,35,301 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| (a) Provisions | 18(a) | 7,84,895 | 5,85,022 | 4,81,944 |
| (b) Deferred tax liabilities (net) | 15 | 4,78,156 | 10,29,070 | 5,25,646 |
| Total non-current liabilities | | 12,63,051 | 16,14,092 | 10,07,590 |
| Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Trade payables | 16(a) | 1,73,92,229 | 1,35,35,518 | 1,54,79,959 |
| (ii) Other financial liabilities | 16(b) | 35,65,628 | 27,31,006 | 25,77,110 |
| (b) Other current liabilities | 17 | 37,52,685 | 34,50,624 | 28,29,945 |
| (c) Provisions | 18(b) | 11,94,938 | 7,95,936 | 8,30,405 |
| (d) Current tax liabilities (net) | 8 | 25,35,277 | 17,14,975 | 5,88,360 |
| Total current liabilities | | 2,84,40,757 | 2,22,28,059 | 2,23,05,779 |
| Total equity and liabilities | | 33,42,61,511 | 31,37,01,195 | 30,70,48,670 |

See accompanying notes to the financial statements

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Valiant Communications Limited

Statement of Profit and Loss for the year ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | Note | 31-03-2018 | 31-03-2017 |
|---|------|---------------------|---------------------|
| I. Revenue from operations | 19 | 22,88,47,094 | 18,30,03,338 |
| II. Other income | 20 | 36,18,163 | 54,83,982 |
| III. Total Income (I+II) | | 23,24,65,257 | 18,84,87,320 |
| IV. EXPENSES | | | |
| Cost of materials consumed | 21.1 | 10,53,42,614 | 7,67,55,598 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21.2 | 34,53,886 | 87,58,113 |
| Excise duty on sale of goods | | 24,15,939 | 74,02,138 |
| Employee benefits expense | 21.3 | 3,74,07,153 | 3,56,69,264 |
| Depreciation and amortization expense | 21.4 | 1,64,54,463 | 1,71,82,381 |
| Other expenses | 21.5 | 4,70,00,154 | 3,43,02,819 |
| Total expenses (IV) | | 21,20,74,209 | 18,00,70,313 |
| V. Profit/(loss) before exceptional items and tax (I- IV) | | 2,03,91,048 | 84,17,007 |
| VI. Exceptional Items | | - | - |
| VII. Profit/(loss) before tax (V-VI) | | 2,03,91,048 | 84,17,007 |
| VIII. Tax expense: | | | |
| (1) Current tax | 8 | 61,51,479 | 17,36,040 |
| (2) Deferred tax | 8 | (5,50,914) | 5,03,424 |
| IX. Profit (Loss) for the year (VII-VIII) | | 1,47,90,483 | 61,77,543 |
| X. Other Comprehensive Income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of the employee defined benefit plans | | (1,26,745) | (74,865) |
| Income tax relating to items that will not be reclassified to profit or loss | | 34,921 | 21,065 |
| Total Other Comprehensive Income (net of taxes) | | (91,824) | (53,800) |
| XI. Total Comprehensive Income for the year (IX+X) | | 1,46,98,659 | 61,23,743 |
| XII. Earnings per equity share : | | | |
| (1) Basic | 22 | 2.05 | 0.86 |
| (2) Diluted | | 2.05 | 0.86 |

See accompanying notes to the financial statements

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Valiant Communications Limited

Cash Flow Statement for the year ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | 31-03-2018 | 31-03-2017 |
|--|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 2,03,91,048 | 84,17,007 |
| Adjustment for | | |
| Depreciation and amortization | 1,64,54,463 | 1,71,82,381 |
| Remeasurement of the employee defined benefit plans | (1,26,745) | (74,865) |
| (Profit)/ loss on sale of fixed assets | - | 18,046 |
| Bank interest | (24,30,834) | (31,46,948) |
| Net gain on sale of investments | - | (13,45,705) |
| Dividend income | - | (12,039) |
| Net (gain)/ loss on foreign currency translation | (11,87,329) | (9,79,290) |
| Operating profit before working capital changes | 3,31,00,603 | 2,00,58,587 |
| Adjustment for | | |
| (Increase)/ decrease in trade receivables | (1,84,45,228) | (5,73,66,870) |
| (Increase)/ decrease in other financial assets | (3,89,659) | 2,87,613 |
| (Increase)/ decrease in other assets | (12,48,679) | 26,28,294 |
| (Increase)/ decrease in inventories | 2,00,02,304 | 95,39,720 |
| Increase/ (decrease) in trade payables | 38,56,711 | (19,44,441) |
| Increase/ (decrease) in other financial liabilities | 8,34,621 | 1,53,897 |
| Increase/ (decrease) in other current liabilities | 9,00,936 | 6,89,288 |
| Cash generated from operations | 3,86,11,609 | (2,59,53,912) |
| Interest paid | - | - |
| Direct taxes paid | (52,96,255) | (5,88,360) |
| Net cash generated from operating Activities | 3,33,15,354 | (2,65,42,272) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of tangible and intangible assets | (2,00,45,959) | (1,30,95,543) |
| Sale of tangible and intangible assets | - | 20,000 |
| Sale (Purchase) of investments | - | 26,17,898 |
| Capital advances | 1,05,001 | (8,43,376) |
| Intangible assets under development | (4,00,000) | (12,80,000) |
| Movement in other bank balance | (2,83,34,746) | 1,76,51,060 |
| Dividend income | - | 12,039 |
| Bank interest | 24,30,834 | 31,46,948 |
| Net cash generated from investing activities | (4,62,44,870) | 82,29,026 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net cash generated from financing activities | - | - |
| Net gain/ (loss) on foreign currency translation | 11,87,329 | 9,79,290 |
| Net increase in cash and cash equivalents | (1,17,42,187) | (1,73,33,956) |
| Cash and cash equivalents (opening balance) | 1,88,77,724 | 3,62,11,680 |
| Cash and cash equivalents (closing balance) | 71,35,537 | 1,88,77,724 |

See accompanying notes to the financial statements

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Valiant Communications Limited

Statement of Changes in Equity for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | Equity Share Capital | Other Equity | | | | Total Other Equity | Total Equity |
|--|----------------------|----------------------------|----------------------------|---------------------|---|---------------------|---------------------|
| | | Reserves and Surplus | | | Other Comprehensive Income (OCI) | | |
| | | Capital Redemption Reserve | Securities Premium Reserve | Retained Earnings | Equity instruments through other comprehensive income | | |
| As at 01-04-2016 | 7,22,34,600 | 1,42,21,400 | 8,96,76,647 | 10,88,09,935 | (12,07,281) | 21,15,00,701 | 28,37,35,301 |
| Profit for the year | - | - | - | 61,77,543 | - | 61,77,543 | 61,77,543 |
| Other Comprehensive Income (net) | - | - | - | (53,800) | - | (53,800) | (53,800) |
| Total Comprehensive Income (net) | - | - | - | 61,23,743 | - | 61,23,743 | 61,23,743 |
| Cumulative losses transferred to retained earnings from OCI on financial asset derecognition | - | - | - | (12,07,281) | 12,07,281 | - | - |
| As at 31-03-2017 | 7,22,34,600 | 1,42,21,400 | 8,96,76,647 | 11,37,26,397 | - | 21,76,24,444 | 28,98,59,044 |
| Profit for the year | - | - | - | 1,47,90,483 | - | 1,47,90,483 | 1,47,90,483 |
| Other Comprehensive Income (net) | - | - | - | (91,824) | - | (91,824) | (91,824) |
| Total Comprehensive Income (net) | - | - | - | 1,46,98,659 | - | 1,46,98,659 | 1,46,98,659 |
| As at 31-03-2018 | 7,22,34,600 | 1,42,21,400 | 8,96,76,647 | 12,84,25,056 | - | 23,23,23,103 | 30,45,57,703 |

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Notes to the financial statements for the period ended 31 March 2018

1. Corporate Information

Valiant Communications Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It has been engaged primarily in the business of manufacturing of telecom transmission equipment and its allied services. The Company has its manufacturing facilities in India and sells both in India and across the globe. The Company's registered office is at 71/1, Shivaji Marg, New Delhi 110 015.

The financial statements for the year ended 31 March 2018 were approved by the Board of Directors and authorised for issue on 29 May 2018. The Corporate Identification Number (CIN) is L74899DL1993PLC056652.

2. Recent accounting pronouncement**2.1 Standards issued but not yet effective****Ind AS 115, Revenue from Contracts with Customers**

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

i) Sale of goods

For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts will be recognised as the products are being manufactured. The Company's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e., before the goods are delivered to the customers' premises.

ii) Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items.

3. Significant accounting policies**3.1 Statement of compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2016. Refer note 4 for the details of first time adoption exemptions availed by the Company.

3.2 Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Notes to the financial statements for the period ended 31 March 2018

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.3 Foreign currency translation

The functional currency of Valiant Communications Limited is Indian rupee (₹).

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

3.4 Property plant and equipment (PPE)

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost), if any, directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress, if any) less their residual values over the useful lives, using the straight-line method ("SLM") at the rates prescribed in Schedule II of the Companies Act, 2013.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

3.5 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

| Asset | Useful life |
|--------------------|-------------|
| Technical know-how | 4 years |
| Software | 6 years |

The estimated useful life is reviewed annually by the management.

3.6 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

3.7 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Notes to the financial statements for the period ended 31 March 2018

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to off set the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.8 Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

3.9 Impairment**Financial assets (other than at fair value)**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost

and FVTOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e., higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

3.10 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition including all applicable duties, taxes and other levies. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have transferred, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the financial statements for the period ended 31 March 2018

Rendering of services

Income recognition for services takes place as and when the services are performed.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Research and development expenses

Research expenditure and development costs of products are capitalised on product's technical feasibility is established.

Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating Lease

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

3.12 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or

disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.13 Employees benefits

Employee benefits consist of contribution to provident fund, gratuity fund, compensated absences and supplemental pay.

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 recognized in Other Comprehensive Income (OCI).

3.14 Segment reporting

As per Ind AS 108, Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director & CEO.

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

Notes to the financial statements for the period ended 31 March 2018

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.

3.15 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.16 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.17 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

3.18 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3.19 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

Notes to the financial statements for the period ended 31 March 2018

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Discount rate used to determine the carrying amount of the Company's defined benefit obligation

In determining the appropriate discount rate for plans assets, the management considers the interest rates of government bonds as provided by LIC, in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company.

Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described above, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

4. Transition to Ind AS

The Company's financial statements for the year ended 31 March 2018 are the first annual financial statements prepared by the Company in order to comply with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, Government of India. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2016 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

1) Reconciliations of total equity as at:

| Particulars | 31-03-2017 | 01-04-2016 |
|--|---------------------|---------------------|
| Total equity reported as per previous GAAP | 28,98,59,044 | 28,49,42,582 |
| Gain/(loss) on fair valuation of investments through OCI | - | (12,07,281) |
| Total equity as per Ind AS | 28,98,59,044 | 28,37,35,301 |

2) Reconciliation of total comprehensive income for the year ended:

| Particulars | 31-03-2017 |
|---|------------------|
| Net profit after tax reported as per previous GAAP | 49,16,462 |
| Actuarial loss transferred to Other Comprehensive Income (net of taxes) | 53,800 |
| Gain/(loss) on sale of investment over its fair value | 12,07,281 |
| Net profit after tax as per Ind AS | 61,77,543 |
| Other Comprehensive Income (net of taxes) | (53,800) |
| Total Comprehensive Income (net of taxes) as per Ind AS | 61,23,743 |

3) Statement of Cash Flows for the year ended 31 March 2017:

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows.

Reconciliations

The accounting policies have been applied in preparing the financial statements for the year ended 31 March 2018, the financial statements for the year ended 31 March 2017 and the preparation of an opening Ind AS statement of financial position as at 01 April 2016. In preparing its opening Ind AS complied Balance Sheet and Statement of Profit and Loss for the year ended 31 March 2017, the Company has adjusted amounts reported in financial statements prepared in accordance with previous GAAP.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

5 (a) Property, Plant and Equipment

| Particulars | Building | Plant & Machinery | Electric Installations | Office Equipment | Air Conditioner | Generator Set | Vehicles | Tools & Dies | Testing Equipment | Furniture & Fixtures | Computer | Total |
|--|-------------|-------------------|------------------------|------------------|-----------------|---------------|-------------|--------------|-------------------|----------------------|-----------|---------------------|
| Cost as at 01-04-2016* | 1,81,06,657 | 1,88,57,852 | 8,58,323 | 37,72,945 | 17,41,065 | 7,32,487 | 1,02,99,842 | 20,23,219 | 2,69,87,852 | 51,23,583 | 52,88,860 | 9,37,92,685 |
| Additions | - | - | - | 9,04,550 | 63,000 | - | 14,07,335 | 6,442 | 17,56,124 | 19,700 | 2,93,594 | 44,50,745 |
| Disposals/ Transfers | - | - | - | - | - | - | 7,60,925 | - | - | - | - | 7,60,925 |
| Gross carrying amount as at 31-03-2017 | 1,81,06,657 | 1,88,57,852 | 8,58,323 | 46,77,495 | 18,04,065 | 7,32,487 | 1,09,46,252 | 20,29,661 | 2,87,43,976 | 51,43,283 | 55,82,454 | 9,74,82,505 |
| Additions | - | - | - | 1,32,351 | 96,000 | - | - | 59,636 | 55,82,368 | 1,44,603 | 9,51,516 | 69,66,474 |
| Disposals/ Transfers | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross carrying amount as at 31-03-2018 | 1,81,06,657 | 1,88,57,852 | 8,58,323 | 48,09,846 | 19,00,065 | 7,32,487 | 1,09,46,252 | 20,89,297 | 3,43,26,344 | 52,87,886 | 65,33,970 | 10,44,48,979 |
| Accumulated depreciation as at 01-04-2016* | 41,66,304 | 1,58,37,006 | 6,68,123 | 32,47,597 | 7,46,632 | 4,65,666 | 39,15,028 | 16,74,105 | 1,15,22,019 | 31,83,778 | 44,22,115 | 4,98,48,373 |
| Charge for the year | 5,92,132 | 2,91,919 | 84,824 | 2,27,649 | 95,897 | 32,873 | 12,56,243 | 29,174 | 15,91,507 | 3,06,177 | 4,68,893 | 49,77,288 |
| Disposals | - | - | - | - | - | - | 7,22,879 | - | - | - | - | 7,22,879 |
| Closing accumulated depreciation as at 31-03-2017 | 47,58,436 | 1,61,28,925 | 7,52,947 | 34,75,246 | 8,42,529 | 4,98,539 | 44,48,392 | 17,03,279 | 1,31,13,526 | 34,89,955 | 48,91,008 | 5,41,02,782 |
| Charge for the year | 5,92,132 | 2,91,919 | 84,825 | 3,12,037 | 1,01,186 | 32,872 | 11,40,638 | 30,817 | 18,17,619 | 3,14,620 | 6,05,682 | 53,24,347 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing accumulated depreciation as at 31-03-2018 | 53,50,568 | 1,64,20,844 | 8,37,772 | 37,87,283 | 9,43,715 | 5,31,411 | 55,89,030 | 17,34,096 | 1,49,31,145 | 38,04,575 | 54,96,690 | 5,94,27,129 |
| Net Block as at 31-03-2018 | 1,27,56,089 | 24,37,008 | 20,551 | 10,22,563 | 9,56,350 | 2,01,076 | 53,57,222 | 3,55,201 | 1,93,95,199 | 14,83,311 | 10,37,280 | 4,50,21,850 |
| Net Block as at 31-03-2017 | 1,33,48,221 | 27,28,927 | 1,05,376 | 12,02,249 | 9,61,536 | 2,33,948 | 64,97,860 | 3,26,382 | 1,56,30,450 | 16,53,328 | 6,91,446 | 4,33,79,723 |
| Net Block as at 01-04-2016 | 1,39,40,353 | 30,20,846 | 1,90,200 | 5,25,348 | 9,94,433 | 2,66,821 | 63,84,814 | 3,49,114 | 1,54,65,833 | 19,39,805 | 8,66,745 | 4,39,44,312 |

5 (b) Intangible assets

| Particulars | Computer Software | Technical Know-How | Total | Intangible Assets under Development |
|--|-------------------|--------------------|---------------------|-------------------------------------|
| Cost as at 01-04-2016* | 1,01,80,814 | 9,24,09,004 | 10,25,89,818 | - |
| Additions | 88,698 | 85,56,100 | 86,44,798 | 12,80,000 |
| Disposals/ Transfers/ Adjustments | - | - | - | - |
| Gross carrying amount as at 31-03-2017 | 1,02,69,512 | 10,09,65,104 | 11,12,34,616 | 12,80,000 |
| Additions | 48,000 | 1,30,31,485 | 1,30,79,485 | 4,00,000 |
| Disposals/ Transfers/ Adjustments | - | - | - | - |
| Gross carrying amount as at 31-03-2018 | 1,03,17,512 | 11,39,96,589 | 12,43,14,101 | 16,80,000 |
| Accumulated amortization as at 01-04-2016* | - | - | - | - |
| Charge for the year | 86,97,752 | 6,77,55,951 | 7,64,53,703 | - |
| Disposals | 3,24,352 | 1,18,80,741 | 1,22,05,093 | - |
| Closing accumulated amortization as at 31-03-2017 | 90,22,104 | 7,96,36,692 | 8,86,58,796 | - |
| Charge for the year | 3,20,345 | 1,08,09,771 | 1,11,30,116 | - |
| Disposals | - | - | - | - |
| Closing accumulated amortization as at 31-03-2018 | 93,42,449 | 9,04,46,463 | 9,97,88,912 | - |
| Net Block as at 31-03-2018 | 9,75,063 | 2,35,50,126 | 2,45,25,189 | 16,80,000 |
| Net Block as at 31-03-2017 | 12,47,408 | 2,13,28,412 | 2,25,75,820 | 12,80,000 |
| Net Block as at 01-04-2016 | 14,83,062 | 2,46,53,053 | 2,61,36,115 | - |

* The Company has elected to continue with the carrying value of property, plant and equipment as recognized in the financial statement as per Previous GAAP and has regarded those values as the deemed cost on the date of transition. The Company has carried forward the gross block and accumulated depreciation above, for disclosure purpose only.

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

6. Non-current investments

| Unquoted equity instruments (all fully paid) | Face value per share | Number of shares | | | Amount | | |
|---|-------------------------|------------------|------------|------------|--------------------|--------------------|--------------------|
| | | 31-03-2018 | 31-03-2017 | 01-04-2016 | 31-03-2018 | 31-03-2017 | 01-04-2016 |
| Investments in subsidiaries at cost | | | | | | | |
| Valiant Communications (UK) Ltd. | £1.00 | 2,25,000 | 2,25,000 | 2,25,000 | 1,77,58,130 | 1,77,58,130 | 1,77,58,130 |
| Valiant Infrastructure Ltd. | ₹ 10.00 | 2,86,287 | 2,86,287 | 2,86,287 | 28,62,870 | 28,62,870 | 28,62,870 |
| Total investments in subsidiaries | | | | | 2,06,21,000 | 2,06,21,000 | 2,06,21,000 |
| Other investments carried at fair value through other comprehensive income | | | | | | | |
| United States Steel Corporation | US\$ 1.00 | - | - | 1195 | - | - | 12,72,193 |
| Total non-current investments | | | | | 2,06,21,000 | 2,06,21,000 | 2,18,93,193 |
| Aggregate amount of quoted investments and market value | | | | | - | - | 12,72,193 |

7. Other financial assets (at amortised cost)*

Unsecured, considered good

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|-----------------|-----------------|-----------------|
| a) Non-current | | | |
| Security deposits | 22,000 | 22,000 | 24,250 |
| Total | 22,000 | 22,000 | 24,250 |
| b) Current | | | |
| Interest accrued on fixed deposit with bank | 6,96,875 | 3,07,216 | 5,92,579 |
| Total | 6,96,875 | 3,07,216 | 5,92,579 |

*There is no amount due by directors or officers of the Company or any of them, severally or jointly with any other persons or amount due by firms or private companies respectively in which such director is a partner or a member at any time during the reporting period.

8. Income taxes

The major component of income tax expenses for the year under reporting are:

a) Current tax assets and liabilities as at

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|------------------|------------------|------------------|
| Non current tax assets | | | |
| Advance income tax (net of provisions) | 52,07,398 | 55,62,826 | 55,54,876 |
| Total | 52,07,398 | 55,62,826 | 55,54,876 |
| Current tax liabilities | | | |
| Provision for income tax (net of advance tax) | 25,35,277 | 17,14,975 | 5,88,360 |
| Total | 25,35,277 | 17,14,975 | 5,88,360 |

b) Income tax recognized in profit and loss

| Particulars | 31-03-2018 | 31-03-2017 |
|---|------------------|------------------|
| Current income tax charge | | |
| Current income tax | 60,70,198 | 17,36,040 |
| Adjustment in respect of current income tax of previous year | 81,281 | - |
| Deferred tax | | |
| In respect of current year | (4,39,431) | 5,03,424 |
| Adjustment in respect of prior years | (1,11,483) | - |
| Income tax expenses reported in the Statement of profit and loss | 56,00,565 | 22,39,464 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

c) The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | 31-03-2018 | 31-03-2017 |
|--|------------------|------------------|
| Profit before tax | 2,03,91,048 | 84,17,007 |
| Income tax expense calculated @ 27.55% (previous year: 30.90%) | 56,18,243 | 26,00,855 |
| Effect of expenses that are not deductible in determining taxable profit | 12,524 | 20,942 |
| Tax effect on fair value recognized gain on investments | - | (3,75,118) |
| Tax impact on sale of long-term investments | - | (1,641) |
| Others | - | (5,574) |
| Adjustment for changes in estimates of deferred tax | (1,11,483) | - |
| Adjustment in respect of current income tax of previous year | 81,281 | - |
| Income tax expenses reported in the statement of profit and loss | 56,00,565 | 22,39,464 |

9. Other assets Unsecured, considered good

a) Non-current assets

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|------------------|------------------|------------------|------------------|
| Capital advances | 42,37,500 | 43,42,501 | 34,99,125 |
| Total | 42,37,500 | 43,42,501 | 34,99,125 |

b) Current assets

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|------------------|------------------|------------------|
| Statutory dues receivable from government authorities | | | |
| Value Added Tax (VAT) credit receivable | 38,736 | 48,575 | 1,83,087 |
| Service tax credit receivable | 1,37,307 | 1,57,520 | 2,46,296 |
| Cenvat credit receivable | - | 3,41,193 | 20,05,694 |
| Other tax credit | - | - | - |
| Advances to suppliers | 10,09,129 | 4,78,541 | 21,72,633 |
| Earnest money deposits with customers | 3,25,500 | 94,500 | 1,94,600 |
| Prepaid expenses | 38,21,974 | 25,50,115 | 12,36,858 |
| Total | 53,32,646 | 36,70,444 | 60,39,168 |

Note: There are no advances due by directors or officers of the Company or any of them, severally or jointly with any other persons or amounts due by firms or private companies respectively in which such director is a partner or a member.

10. Inventories (valued at lower of cost or net realizable value)

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|------------------|--------------------|--------------------|--------------------|
| Raw material | 5,86,03,778 | 7,51,52,196 | 7,59,33,803 |
| Work-in-progress | 13,11,078 | 47,64,964 | 1,35,23,077 |
| Total | 5,99,14,856 | 7,99,17,160 | 8,94,56,880 |

11. Trade receivables

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--------------------------------|---------------------|---------------------|--------------------|
| Unsecured, but considered good | 12,02,36,785 | 10,17,91,557 | 4,44,24,687 |
| Any other | - | - | - |
| Total | 12,02,36,785 | 10,17,91,557 | 4,44,24,687 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

Notes:

1. The normal credit period ranges from 30 days to 180 days.
2. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
3. Movement in the expected credit loss allowance: Not Applicable
4. There is no amount due by directors or officers of the Company or any of them, severally or jointly with any other persons or amount due by firms or private companies respectively in which such director is a partner or a member at any time during the reporting period.

12. Cash & bank balances

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|--------------------|--------------------|--------------------|
| a) Cash & cash equivalents | | | |
| Balances with banks in current accounts | 70,44,295 | 1,87,37,936 | 1,60,27,312 |
| Cash on hand | 91,242 | 1,39,788 | 1,84,368 |
| Deposits with original maturity of less than 3 months | - | - | 2,00,00,000 |
| Total | 71,35,537 | 1,88,77,724 | 3,62,11,680 |
| b) Other bank balance | | | |
| Deposit with original maturity more than 3 months but less than 12 months | 2,55,00,000 | - | 1,75,00,000 |
| <i>Earmarked balances with banks</i> | | | |
| Unpaid dividend accounts | 1,10,164 | 2,88,334 | 4,39,395 |
| Bank deposits as margin money against bank guarantees | 1,37,49,013 | 1,07,36,097 | 1,07,36,097 |
| Total | 3,93,59,177 | 1,10,24,431 | 2,86,75,492 |

13. Share capital

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|--------------|--------------|--------------|
| Authorized | | | |
| 1,50,00,000 equity shares of ₹ 10/- each | 15,00,00,000 | 15,00,00,000 | 15,00,00,000 |
| Issued, subscribed & paid-up | | | |
| 72,23,460 equity shares of ₹ 10/- each fully paid up | 7,22,34,600 | 7,22,34,600 | 7,22,34,600 |

13.1 Reconciliation statement for number of equity shares outstanding

| Particulars | No. of shares | Value in ₹ |
|---|------------------|--------------------|
| Equity shares of ₹ 10/- each fully paid up | | |
| As at 01-04-2016 | 72,23,460 | 7,22,34,600 |
| Any changes/ movement during the year | - | - |
| As at 31-03-2017 | 72,23,460 | 7,22,34,600 |
| Any changes/ movement during the year | - | - |
| As at 31-03-2018 | 72,23,460 | 7,22,34,600 |

13.2 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, if any, is subject to the approval of equity shareholders in their ensuing annual general meeting, except in case of interim dividend.

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.

13.3 Any holding of shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: None

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

13.4 Details of shareholders holding more than five per cent equity shares in the Company

| Particulars | Category | No. of shares | % holding |
|---------------------------------------|---------------------|------------------|--------------|
| a) Inder Mohan Sood | Promoter | | |
| As at 01-04-2016 | | 10,32,536 | 14.29 |
| As at 31-03-2017 | | 11,49,086 | 15.91 |
| As at 31-03-2018 | | 11,49,086 | 15.91 |
| b) Davinder Mohan Sood | Promoter | | |
| As at 01-04-2016 | | 10,31,208 | 14.28 |
| As at 31-03-2017 | | 11,47,758 | 15.89 |
| As at 31-03-2018 | | 11,47,758 | 15.89 |
| c) Ostrich Estate Private Ltd. | Non-promoter | | |
| As at 01-04-2016 | | 3,80,660 | 5.27 |
| As at 31-03-2017 | | 1,94,429 | 2.69 |
| As at 31-03-2018 | | 1,94,429 | 2.69 |

13.5 As per records of the Company as at reporting date, no calls remain unpaid by the directors and officers of the Company.

14. Other equity

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|---------------------|---------------------|---------------------|
| Securities premium account | 8,96,76,647 | 8,96,76,647 | 8,96,76,647 |
| Capital redemption reserve | 1,42,21,400 | 1,42,21,400 | 1,42,21,400 |
| Retained earnings | 12,84,25,056 | 11,37,26,397 | 10,88,09,935 |
| Reserve for equity instrument through Other Comprehensive Income (OCI) | - | - | (12,07,281) |
| Total | 23,23,23,103 | 21,76,24,444 | 21,15,00,701 |

14.1 Movement in other equity

| Particulars | 31-03-2018 | 31-03-2017 |
|---|---------------------|---------------------|
| Reserves & surplus | | |
| Securities premium reserve | | |
| Balance at beginning of year | 8,96,76,647 | 8,96,76,647 |
| Addition/ deduction | - | - |
| Closing balance | 8,96,76,647 | 8,96,76,647 |
| Capital redemption reserve | | |
| Balance at beginning of year | 1,42,21,400 | 1,42,21,400 |
| Addition/ deduction | - | - |
| Closing balance | 1,42,21,400 | 1,42,21,400 |
| Retained earnings | | |
| Balance at beginning of year | 11,37,26,397 | 10,88,09,935 |
| Add: Profit/ (loss) for the year | 1,47,90,483 | 61,77,543 |
| Cumulative losses transferred from OCI on financial asset derecognition | - | (12,07,281) |
| Other Comprehensive Income arising from rereasurement of defined benefit obligation (net of income tax) | (91,824) | (53,800) |
| Closing balance | 12,84,25,056 | 11,37,26,397 |
| Reserve for equity instrument through Other Comprehensive Income | | |
| Balance at beginning of year | - | (12,07,281) |
| Addition/ (deduction) for the year | - | - |
| Cumulative gain/ (loss) transferred to retained earnings | - | 12,07,281 |
| Closing balance | - | - |
| Total | 23,23,23,103 | 21,76,24,444 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

Notes:

1. Amount received on issue of shares in excess of the par value has been classified as security share premium.
2. Capital redemption reserve is created out of profits on redemption of capital.

15. Deferred tax liabilities (net)

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|-----------------|------------------|-----------------|
| Property, plant and equipment | 10,23,649 | 14,55,786 | 23,64,348 |
| Gross deferred tax liability | 10,23,649 | 14,55,786 | 23,64,348 |
| Less: | | | |
| Unabsorbed depreciation carried forward | - | - | 14,33,186 |
| Provisions for employee benefits | 5,45,493 | 4,26,716 | 4,05,516 |
| Gross deferred tax asset | 5,45,493 | 4,26,716 | 18,38,702 |
| Deferred tax liabilities (net) | 4,78,156 | 10,29,070 | 5,25,646 |

16. Current financial liabilities

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|--------------------|--------------------|--------------------|
| a) Trade payable | | | |
| Outstanding dues of micro enterprises and small enterprises | - | - | - |
| Outstanding dues of creditors other than micro and small enterprises | 1,73,92,229 | 1,35,35,518 | 1,54,79,959 |
| Total | 1,73,92,229 | 1,35,35,518 | 1,54,79,959 |
| b) Other financial liabilities | | | |
| Unpaid dividend | 1,10,164 | 2,88,334 | 4,39,395 |
| Employees related payables | 21,83,875 | 20,77,719 | 17,83,731 |
| Other expenses payable | 12,71,589 | 3,64,953 | 3,53,984 |
| Total | 35,65,628 | 27,31,006 | 25,77,110 |

Note: The average credit period on purchases of goods and services are within 120 days. The trade payables are non-interest bearing.

17. Other current liabilities

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|-------------------------|------------------|------------------|------------------|
| Advances from customers | 9,19,145 | 19,18,232 | 20,78,451 |
| Statutory dues | 28,33,540 | 15,32,392 | 7,51,494 |
| Total | 37,52,685 | 34,50,624 | 28,29,945 |

18. Provisions

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|------------------|-----------------|-----------------|
| a) Non-current | | | |
| Provision for gratuity | 7,84,895 | 5,85,022 | 4,81,944 |
| Total | 7,84,895 | 5,85,022 | 4,81,944 |
| b) Current | | | |
| Provision for short-term employees benefit (leave encashment) | 11,94,938 | 7,95,936 | 8,30,405 |
| Total | 11,94,938 | 7,95,936 | 8,30,405 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

19. Revenue from operations

| Particulars | 31-03-2018 | 31-03-2017 |
|---|---------------------|---------------------|
| <i>from exports</i> | | |
| Sale of products | 9,76,17,066 | 9,03,28,541 |
| Sale of services | 17,12,152 | 49,950 |
| Total (A) | 9,93,29,218 | 9,03,78,491 |
| <i>from India</i> | | |
| Sale of products inclusive of excise duty | 12,83,51,931 | 9,24,83,847 |
| Sale of services | 11,65,945 | 1,41,000 |
| Total (B) | 12,95,17,876 | 9,26,24,847 |
| Total (A + B) | 22,88,47,094 | 18,30,03,338 |

- 19.1 According to the requirement of Ind AS, revenue of the company is reported inclusive of Excise Duty for the period of its applicability. The Government of India has implemented Goods and Service Tax (GST) from 01-07-2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS, the revenue for the period from 01-07-2017 to the end of the current year is reported net of GST.

Had the previously reported revenues were shown net of excise duty, comparative revenue of the Company would have been as follows:

| Particulars | 31-03-2018 | 31-03-2017 |
|-----------------------------|--------------|--------------|
| Net Revenue from operations | 22,64,31,155 | 17,56,01,200 |

20. Other income

| Particulars | 31-03-2018 | 31-03-2017 |
|---|------------------|------------------|
| a) Interest income | | |
| Interest Income on bank deposits carried at amortised cost | 24,30,834 | 31,46,948 |
| b) Dividend income | | |
| Dividend on non-current investment in equity instruments carried at FVOCI | - | 12,039 |
| c) Others gains and losses | | |
| Net gain on derecognition of financial assets | - | 13,45,705 |
| Net gain/ (loss) on foreign currency transaction and translation | 11,87,329 | 9,79,290 |
| Total | 36,18,163 | 54,83,982 |

21. Expenses

| Particulars | 31-03-2018 | 31-03-2017 |
|---------------------------------------|---------------------|--------------------|
| 21.1 Cost of material consumed | | |
| Opening stock | 7,51,52,196 | 7,59,33,803 |
| Add: Purchases | 8,87,94,196 | 7,59,73,991 |
| Less: Closing stock | (5,86,03,778) | (7,51,52,196) |
| Total | 10,53,42,614 | 7,67,55,598 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | 31-03-2018 | 31-03-2017 |
|--|--------------------|--------------------|
| 21.2 Changes in inventories of work-in-progress (semi-finished) | | |
| Opening stock | 47,64,964 | 1,35,23,077 |
| Less : Closing stock | (13,11,078) | (47,64,964) |
| (Increase) / decrease in inventories | 34,53,886 | 87,58,113 |
| 21.3 Employee benefits expenses | | |
| Salary, wages and bonus | 3,55,25,471 | 3,34,76,040 |
| Contribution to provident and other funds | 9,77,368 | 10,19,557 |
| Staff welfare | 9,04,314 | 11,73,667 |
| Total | 3,74,07,153 | 3,56,69,264 |
| 21.4 Depreciation and amortization expenses | | |
| Depreciation on tangible assets | 53,24,347 | 49,77,288 |
| Amortization of intangible assets | 1,11,30,116 | 1,22,05,093 |
| Total | 1,64,54,463 | 1,71,82,381 |
| 21.5 Other expenses | | |
| Consumption of stores and spare parts | 7,95,673 | 8,51,140 |
| Power & fuel | 15,42,503 | 15,62,920 |
| Repairs to machinery | 2,44,622 | 2,37,228 |
| Repairs to building | 4,45,315 | 1,73,398 |
| Other manufacturing expenses | 82,45,802 | 65,60,679 |
| Loss on sale of fixed assets | - | 18,046 |
| Rent | 7,20,000 | 7,20,000 |
| Rates & taxes, excluding taxes on income | 4,18,024 | 1,64,919 |
| Postage, phones & grams | 8,17,727 | 7,65,726 |
| Product testing & quality certification | 17,54,022 | 8,66,178 |
| Printing & stationery | 7,06,323 | 6,11,303 |
| Installation & commissioning | 13,58,576 | 15,01,558 |
| Traveling | 68,26,470 | 36,58,784 |
| Insurance | 9,24,632 | 3,42,435 |
| Advertisement | 8,80,689 | 6,60,006 |
| Office general expenses | 6,65,671 | 8,28,180 |
| Vehicle repair & maintenance | 8,79,623 | 7,28,374 |
| Freight & cartage | 94,07,523 | 56,00,667 |
| Charity and donation | 33,000 | 35,000 |
| Unrealized debtors | 8,36,038 | 3,76,489 |
| Security | 11,70,000 | 10,03,200 |
| Miscellaneous | 2,31,905 | 6,09,791 |
| Auditors remuneration | 4,00,000 | 4,00,000 |
| Bank charges | 6,85,032 | 4,63,864 |
| Legal & professional | 31,94,934 | 37,89,706 |
| Packing & forwarding | 34,69,465 | 16,02,613 |
| Business promotion | 3,46,585 | 1,70,615 |
| Total | 4,70,00,154 | 3,43,02,819 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

22. Earning per share

| Particulars | 31-03-2018 | 31-03-2017 |
|---|-------------|------------|
| Net profit attributable to the equity shareholders of the Company | 1,47,90,483 | 61,77,543 |
| Weighted average number of equity shares of ₹ 10/- each | 72,23,460 | 72,23,460 |
| Basic and diluted earning per share | 2.05 | 0.86 |

23. Contingent liabilities and commitments

23.1 Contingent liabilities (not provided for)

| Particulars | 31-03-2018 | 31-03-2017 |
|--------------------------------|------------------|------------------|
| Income-tax matter in dispute | 69,38,270 | 69,38,270 |
| Any other contingent liability | - | - |
| Total | 69,38,270 | 69,38,270 |

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.

23.2 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.

24. Lease

The Company has executed a cancelable operating lease agreement with rent payable on a monthly basis, for industrial purpose. 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.

Rental expenses of ₹ 7,20,000/- (previous year: ₹ 7,20,000/-) in respect of obligation under operating lease(s), have been recognized in the profit and loss account.

25. Gratuity

The Company has a defined benefit gratuity plan with 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 fund has formed a trust and it is governed by Board of Trustee.

The fund is subject to risks such as asset volatility, changes in bond yields and asset liability mismatch. In managing the plan assets, the Board of Trustee reviews and manages the risks associated with the funded plan and aim to keep annual contributions relatively stable at a level such that no major plan deficits arises by following effective risk management policies.

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | 31-03-2018 | 31-03-2017 | |
|---|------------------------|-------------------|-------------------|
| 25.1 Net employee benefit expenses (recognized in profit and loss account) | | | |
| Current service cost | 3,14,522 | 3,34,175 | |
| Net interest expenses/ (income) | 89,601 | 44,748 | |
| Amount recognized in profit and loss account | 4,04,123 | 3,78,923 | |
| Remeasurement of the net employee defined benefit plans | | | |
| Net actuarial gain/ (loss) on obligation | (1,03,578) | (36,914) | |
| Net actuarial gain/ (loss) on plan assets | (23,167) | (37,951) | |
| Amount recognized in Other Comprehensive Income | (1,26,745) | (74,865) | |
| Total | 5,30,868 | 4,53,788 | |
| 25.2 Changes in present value of defined benefit obligation | | | |
| Opening defined benefit obligation | 62,54,611 | 59,10,893 | |
| Interest cost | 5,15,529 | 4,73,635 | |
| Current service cost | 3,14,522 | 3,34,175 | |
| Benefits paid | - | (5,01,006) | |
| Net actuarial (gain)/ loss on obligation | 1,03,578 | 36,914 | |
| Closing defined benefit obligation | 71,88,240 | 62,54,611 | |
| 25.3 Changes in fair value of plan assets | | | |
| Opening fair value of plan assets | 56,69,589 | 54,28,949 | |
| Interest return | 4,25,928 | 4,28,888 | |
| Contribution by employer | 3,30,995 | 3,50,709 | |
| Benefits paid | - | (5,01,006) | |
| Net actuarial gain/ (loss) | (23,167) | (37,951) | |
| Closing fair value of plan assets | 64,03,345 | 56,69,589 | |
| 25.4 Plan assets/ (liability) recognized in the balance sheet | | | |
| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
| Present value of defined benefit obligation | 71,88,240 | 62,54,611 | 59,10,893 |
| Less: Fair value of plan assets | 64,03,345 | 56,69,589 | 54,28,949 |
| Funded status [Deficit/ (Surplus)] | 7,84,895 | 5,85,022 | 4,81,944 |
| 25.5 Constitution of the fair value of total plan assets | | | |
| Investments with insurer (LIC of India) | 100% | 100% | 100% |
| 25.6 Principal actuarial assumptions | | | |
| Discount rate | 7.50% | 8.00% | 8.00% |
| Salary escalation | 6.00% | 6.00% | 6.00% |
| Expected rate of return on plan assets | 7.51% | 7.90% | 8.75% |
| Mortality Rate | LIC (2006-08) Ultimate | | |
| Employee turnover | 1% to 3% | 1% to 3% | 1% to 3% |
| 25.7 Sensitivity analysis | | | |
| Impact on defined benefit obligation | | | |
| Assumption | 31-03-2018 | 31-03-2017 | |
| Discount rate | | | |
| 1.00% increase | 3,54,105 | 2,86,938 | |
| 1.00% decrease | 3,99,249 | 3,21,296 | |
| Future salary increase | | | |
| 1.00% increase | 3,63,902 | 3,06,668 | |
| 1.00% decrease | 3,28,556 | 2,78,207 | |
| Attrition Rate | | | |
| 1.00% increase | 9,029 | 5,103 | |
| 1.00% decrease | 8,965 | 5,046 | |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Following are the expected cash flows to the defined benefit plan in future years:

| Particulars | 31-03-2018 | 31-03-2017 |
|------------------------|------------|------------|
| With in next 12 months | 3,85,710 | 3,26,224 |
| Between 1-5 years | 11,56,358 | 9,34,633 |
| Between 5-10 years | 7,89,085 | 8,46,552 |

26. Financial instruments

Capital management

The capital structure of the Company consists of equity share capital only with no reported debt (neither secured nor unsecured). The Company is not subject to any externally imposed capital requirements.

Categories of financial instruments

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|--------------|--------------|-------------|
| Financial assets | | | |
| Measured at amortised cost | | | |
| a) Cash and bank balances | 4,64,94,714 | 2,99,02,155 | 6,48,87,172 |
| b) Other financial assets at amortised cost | 12,09,55,660 | 10,21,20,773 | 4,50,41,516 |
| Measured at fair value through other comprehensive income (FVOCI) | | | |
| a) Investment (other than subsidiaries) | - | - | 12,72,193 |
| Financial liabilities | | | |
| Measured at amortised cost | | | |
| a) Other financial liabilities at amortised cost | 2,09,57,857 | 1,62,66,524 | 1,80,57,069 |
| b) Borrowings | - | - | - |

Fair value hierarchy

There are no reported financial assets that are measured at fair value or where fair value disclosure is required as at 31-03-2018 and 31-03-2017.

The following table provides the fair value measurement hierarchy of the Company's financial assets that are measured at fair value or where fair value disclosure is required as at 01-04-2016:

| Particulars | Total | Fair value measurement using | | |
|---|-----------|------------------------------|---------|---------|
| | | Level-1 | Level-2 | Level-3 |
| FVOCI investments in equity instruments | 12,72,193 | 12,72,193 | - | - |

There have been no transfers amount Level 1, Level 2 and Level 3 during the year.

Notes to the financial statements for the period ended 31st March 2018

All amounts are in ₹ unless otherwise stated

There are no reported financial liabilities that are measured at fair value or where fair value disclosure is required as at 31-03-2018, 31-03-2017 and 01-04-2016.

27. Financial risk management

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The financial liabilities of the Company comprise trade and other payables to finance the operations of the Company. The financial assets of the Company include loans, trade and other receivables, cash and cash equivalents that directly derive from the operations. The Company has not entered into any derivative transactions.

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for providing the risk strategies and principles.

The Company is exposed to market risk, credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates.

Though the Company has not entered in any forward foreign exchange contract; however, the market risk is managed on the basis of continuous appraisal of market conditions and management's estimate of long and short-term and changes in fair value.

Foreign currency risk management

The Company is mainly exposed to the USD currency for all its outstanding receivables and payables.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed in accordance with the market conditions and management's estimates.

The carrying amounts of the Company's foreign currency dominated unhedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | in USD | | |
|----------------------------|------------|------------|------------|
| | 31-03-2018 | 31-03-2017 | 01-04-2016 |
| Liabilities in USD | | | |
| Creditors | 1,05,589 | 67,559 | 61,879 |
| Advances from customers | 14,132 | 29,341 | 31,335 |
| Assets in USD | | | |
| Debtors | 2,26,884 | 2,70,781 | 5,26,677 |
| Advances paid to suppliers | 8,004 | 1,980 | 32,651 |
| Bank balance | 24,785 | 31,367 | 41,028 |

| Particulars | in ₹ | | |
|----------------------------|-------------|-------------|-------------|
| | 31-03-2018 | 31-03-2017 | 01-04-2016 |
| Liabilities | | | |
| Creditors | 68,67,539 | 43,80,538 | 41,04,463 |
| Advances from customers | 9,19,145 | 19,02,438 | 20,78,451 |
| Assets | | | |
| Debtors | 1,47,56,555 | 1,75,57,436 | 3,49,34,515 |
| Advances paid to suppliers | 5,20,580 | 1,28,383 | 21,65,741 |
| Bank balance | 16,11,999 | 20,33,847 | 27,21,371 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against USD i.e., the relevant foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period.

Impact on profit or loss and total equity

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---------------------------------|------------|------------|-------------|
| Increase in exchange rate by 5% | 4,55,122 | 6,71,835 | 16,81,936 |
| Decrease in exchange rate by 5% | (4,55,122) | (6,71,835) | (16,81,936) |

Favourable impact shown as positive and adverse impact as negative.

The Company has not entered in any forward foreign exchange derivative contracts during the reporting periods.

Equity risk

There is no material equity risk relating to the Company's equity investments. The Company's equity investments majorly comprises of strategic investments rather than trading purposes.

Interest risk

There is no material interest risk relating to the Company's financial liabilities.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own trading records to evaluate the credit worthiness of its customers. The Company's exposures are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties.

Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year.

Liquidity risk table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| Particulars | < 1 year | 1 to 3 years | > 3 years |
|---|-------------|--------------|-----------|
| As at 31-03-2018 | | | |
| Financial liabilities at amortised cost | 2,09,57,857 | - | - |
| Borrowings | - | - | - |
| As at 31-03-2017 | | | |
| Financial liabilities at amortised cost | 1,62,66,524 | - | - |
| Borrowings | - | - | - |
| As at 01-04-2016 | | | |
| Financial liabilities at amortised cost | 1,80,57,069 | - | - |
| Borrowings | - | - | - |

28. Related party transactions

Details of transactions between the Company and other related party are disclosed below.

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

28.1 Subsidiaries with ownership details

| Name | Country | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|-------------------------------------|---------|------------|------------|------------|
| Direct | | | | |
| Valiant Communications (UK) Limited | U.K. | 100.00% | 100.00% | 100.00% |
| Valiant Infrastructure Limited | India | 88.94% | 88.94% | 88.94% |
| Indirect | | | | |
| Valcomm Technologies Inc. | U.S.A. | 100.00% | 100.00% | - |

28.2 The Company has entered in transactions of sale of goods with Valiant Communications (UK) Limited, of ₹ 82,22,700/- (previous year: ₹ 24,02,114/-).

As on reporting date, following are the amount owed by the Company, received as an advance for aforesaid transactions:

| Related party | 31-03-2018 | 31-03-2017 |
|-------------------------------------|------------|------------|
| Valiant Communications (UK) Limited | - | 4,74,629 |

28.3 Key Management Personnel

| | |
|---|---|
| Mr. Inder Mohan Sood (Chairman and Managing Director) | Mr. Sumit Mehta (Independent Director) |
| Mr. Davinder Mohan Sood (Executive Director -Finance) | Ms. Neepa Chatterjee (Independent Director) |
| Mr. Gaurav Kaura (Independent Director) | Mr. Manish Kumar (Company Secretary) |
| Mr. Avinash Verma (Independent Director) | |

During the year under reporting the Company has paid total remuneration of ₹ 83,36,000/- (previous year: ₹ 83,07,667/-) to above Key Management Personnel.

29. Auditor's remuneration

| Particulars | 31-03-2018 | 31-03-2017 |
|-----------------------|-----------------|-----------------|
| Statutory audit fee | 1,75,000 | 1,75,000 |
| Certification charges | 1,00,000 | 1,00,000 |
| Tax audit | 1,25,000 | 1,25,000 |
| Total | 4,00,000 | 4,00,000 |

30. Segmentwise revenue & results

| Particulars | 31-03-2018 | 31-03-2017 |
|--|---------------------|---------------------|
| Revenue by geographical segment | | |
| India | 12,95,17,876 | 9,26,24,847 |
| USA | 2,72,08,720 | 3,26,18,714 |
| Europe | 1,16,20,116 | 50,37,884 |
| Rest of the world | 6,05,00,382 | 5,27,21,893 |
| Total | 22,88,47,094 | 18,30,03,338 |
| Less : Inter segment revenue | - | - |
| Net sales/ revenue from operation | 22,88,47,094 | 18,30,03,338 |

Notes to the financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | 31-03-2018 | 31-03-2017 |
|--|---------------------|--------------------|
| Profit/(loss) before tax and interest by geographical segment | | |
| India | 6,55,27,672 | 4,36,95,589 |
| USA | 1,42,73,386 | 1,67,34,161 |
| Europe | 60,95,782 | 26,10,177 |
| Rest of the world | 3,17,37,815 | 2,70,47,561 |
| Total | 11,76,34,655 | 9,00,87,488 |
| Less : Interest | - | - |
| Less : Other unallocable expenditure | 10,08,61,770 | 8,71,54,463 |
| Add: Other unallocable income | 36,18,163 | 54,83,982 |
| Profit before tax | 2,03,91,048 | 84,17,007 |

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.

31. Other disclosures:

- 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.
- 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).
- 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 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, to small and micro enterprises supplier, to whom the Company owes dues, which are outstanding beyond prescribed period as at the balance sheet date.

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

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

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Consolidated Financial Statements For the Financial Year ended 31 March 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Valiant Communications Limited

Report on the audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS 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 March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective board of directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may use group to cease to continue as going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 March 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

1. The Consolidated financial statements of the Group for the year ended 31 March 2017, were audited by the predecessor auditors under the Companies Act, 2013 who, vide their report dated 3 May 2017, expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of the above matter.
2. We did not audit the financial statements of Valiant Communications (UK) Limited and Valcomm Technologies Inc., foreign subsidiaries of the Holding Company, whose respective standalone financial statements reflect total assets of ₹ 381.99 lacs as at 31 March 2018, total turnover of ₹ 158.02 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 Ind AS financial statements above, and our report on Other Legal and Regulatory below Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by 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 Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the consolidated Ind AS 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 (including Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 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 March 2018 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; and
 - iv) the disclosure in the consolidated Ind AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No. 008953C

Alok Jain
Partner
Membership No. 510960

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 Ind AS financial statements of the Company as of and for the year ended 31 March 2018, 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.

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") 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 of the Holding Company and its subsidiary companies, which are companies incorporated in India.

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 March 2018, 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.

New Delhi, 29 May 2018

For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No. 008953C

Alok Jain
Partner
Membership No. 510960

Valiant Communications Limited

Consolidated Balance Sheet as at 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | Note | As at 31-03-2018 | As at 31-03-2017 | As at 01-04-2016 |
|---|-------|---------------------|---------------------|---------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| (a) Property, plant and equipment | 5(a) | 4,50,21,850 | 4,33,79,723 | 4,39,44,312 |
| (b) Other intangible assets | 5(b) | 2,45,25,189 | 2,25,75,820 | 2,61,36,115 |
| (c) Intangible assets under development | 5(b) | 16,80,000 | 12,80,000 | - |
| (d) Financial Assets | | | | |
| (i) Investments | 6 | - | 62,53,035 | 61,24,259 |
| (ii) Other financial assets | 7(a) | 3,72,000 | 3,72,000 | 3,74,250 |
| (e) Deferred tax assets (net) | 15 | - | 8,91,401 | - |
| (f) Income tax assets (net) | 8 | 52,16,466 | 55,83,217 | 55,64,914 |
| (g) Other non-current assets | 9(a) | 42,37,500 | 43,42,501 | 34,99,125 |
| Total non-current assets | | 8,10,53,005 | 8,46,77,697 | 8,56,42,975 |
| Current assets | | | | |
| (a) Inventories | 10 | 5,99,14,856 | 7,99,17,160 | 8,94,56,880 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 11 | 12,02,36,785 | 10,24,97,234 | 4,95,72,376 |
| (ii) Cash and cash equivalents | 12(a) | 4,13,13,505 | 3,67,95,277 | 5,49,68,804 |
| (iii) Bank balances other than (ii) above | 12(b) | 4,03,59,177 | 1,40,24,431 | 3,16,75,240 |
| (iv) Others financial assets | 7(b) | 7,00,875 | 3,09,474 | 5,95,095 |
| (c) Income tax assets (Net) | | 2,80,352 | 3,52,167 | 6,22,815 |
| (d) Other current assets | 9(b) | 70,56,229 | 36,70,444 | 60,39,168 |
| Total current assets | | 26,98,61,779 | 23,75,66,187 | 23,29,30,378 |
| Total assets | | 35,09,14,784 | 32,22,43,884 | 31,85,73,353 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity share capital | 13 | 7,22,34,600 | 7,22,34,600 | 7,22,34,600 |
| (b) Other equity | 14 | 24,10,48,201 | 22,56,77,762 | 22,21,90,494 |
| Equity attributable to the owners | | 31,32,82,801 | 29,79,12,362 | 29,44,25,094 |
| Non-controlling interest | | 4,07,322 | 4,13,396 | 4,01,145 |
| Total equity | | 31,36,90,123 | 29,83,25,758 | 29,48,26,239 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| (a) Provisions | 18(a) | 7,84,895 | 5,85,022 | 4,81,944 |
| (b) Deferred tax liabilities (net) | 15 | 4,78,156 | 10,29,070 | 5,25,646 |
| Total non-current liabilities | | 12,63,051 | 16,14,092 | 10,07,590 |
| Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Trade payables | 16(a) | 2,40,82,402 | 1,30,60,889 | 1,54,79,958 |
| (ii) Other financial liabilities | 16(b) | 38,13,738 | 32,32,802 | 29,71,977 |
| (b) Other current liabilities | 17 | 43,35,255 | 34,50,624 | 28,29,945 |
| (c) Provisions | 18(b) | 11,94,938 | 7,95,936 | 8,30,405 |
| (d) Current tax liabilities (net) | 8 | 25,35,277 | 17,63,783 | 6,27,239 |
| Total current liabilities | | 3,59,61,610 | 2,23,04,034 | 2,27,39,524 |
| Total Equity and Liabilities | | 35,09,14,784 | 32,22,43,884 | 31,85,73,353 |

See accompanying notes to the financial statements

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Valiant Communications Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | Note | 31-03-2018 | 31-03-2017 |
|---|------|---------------------|---------------------|
| I. Revenue From Operations | 19 | 23,65,37,689 | 18,33,56,527 |
| II. Other Income | 20 | 40,36,695 | 82,52,809 |
| III. Total Income (I+II) | | 24,05,74,384 | 19,16,09,336 |
| IV. EXPENSES | | | |
| Cost of materials consumed | 21.1 | 10,53,42,614 | 7,67,55,598 |
| Purchase of stock in trade | | 64,73,848 | - |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21.2 | 34,53,886 | 87,58,113 |
| Excise duty on sale of goods | | 24,15,939 | 74,02,138 |
| Employee benefits expense | 21.3 | 3,74,07,153 | 3,72,86,858 |
| Depreciation and amortization expense | 21.4 | 1,64,54,463 | 1,71,82,381 |
| Other expenses | 21.5 | 4,95,54,576 | 3,54,44,370 |
| Total expenses (IV) | | 22,11,02,479 | 18,28,29,458 |
| V. Profit/(loss) before exceptional items and tax (I- IV) | | 1,94,71,905 | 87,79,878 |
| VI. Exceptional Items | | - | - |
| VII. Profit/(loss) before tax (V-VI) | | 1,94,71,905 | 87,79,878 |
| VIII. Tax expense: | | - | - |
| (1) Current tax | 8 | 61,53,275 | 17,74,261 |
| (2) Deferred tax | 8 | 3,43,312 | 8,83,638 |
| IX. Profit (Loss) for the year (VII-VIII) | | 1,29,75,318 | 61,21,979 |
| X. Other Comprehensive Income | | | |
| a) Items that will be reclassified to profit or loss | | | |
| Exchange difference on translation of foreign operations | | 24,80,871 | (37,23,694) |
| b) Items that will not be reclassified to profit or loss | | | |
| Remeasurement of the employee defined benefit plans | | (1,26,745) | (74,865) |
| Equity instruments through Other Comprehensive Income | | - | 11,55,035 |
| Income tax relating to items that will not be reclassified to profit or loss | | 34,921 | 21,065 |
| Total Other Comprehensive Income (a+b) | | 23,89,047 | (26,22,459) |
| XI. Total Comprehensive Income for the year (IX+X) | | 1,53,64,365 | 34,99,520 |
| XII. Profit for the year attributable to: | | | |
| Owners of the Company | | 1,29,81,392 | 61,09,727 |
| Non-controlling interest | | (6,074) | 12,252 |
| | | 1,29,75,318 | 61,21,979 |
| XIII. Other Comprehensive Income attributable to: | | | |
| Owners of the Company | | 23,89,047 | (26,22,460) |
| Non-controlling interest | | - | - |
| | | 23,89,047 | (26,22,460) |
| XIV. Total Comprehensive Income attributable to: | | | |
| Owners of the Company | | 1,53,70,439 | 34,87,268 |
| Non-controlling interest | | (6,074) | 12,252 |
| | | 1,53,64,365 | 34,99,520 |
| XV. Earnings per equity share | 22 | | |
| (1) Basic | | 1.80 | 0.85 |
| (2) Diluted | | 1.80 | 0.85 |

See accompanying notes to the financial statements

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Valiant Communications Limited

Consolidated Cash Flow Statement for the year ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | 31-03-2018 | 31-03-2017 |
|--|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 1,94,71,905 | 87,79,878 |
| Adjustment for | | |
| Depreciation and amortization | 1,64,54,463 | 1,71,82,381 |
| Remeasurement of the employee defined benefit plans | (1,26,745) | (74,865) |
| (Profit)/ loss on sale of fixed assets | - | 18,046 |
| Bank interest | (25,34,474) | (34,51,376) |
| Transition deferred tax assets of subsidiary | (2,825) | (12,71,615) |
| Net gain on sale of investments over fair value | (8,82,985) | (35,83,729) |
| Dividend income | (65,071) | (1,80,884) |
| Foreign currency translation reserve adjustments | 24,80,871 | (37,23,694) |
| Net (gain)/ loss on foreign currency translation | (5,54,165) | (9,32,639) |
| | 1,47,69,069 | 39,81,625 |
| Operating profit before working capital changes | 3,42,40,974 | 1,27,61,503 |
| Adjustment for | | |
| (Increase)/ decrease in trade receivables | (1,77,39,551) | (5,29,24,858) |
| (Increase)/ decrease in other financial assets | (3,91,401) | 2,87,871 |
| (Increase)/ decrease in other assets | (29,47,219) | 26,21,069 |
| (Increase)/ decrease in inventories | 2,00,02,304 | 95,39,720 |
| Increase/ (decrease) in trade payables | 1,10,21,513 | (24,19,069) |
| Increase/ (decrease) in other financial liabilities | 5,80,936 | 2,60,825 |
| Increase/ (decrease) in other current liabilities | 14,83,506 | 6,89,288 |
| | | |
| Cash generated from operations | 4,62,51,062 | (2,91,83,651) |
| Interest paid | - | - |
| Direct taxes paid | (53,46,860) | (6,16,653) |
| Net cash generated from operating activities | 4,09,04,202 | (2,98,00,304) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of tangible and intangible assets | (2,00,45,959) | (1,30,95,543) |
| Sale of tangible and intangible assets | - | 20,000 |
| Sale (Purchase) of investments | 71,36,020 | 46,09,988 |
| Capital advances | 1,05,001 | (8,43,376) |
| Intangible assets under development | (4,00,000) | (12,80,000) |
| Investment in bank deposits | (2,63,34,746) | 1,76,50,809 |
| Dividend income | 65,071 | 1,80,884 |
| Bank interest | 25,34,474 | 34,51,376 |
| Net cash generated from investing activities | (3,69,40,139) | 1,06,94,138 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net cash generated from financing activities | - | - |
| Net gain/ (loss) on foreign currency translation | 5,54,165 | 9,32,639 |
| | | |
| Net increase in cash and cash equivalents | 45,18,228 | (1,81,73,527) |
| Cash and cash equivalents (opening balance) | 3,67,95,277 | 5,49,68,804 |
| Cash and cash equivalents (closing balance) | 4,13,13,505 | 3,67,95,277 |

See accompanying notes to the financial statements

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Valiant Communications Limited

Consolidated statements of Changes in Equity for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | Equity Share Capital | Other Equity | | | | | Total Other Equity | Total Equity |
|--|----------------------|----------------------------|----------------------------|----------------------------|---|--------------------------------------|--------------------|--------------|
| | | Reserves and Surplus | | Other Comprehensive Income | | | | |
| | | Capital Redemption Reserve | Securities Premium Reserve | Retained Earnings | Equity Instruments Through Other Comprehensive Income | Foreign Currency Translation Reserve | | |
| As at 01-04-2016 | 7,22,34,600 | 1,42,21,400 | 8,96,76,647 | 11,59,05,998 | (12,07,281) | 35,93,730 | 22,21,90,494 | 29,44,25,094 |
| Profit for the year | - | - | - | 61,09,727 | - | - | 61,09,727 | 61,09,727 |
| Other Comprehensive Income (net) | - | - | - | (53,800) | 11,55,035 | (37,23,694) | (26,22,459) | (26,22,459) |
| Total Comprehensive Income | - | - | - | 60,55,927 | 11,55,035 | (37,23,694) | 34,87,267 | 34,87,267 |
| Cumulative losses transferred to retained earnings from OCI on financial asset derecognition | - | - | - | (12,07,281) | 12,07,281 | - | - | - |
| As at 31-03-2017 | 7,22,34,600 | 1,42,21,400 | 8,96,76,647 | 12,07,54,644 | 11,55,035 | (1,29,964) | 22,56,77,762 | 29,79,12,362 |
| Profit for the year | - | - | - | 1,29,81,392 | - | - | 1,29,81,392 | 1,29,81,392 |
| Other Comprehensive Income | - | - | - | (91,824) | - | 24,80,871 | 23,89,047 | 23,89,047 |
| Total Comprehensive Income | - | - | - | 1,28,89,568 | - | 24,80,871 | 1,53,70,439 | 1,53,70,439 |
| Cumulative gains transferred to retained earnings from OCI on financial asset derecognition | - | - | - | 11,55,035 | (11,55,035) | - | - | - |
| As at 31-03-2018 | 7,22,34,600 | 1,42,21,400 | 8,96,76,647 | 13,47,99,247 | - | 23,50,907 | 24,10,48,201 | 31,32,82,801 |

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

Notes to the consolidated financial statements for the period ended 31 March 2018

1. Corporate Information

Valiant Communications Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The principal activities of the Company and its subsidiaries (hereinafter referred to as "Group") are manufacturing and marketing of telecom transmission equipment and its allied services. The Group has its manufacturing facilities in India and sells both in India and across the globe. The Company's registered office is at 71/1, Shivaji Marg, New Delhi 110015.

The financial statements for the year ended 31 March 2018 were approved by the Board of Directors and authorised for issue on 29 May 2018.

2. Recent accounting pronouncement

2.1 Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

i) Sale of goods

For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts will be recognised as the products are being manufactured. The Group's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e., before the goods are delivered to the customers' premises.

ii) Transition

The Group plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e., 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items.

3. Significant accounting policies

3.1 Statement of compliance

These financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31 March 2017, the Group prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2016. Refer note 4 for the details of first time adoption exemptions availed by the Group.

3.2 Basis of preparation and measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Notes to the consolidated financial statements for the period ended 31 March 2018

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

Notes to the consolidated financial statements for the period ended 31 March 2018

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is

tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Foreign currency translation

The functional currency of the Group is Indian rupee (₹).

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss

3.7 Property plant and equipment (PPE)

On adoption of Ind AS, the Group retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost), if any, directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress, if any) less their residual values over the useful lives, using the straight-line method ("SLM") at the rates prescribed in Schedule II of the Companies Act, 2013.

Notes to the consolidated financial statements for the period ended 31 March 2018

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

3.8 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Group amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

| Asset | Useful life |
|--------------------|-------------|
| Technical know-how | 4 years |
| Software | 6 years |

The estimated useful life is reviewed annually by the management.

3.9 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

3.10 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are measured at the proceeds received net off direct issue cost.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to off set the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the consolidated financial statements for the period ended 31 March 2018

3.11 Impairment

Financial assets (other than at fair value)

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

3.12 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition including all applicable duties, taxes and other levies. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have transferred, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Income recognition for services takes place as and when the services are performed.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Research and development expenses

Research expenditure and development costs of products are capitalised on product's technical feasibility is established.

Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating Lease

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

Notes to the consolidated financial statements for the period ended 31 March 2018

3.14 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.15 Employees benefits

Employee benefits consist of contribution to provident fund, gratuity fund, compensated absences and supplemental pay.

The Group 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 Group.

- 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 Group 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 recognized in Other Comprehensive Income (OCI).

3.16 Segment reporting

As per Ind AS 108, operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Managing Director & CEO.

The Group'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.

3.17 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and

Notes to the consolidated financial statements for the period ended 31 March 2018

liabilities and when the deferred tax balances relate to the same taxation authority.

3.18 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.19 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

3.20 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Group by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3.21 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Discount rate used to determine the carrying amount of the Group's defined benefit obligation

In determining the appropriate discount rate for plans assets, the management considers the interest rates of government bonds as provided by LIC, in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group.

Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described above, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Notes to the consolidated financial statements for the period ended 31 March 2018

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Group had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Group's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

4. Transition to Ind AS

The Group's consolidated financial statements for the year ended 31 March 2018 are the first annual consolidated financial statements prepared by the Group in order to comply with Indian Accounting Standards (Ind AS) notified by the Ministry of

Corporate Affairs, Government of India. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April 2016 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies have been applied in preparing the consolidated financial statements for the year ended 31 March 2018, the consolidated financial statements for the year ended 31 March 2017 and the preparation of an opening Ind AS statement of financial position as at 01 April 2016. In preparing its opening Ind AS complied Balance Sheet and Statement of Profit and Loss for the year ended 31 March 2017, the Group has adjusted amounts reported in financial statements prepared in accordance with previous GAAP.

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flow is set out in the following tables.

1) Reconciliations of total equity as at:

(in ₹)

| Particulars | 31-03-2017 | 01-04-2016 |
|--|---------------------|---------------------|
| Total equity reported as per previous GAAP | 29,67,57,327 | 29,56,32,375 |
| Gain/(loss) on fair valuation of investments through OCI | 11,55,035 | (12,07,281) |
| Total equity as per Ind AS | 29,79,12,362 | 29,44,25,094 |

2) Reconciliation of total comprehensive income for the year ended:

(in ₹)

| Particulars | 31-03-2017 |
|---|-------------------|
| Net profit after tax reported as per previous GAAP | 48,60,898 |
| Actuarial loss transferred to Other Comprehensive Income (net of taxes) | 53,800 |
| Gain/(loss) on sale of investment over its fair value | 12,07,281 |
| Net profit after tax as per Ind AS | 61,21,979 |
| Other Comprehensive Income (net of taxes) | (26,22,459) |
| Total Comprehensive Income (net of taxes) as per Ind AS | 34,,99,520 |

3) Statement of cash flows for the year ended 31 March 2017:

The transition from previous GAAP to Ind AS has no material impact on the Statement of Cash Flows.

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

5 (a) Property, Plant and Equipment

| Particulars | Building | Plant & Machinery | Electric Installations | Office Equipment | Air Conditioner | Generator Set | Vehicles | Tools & Dies | Testing Equipment | Furniture & Fixtures | Computer | Total |
|--|-------------|-------------------|------------------------|------------------|-----------------|---------------|-------------|--------------|-------------------|----------------------|-----------|---------------------|
| Cost as at 01-04-2016* | 1,81,06,657 | 1,88,57,852 | 8,58,323 | 37,72,945 | 17,41,065 | 7,32,487 | 1,02,99,842 | 20,23,219 | 2,69,87,852 | 51,23,583 | 52,88,860 | 9,37,92,685 |
| Additions | - | - | - | 9,04,550 | 63,000 | - | 14,07,335 | 6,442 | 17,56,124 | 19,700 | 2,93,594 | 44,50,745 |
| Disposals/Transfers | - | - | - | - | - | - | 7,60,925 | - | - | - | - | 7,60,925 |
| Gross carrying amount as at 31-03-2017 | 1,81,06,657 | 1,88,57,852 | 8,58,323 | 46,77,495 | 18,04,065 | 7,32,487 | 1,09,46,252 | 20,29,661 | 2,87,43,976 | 51,43,283 | 55,82,454 | 9,74,82,505 |
| Additions | - | - | - | 1,32,351 | 96,000 | - | - | 59,636 | 55,82,368 | 1,44,603 | 9,51,516 | 69,66,474 |
| Disposals/Transfers | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross carrying amount as at 31-03-2018 | 1,81,06,657 | 1,88,57,852 | 8,58,323 | 48,09,846 | 19,00,065 | 7,32,487 | 1,09,46,252 | 20,89,297 | 3,43,26,344 | 52,87,886 | 65,33,970 | 10,44,48,979 |
| Accumulated depreciation as at 01-04-2016* | 41,66,304 | 1,58,37,006 | 6,68,123 | 32,47,597 | 7,46,632 | 4,65,666 | 39,15,028 | 16,74,105 | 1,15,22,019 | 31,83,778 | 44,22,115 | 4,98,48,373 |
| Charge for the year | 5,92,132 | 2,91,919 | 84,824 | 2,27,649 | 95,897 | 32,873 | 12,56,243 | 29,174 | 15,91,507 | 3,06,177 | 4,68,893 | 49,77,288 |
| Disposals | - | - | - | - | - | - | 7,22,879 | - | - | - | - | 7,22,879 |
| Closing accumulated depreciation as at 31-03-2017 | 47,58,436 | 1,61,28,925 | 7,52,947 | 34,75,246 | 8,42,529 | 4,98,539 | 44,48,392 | 17,03,279 | 1,31,13,526 | 34,89,955 | 48,91,008 | 5,41,02,782 |
| Charge for the year | 5,92,132 | 2,91,919 | 84,825 | 3,12,037 | 1,01,186 | 32,872 | 11,40,638 | 30,817 | 18,17,619 | 3,14,620 | 6,05,682 | 53,24,347 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing accumulated depreciation as at 31-03-2018 | 53,50,568 | 1,64,20,844 | 8,37,772 | 37,87,283 | 9,43,715 | 5,31,411 | 55,89,030 | 17,34,096 | 1,49,31,145 | 38,04,575 | 54,96,690 | 5,94,27,129 |
| Net Block as at 31-03-2018 | 1,27,56,089 | 24,37,008 | 20,551 | 10,22,563 | 9,56,350 | 2,01,076 | 53,57,222 | 3,55,201 | 1,93,95,199 | 14,83,311 | 10,37,280 | 4,50,21,850 |
| Net Block as at 31-03-2017 | 1,33,48,221 | 27,28,927 | 1,05,376 | 12,02,249 | 9,61,536 | 2,33,948 | 64,97,860 | 3,26,382 | 1,56,30,450 | 16,53,328 | 6,91,446 | 4,33,79,723 |
| Net Block as at 01-04-2016 | 1,39,40,353 | 30,20,846 | 1,90,200 | 5,25,348 | 9,94,433 | 2,66,821 | 63,84,814 | 3,49,114 | 1,54,65,833 | 19,39,805 | 8,66,745 | 4,39,44,312 |

5 (b) Intangible assets

| Particulars | Computer Software | Technical Know-How | Total | Intangible Assets under Development |
|--|-------------------|--------------------|---------------------|-------------------------------------|
| Cost as at 01-04-2016* | 1,01,80,814 | 9,24,09,004 | 10,25,89,818 | - |
| Additions | 88,698 | 85,56,100 | 86,44,798 | 12,80,000 |
| Disposals/Transfers/Adjustments | - | - | - | - |
| Gross carrying amount as at 31-03-2017 | 1,02,69,512 | 10,09,65,104 | 11,12,34,616 | 12,80,000 |
| Additions | 48,000 | 1,30,31,485 | 1,30,79,485 | 4,00,000 |
| Disposals/Transfers/Adjustments | - | - | - | - |
| Gross carrying amount as at 31-03-2018 | 1,03,17,512 | 11,39,96,589 | 12,43,14,101 | 16,80,000 |
| Accumulated amortization as at 01-04-2016* | 86,97,752 | 6,77,55,951 | 7,64,53,703 | - |
| Charge for the year | 3,24,352 | 1,18,80,741 | 1,22,05,093 | - |
| Disposals | - | - | - | - |
| Closing accumulated amortization as at 31-03-2017 | 90,22,104 | 7,96,36,692 | 8,86,58,796 | - |
| Charge for the year | 3,20,345 | 1,08,09,771 | 1,11,30,116 | - |
| Disposals | - | - | - | - |
| Closing accumulated amortization as at 31-03-2018 | 93,42,449 | 9,04,46,463 | 9,97,88,912 | - |
| Net Block as at 31-03-2018 | 9,75,063 | 2,35,50,126 | 2,45,25,189 | 16,80,000 |
| Net Block as at 31-03-2017 | 12,47,408 | 2,13,28,412 | 2,25,75,820 | 12,80,000 |
| Net Block as at 01-04-2016 | 14,83,062 | 2,46,53,053 | 2,61,36,115 | - |

* The Group has elected to continue with the carrying value of property, plant and equipment as recognized in the financial statement as per Previous GAAP and has regarded those values as the deemed cost on the date of transition. The Group has carried forward the gross block and accumulated depreciation above, for disclosure purpose only.

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

6. Non-current investments

| Unquoted equity instruments (all fully paid) | Face value per share | Number of shares | | | Amount | | |
|---|-------------------------|------------------|------------|------------|------------|------------------|------------------|
| | | 31-03-2018 | 31-03-2017 | 01-04-2016 | 31-03-2018 | 31-03-2017 | 01-04-2016 |
| Carried at cost | | | | | | | |
| Valcomm Technologies Inc. | US\$ 0.01 | | | 82,50,000 | - | - | 48,52,066 |
| | | | | | - | - | 48,52,066 |
| Carried at fair value through OCI | | | | | | | |
| BHP Billiton United States | US\$ 1.00 | - | 1,000 | - | - | 23,54,938 | - |
| Freeport Mcmoran Inc | US\$ 0.01 | - | 4,500 | - | - | 38,98,097 | - |
| United States Steel Corporation | US\$ 1.00 | - | - | 1,195 | - | - | 12,72,193 |
| Total non-current investments | | | | | - | 62,53,035 | 61,24,259 |
| Aggregate amount of quoted investments and market value | | | | | - | 62,53,035 | 12,72,193 |

7. Other financial assets (at amortised cost)*

Unsecured, considered good

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|-----------------|-----------------|-----------------|
| a) Non-current | | | |
| Security deposits | 3,72,000 | 3,72,000 | 3,74,250 |
| Total | 3,72,000 | 3,72,000 | 3,74,250 |
| b) Current | | | |
| Interest accrued on fixed deposit with bank | 7,00,875 | 3,09,474 | 5,95,095 |
| Total | 7,00,875 | 3,09,474 | 5,95,095 |

* There is no amount due by directors or officers of the Company or any of them, severally or jointly with any other persons or amount due by firms or private companies respectively in which such director is a partner or a member at any time during the reporting period.

8. Income taxes

The major component of income tax expenses for the year under reporting are:

a) Current tax assets and liabilities as at

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|------------------|------------------|------------------|
| Non current tax assets | | | |
| Advance income tax (net of provisions) | 52,16,466 | 55,83,217 | 55,64,914 |
| Total | 52,16,466 | 55,83,217 | 55,64,914 |
| Current tax liabilities | | | |
| Provision for income tax (net of advance tax) | 25,35,277 | 17,63,783 | 6,27,239 |
| Total | 25,35,277 | 17,63,783 | 6,27,239 |

b) Income tax recognized in profit and loss

| Particulars | 31-03-2018 | 31-03-2017 |
|---|------------------|------------------|
| Current income tax charge | | |
| Current income tax | 60,70,198 | 17,85,584 |
| Adjustment in respect of current income tax of previous year | 83,077 | (11,323) |
| Deferred tax | | |
| In respect of current year | (4,39,431) | 5,03,424 |
| Adjustment in respect of prior years | 7,82,743 | 3,80,214 |
| Income tax expenses reported in the statement of profit and loss | 64,96,587 | 26,57,899 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

c) The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | 31-03-2018 | 31-03-2017 |
|--|------------------|------------------|
| Profit before tax | 1,94,71,905 | 87,79,878 |
| Income tax expense calculated at Indian tax rate of 27.55% (previous year: 30.90%) | 53,64,996 | 27,12,983 |
| Effect of expenses that are not deductible in determining taxable profit | 12,524 | 20,942 |
| Tax effect on fair value recognized gain on investments | - | (3,75,119) |
| Tax impact on sale of long-term investments | - | (1,641) |
| Others | 2,53,247 | (68,157) |
| Adjustment for changes in estimates of deferred tax | 7,82,743 | 3,80,214 |
| Adjustment in respect of current income tax of previous year | 83,077 | (11,323) |
| Income tax expenses reported in the Statement of profit and loss | 64,96,587 | 26,57,899 |

9. Other assets

Unsecured, considered good

a) Non-current assets

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|------------------|------------------|------------------|------------------|
| Capital advances | 42,37,500 | 43,42,501 | 34,99,125 |
| Total | 42,37,500 | 43,42,501 | 34,99,125 |

b) Current assets

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|------------------|------------------|------------------|
| Statutory dues receivable from government authorities | | | |
| Goods and Services Tax (GST) input credit | 21,780 | - | - |
| Value Added Tax (VAT) credit receivable | 38,736 | 48,575 | 1,83,087 |
| Service tax credit receivable | 1,37,307 | 1,57,520 | 2,46,296 |
| Cenvat credit receivable | - | 3,41,193 | 20,05,694 |
| Advances to suppliers | 11,37,739 | 4,78,541 | 21,72,633 |
| Earnest money deposits with customers | 3,25,500 | 94,500 | 1,94,600 |
| Prepaid expenses | 53,95,167 | 25,50,115 | 12,36,858 |
| Total | 70,56,229 | 36,70,444 | 60,39,168 |

Note: There are no advances due by directors or officers of the Company or any of them, severally or jointly with any other persons or amounts due by firms or private companies respectively in which such director is a partner or a member.

10. Inventories (valued at lower of cost or net realizable value)

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|------------------|--------------------|--------------------|--------------------|
| Raw material | 5,86,03,778 | 7,51,52,196 | 7,59,33,803 |
| Work-in-progress | 13,11,078 | 47,64,964 | 1,35,23,077 |
| Total | 5,99,14,856 | 7,99,17,160 | 8,94,56,880 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

11. Trade receivables

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--------------------------------|---------------------|---------------------|--------------------|
| Unsecured, but considered good | 12,02,36,785 | 10,24,97,234 | 4,95,72,376 |
| Any other | - | - | - |
| Total | 12,02,36,785 | 10,24,97,234 | 4,95,72,376 |

Note:

- The credit period ranges from 30 days to 180 days.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Movement in the expected credit loss allowance: Not Applicable
- There is no amount due by directors or officers of the Group/ Company or any of them, severally or jointly with any other persons or amount due by firms or private companies respectively in which such director is a partner or a member at any time during the reporting period.

12. Cash & bank balances

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|--------------------|--------------------|--------------------|
| a) Cash & cash equivalents | | | |
| Balances with banks in current accounts | 4,11,98,473 | 3,66,53,839 | 3,47,78,486 |
| Cash on hand | 1,15,032 | 1,41,438 | 1,90,318 |
| Deposits with original maturity of less than 3 months | - | - | 2,00,00,000 |
| Total | 4,13,13,505 | 3,67,95,277 | 5,49,68,804 |
| b) Other bank balance | | | |
| Deposits (with original maturity more than 3 months but less than 12 months) | 2,65,00,000 | 30,00,000 | 2,04,99,748 |
| Earmarked balances with banks | | | |
| Unpaid dividend accounts | 1,10,164 | 2,88,334 | 4,39,395 |
| Bank deposits as margin money against bank guarantees | 1,37,49,013 | 1,07,36,097 | 1,07,36,097 |
| Total | 4,03,59,177 | 1,40,24,431 | 3,16,75,240 |

13. Share capital

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|--------------|--------------|--------------|
| Authorized | | | |
| 1,50,00,000 equity shares of ₹ 10/- each | 15,00,00,000 | 15,00,00,000 | 15,00,00,000 |
| Issued, subscribed & paid-up | | | |
| 72,23,460 equity shares of ₹ 10/- each fully paid up | 7,22,34,600 | 7,22,34,600 | 7,22,34,600 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

13.1 Reconciliation statement for number of equity shares outstanding

| Particulars | No. of shares | Value in ₹ |
|---|------------------|--------------------|
| Equity shares of ₹ 10/- each fully paid up | | |
| As at 01-04-2016 | 72,23,460 | 7,22,34,600 |
| Any changes/ movement during the year | - | - |
| As at 31-03-2017 | 72,23,460 | 7,22,34,600 |
| Any changes/ movement during the year | - | - |
| As at 31-03-2018 | 72,23,460 | 7,22,34,600 |

- 13.2** 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, if any, is subject to the approval of equity shareholders in their ensuing annual general meeting, except in case of interim dividend.

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.

- 13.3** Any holding of shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: None

13.4 Details of shareholders holding more than five per cent equity shares in the Company

| Particulars | Category | No. of shares | % holding |
|---------------------------------------|---------------------|------------------|--------------|
| a) Inder Mohan Sood | Promoter | | |
| As at 01-04-2016 | | 10,32,536 | 14.29 |
| As at 31-03-2017 | | 11,49,086 | 15.91 |
| As at 31-03-2018 | | 11,49,086 | 15.91 |
| b) Davinder Mohan Sood | Promoter | | |
| As at 01-04-2016 | | 10,31,208 | 14.28 |
| As at 31-03-2017 | | 11,47,758 | 15.89 |
| As at 31-03-2018 | | 11,47,758 | 15.89 |
| c) Ostrich Estate Private Ltd. | Non-promoter | | |
| As at 01-04-2016 | | 3,80,660 | 5.27 |
| As at 31-03-2017 | | 1,94,429 | 2.69 |
| As at 31-03-2018 | | 1,94,429 | 2.69 |

- 13.5** As per records of the Company as at reporting date, no calls remain unpaid by the directors and officers of the Company.

14. Other equity

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|---------------------|---------------------|---------------------|
| Securities premium account | 8,96,76,647 | 8,96,76,647 | 8,96,76,647 |
| Capital redemption reserve | 1,42,21,400 | 1,42,21,400 | 1,42,21,400 |
| Retained earnings | 13,47,99,247 | 12,07,54,644 | 11,59,05,998 |
| Reserve for equity instrument through Other Comprehensive Income | - | 11,55,035 | (12,07,281) |
| Foreign currency translation reserve | 23,50,907 | (1,29,964) | 35,93,730 |
| Total | 24,10,48,201 | 22,56,77,762 | 22,21,90,494 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

14.1 Movement in other equity

| Particulars | 31-03-2018 | 31-03-2017 |
|---|---------------------|---------------------|
| Reserves & surplus | | |
| Securities premium reserve | | |
| Balance at beginning of year | 8,96,76,647 | 8,96,76,647 |
| Addition/ deduction | - | - |
| Closing balance | 8,96,76,647 | 8,96,76,647 |
| Capital redemption reserve | | |
| Balance at beginning of year | 1,42,21,400 | 1,42,21,400 |
| Addition/ deduction | - | - |
| Closing balance | 1,42,21,400 | 1,42,21,400 |
| Retained earnings | | |
| Balance at beginning of year | 12,07,54,644 | 11,59,05,998 |
| Add: Profit/ (loss) for the year | 1,29,81,392 | 61,09,727 |
| Cumulative gain/ (loss) transferred from OCI on financial asset derecognition | 11,55,035 | (12,07,281) |
| Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of income tax) | (91,824) | (53,800) |
| Closing balance | 13,47,99,247 | 12,07,54,644 |
| Reserve for equity instrument through Other Comprehensive Income | | |
| Balance at beginning of year | 11,55,035 | (12,07,281) |
| Addition/ (deduction) for the year | - | 11,55,035 |
| Cumulative gain/ (loss) transferred to retained earnings | (11,55,035) | 12,07,281 |
| Closing balance | - | 11,55,035 |
| Foreign currency translation reserve | | |
| Balance brought forward | (1,29,964) | 35,93,730 |
| Addition/ (deduction) for the year | 24,80,871 | (37,23,694) |
| Closing balance | 23,50,907 | (1,29,964) |
| Total | 24,10,48,201 | 22,56,77,762 |

Note:

1. Amount received on issue of shares in excess of the par value has been classified as security share premium.
2. Capital redemption reserve is created out of profits on redemption of capital.
3. Foreign currency translation reserve pertains to exchange differences on the translation of the subsidiaries having a functional currency other than Indian Rupees.

15. Deferred tax liabilities (net)

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|-----------------|------------------|-----------------|
| Property, plant and equipment | 10,23,649 | 14,55,786 | 23,64,348 |
| Gross deferred tax liability | 10,23,649 | 14,55,786 | 23,64,348 |
| Less: | | | |
| Unabsorbed depreciation carried forward | - | - | 14,33,186 |
| Provisions for employee benefits | 5,45,493 | 4,26,716 | 4,05,516 |
| Gross deferred tax asset | 5,45,493 | 4,26,716 | 18,38,702 |
| Deferred tax liabilities (net) | 4,78,156 | 10,29,070 | 5,25,646 |
| Unabsorbed past losses carried forward by overseas subsidiaries | - | 8,91,401 | - |
| Deferred tax assets (net) | - | 8,91,401 | - |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

16. Current financial liabilities

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|--------------------|--------------------|--------------------|
| a) Trade payable | | | |
| Outstanding dues of micro enterprises and small enterprises | - | - | - |
| Outstanding dues of creditors other than micro and small enterprises | 2,40,82,402 | 1,30,60,889 | 1,54,79,958 |
| Total | 2,40,82,402 | 1,30,60,889 | 1,54,79,958 |
| b) Other financial liabilities | | | |
| Unpaid dividend | 1,10,164 | 2,88,334 | 4,39,395 |
| Employees related payables | 21,83,875 | 20,77,719 | 17,83,731 |
| Other expenses payable | 15,19,699 | 8,66,749 | 7,48,851 |
| Total | 38,13,738 | 32,32,802 | 29,71,977 |

Note: The average credit period on purchases of goods and services are within 120 days. The trade payables are non-interest bearing.

17. Other current liabilities

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|-------------------------|------------------|------------------|------------------|
| Advances from customers | 14,99,403 | 19,18,232 | 20,78,451 |
| Statutory dues | 28,35,852 | 15,32,392 | 7,51,494 |
| Total | 43,35,255 | 34,50,624 | 28,29,945 |

18. Provisions

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|------------------|-----------------|-----------------|
| a) Non-current | | | |
| Provision for gratuity | 7,84,895 | 5,85,022 | 4,81,944 |
| Total | 7,84,895 | 5,85,022 | 4,81,944 |
| b) Current | | | |
| Provision for short-term employees benefit (leave encashment) | 11,94,938 | 7,95,936 | 8,30,405 |
| Total | 11,94,938 | 7,95,936 | 8,30,405 |

19. Revenue from operations

| Particulars | 31-03-2018 | 31-03-2017 |
|---|---------------------|---------------------|
| <i>from exports</i> | | |
| Sale of products | 10,51,97,301 | 9,06,81,730 |
| Sale of services | 17,12,152 | 49,950 |
| Total (A) | 10,69,09,453 | 9,07,31,680 |
| <i>from India</i> | | |
| Sale of products inclusive of excise duty | 12,83,51,931 | 9,24,83,847 |
| Sale of services | 12,76,305 | 1,41,000 |
| Total (B) | 12,96,28,236 | 9,26,24,847 |
| Total (A + B) | 23,65,37,689 | 18,33,56,527 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

- 19.1** According to the requirement of Ind AS, revenue of the company is reported inclusive of Excise Duty for the period of its applicability. The Government of India has implemented Goods and Service Tax (GST) from 01-07-2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS, the revenue for the period from 01-07-2017 to the end of the current year is reported net of GST.

Had the previously reported revenues were shown net of excise duty, comparative revenue of the Company would have been as follows:

| Particulars | 31-03-2018 | 31-03-2017 |
|-----------------------------|--------------|--------------|
| Net Revenue from operations | 23,41,21,750 | 17,59,54,389 |

20. Other income

| Particulars | 31-03-2018 | 31-03-2017 |
|---|------------------|------------------|
| a) Interest income | | |
| Interest Income on bank deposits carried at amortised cost | 25,34,474 | 34,51,376 |
| b) Dividend income | | |
| Dividend on non-current investment in equity instruments carried at FVOCI | 65,071 | 1,80,884 |
| c) Others gains and losses | | |
| Net gain on derecognition of financial assets | 8,82,985 | 35,83,729 |
| Net gain/ (loss) on foreign currency transaction and translation | 5,54,165 | 9,32,639 |
| Other non-operating income (net of expenses directly attributable to such income) | - | 1,04,181 |
| Total | 40,36,695 | 82,52,809 |

21. Expenses

| Particulars | 31-03-2018 | 31-03-2017 |
|--|---------------------|--------------------|
| 21.1 Cost of material consumed | | |
| Opening stock | 7,51,52,196 | 7,59,33,803 |
| Add: Purchases | 8,87,94,196 | 7,59,73,991 |
| Less: Closing stock | (5,86,03,778) | (7,51,52,196) |
| Total | 10,53,42,614 | 7,67,55,598 |
| 21.2 Changes in inventories of work-in-progress (semi-finished) | | |
| Opening stock | 47,64,964 | 1,35,23,077 |
| Less: Closing stock | (13,11,078) | (47,64,964) |
| (Increase) / decrease in inventories | 34,53,886 | 87,58,113 |
| 21.3 Employee benefits expenses | | |
| Salary, wages and bonus | 3,55,25,471 | 3,50,93,634 |
| Contribution to provident and other funds | 9,77,368 | 10,19,557 |
| Staff welfare | 9,04,314 | 11,73,667 |
| Total | 3,74,07,153 | 3,72,86,858 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | 31-03-2018 | 31-03-2017 |
|--|--------------------|--------------------|
| 21.4 Depreciation and amortization expenses | | |
| Depreciation on tangible assets | 53,24,347 | 49,77,288 |
| Amortization of intangible assets | 1,11,30,116 | 1,22,05,093 |
| Total | 1,64,54,463 | 1,71,82,381 |
| 21.5 Other expenses | | |
| Consumption of stores and spare parts | 7,95,673 | 8,51,140 |
| Power & fuel | 15,42,503 | 15,62,920 |
| Repairs to machinery | 2,44,622 | 2,37,228 |
| Repairs to building | 4,45,315 | 1,73,398 |
| Other manufacturing expenses | 82,45,802 | 65,60,679 |
| Loss on sale of fixed assets | - | 18,046 |
| Rent | 7,21,800 | 7,21,800 |
| Rates & taxes, excluding taxes on income | 4,23,635 | 1,64,919 |
| Postage, phones & grams | 8,22,449 | 7,65,726 |
| Product testing & quality certification | 17,54,022 | 8,66,178 |
| Printing & stationery | 7,07,745 | 6,11,303 |
| Installation & commissioning | 13,58,576 | 15,01,558 |
| Traveling | 71,68,404 | 37,81,233 |
| Insurance | 9,24,632 | 3,42,435 |
| Advertisement | 8,80,689 | 6,60,006 |
| Office general expenses | 10,85,610 | 9,89,010 |
| Vehicle repair & maintenance | 8,79,623 | 7,28,374 |
| Freight & cartage | 94,07,523 | 56,00,667 |
| Charity and donation | 33,000 | 35,000 |
| Unrealized debtors | 8,36,038 | 3,76,489 |
| Security | 11,70,000 | 10,03,200 |
| Miscellaneous | 2,33,735 | 6,10,862 |
| Auditors remuneration | 4,05,000 | 4,05,750 |
| Bank charges | 7,45,584 | 5,00,098 |
| Legal & professional | 49,06,547 | 46,03,123 |
| Packing & forwarding | 34,69,465 | 16,02,613 |
| Business promotion | 3,46,585 | 1,70,615 |
| Total | 4,95,54,577 | 3,54,44,370 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

22. Earning per share

| Particulars | 31-03-2018 | 31-03-2017 |
|---|-------------|------------|
| Net profit attributable to the equity shareholders of the Company | 1,29,81,392 | 61,09,727 |
| Weighted average number of equity shares of ₹ 10/- each | 72,23,460 | 72,23,460 |
| Basic and diluted earning per share | 1.80 | 0.85 |

23. Contingent liabilities and commitments**23.1 Contingent liabilities (not provided for)**

| Particulars | 31-03-2018 | 31-03-2017 |
|--------------------------------|------------------|------------------|
| Income-tax matter in dispute | 69,38,270 | 69,38,270 |
| Any other contingent liability | - | - |
| Total | 69,38,270 | 69,38,270 |

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 Group, as the various other undisputed refund dues are substantially sufficient to settle the above claim.

23.2 Commitments

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

24. Lease

The Group has executed a cancelable operating lease agreement with rent payable on a monthly basis, for industrial purpose. The Group has recognized all operating lease payments as an expense on a straight line basis over the term of lease. The Group has no obligation to pay any contingent rent. The lease is renewable at the sole option of the Group.

Rental expenses of ₹ 7,21,800/- (previous year: ₹ 7,21,800/-) in respect of obligation under operating lease(s), have been recognized in the profit and loss account.

25. Gratuity

The Group has a defined benefit gratuity plan with 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 fund has formed a trust and it is governed by Board of Trustee.

The fund is subject to risks such as asset volatility, changes in bond yields and asset liability mismatch. In managing the plan assets, the Board of Trustee reviews and manages the risks associated with the funded plan and aim to keep annual contributions relatively stable at a level such that no major plan deficits arises by following effective risk management policies.

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

| Particulars | 31-03-2018 | 31-03-2017 | |
|---|---------------------------|---------------------------|---------------------------|
| 25.1 Net employee benefit expenses (recognized in profit and loss account) | | | |
| Current service cost | 3,14,522 | 3,34,175 | |
| Net interest expenses/ (income) | 89,601 | 44,748 | |
| Amount recognized in profit and loss account | 4,04,123 | 3,78,923 | |
| Remeasurement of the net employee defined benefit plans | | | |
| Net actuarial gain/ (loss) on obligation | (1,03,578) | (36,914) | |
| Net actuarial gain/ (loss) on plan assets | (23,167) | (37,951) | |
| Amount recognized in Other Comprehensive Income | (1,26,745) | (74,865) | |
| Total | 5,30,868 | 4,53,788 | |
| 25.2 Changes in present value of defined benefit obligation | | | |
| Opening defined benefit obligation | 62,54,611 | 59,10,893 | |
| Interest cost | 5,15,529 | 4,73,635 | |
| Current service cost | 3,14,522 | 3,34,175 | |
| Benefits paid | - | (5,01,006) | |
| Net actuarial (gain)/ loss on obligation | 1,03,578 | 36,914 | |
| Closing defined benefit obligation | 71,88,240 | 62,54,611 | |
| 25.3 Changes in fair value of plan assets | | | |
| Opening fair value of plan assets | 56,69,589 | 54,28,949 | |
| Interest return | 4,25,928 | 4,28,888 | |
| Contribution by employer | 3,30,995 | 3,50,709 | |
| Benefits paid | - | (5,01,006) | |
| Net actuarial gain/ (loss) | (23,167) | (37,951) | |
| Closing fair value of plan assets | 64,03,345 | 56,69,589 | |
| 25.4 Plan assets/ (liability) recognized in the balance sheet | | | |
| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
| Present value of defined benefit obligation | 71,88,240 | 62,54,611 | 59,10,893 |
| Less: Fair value of plan assets | 64,03,345 | 56,69,589 | 54,28,949 |
| Funded status [Deficit/ (Surplus)] | 7,84,895 | 5,85,022 | 4,81,944 |
| 25.5 Constitution of the fair value of total plan assets | | | |
| Investments with insurer (LIC of India) | 100% | 100% | 100% |
| 25.6 Principal actuarial assumptions | | | |
| Discount rate | 7.50% | 8.00% | 8.00% |
| Salary escalation | 6.00% | 6.00% | 6.00% |
| Expected rate of return on plan assets | 7.51% | 7.90% | 8.75% |
| Mortality Rate | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate |
| Employee turnover | 1% to 3% | 1% to 3% | 1% to 3% |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

25.7 Sensitivity analysis

Impact on defined benefit obligation

| Assumption | 31-03-2018 | 31-03-2017 |
|-------------------------------|------------|------------|
| Discount rate | | |
| 1.00% increase | 3,54,105 | 2,86,938 |
| 1.00% decrease | 3,99,249 | 3,21,296 |
| Future salary increase | | |
| 1.00% increase | 3,63,902 | 3,06,668 |
| 1.00% decrease | 3,28,556 | 2,78,207 |
| Attrition Rate | | |
| 1.00% increase | 9,029 | 5,103 |
| 1.00% decrease | 8,965 | 5,046 |

The sensitivity analysis presented above may not representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Following are the expected cash flows to the defined benefit plan in future years:

| Particulars | 31-03-2018 | 31-03-2017 |
|------------------------|------------|------------|
| With in next 12 months | 3,85,710 | 3,26,224 |
| Between 1-5 years | 11,56,358 | 9,34,633 |
| Between 5-10 years | 7,89,085 | 8,46,552 |

26. Financial instruments

Capital management

The capital structure of the Group consists of equity share capital only with no reported debt (neither secured nor unsecured). The Group is not subject to any externally imposed capital requirements.

Categories of financial instruments

| Particulars | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|--|--------------|--------------|-------------|
| Financial assets | | | |
| Measured at amortised cost | | | |
| a) Cash and bank balances | 8,16,72,682 | 5,08,19,708 | 8,66,44,044 |
| b) Other financial assets at amortised cost | 12,13,09,660 | 10,31,78,708 | 5,53,93,787 |
| Measured at fair value through other comprehensive income (FVOCI) | | | |
| a) Investment (other than subsidiaries) | - | 62,53,035 | 12,72,193 |
| Financial liabilities | | | |
| Measured at amortised cost | | | |
| a) Other financial liabilities at amortised cost | 2,78,96,140 | 1,62,93,691 | 1,84,51,935 |
| b) Borrowings | - | - | - |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

Fair value hierarchy

There are no reported financial assets that are measured at fair value or where fair value disclosure is required as at 31-03-2018.

The following table provides the fair value measurement hierarchy of the Group's financial assets that are measured at fair value or where fair value disclosure is required as at 31-03-2017:

| Particulars | Total | Fair value measurement using | | |
|---|-----------|------------------------------|---------|---------|
| | | Level-1 | Level-2 | Level-3 |
| FVOCI investments in equity instruments | 62,53,035 | 62,53,035 | - | - |

There have been no transfers amount Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Group's financial assets that are measured at fair value or where fair value disclosure is required as at 01-04-2016:

| Particulars | Total | Fair value measurement using | | |
|---|-----------|------------------------------|---------|---------|
| | | Level-1 | Level-2 | Level-3 |
| FVOCI investments in equity instruments | 12,72,193 | 12,72,193 | - | - |

There have been no transfers amount Level 1, Level 2 and Level 3 during the year.

There are no reported financial liabilities that are measured at fair value or where fair value disclosure is required as at 31-03-2018, 31-03-2017 and 01-04-2016.

27. Financial risk management

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The financial liabilities of the Group comprise trade and other payables to finance the operations of the Group. The financial assets of the Group include loans, trade and other receivables, cash and cash equivalents that directly derive from the operations. The Group has not entered into any derivative transactions.

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for providing the risk strategies and principles.

The Group is exposed to market risk, credit risk and liquidity risk.

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates.

Though the Group has not entered in any forward foreign exchange contract, however; the market risk is managed on the basis of continuous appraisal of market conditions and management's estimate of long and short-term and changes in fair value.

Foreign currency risk management

The Group is mainly exposed to the USD currency for all its outstanding receivables and payables.

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed in accordance with the market conditions and management's estimates.

The Group has not entered in any forward foreign exchange derivative contracts during the reporting periods.

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

Equity risk

There is no material equity risk relating to the Group's equity investments. The Group's equity investments majorly comprises of strategic investments rather than trading purposes.

Interest risk

There is no material interest risk relating to the Group's financial liabilities.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group. The Group uses its own trading records to evaluate the credit worthiness of its customers. The Group's exposures are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties.

Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year.

Liquidity risk table

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

| Particulars | < 1 year | 1 to 3 years | > 3 years |
|---|-------------|--------------|-----------|
| As at 31-03-2018 | | | |
| Financial liabilities at amortised cost | 2,78,96,140 | - | - |
| Borrowings | - | - | - |
| As at 31-03-2017 | | | |
| Financial liabilities at amortised cost | 1,62,93,691 | - | - |
| Borrowings | - | - | - |
| As at 01-04-2016 | | | |
| Financial liabilities at amortised cost | 1,84,51,935 | - | - |
| Borrowings | - | - | - |

28. Related party transactions

Details of transactions between the Group and other related party are disclosed below.

28.1 Subsidiaries considered in the consolidated financial statements:

| Name | Country | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|-------------------------------------|---------|------------|------------|------------|
| Direct | | | | |
| Valiant Communications (UK) Limited | U.K. | 100.00% | 100.00% | 100.00% |
| Valiant Infrastructure Limited | India | 88.94% | 88.94% | 88.94% |
| Indirect | | | | |
| Valcomm Technologies Inc. | U.S.A. | 100.00% | 100.00% | - |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

28.2 Key Management Personnel

| | |
|---|---|
| Mr. Inder Mohan Sood (Chairman and Managing Director) | Mr. Sumit Mehta (Independent Director) |
| Mr. Davinder Mohan Sood (Executive Director -Finance) | Ms. Neepa Chatterjee (Independent Director) |
| Mr. Gaurav Kaura (Independent Director) | Mr. Manish Kumar (Company Secretary) |
| Mr. Avinash Verma (Independent Director) | |

During the year under reporting the Company has paid total remuneration of ₹ 93,79,136/- (previous year: ₹ 1,03,07,675/-) to above Key Management Personnel.

29. Auditor's remuneration

| Particulars | 31-03-2018 | 31-03-2017 |
|-----------------------|-----------------|-----------------|
| Statutory audit fee | 1,80,000 | 1,80,000 |
| Certification charges | 1,00,000 | 1,00,000 |
| Tax audit | 1,25,000 | 1,25,000 |
| Taxes | - | 750 |
| Total | 4,05,000 | 4,05,750 |

30. Segmentwise revenue & results

| Particulars | 31-03-2018 | 31-03-2017 |
|--|---------------------|---------------------|
| Revenue by geographical segment | | |
| India | 12,95,17,876 | 9,26,24,847 |
| USA | 2,72,08,720 | 3,26,18,714 |
| Europe | 61,28,660 | 50,37,884 |
| Rest of the world | 7,36,82,433 | 5,30,75,082 |
| Total | 23,65,37,689 | 18,33,56,527 |
| Less: Inter segment revenue | - | - |
| Net sales/ revenue from operation | 23,65,37,689 | 18,33,56,527 |
| Profit/(loss) before tax and interest by geographical segment | | |
| India | 6,75,29,648 | 4,36,95,589 |
| USA | 1,46,93,955 | 1,67,34,160 |
| Europe | 33,09,757 | 26,10,176 |
| Rest of the world | 3,97,91,890 | 2,74,00,753 |
| Total | 12,53,25,250 | 9,04,40,678 |
| Less: Interest | - | - |
| Less: Other unallocable expenditure | 10,98,90,040 | 8,99,13,609 |
| Add: Other unallocable income | 40,36,695 | 82,52,809 |
| Profit before tax | 1,94,71,905 | 87,79,878 |

The Group manufactures "Telecom Transmission Equipment", which is the only business segment of the Group. The Group manufacturing unit is located at New Delhi. The above segment-wise revenue and results are being identified on the basis of geographical markets. The fixed assets used in the Group'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.

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

31. Other disclosures

- a) 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.
- b) During the financial year under reporting and in any preceding years, the Group did not enter in any transaction with any Micro, Small and Medium Enterprises and therefore no interest was paid or payable by the Group 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).
- c) 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 Micro, Small and Medium Enterprises Development Act, 2006.
- d) During the financial year, there is no reportable amount of interest due and payable, accrued and remaining unpaid, to small and micro enterprises supplier, to whom the Group owes dues, which are outstanding beyond prescribed period as at the balance sheet date.

32. Additional information related to the subsidiaries considered in the preparation of consolidated financial statements.
a) As at 31-03-2018

| Name of entity | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss (PAT) | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|--|---------------------|---------------------------------------|--------------------|---|------------------|---|--------------------|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income | Amount |
| Parent company | | | | | | | | |
| Valiant Communications Ltd. | 97.09 | 30,45,57,703 | 113.94 | 1,47,90,483 | (3.84) | (91,824) | 95.63 | 1,46,98,660 |
| Indian subsidiary | | | | | | | | |
| Valiant Infrastructure Ltd. | 1.10 | 34,44,092 | (0.42) | (54,924) | - | - | (0.36) | (54,924) |
| Foreign subsidiaries | | | | | | | | |
| Valiant Communications (UK) Ltd. | 7.61 | 2,38,62,398 | (11.20) | (14,53,909) | 127.17 | 30,38,078 | 10.31 | 15,84,169 |
| Valcomm Technologies Inc. | 2.28 | 71,55,957 | (2.36) | (3,06,332) | (23.33) | (5,57,207) | (5.62) | (8,63,540) |
| Non-controlling interest in all subsidiaries | (0.13) | (4,07,322) | 0.04 | 6,074 | - | - | 0.04 | 6,074 |
| Consolidation adjustments | (7.95) | (2,49,22,705) | - | - | - | - | - | - |
| Total | 100.00 | 31,36,90,123 | 100.00 | 1,29,81,392 | 100.00 | 23,89,047 | 100.00 | 1,53,70,439 |

b) As at 31-03-2017

| Name of entity | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss (PAT) | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|--|---------------------|---------------------------------------|------------------|---|--------------------|---|------------------|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income | Amount |
| Parent company | | | | | | | | |
| Valiant Communications Ltd. | 97.16 | 28,98,59,044 | 101.11 | 61,77,543 | 2.05 | (53,800) | 175.60 | 61,23,743 |
| Indian subsidiary | | | | | | | | |
| Valiant Infrastructure Ltd. | 1.17 | 34,99,016 | 1.81 | 1,10,792 | - | - | 3.18 | 1,10,792 |
| Foreign subsidiaries | | | | | | | | |
| Valiant Communications (UK) Ltd. | 7.47 | 2,22,78,315 | (28.74) | (17,56,124) | 163.56 | (42,89,351) | (173.36) | (60,45,475) |
| Valcomm Technologies Inc. | 2.49 | 74,37,480 | 26.02 | 15,89,768 | (65.61) | 17,20,692 | 94.93 | 33,10,460 |
| Non-controlling interest in all subsidiaries | (0.14) | (4,13,396) | (0.20) | (12,252) | - | - | (0.35) | (12,252) |
| Consolidation adjustments | (8.15) | (2,43,34,701) | - | - | - | - | - | - |
| Total | 100.00 | 29,83,25,758 | 100.00 | 61,09,727 | 100.00 | (26,22,459) | 100.00 | 34,87,268 |

Notes to the consolidated financial statements for the period ended 31 March 2018

All amounts are in ₹ unless otherwise stated

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

As per our report of even date
For and on behalf of
Pawan Nanak Bansal & Co.
Chartered Accountants
Firm Registration No.: 008953C

Alok Jain
Partner
Membership No.: 510960

For and on behalf of the Board

Inder Mohan Sood
Managing Director & CEO
DIN: 00001758

Davinder Mohan Sood
Executive Director & CFO
DIN: 00001756

Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 29 May 2018

ATTENTION SHAREHOLDERS!

Notice is hereby given to the equity shareholders of the Company that w.e.f. 5 December 2018, the members who hold their equity shares in physical form shall be able to transfer their equity shares in dematerialized form only. This notice is in compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *vide* notification dated June 8, 2018 read with circular LIST/COMP/15/2018-19 dated July 05, 2018 issued by BSE Limited.

In other words, on and after 5 December 2018, the equity shares shall be transferred in dematerialized form only and no share shall be transferred in physical form. However, the above notice shall not be applicable in case of transmission or transposition cases.

The necessary guidance to dematerialize shares have been placed on the website of the company at the following web link:

<https://www.valiantcom.com/corporate/misc/notice/demat-form.pdf>

We would also like to inform you that Securities and Exchange Board of India (hereinafter referred to as 'SEBI') has, vide their Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018 directed that the updated Bank Details of the shareholders including PAN and E-mail ID must be maintained by the Companies and if not available, the same must be obtained from the concerned shareholders.

Accordingly, all shareholders who are holding shares in physical form and has not yet provided the above details, are requested to submit the following documents within 21 days of receipt of this letter to update our records:

1. The below KYC form (Annexure - A). It is also available at: <https://www.valiantcom.com/corporate/misc/notice/kyc-form.pdf>
2. Self-attested copy of PAN Card of all the shareholders. Residents of Sikkim may provide valid identity proof document instead of PAN.
3. Original cancelled cheque leaf with name (if name is not printed on cheque leaf, copy of bank pass book/ statement showing name of the account holder attested by bank)
4. Address proof (self-attested copy of Aadhaar-card / Passport / Voter ID / Driving Licence / Utility Bill)

Please send the aforesaid documents to Link Intime India (P) Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

Sincerely,
For Valiant Communications Limited
Manish Kumar
Company Secretary (Membership No.: A16483)

New Delhi, July 26, 2018



Annexure - A

Link Intime India Private Limited
(Unit: **Valiant Communications Limited**)
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

Dear Sir,

I / We hereby furnishing the details as required by you. Kindly record the same and confirm.

| | |
|--|------------------------------|
| Name of Shareholder (s) | |
| Folio No. | |
| PAN (Enclose self-attested copy of PAN card/s of all holders) | |
| Bank Account No. (Enclose name printed original cancelled cheque / attested copy of passbook with details of account holder printed) | |
| Name of Bank / Branch | |
| IFSC Code | |
| MICR No. | |
| Email ID | |
| Mobile / Telephone number | |
| Name of Shareholder (s) | Signature of Shareholder (s) |
| I. | |
| II. | |

Encl. as above



NOTICE

Notice is hereby given that 25th Annual General Meeting of the Valiant Communications Limited will be held on Friday, 28 September 2018, at 9:30 a.m. at 96/4, Post & Village, Tikri Kalan, New Delhi 110041 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a) the Audited Financial Statements for the financial year ended 31 March 2018 together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements for the financial year ended 31 March 2018 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Inder Mohan Sood (DIN No. 00001758) who retires by rotation and being eligible, offers himself for re-appointment.

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

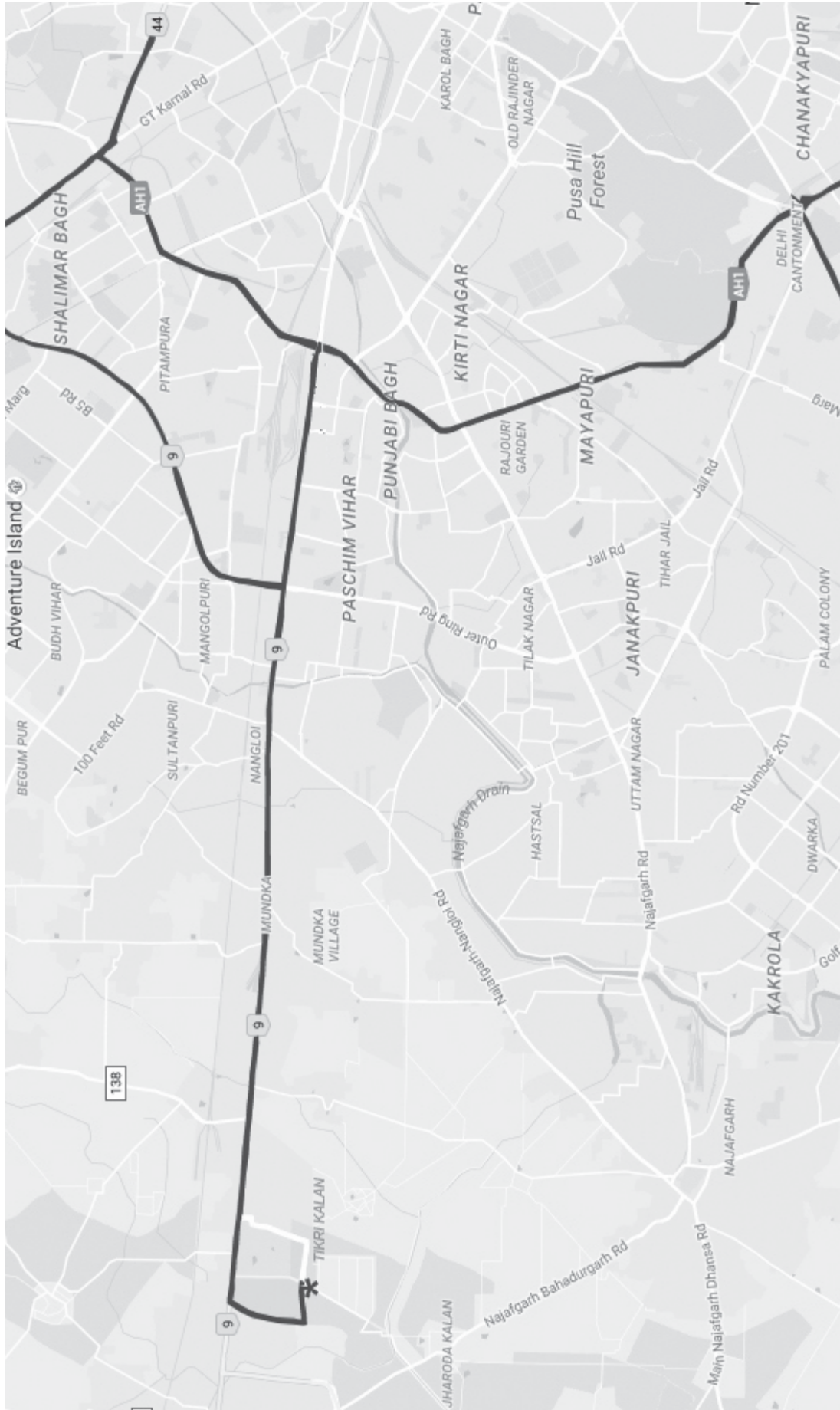
Date: 29 May 2018
Regd. Office: 71/1, Shivaji Marg,
New Delhi - 110015

Manish Kumar
Company Secretary
Membership No.: A16483

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, 22 September 2018 to Friday, 28 September 2018 (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) along with requisite fee as decided by the IEPF Authority from time to time.
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. (Link-Intime), 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028.
7. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or Link-Intime.
8. Brief profile of director to be appointed:
Mr. Inder Mohan Sood is one of Promoters of the Company. He is a Post Graduate (M.A.) from Delhi University and having vast experience in the core activities 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) Valiant Communications (UK) Ltd. (c) Gem Financiers and Distributors (P) Ltd. (d) Great Films (P) Ltd. and (e) 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 31 March 2018, he holds 11,49,086 (15.91%) 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 21 September 2018.
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
- (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 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.
 - 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 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, 25 September 2018 (10:00 a.m. IST) and ends on Thursday, 27 September 2018 (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, 21 September 2018, 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 under Help Section or write an email to 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) 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.



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

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member(s) :
Registered address :
E-mail Id :
Folio No. / Client ID No. : DP ID No.

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Friday, 28 September 2018 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 March 2018 | | |
| 1(b). | Adoption of Audited Consolidated Financial Statements and Auditors Reports for the financial year ended 31 March 2018 | | |
| 2. | Re-appointment of Mr. Inder Mohan Sood, who retires by rotation | | |

Affix
₹ One
Revenue
Stamp

Signed theday of2018

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

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

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



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

ATTENDANCE SLIP
(To be presented at the entrance)
25TH ANNUAL GENERAL MEETING ON FRIDAY, 28 SEPTEMBER 2018 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
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