

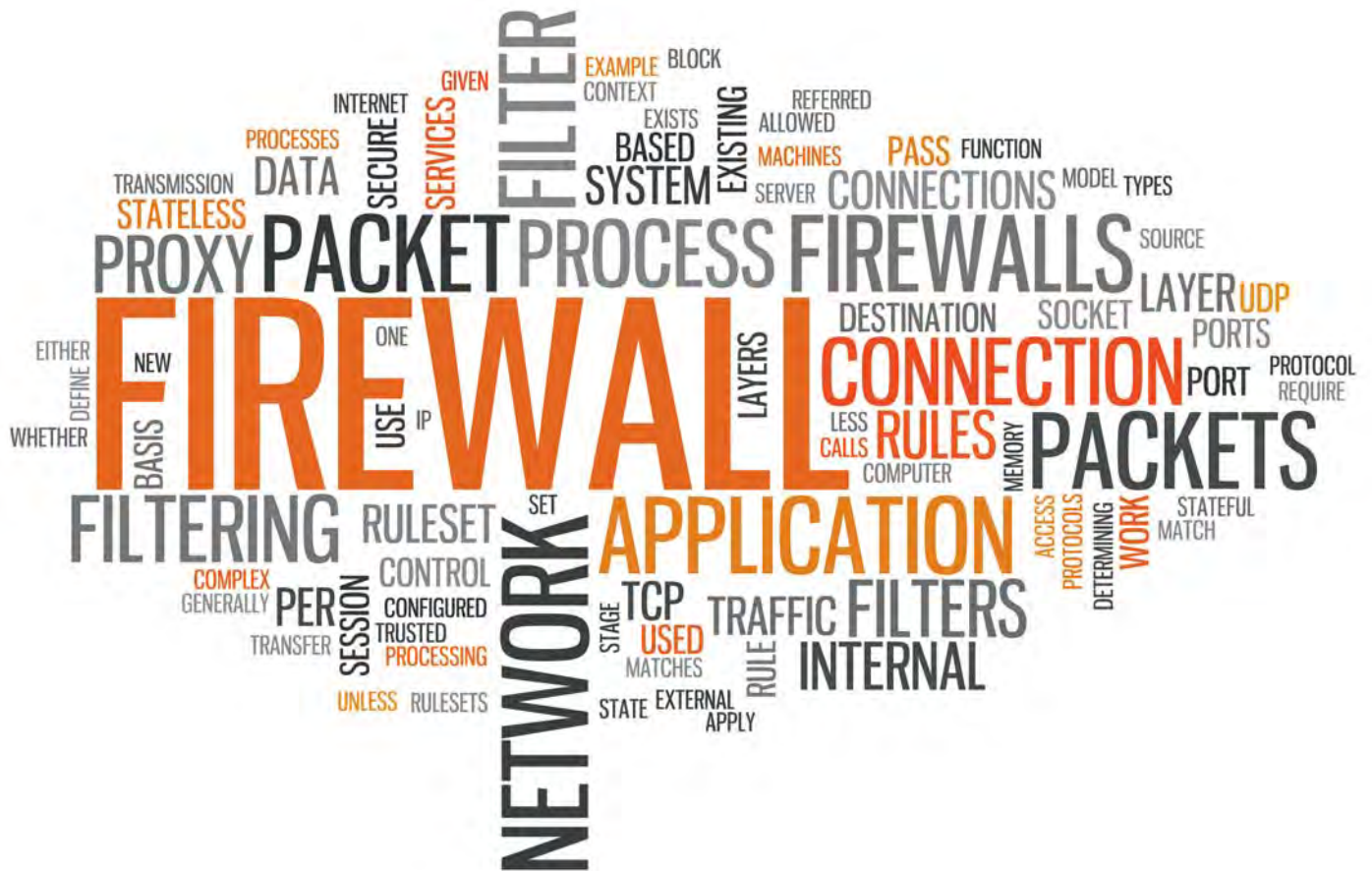


ANNUAL REPORT

2018-19

***Communication
and Transmission
Solutions***

VALIANT COMMUNICATIONS LIMITED



COMMUNICATION
TRANSMISSION
SYNCHRONIZATION
CYBER SECURITY
SOLUTIONS

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

Valiant offers communication, transmission, synchronization 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 solutions for Oil & Gas Sector, Railways & Metro Rail Networks, Airport Communications networks.

Further, as the global need and desire to shift to Electric Vehicle begins to accelerate, Power utilities are tapping new technologies to serve increasingly sophisticated customers and improve operational efficiencies. We are in the early stages of a tectonic shift, of once in a generation opportunity of moving from a fossil fuel dependent transportation sector to an electricity driven (and heavily dependent) society. Transportation and automobiles sector will lead this shift to becoming an ever increasingly dependent civilization, on power and electricity.

Valiant is focused on positioning itself towards providing transmission, communication, synchronization and cyber security solutions to cater to a shift towards an electric driven transportation system (in automobiles).

Valiant today, has the core technologies in communications using its transmission, grid protection, grid synchronization, cyber security and encryption technologies, to securely connect power generation, power transmission, power distribution and is also in the process of developing communication technologies for connecting end-customer, right up to the electric vehicle level.

Valiant's is also 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 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 Grid Synchronization solutions for GPS / 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 approval and award of a pilot order from ISRO (Indian Space Research Organisation) for its communications solutions. NASA (National Aeronautics and Space Administration, USA), FAA (Federal Aviation Administration, USA) are existing customers of the Company.

Valiant is focused on providing Cyber and 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 (Switch/Server/Router) redundancy solutions for network reliability to currently cater to the network security requirements to its international customers. Applications include Government Organizations, Defence Organizations, Power Utilities, Oil & Gas Companies, Airport Authority Companies, Mobile / Cellular Service providers, Railways / Metro Rail Networks.

The Company clearly intends to remain focused towards designing and developing communication equipment and solutions for the international communication 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.
Noble Heights, 1st floor, Plot No NH-2,
C-1 Block, LSC, Near Savitri Market,
Janakpuri, New Delhi - 110058

Overseas Offices

Valiant Communications (UK) Limited
Central House Rear Office, 124 High Street,
Hampton Hill, Middlesex TW12 1NS, United Kingdom

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

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DIRECTORS' REPORT

To the Members,

The Directors present their 26th Annual Report on the business and operations of the Company and the audited statement of accounts for the year ended 31 March 2019.

Financial Results

(In ₹)

Particulars	2018-2019	2017-2018
Sales & Other Income	18,77,31,757	23,24,65,257
Profit before depreciation, exceptional item and taxation	2,17,38,047	3,68,45,511
Less : Depreciation	1,73,99,394	1,64,54,463
Taxes	14,43,734	56,00,565
Net Profit after tax	28,94,919	1,47,90,483
Other comprehensive income (net)	(14,46,802)	(91,824)
Total comprehensive income	14,48,117	1,46,98,659

Corporate Highlights

During the year under review, the total income is ₹ 1,877 lakh (previous year: ₹ 2,325 lakh). The profit before depreciation and taxation is ₹ 217 lakh (previous year: ₹ 368 lakh) and the net profit is ₹ 29 lakh (previous year: ₹ 148 lakh).

Operations and State of Affairs

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

Subsidiaries and their Performance

To explore the emerging opportunities in communications business 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 features of the 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/cp/material-subsubsidiary-policy.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 Standards) 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 2019 was ₹ 722 lakh. 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 2019, 97.75% (previous year: 97.05%) 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 Shareholders' 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.

During the year under review, your Company has not entered in any kind of transaction, referred in Clause 2 and 2A, Part A of Schedule V of Listing Regulations.

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/cp/materiality-related-party.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

The Members of the Company at the 21st Annual General Meeting (AGM) held on 26 September 2014, had appointed Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee as Independent Directors of the Company for the first term to hold office upto 25 September 2019.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and shall be eligible for reappointment on passing of a special resolution by the Company for another term of upto five consecutive years.

The Nomination and Remuneration Committee (NRC) of the Company has, in its meeting held on 16 May 2019, recommended to the Board, for the re-appointment of Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee as Independent Directors for a further term of five (5) consecutive years from 25 September 2019 to 24 September 2024. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the re-appointment of Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee as Independent Directors for a further term of five years, is being placed before the Members in the forthcoming AGM for their approval. As per the provisions of Section 149 of the Act, they will not be liable to retire by rotation.

The Company has also received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, proposing

the candidature of above referred Independent Directors.

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.

The tenure of Mr. Inder Mohan Sood, Managing Director, and of Mr. Davinder Mohan Sood, Executive Whole-time Director, will expire on 16 August 2019 and 30 November 2019 respectively.

Considering their long association with the Company, the valuable services rendered and efforts made by them for improving the operations of the Company and nature of expertise they have in their respective fields, the Nomination and Remuneration Committee has recommended their re-appointment to the Board of Directors.

The Board of Directors in their meeting held on 16 May 2019, subject to the approval of the members in the forthcoming AGM; and the provisions of the Articles of Association of the Company, have re-appointed Mr. Inder Mohan Sood as Managing Director and Mr. Davinder Mohan Sood as Executive Whole-time Director of the Company, on existing terms and conditions, for a further period of three years from the date on which their respective tenures will be expired.

However, they both shall be liable to retire by rotation in accordance with the provisions of Section 152 of Companies Act, 2013.

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 inter-alia 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/cp/nomination-remuneration-policy.pdf>

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

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and of Directors.

The Board's functioning was evaluated on various aspects, including inter-alia the Structure of the Board, Meetings of the Board, Functions of the Board, Degree of fulfilment of key responsibilities, Establishment and delineation of responsibilities to various Committees, Effectiveness of Board Processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

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>

Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under section 143(12) of the Act and the rules made thereunder.

Secretarial Standards

The Company is in compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

Anti-Sexual Harassment Policy

The Company has complied with the provisions of relating to the constitution of Internal Compliant Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has not received any complaint of sexual harassment during the financial year under reporting.

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 2018-19, laid down by the Board to govern the conduct of Directors and senior management of the Company by certain fundamental business principles, ethics, values, policies and procedures within the applicable laws, rules and regulations.

Code for Prevention of Insider Trading

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

The details of the said code are posted on the website of the company at <https://www.valiantcom.com/corporate/cp/codes-insider-trading.htm>

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.

The Company has received a certificate from M/s. Pawan Nanak Bansal & Co. confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

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 2019 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. The same can also be accessed on the Company's website at https://www.valiantcom.com/corporate/annual_reports/annual_reports.htm

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.

Cost records

The provisions of the Act relating to maintenance of cost records are not applicable.

Material changes and commitment

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

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(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with any amendments thereto, is annexed as Annexure-4.

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company.

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: 16 May 2019

Annexure - 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(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 2019 (identical with the holding company's reporting period)	Financial year ended on 31 March 2019 (identical with the holding company's reporting period)	Financial year ended on 31 March 2019 (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	90.476	69.171	1.000
Share Capital	2,25,000 Ordinary Shares amounting to ₹2,03,57,010	1,32,50,000 Capital Stock amounting to ₹91,65,197	3,21,882 Equity Shares amounting to ₹32,18,820
Reserves	35,97,416	26,15,920	3,19,898
Total Assets	2,41,77,992	1,19,88,620	41,94,369
Total Liabilities	2,23,476	2,07,514	6,55,651
Investments	80,93,531	-	-
Turnover	1,47,01,661	16,85,290	14,96,000
Profit/ (Loss) before taxation	6,16,845	7,43,583	1,17,169
Provision for taxation	-	-	22,543
Profit/ (Loss) after taxation	6,16,845	7,43,583	94,626
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, 16 May 2019

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**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
CIN: L74899DL1993PLC056652
71/1, Shivaji Marg, New Delhi - 110 015

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 2019 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 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') as amended thereto and the Rules made there under and the relevant provisions of the Act;
- (ii) The Securities Contracts (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) The following key/ significant laws as amended from time to time, read with applicable rules made there under specifically applicable to the Company:
 1. The Delhi Shops & Commercial Establishments Act, 1954;
 2. The Child Labour (Prohibition and Regulation) Act, 1986;

3. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
4. The Contract Labour (Regulation and Abolition) Act, 1970;
5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
6. The Employees' State Insurance Act, 1948;
7. The Employees Compensation Act, 1923;
8. The Equal Remuneration Act, 1976;
9. The Factories Act, 1948;
10. The Industrial Disputes Act, 1947;
11. The Industrial Employment (Standing Orders) Act, 1946;
12. The Maternity Benefit Act, 1961;
13. The Employees' State Insurance Act, 1948;
14. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes;
15. The Minimum Wages Act, 1948;
16. The Payment of Bonus Act, 1965;
17. The Payment of Gratuity Act, 1972;
18. The Payment of Wages Act, 1936;
19. The Patents Act, 1970;
20. The Trade Marks Act, 1999
21. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
22. The Water (Prevention and Control of Pollution) Act, 1974;
23. The Air (Prevention and Control of Pollution) Act, 1981;
24. The Environment Protection Act, 1986;
25. The Water (Prevention & Control of Pollution) Cess Act, 1977 and Water (Prevention & Control of Pollution) Cess Rules, 1978
26. Public Procurement Policy for Micro and Small Enterprise Order, 2012;
27. Foreign Trade Policy 2015-2020;
28. Service Export from India Scheme;
29. Information Technology Act, 2000;
30. Telecom Regulatory Authority of India Act, 1997;
31. Indian Telegraph Act, 1885;
32. Indian Wireless Telegraphy Act, 1933;
33. Telegraph Wires (Unlawful Possession) Act, 1950
34. The Prevention of Money Laundering Act, 2002;
35. The Micro, Small and Medium Enterprises Development Act, 2006;
36. The Competition Act, 2002;
37. Various taxation laws (refer para 7 of 'Annexure A')

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and



During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above, however, the provisions under section 135 of Companies Act, 2013 and Rules made there under related to Corporate Social Responsibility are not applicable on the company for the reporting year. Further, in the absence of required instance(s), during the period under review, the provisions of some of the above enactments were in applicable.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the year under reporting.

Further, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken 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 its size and operations, 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, standards etc.

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

(Proprietor)
Sushant Bhalla
ACS: 46640 CP: 17201

Place: New Delhi
Date: 16 May 2019

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
CIN: L74899DL1993PLC056652
71/1, Shivaji Marg, New Delhi - 110 015

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 processes 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 the 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.
7. We further report that the compliance by the Company of applicable Direct & Indirect Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

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

(Proprietor)
Sushant Bhalla
ACS: 46640 CP: 17201

Place: New Delhi
Date: 16 May 2019

Annexure-3

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

As on financial year ended on 31 March 2019
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. Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Telephone no. +91-11-4141 0592/93/94



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	95.72

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. Central House Rear Office, 124 High Street, Hampton Hill, Middlesex TW12 1NS, United Kingdom	Not applicable	Subsidiary	100.00	2(87)(ii)
3	Valcomm Technologies Inc. 4000 Ponce de Leon Blvd., 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

n) 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	26,10,924	-	26,10,924	36.15	1.05
(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	31,19,692	-	31,19,692	43.19	1.05
[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	31,19,692	-	31,19,692	43.19	1.05

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	-	1,200	1,200	0.02	-	300	300	0.00	(0.01)
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	50	-	50	0.00	50	-	50	0.00	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	50	1,200	1,250	0.02	50	300	350	0.00	(0.01)
[2]	Central/State Government(s)/ President of India									
	Central/State Government(s)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	15,65,153	1,34,675	16,99,828	23.53	15,29,785	91,570	16,21,355	22.45	(1.09)
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	15,10,614	-	15,10,614	20.91	15,82,136	-	15,82,136	21.90	0.99
(b)	NBFCs registered with RBI	-	-	-	-	10,000	-	10,000	0.14	0.14
(c)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
	IEPF	56,345	-	56,345	0.78	1,32,739	-	1,32,739	1.84	1.06
	Trusts	3,990	-	3,990	0.06	3,990	-	3,990	0.06	-
	Hindu Undivided Family	1,37,020	-	1,37,020	1.90	1,34,135	-	1,34,135	1.86	(0.04)
	Non Resident Indians (Non Repat)	37,078	-	37,078	0.51	40,529	-	40,529	0.56	0.05
	Other Directors	-	-	-	-	20,310	-	20,310	0.28	0.28
	Non Resident Indians (Repat)	83,333	55,889	1,39,222	1.93	83,241	52,889	1,36,130	1.88	(0.04)
	Overseas Bodies Corporates	-	6,037	6,037	0.08	-	6,037	6,037	0.08	-
	Clearing Member	48,817	-	48,817	0.68	9,636	-	9,636	0.13	(0.54)
	Bodies Corporate	5,24,128	15,200	5,39,328	7.47	3,94,621	11,800	4,06,421	5.63	(1.84)
	Sub Total (B)(3)	39,66,478	2,11,801	41,78,279	57.84	39,41,122	1,62,296	41,03,418	56.81	(1.04)
	Total Public (B)=(B)(1)+(B)(2)+(B)(3)	39,66,528	2,13,001	41,79,529	57.86	39,41,172	1,62,596	41,03,768	56.81	(1.05)
	Total (A)+(B)	70,10,459	2,13,001	72,23,460	100.00	70,60,864	1,62,596	72,23,460	100.00	-

(ii) Shareholding of Promoters

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	-	1,30,000	1.80	-	0.46
4	Garv Mohan Sood	1,03,837	1.44	-	1,41,128	1.95	-	0.52
5	Anupam Sood	12,000	0.17	-	12,000	0.17	-	-
6	Gaurav Mohan Sood	25,882	0.36	-	30,952	0.43	-	0.07
7	Gem Financiers and Distributors (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	-	31,19,692	43.19	-	1.05

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

S. No.	Name and type of Transaction	Shareholding at the beginning of the year - 2018		Transaction during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares Held	No. of Shares Held	% of total shares of the Company
1	Inder Mohan Sood At the end of the Year	11,49,086	15.91			11,49,086 11,49,086	15.91 15.91
2	Davinder Mohan Sood At the end of the Year	11,47,758	15.89			11,47,758 11,47,758	15.89 15.89
3	Gem Financiers and Distributors (P) Ltd. At the end of the Year	3,10,373	4.30			3,10,373 3,10,373	4.30 4.30
4	Great Films (P) Ltd. At the end of the Year	1,98,395	2.75			1,98,395 1,98,395	2.75 2.75
5	Garv Mohan Sood Transfer Transfer At the end of the Year	1,03,837	1.44	26 Oct 2018 08 Mar 2019	7,291 30,000	1,03,837 1,11,128 1,41,128 1,41,128	1.44 1.54 1.95 1.95
6	Shompa Sood Transfer Transfer Transfer Transfer Transfer Transfer Transfer At the end of the Year	96,600	1.34	24 Aug 2018 31 Aug 2018 07 Sep 2018 14 Sep 2018 29 Sep 2018 01 Mar 2019 08 Mar 2019	1,000 1,817 440 4,621 5,522 10,000 10,000	96,600 97,600 99,417 99,857 1,04,478 1,10,000 1,20,000 1,30,000 1,30,000	1.34 1.35 1.38 1.38 1.45 1.52 1.66 1.80 1.80
7	Gaurav Mohan Sood Transfer Transfer Transfer At the end of the Year	25,882	0.36	07 Sep 2018 14 Sep 2018 12 Oct 2018	500 2,570 2,000	25,882 26,382 28,952 30,952 30,952	0.36 0.37 0.40 0.43 0.43
8	Anupam Sood At the end of the Year	12,000	0.17			12,000 12,000	0.17 0.17

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 72,23,460 shares
2. The details of the holding has been clubbed based on PAN.
3. % of the total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(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 Transfer At the end of the year	1,90,000	2.63	27 Jul 2018	250	1,90,000 1,90,250 1,90,250	2.63 2.63 2.63
2	Ostrich Estate Pvt. Ltd. At the end of the year	1,67,454	2.32			1,67,454 1,67,454	2.32 2.32
3	Investor Education and Protection Fund Authority Ministry of Corporate Affairs Transfer Transfer At the end of the year	56,345	0.78	16 Nov 2018 23 Nov 2018	68,740 7,654	56,345 1,25,085 1,32,739 1,32,739	0.78 1.73 1.84 1.84
4	Narinder Kaur Suri At the end of the year	1,28,850	1.78			1,28,850 1,28,850	1.78 1.78
5	Narayan Sultania At the end of the year	90,000	1.25			90,000 90,000	1.25 1.25
6	Usha Chandra Singh Mehta At the end of the year	80,000	1.11			80,000 80,000	1.11 1.11
7	Sheetal Rahul Mehta At the end of the year	80,000	1.11			80,000 80,000	1.11 1.11
8	Rahul Chandra Singh Mehta At the end of the year	63,500	0.88			63,500 63,500	0.88 0.88
9	Sushila Sultania Transfer At the end of the year	63,000	0.87	22 Feb 2019	-12,324	63,000 50,676 50,676	0.87 0.70 0.70
10	Banayan Capital Advisors LLP Transfer At the end of the year	50,000	0.69	04 May 2018	243	50,000 50,243 50,243	0.69 0.70 0.70
11	Opus Software Solutions Pvt. Ltd. Transfer Transfer At the end of the year	57,533	0.80	01 Mar 2019 08 Mar 2019	-41,232 -16301	57,533 16,301 - -	0.80 0.23 - -

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 At the end of the year	11-09-2018 01-03-2019	Transfer Transfer	1,948 8,052 10,310	0.03 0.11 0.14	1,948 10,000 20,310 20,310	0.03 0.14 0.28 0.28
2	Name: Manish Kumar At the beginning of the year Changes during the year At the end of the year					50 - 50	0.00 - 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 Sood 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	22,500	30,000	30,000	30,000	1,12,500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	22,500	30,000	30,000	30,000	1,12,500
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	22,500	30,000	30,000	30,000	1,12,500
	Total Managerial Remuneration					1,12,500
	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

Annexure - 4

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

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

Name	Category / Designation	Ratio to Median	% increase in Remuneration
Mr. Inder Mohan Sood	Managing Director & CEO	5.15 : 1	None
Mr. Davinder Mohan Sood	Whole-time Director & CFO	4.68 : 1	None
Mr. Gaurav Kaura	Independent Director	0.04 : 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	3.45 : 1	None

3. The percentage increase in the median remuneration of employees in the financial year: 0.04%
4. The number of permanent employees on the rolls of Company as at reporting date: 41
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 0.91%. whereas, there is no increase in the salaries of the Key Managerial Personnel. The increment given to each individual employee is based on the employees' education, potential, experience as also their performance and contribution to the Company's progress over a period of time and also the industrial standards in India.
6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:
It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

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

None of the employees' remuneration exceeds the limit specified.

Annexure - 5

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

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

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

TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

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

RESEARCH AND DEVELOPMENT

Research and Development (R&D) is being carried out by the Company to develop special systems to meet customer requirements in the export markets. The benefits being derived from this are improved quality of products, process efficiencies, easy maintenance of products, standardization of components and above all, customer satisfaction. With a strong focus on new product development, the Company is able to adapt quickly to the needs of the customer on design and configuration modifications for any specific market.

Expenditure on Research and Development (R&D)

Particulars	₹ in lakhs	
	2018-2019	2017-2018
Capital	111.25	130.31
Recurring	-	-
Total	111.25	130.31
Total R&D expenditure as % of total turnover	6.03	5.69

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 Communication and Telecom Transmission Solutions with installations in over 110 countries. Hence, operational activities of the Company are relating to exports promotion:

Particulars	₹ in lakhs	
	2018-2019	2017-2018
The foreign exchange earnings	844.66	1024.51
The foreign exchange outgo	821.22	602.89

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) notified under the Companies (Indian Accounting Standards) Rules, 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 communication, synchronization and cyber security solutions to Power Utilities and other utilities including Oil and Gas, Water Works, Railways and Metro Rail. Communication solutions are also provided for Airport Communications, Corporate Networks, Mobile / Cellular Communication Networks for niche applications.

Energy is a Master Resource. Without Energy, life perishes.

As the global need and desire to shift to Electric Vehicle begins to accelerate, Power utilities are tapping new technologies to serve increasingly sophisticated customers and improve operational efficiencies. We are in the early stages of a tectonic shift, of once in a generation opportunity of moving from a fossil fuel dependent transportation sector to an electricity driven (and heavily dependent) society. Transportation and automobiles sector will lead this shift to becoming an ever increasingly dependent civilization, on power and electricity.

The world, as it exists today is not geared by to take up this challenge of shifting from fossil fuel transportation system to an electricity-based transportation system. Neither the existing power production or generation, nor transmission or distribution networks are capable of handling even a 25% shift from fossil fuel transportation system to electricity-based automobile system. The scale of this opportunity is massive in terms of capital required and infrastructure implementation.

The growth in electric and hybrid electric vehicles (EVs/HEVs) is surging and by 2025, EVs and HEVs are expected to account for an estimated 30% of all vehicle sales. Comparatively, in 2016 just under 1% of global auto sales came from electric vehicles.

Where does Valiant fit in and how will it benefit from this gigatrend?

Valiant is focused on positioning itself towards providing communication, synchronization and cyber security solutions to cater to this shift, towards an electric driven transportation system (in automobiles).

Valiant today, has the core technologies in communications using its transmission, grid protection, grid synchronization, cyber security and encryption technologies, to securely connect power generation, power transmission, power distribution and is also in the process of developing communication technologies for connecting end-customer, right up to the electric vehicle level.

Valiant has the know-how to integrate (billions of dollars-worth) of legacy communication equipment, that is already installed in the network, which will be updated to inter-operate with modern communication hardware. The opportunity to do this is very large.

The challenges, the 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.

Business Operation

The Company, while being mainly focused on the export market, has seen some success to start offering its products and solutions 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 ever more vibrant and promising. All the initiatives taken by the Government of India are helping the Company (being indigenous manufacturer of communications, synchronization and cyber security 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 almost all State Electricity Boards (SEBs), which shall provide a distinct advantage to the Company over 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.

The Company has recently been approved and awarded a pilot project from ISRO (Indian Space Research Organisation) for its communications solutions. NASA (National Aeronautics and Space Administration, USA), FAA (Federal Aviation Administration, USA) are existing customers of the Company.



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

With expectations of opportunities expected to materialize in the near future and 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 focused on is providing Cyber and 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 (Switch/Server/Router) redundancy solutions for network reliability to currently cater to the network security requirements to its international customers.

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 1588v2 Slave, PTP 1588v2 Switch & Transparent Clocks 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 added a 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 Cyber Security and Network Protection solutions proving Network / Path / Equipment (Switch/Server/Router) redundancy solutions for network reliability are been added 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, synchronization and cyber security equipment and solutions, for the national and international communication 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 2019-2020 for Power Utilities, Smart Grid, SCADA and Secure Communications and applications. Some of these products are already deployed in various networks, worldwide. A series of new products based on advanced secure 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 2020.

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, synchronization and cyber security equipment and 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 2018-19, the 64% (previous year: 57%) of operating revenue comes from the India, while the 15% (previous year: 12%) and 9% (previous year: 5%) is from the US and European market respectively. The balance 12% (previous year: 26%) 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 substantial business receipts and payments 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 based on consolidated financial statements as on 31 March 2019 along with the comparison with previous two years is given below:

(In ₹)

Particulars	Year ended on 31 March 2019 (Audited)	Year ended on 31 March 2018 (Audited)	Year ended on 31 March 2017 (Audited)
Equity Paid-up Capital	7,22,34,600	7,22,34,600	7,22,34,600
Other Equity	24,39,10,645	24,10,48,201	22,56,77,762
Shareholders Fund / Equity	31,61,45,245	31,32,82,801	29,79,12,362
Book Value (per equity share)	₹ 43.77/-	₹ 43.37/-	₹ 41.24/-

Significant Change in Financial Ratios

Based on the reported financial statements, following are the key financial ratios with respective variations:

Particular	At standalone level			At consolidated level		
	31-03-2019	31-03-2018	Variation	31-03-2019	31-03-2018	Variation
Debtor Turnover	1.76	2.04	-14%	1.82	2.10	-13%
Inventory Turnover	2.66	3.24	-18%	2.78	3.35	-17%
Interest Coverage Ratio [#]	NA	NA	NA	NA	NA	NA
Current Ratio	9.29	8.19	13%	10.12	7.50	35%
Debt Equity Ratio	0:1	0:1	-	0:1	0:1	-
EBITDA ⁵ Margin (%)	12%	16%	-28%	12%	15%	-21%
Operating Profit Margin (%)	2%	9%	-74%	3%	8%	-63%
Net Profit Margin (%)	2%	7%	-76%	2%	6%	-59%
Return on Networth (%)	1%	5%	-81%	1%	4%	-67%

[#]As the Company is a debt free organization, the referred ratios are not applicable.

⁵EBITDA stands for Earnings before Interest, Tax, Depreciation and Amortization.

The drop in all above reported margin ratios and return on equity, are primarily because of the reported drop of 19% in revenue.

Although, the Company and the Group has witnessed a marginal drop in cost pertaining to employee benefits expense and other operating cost, however, because of some of them are of fixed nature, the drop is insufficient to offset the drop in revenue.

In addition to above, there is an increase in 5.74% cost related to depreciation and amortization.

Further, the favorable increase in current ratio is primarily because of reduction in current liabilities discharged during the year and realization of debtors.

Financial and Operational Performance

The Company has posted its annual revenue (net) figures at ₹ 1846 lac (previous year: ₹ 2264 lac). The total revenue of the Company has been dropped by 18% on annual basis.

The Company has recorded annual EBITDA Profit at ₹ 217 lac Vs. ₹ 368 lac on year on year basis.

The other income is dropped from ₹ 36 lac to ₹ 31 lac on annual basis.

The profit after tax has been dropped to ₹ 29 lac Vs. ₹ 148 lac on year on year basis.

At consolidated level, the net revenue of the Group is reduced by 18% to ₹ 1914 lac from ₹ 2341 lac on annual basis. The annual EBITDA Profit stands at ₹ 232 lac Vs. ₹ 359 lac on year on year basis Whereas, the reported net profit after taxes is ₹ 43 lac as compared to ₹ 130 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 29.05.2018, 14.08.2018, 14.11.2018 and 12.02.2019 during the financial year 2018-2019.

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 2018-2019, are follows:

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

None of the directors holds any directorship in any other public listed company. All above disclosed 'other directorships' are being held in the other unlisted companies with no further committee membership liable to be reported. All directors of the Company had attended the last AGM except Mr. D. M. Sood.

The Board confirms that the Independent Directors fulfil the conditions specified in the Listing Regulations and that they are Independent of the management.

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.

Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business strategy, sales & marketing, corporate governance, forex management, administration, decision making,
- iv) Financial and management skills
- v) Technical / professional skills and specialized knowledge in relation to Company's business (communication equipment).

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 12 February 2019, as required under Schedule IV to the Companies Act, 2013 ("the Act") and the Listing Regulations. All Independent Directors have attended the meeting except Mr. Gaurav Kaura.

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/misc.htm>

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 of the Company, its subsidiaries on standalone as well as consolidated basis. 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, disclosures of related party transactions, internal control systems, timely discussions with auditors regarding critical accounting policies, practices, reporting issues and judgements, scope for observations of the auditors and adequacy of the internal audit function.

The members of the Audit Committee met four times on 29.05.2018, 14.08.2018, 14.11.2018 and 12.02.2019 during the financial year 2018-2019.

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

Name	Category	Meeting Attended
Sh. Gaurav Kaura	Chairman	3
Sh. Avinash Verma	Member	4
Sh. D.M. Sood	Member	4
Sh. Sumit Mehta	Member	4
Ms. Neepa Chatterjee	Member	4

CEO/CFO Certification

The CEO and CFO have certified, in terms of the regulation 17(8) of Listing Regulations, to the Board inter-alia 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 powers, roles and terms of reference of the Stakeholder Relationship Committee are in compliance with the provisions of the Listing Regulations and the Act, 2013.

The Company received a total of five complaints regarding change of addresses of shareholders, non-receipt of Annual Report / Transfer of Shares / Dematerialization etc. All complaints were attended to the satisfaction of the investors.

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	-
Sh. Avinash Verma	Member	1
Sh. Sumit Mehta	Member	1
Ms. Neepa Chatterjee	Member	1

The members of the Committee met on 12.02.2019 during the financial year 2018-2019 under the interim Chairmanship of Mr. Avinash Verma.

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, in whatever form, based on the evaluation.
5. Evaluate the need for Executive Directors (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 Whole-time 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	22,500	Not Applicable
Sh. Avinash Verma <i>Independent Non-Executive Director</i>	Nil	30,000	Not Applicable
Sh. Sumit Mehta <i>Independent Non-Executive Director</i>	Nil	30,000	Not Applicable

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. However, in addition of above, the Company's wholly owned subsidiary in UK, has paid a service compensation to the Executive Directors, namely, Mr. Inder Mohan Sood and Mr. Davinder Mohan Sood of ₹ 4,57,747/- and ₹3,66,198/- respectively, based on their performance.

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 2019, none of Non-Executive Independent Directors holds any share in the Company except Ms. Neepa Chatterjee. She holds 20,310 (0.28%) 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
25 th Annual General Meeting	September 28 th 2018 at 9.30 a.m.	96/4, Post & Village, Tikri Kalan, New Delhi 110 041
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

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

- a. 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.
- b. 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.
- c. The Board has implemented the whistle-blower policy and no personnel has been denied access to the audit committee.
- d. The Company has complied with all mandatory requirements of Listing Regulations, whereas, the non-mandatory requirement(s), have not been adopted specifically.
- e. The Audit Committee reviews the financial statements of subsidiaries of the Company. It also reviews the investments made by such subsidiaries, the statement of all significant transactions and arrangements entered into by the subsidiaries, if any, and the compliances of each materially significant subsidiary on a periodic basis. The minutes of board meetings of the subsidiary companies are placed before the Board of the Company for review.
- f. The policy on material subsidiaries, as approved by the Board, can be accessed at the web-link: <https://www.valiantcom.com/corporate/cp/material-subsidary-policy.pdf>

- g. 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/cp/materiality-related-party.pdf>
- h. 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.
- i. During the financial year 2018-19, the Board has accepted all the recommendations of its Committees.
- j. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2018-19.
- k. Disclosure with respect to demat suspense account/unclaimed suspense account: Not applicable.
- l. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- m. Particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.
- n. A certificate from a Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- o. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: ₹ 4.05 lac lakhs (previous year: ₹ 4.05 lac lakhs) excluding taxes.
- p. The Company has not received any complaint of sexual harassment under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 during the financial year under reporting.
- q. Certain information and disclosures under the Act, 2013 and Listing Regulations, have been provided either in Directors' Report or in Management Discussion Analysis or in other section of this report. The same can be referred for any further requisite information.

Means of Communications

- a. 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.

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

Shareholders' Information

a. Annual General Meeting (AGM)

The information regarding the 26th AGM during the year 2019 is as follows:

Date : 25 September 2019
Day: Wednesday
Time: 9.30 a.m.
Place: A7/523, Mundka Village
New Delhi – 110 041

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

c. Date of Book Closure: Thursday, 19 September 2019 to Wednesday, 25 September 2019 (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 2018-2019 and 2019-2020.

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 shares 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.
Noble Heights, 1st floor, Plot No NH-2, C-1 Block,
LSC, Near Savitri Market, Janakpuri,
New Delhi – 110058
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 2019, 97.75% (previous year: 97.05%) 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 a substantial part of the business receipts and payments 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**

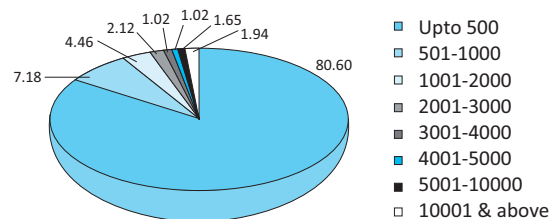
Mr. Manish Kumar, Company Secretary
Valiant Communications Ltd.

m. Distribution of Shareholding
(as on 31 March 2019)

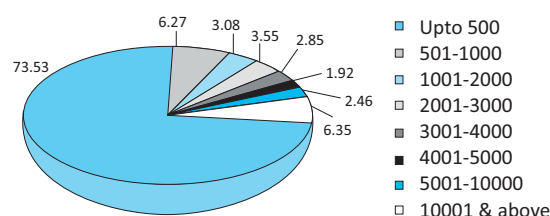
No. of equity shares held	No. of Shareholders	% of Shareholders
Up to 500	3,075	80.60
501-1000	274	7.18
1001-2000	170	4.46
2001-3000	81	2.12
3001-4000	39	1.02
4001-5000	39	1.02
5001-10000	63	1.65
10001 & above	74	1.94
Total	3,815	100.00

No. of equity shares held	No. of Shares held	% of Shares held
Up to 500	4,52,752	6.27
501-1000	2,22,330	3.08
1001-2000	2,56,247	3.55
2001-3000	2,05,591	2.85
3001-4000	1,38,692	1.92
4001-5000	1,77,793	2.46
5001-10000	4,58,946	6.35
10001 & above	53,11,109	73.53
Total	72,23,460	100.00

Distribution of Shareholders



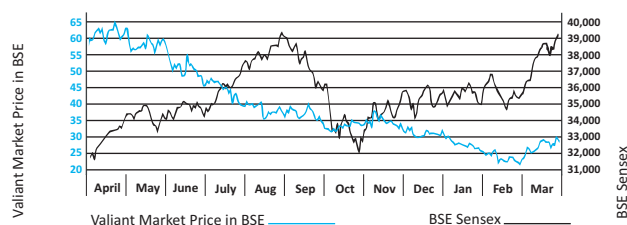
Distribution of Total Shareholding



n. Market Price Data: High / Low during each month in financial year 2018-2019*

Month	Valiant' market price in BSE	
	High	Low
April-18	66.00	55.00
May-18	62.10	53.50
June-18	58.00	42.05
July-18	47.00	36.80
August-18	45.45	31.05
September-18	39.95	32.85
October-18	34.50	27.45
November-18	37.50	29.50
December-18	32.85	26.70
January-19	30.00	23.50
February-19	26.00	19.65
March-19	29.00	21.00

Valiant Market Price Vs. BSE Sensex*

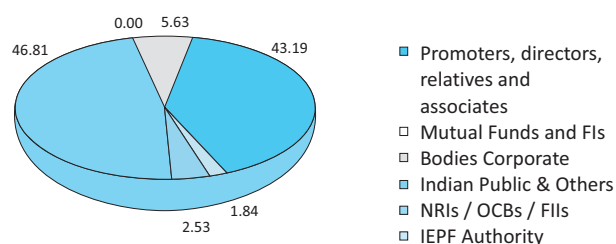


*Data Source – official website of BSE Ltd. www.bseindia.com

o. Shareholding Pattern(as on 31 March 2019)[#]

Categories	No. of Shares	Shareholding in %
Promoters and Promoters' Group [§]	31,19,692	43.19
Mutual funds and FIs	350	0.00
Bodies Corporate	4,06,421	5.63
Indian public & others	33,81,562	46.81
NRIs/OCBs/FIIs	1,82,696	2.53
IEPF Authority	1,32,739	1.84
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 2019 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned 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.

New Delhi, 16 May 2019

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

Alok Jain
Partner
Membership No. 510960

INDEPENDENT AUDITOR'S REPORT

To the Members of Valiant Communications Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Valiant Communications Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, 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 notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, and profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The Key Audit Matter	How our audit addressed the KAM
As described in Note 3.11 to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. The standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include – • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; • Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams; and • Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

Investment in subsidiaries

The Key Audit Matter	How our audit addressed the KAM
The carrying amount of the investments in subsidiaries held at cost. Recoverability of investments in subsidiaries undertaking We do not consider the valuation of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgment, except for the investment valuations	Our audit procedures included the following:- a. Comparing the carrying amount of investments with the relevant subsidiary balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making;

based on projected cash flows which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows. Further due to their materiality in the context of total assets of the Company, this is considered to be significant to our overall audit strategy and planning	b. Testing the assumptions and understanding the cash flows based on our knowledge of the Company and the markets in which the subsidiaries operate; and c. Considering the adequacy of disclosures in the standalone financial statements relating to the valuation of investments of subsidiaries.
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Uncertain direct tax position

The Key Audit Matter	How our audit addressed the KAM
The Company has direct tax matter. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. Refer Note 23.1 to the standalone financial statements.	Our audit procedures includes: - Obtained understanding of key uncertain tax positions; - Assessed management's estimate of the possible outcome of the disputed case; and - As per key correspondences, various other undisputed refund dues are substantially sufficient to settle the above claim.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that 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 Indian Accounting Standards (Ind AS) specified 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 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 financial statements, management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Order, to the extent applicable, that:
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 financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II".
 - 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 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.

h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Alok Jain
Partner
Membership No. 510960

New Delhi, 16 May 2019

ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure-I referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that :

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The fixed assets 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 included in fixed assets 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 of the Act. 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 sections 73 to 76 of the Act 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, Duty of Customs, Goods and Service Tax, cess 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, Duty of Customs, Goods and Service Tax, cess and other material statutory dues were in arrears as at 31 March 2019 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 Duty of Customs, Goods and Service Tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (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 as prescribed under Section 406 of the Act; 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 by the applicable Accounting Standards.
14. Based upon the audit procedures performed and the information and explanations given by the Company, 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, 16 May 2019

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 with reference to standalone financial statements of Valiant Communications Limited ("the Company") as of 31 March 2019 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements 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, 16 May 2019

Valiant Communications Limited

Balance Sheet as at 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	Note	As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4 (a)	4,23,97,992	4,50,21,850
(b) Other intangible assets	4 (b)	2,37,66,908	2,45,25,189
(c) Intangible assets under development		20,17,500	16,80,000
(d) Financial assets			
(i) Investments	5	2,06,21,000	2,06,21,000
(ii) Loans	6	37,000	22,000
(e) Deferred tax assets (net)	15	4,19,478	-
(f) Income tax assets (net)	8	49,74,466	52,07,398
(g) Other non-current assets	9 (a)	54,50,000	42,37,500
Total non-current assets		9,96,84,344	10,13,14,937
Current assets			
(a) Inventories	10	7,88,14,220	5,99,14,856
(b) Financial assets			
(i) Trade receivables	11	8,94,62,049	12,02,36,785
(ii) Cash and cash equivalents	12 (a)	3,52,89,846	71,35,537
(iii) Bank balances other than (ii) above	12 (b)	1,84,85,602	3,93,59,177
(iv) Other financial assets	7	7,29,662	6,96,875
(c) Income tax assets (net)		7,86,118	2,70,698
(d) Other current assets	9 (b)	94,35,117	53,32,646
Total current assets		23,30,02,614	23,29,46,574
Total assets		33,26,86,958	33,42,61,511
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	7,22,34,600	7,22,34,600
(b) Other equity	14	23,37,71,220	23,23,23,103
Total equity		30,60,05,820	30,45,57,703
LIABILITIES			
Non-current liabilities			
(a) Provisions	18 (a)	15,91,892	7,84,895
(b) Deferred tax liabilities (net)	15	-	4,78,156
Total non-current liabilities		15,91,892	12,63,051
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16 (a)		
-Outstanding dues of micro enterprises and small enterprises		35,60,330	-
-Outstanding dues of creditors other than micro and small enterprises		1,07,35,610	1,73,92,229
(ii) Other financial liabilities	16 (b)	38,67,787	35,65,628
(b) Other current liabilities	17	54,07,974	37,52,685
(c) Provisions	18 (b)	15,17,545	11,94,938
(d) Current tax liabilities (net)	8	-	25,35,277
Total current liabilities		2,50,89,246	2,84,40,757
Total equity and liabilities		33,26,86,958	33,42,61,511

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, 16 May 2019

Valiant Communications Limited

Statement of Profit and Loss for the year ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	Note	31-03-2019	31-03-2018
I. Revenue from operations	19	18,45,83,784	22,88,47,094
II. Other income	20	31,47,973	36,18,163
III. Total Income (I+II)		18,77,31,757	23,24,65,257
IV. EXPENSES			
Cost of materials consumed	21.1	8,39,38,847	10,53,42,614
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.2	(17,57,360)	34,53,886
Excise duty on sale of goods		-	24,15,939
Employee benefits expenses	21.3	3,65,08,016	3,74,07,153
Depreciation and amortization expenses	21.4	1,73,99,394	1,64,54,463
Other expenses	21.5	4,73,04,207	4,70,00,154
Total expenses (IV)		18,33,93,104	21,20,74,209
V. Profit/(loss) before exceptional items and tax (III- IV)		43,38,653	2,03,91,048
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		43,38,653	2,03,91,048
VIII. Tax expenses:			
(1) Current tax	8	23,41,368	61,51,479
(2) Deferred tax	8	(8,97,634)	(5,50,914)
Total tax expenses (VIII)		14,43,734	56,00,565
IX. Profit (Loss) for the year (VII-VIII)		28,94,919	1,47,90,483
X. Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of the employee defined benefit plans		(19,55,138)	(1,26,745)
Income tax relating to items that will not be reclassified to profit or loss		5,08,336	34,921
Total Other Comprehensive Income (net of taxes)		(14,46,802)	(91,824)
XI. Total Comprehensive Income for the year (IX+X)		14,48,117	1,46,98,659
XII. Earnings per equity share :			
(1) Basic	22	0.40	2.05
(2) Diluted		0.40	2.05

See accompanying notes to the financial statements

As per our report of even date
For and on behalf of
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Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 16 May 2019

Valiant Communications Limited

Cash Flow Statement for the year ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	31-03-2019	31-03-2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	43,38,653	2,03,91,048
Adjustment for		
Depreciation and amortization	1,73,99,394	1,64,54,463
Remeasurement of the employee defined benefit plans	(19,55,138)	(1,26,745)
(Profit)/ loss on sale of fixed assets	11,373	-
Bank interest	(19,61,580)	(24,30,834)
Net (gain)/ loss on foreign currency translation	(10,34,713)	(11,87,329)
Operating profit before working capital changes	1,67,97,989	3,31,00,603
Adjustment for		
(Increase)/ decrease in trade receivables	3,07,74,736	(1,84,45,228)
(Increase)/ decrease in other financial assets	(47,787)	(3,89,659)
(Increase)/ decrease in other assets	(43,84,959)	(12,48,679)
(Increase)/ decrease in inventories	(1,88,99,364)	2,00,02,304
Increase/ (decrease) in trade payables	(30,96,289)	38,56,711
Increase/ (decrease) in other financial liabilities	3,02,159	8,34,621
Increase/ (decrease) in other current liabilities	27,84,893	9,00,936
Cash generated from operations	2,42,31,378	3,86,11,609
Interest paid	-	-
Direct taxes paid	(43,68,308)	(52,96,255)
Net cash generated from operating Activities	1,98,63,070	3,33,15,354
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(1,40,96,630)	(2,00,45,959)
Sale of tangible and intangible assets	68,000	-
Capital advances	(12,12,500)	1,05,001
Intangible assets under development	(3,37,500)	(4,00,000)
Movement in other bank balance	2,08,73,576	(2,83,34,746)
Bank interest	19,61,580	24,30,834
Net cash generated from investing activities	72,56,526	(4,62,44,870)
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	-	-
Net gain/ (loss) on foreign currency translation	10,34,713	11,87,329
Net increase in cash and cash equivalents	2,81,54,309	(1,17,42,187)
Cash and cash equivalents (opening balance)	71,35,537	1,88,77,724
Cash and cash equivalents (closing balance)	3,52,89,846	71,35,537

See accompanying notes to the financial statements

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

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Partner
Membership No.: 510960

For and on behalf of the Board

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Managing Director & CEO
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Davinder Mohan Sood
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Manish Kumar
Company Secretary
Membership No.: A16483

New Delhi, 16 May 2019

Valiant Communications Limited

Statement of Changes in Equity for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total Equity
		Reserves and Surplus				
		Capital Redemption Reserve	Securities Premium	Retained Earnings		
As at 01-04-2017	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
Profit for the year	-		-	28,94,919	28,94,919	28,94,919
Other Comprehensive Income (net)	-		-	(14,46,802)	(14,46,802)	(14,46,802)
Total Comprehensive Income (net)	-		-	14,48,117	14,48,117	14,48,117
As at 31-03-2019	7,22,34,600	1,42,21,400	8,96,76,647	12,98,73,173	23,37,71,220	30,60,05,820

Note:

1. Amount received on issue of shares in excess of the par value has been classified as securities premium and can be utilized in accordance with the provisions of the Companies Act, 2013 (the Act).
2. Capital redemption reserve is created out of profits on redemption of capital, which is required to be maintained as per statute and cannot be distributed to the shareholders. The same can only be utilized in a restrictive manner as required by the Act.
3. Retained earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity.

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, 16 May 2019

Notes to the financial statements for the period ended 31 March 2019

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 Company's shares are listed at Bombay Stock Exchange (BSE). The Company manufactures communication equipment, primarily for power utilities / other utilities and engaged in its allied services. The Company has its manufacturing facilities in India and sells its products 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 2019 were approved by the Board of Directors and authorised for issue on 16 May 2019. The Corporate Identification Number (CIN) is L74899DL1993PLC056652.

2. Recent accounting pronouncement

Standards issued but not yet effective

Ind AS 116 'Leases'

The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from 01 April 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements.

The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

Amendment to Ind AS 12 'Income Taxes'

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.

Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 01 April 2019.

At present, there shall not be any significant impact on financial statements because of above.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 01 April 2019.

The Company is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits'

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 01 April 2019.

The Company is evaluating the effect of the above in the financial statements.

3. Significant accounting policies

3.1 Statement of compliance

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

3.2 Basis of preparation and measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention 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.

All assets and liabilities are classified into current and non-current generally based on the nature of product/ activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent.

The Group has determined its operating cycle as 12 months for

Notes to the financial statements for the period ended 31 March 2019

the purpose of classification of its assets and liabilities as current and non-current.

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, maximising the use of relevant observable inputs and minimising 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

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 the Company 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. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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).

Notes to the financial statements for the period ended 31 March 2019

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
Computer 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.

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 intangible 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.

Notes to the financial statements for the period ended 31 March 2019

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 from contract with customers

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018, has notified the Ind AS 115 (effective for annual periods beginning on or after April 1, 2018).

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

Accordingly, the revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax (GST). Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

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 off 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.

Notes to the financial statements for the period ended 31 March 2019

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 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

Notes to the financial statements for the period ended 31 March 2019

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. 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.

Contingencies 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 judgement 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 2019

All amounts are in ₹ unless otherwise stated

4 (a) Property, Plant and Equipment

Description	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Additions	Deductions	Total up to 31-03-2019	Total upto 31-03-2018	Depreciation for the year	Accumulated Depreciation upto 31-03-2019	Total as at 31-03-2019
Building	1,81,06,657	-	-	1,81,06,657	53,50,568	5,92,132	59,42,700	1,21,63,957
Plant & Machinery	1,88,57,852	-	-	1,88,57,852	1,64,20,844	2,91,919	1,67,12,763	21,45,089
Electric Installations	8,58,323	-	-	8,58,323	8,37,772	4,547	8,42,319	16,004
Office Equipment	48,09,846	65,867	-	48,75,713	37,87,283	3,04,225	40,91,508	7,84,205
Air Conditioner	19,00,065	82,813	-	19,82,878	9,43,715	1,06,678	10,50,393	9,32,485
Generator Set	7,32,487	-	-	7,32,487	5,31,411	32,872	5,64,283	1,68,204
Vehicles	1,09,46,252	19,48,418	15,87,452	1,13,07,218	55,89,030	12,96,911	53,77,863	59,29,355
Tools & Dies	20,89,297	-	-	20,89,297	17,34,096	33,317	17,67,413	3,21,884
Testing Equipment	3,43,26,344	2,45,845	-	3,45,72,189	1,49,31,145	20,32,326	1,69,63,471	1,76,08,718
Furniture & Fixtures	52,87,886	-	-	52,87,886	38,04,575	1,76,750	39,81,325	13,06,561
Computer	65,33,970	6,28,586	-	71,62,556	54,96,690	6,44,336	61,41,026	10,21,530
Total	10,44,48,979	29,71,529	15,87,452	10,58,33,056	5,94,27,129	55,16,013	6,34,35,064	4,23,97,992
Previous year	9,74,82,505	69,66,474	-	10,44,48,979	5,41,02,782	53,24,347	5,94,27,129	4,50,21,850

4 (b) Other Intangible assets

Description	Gross Block			Amortization			Net Block	
	As at 01-04-2018	Additions	Deductions	Total up to 31-03-2019	Total upto 31-03-2018	Amortization for the year	Accumulated amortization upto 31-03-2019	Total as at 31-03-2019
Computer Software	1,03,17,512	-	-	1,03,17,512	93,42,449	2,71,419	96,13,868	7,03,644
Technical Know-How	11,39,96,589	1,11,25,100	-	12,51,21,689	9,04,46,463	1,16,11,962	10,20,58,425	2,30,63,264
Total	12,43,14,101	1,11,25,100	-	13,54,39,201	9,97,88,912	1,18,83,381	11,16,72,293	2,37,66,908
Previous year	11,12,34,616	1,30,79,485	-	12,43,14,101	8,86,58,796	1,11,30,116	9,97,88,912	2,45,25,189

Note: 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 2019

All amounts are in ₹ unless otherwise stated

5. Non-current investments

Unquoted equity instruments (all fully paid)	Face value per share	Number of shares		Amount	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018
Investments in subsidiaries at cost					
Valiant Communications (UK) Ltd.	£1.00	2,25,000	2,25,000	1,77,58,130	1,77,58,130
Valiant Infrastructure Ltd.	₹ 10.00	2,86,287	2,86,287	28,62,870	28,62,870
Total non-current investments				2,06,21,000	2,06,21,000
Aggregate amount of unquoted investments				2,06,21,000	2,06,21,000

6. Loans (at amortised cost)*

Loans Receivable considered goods- Unsecured

Particulars	31-03-2019	31-03-2018
Non-current		
Security deposits (non-interest bearing)	37,000	22,000
Total	37,000	22,000

*There is no loan 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.

7. Other financial assets (at amortised cost)*

Unsecured, considered good

Particulars	31-03-2019	31-03-2018
Current		
Interest accrued on fixed deposits with banks	7,29,662	6,96,875
Total	7,29,662	6,96,875

*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) Income tax assets and liabilities as at

Particulars	31-03-2019	31-03-2018
Non current tax assets		
Advance income tax (net of provisions)	49,74,466	52,07,398
Total	49,74,466	52,07,398
Current tax liabilities		
Provision for income tax (net of advance tax)	-	25,35,277
Total	-	25,35,277

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

b) Income tax recognized in profit and loss

Particulars	31-03-2019	31-03-2018
Current income tax charge		
Current income tax	20,12,623	60,70,198
Adjustment in respect of current income tax of previous year	3,28,745	81,281
Deferred tax		
In respect of current year	(8,67,734)	(4,39,431)
Adjustment in respect of prior years	(29,900)	(1,11,483)
Income tax expenses reported in the Statement of profit and loss	14,43,734	56,00,565

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

Particulars	31-03-2019	31-03-2018
Profit before tax	43,38,653	2,03,91,048
Income tax expense calculated @ 26% (previous year: 27.55%)	11,28,050	56,18,243
Effect of expenses that are not deductible in determining taxable profit	16,839	12,524
Adjustment for changes in estimates of deferred tax	(29,900)	(1,11,483)
Adjustment in respect of current income tax of previous year	3,28,745	81,281
Income tax expenses reported in the statement of profit and loss	14,43,734	56,00,565

9. Other assets

Unsecured, considered good

a) Non-current assets

Particulars	31-03-2019	31-03-2018
Capital advances	54,50,000	42,37,500
Total	54,50,000	42,37,500

b) Current assets

Particulars	31-03-2019	31-03-2018
Statutory dues receivable from government authorities		
Value Added Tax (VAT) credit refundable	27,628	38,736
Service tax credit receivable	40,931	1,37,307
Goods and Services Tax (GST) input credit	10,41,769	-
Advances to suppliers	26,25,855	10,09,129
Advances to employees	16,500	-
Earnest money deposits with customers	7,01,200	3,25,500
Prepaid expenses	49,81,234	38,21,974
Total	94,35,117	53,32,646

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	31-03-2019	31-03-2018
Raw material	7,57,45,782	5,86,03,778
Work-in-progress	30,68,438	13,11,078
Total	7,88,14,220	5,99,14,856

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

11. Trade receivables

Particulars	31-03-2019	31-03-2018
Trade receivables		
Unsecured, but considered good	8,94,62,049	12,02,36,785
Any other	-	-
Total	8,94,62,049	12,02,36,785

Notes:

- The normal 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 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.
- There is no amount due by any of related party.

12. Cash & bank balances

Particulars	31-03-2019	31-03-2018
a) Cash & cash equivalents		
Balances with banks in current accounts	3,52,11,491	70,44,295
Cash on hand	78,355	91,242
Total	3,52,89,846	71,35,537
b) Other bank balance		
Deposit (with original maturity more than 3 months but less than 12 months)	50,00,000	2,55,00,000
<i>Earmarked balances with banks</i>		
Unpaid dividend accounts	-	1,10,164
Bank deposits as margin money against bank guarantees	1,34,85,602	1,37,49,013
Total	1,84,85,602	3,93,59,177

13. Share capital

Particulars	31-03-2019	31-03-2018
Authorized		
1,50,00,000 equity shares of ₹ 10/- each	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

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 31-03-2018	72,23,460	7,22,34,600
Any changes/ movement during the year	-	-
As at 31-03-2019	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.

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

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 31-03-2018		11,49,086	15.91
As at 31-03-2019		11,49,086	15.91
b) Davinder Mohan Sood	Promoter		
As at 31-03-2018		11,47,758	15.89
As at 31-03-2019		11,47,758	15.89
c) Ostrich Estate Private Ltd.	Non-promoter		
As at 31-03-2018		1,67,454	2.32
As at 31-03-2019		1,67,454	2.32

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	31-03-2019	31-03-2018
Securities premium	8,96,76,647	8,96,76,647
Capital redemption reserve	1,42,21,400	1,42,21,400
Retained earnings	12,98,73,173	12,84,25,056
Total	23,37,71,220	23,23,23,103

14.1 Movement in other equity

Particulars	31-03-2019	31-03-2018
Reserves & surplus		
Securities premium		
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	12,84,25,056	11,37,26,397
Add: Profit/ (loss) for the year	28,94,919	1,47,90,483
Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of income tax)	(14,46,802)	(91,824)
Closing balance	12,98,73,173	12,84,25,056
Total	23,37,71,220	23,23,23,103

Note:

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

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

15. Net deferred tax assets / liabilities

Particulars	31-03-2019	31-03-2018
Property, plant and equipment	3,88,975	10,23,649
Gross deferred tax liability	3,88,975	10,23,649
Less:		
Provisions for employee benefits	8,08,453	5,45,493
Gross deferred tax asset	8,08,453	5,45,493
Deferred tax liabilities (net)	-	4,78,156
Deferred tax assets (net)	4,19,478	-

16. Current financial liabilities

Particulars	31-03-2019	31-03-2018
a) Trade payable		
Outstanding dues of micro enterprises and small enterprises (refer note 31)	35,60,330	-
Outstanding dues of creditors other than micro and small enterprises	1,07,35,610	1,73,92,229
Total	1,42,95,940	1,73,92,229
b) Other financial liabilities		
Unpaid dividend	-	1,10,164
Employees related payables	25,30,077	21,83,875
Other expenses payable	13,37,710	12,71,589
Total	38,67,787	35,65,628

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	31-03-2019	31-03-2018
Advances from customers	47,23,829	9,19,145
Statutory dues	6,84,145	28,33,540
Total	54,07,974	37,52,685

18. Provisions

Particulars	31-03-2019	31-03-2018
a) Non-current		
Provision for gratuity	15,91,892	7,84,895
Total	15,91,892	7,84,895
b) Current		
Provision for short-term employees benefit (leave encashment)	15,17,545	11,94,938
Total	15,17,545	11,94,938

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

19. Revenue from operations

Particulars	31-03-2019	31-03-2018
<i>from exports</i>		
Sale of products	6,60,68,845	9,76,17,066
Sale of services	32,378	17,12,152
Total (A)	6,61,01,223	9,93,29,218
<i>from India</i>		
Sale of products inclusive of excise duty	11,06,13,667	12,83,51,931
Sale of services	78,68,894	11,65,945
Total (B)	11,84,82,561	12,95,17,876
Total (A + B)	18,45,83,784	22,88,47,094

- 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	31-03-2019	31-03-2018
Net Revenue from operations	18,45,83,784	22,64,31,155

20. Other income

Particulars	31-03-2019	31-03-2018
a) Interest income		
Interest Income on bank deposits carried at amortised cost	19,61,580	24,30,834
b) Other non-operating income		
Miscellaneous income	1,51,680	-
c) Others gains and losses		
Net gain/ (loss) on foreign currency transaction and translation	10,34,713	11,87,329
Total	31,47,973	36,18,163

21. Expenses

Particulars	31-03-2019	31-03-2018
21.1 Cost of material consumed		
Opening stock	5,86,03,778	7,51,52,196
Add: Purchases	10,10,80,851	8,87,94,196
Less: Closing stock	(7,57,45,782)	(5,86,03,778)
Total	8,39,38,847	10,53,42,614

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	31-03-2019	31-03-2018
21.2 Changes in inventories of work-in-progress (semi-finished)		
Opening stock	13,11,078	47,64,964
Less : Closing stock	(30,68,438)	(13,11,078)
(Increase) / decrease in inventories	(17,57,360)	34,53,886
21.3 Employee benefits expenses		
Salary, wages and bonus	3,46,66,249	3,55,25,471
Contribution to provident and other funds	9,24,126	9,77,368
Staff welfare	9,17,641	9,04,314
Total	3,65,08,016	3,74,07,153
21.4 Depreciation and amortization expenses		
Depreciation on tangible assets	55,16,013	53,24,347
Amortization of intangible assets	1,18,83,381	1,11,30,116
Total	1,73,99,394	1,64,54,463
21.5 Other expenses		
Consumption of stores and spare parts	13,91,038	7,95,673
Power & fuel	14,61,093	14,05,503
Repairs to machinery	3,45,866	2,44,622
Repairs to building	3,94,680	4,45,315
Other manufacturing expenses	96,49,866	82,45,802
Loss on sale of fixed assets	11,373	-
Rent	7,20,000	7,20,000
Rates & taxes, excluding taxes on income	56,871	4,18,024
Postage, phones & grams	7,92,841	8,17,727
Product testing & quality certification	17,92,305	17,54,022
Printing & stationery	6,17,194	7,06,323
Installation & commissioning	56,04,661	13,58,576
Traveling	69,00,229	68,26,470
Insurance	2,23,612	9,24,632
Advertisement	5,17,308	8,80,689
Office general expenses	5,25,589	6,65,671
Vehicle repair & maintenance	8,76,648	8,79,623
Freight & cartage	65,80,033	94,07,523
Charity and donation	36,000	33,000
Unrealized debtors	42,289	8,36,038
Security	12,24,000	11,70,000
Miscellaneous	6,23,742	3,68,905
Auditors remuneration	4,00,000	4,00,000
Bank charges	6,26,350	6,85,032
Legal & professional	40,67,746	31,94,934
Packing & forwarding	15,49,794	34,69,465
Business promotion	2,73,079	3,46,585
Total	4,73,04,207	4,70,00,154

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

22. Earning per share

Particulars	31-03-2019	31-03-2018
Net profit attributable to the equity shareholders of the Company	28,94,919	1,47,90,483
Weighted average number of equity shares of ₹10/- each	72,23,460	72,23,460
Basic and diluted earning per share	0.40	2.05

23. Contingent liabilities and commitments

23.1 Contingent liabilities (not provided for)

Particulars	31-03-2019	31-03-2018
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 2019

All amounts are in ₹ unless otherwise stated

Particulars	31-03-2019	31-03-2018
25.1 Net employee benefit expenses (recognized in profit and loss account)		
Current service cost	3,94,233	3,14,522
Net interest expenses/ (income)	1,69,282	89,601
Amount recognized in profit and loss account	5,63,515	4,04,123
Remeasurement of the net employee defined benefit plans		
Net actuarial gain/ (loss) on obligation	(19,08,688)	(1,03,578)
Net actuarial gain/ (loss) on plan assets	(46,450)	(23,167)
Amount recognized in Other Comprehensive Income	(19,55,138)	(1,26,745)
Total	25,18,653	5,30,868
25.2 Changes in present value of defined benefit obligation		
Opening defined benefit obligation	71,88,240	62,54,611
Interest cost	6,44,730	5,15,529
Current service cost	3,94,233	3,14,522
Benefits paid	(11,45,261)	-
Net actuarial (gain)/ loss on obligation	19,08,688	1,03,578
Closing defined benefit obligation	89,90,630	71,88,240
25.3 Changes in fair value of plan assets		
Opening fair value of plan assets	64,03,345	56,69,589
Interest return	4,75,448	4,25,928
Contribution by employer	17,11,656	3,30,995
Benefits paid	(11,45,261)	-
Net actuarial gain/ (loss)	(46,450)	(23,167)
Closing fair value of plan assets	73,98,738	64,03,345
25.4 Plan assets/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	89,90,630	71,88,240
Less: Fair value of plan assets	73,98,738	64,03,345
Funded status [Deficit/ (Surplus)]	15,91,892	7,84,895
25.5 Constitution of the fair value of total plan assets		
Investments with insurer (LIC of India)	100%	100%
25.6 Principal actuarial assumptions		
Discount rate	7.50%	7.50%
Salary escalation	6.00%	6.00%
Expected rate of return on plan assets	7.51%	7.51%
Mortality Rate	- LIC (2006-08) Ultimate-	
Employee turnover	1% to 3%	1% to 3%
25.7 Sensitivity analysis		
Impact on defined benefit obligation		
Discount rate		
1.00% increase	(4,69,916)	(3,54,105)
1.00% decrease	5,25,705	3,99,249
Future salary increase		
1.00% increase	4,79,572	3,63,902
1.00% decrease	(4,36,657)	(3,28,556)
Attrition Rate		
1.00% increase	(11,802)	(9,029)
1.00% decrease	13,947	8,965

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

The sensitivity analysis presented above may not be a representative of the actual change in the defined benefit obligation as, in practice, 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	31-03-2019	31-03-2018
With in next 12 months	20,09,779	3,85,710
Between 1-5 years	11,57,861	11,56,358
Between 5-10 years	8,36,430	7,89,085

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	31-03-2019	31-03-2018
Financial assets		
Measured at amortised cost		
a) Cash and bank balances	5,37,75,448	4,64,94,714
b) Other financial assets at amortised cost	9,02,28,710	12,09,55,660
Financial liabilities		
Measured at amortised cost		
a) Other financial liabilities at amortised cost	1,81,63,726	2,09,57,857
b) Borrowings	-	-

Fair value hierarchy

There are no reported financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at 31-03-2019 and 31-03-2018.

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.

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

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 currencies: USD, JPY and EURO currency.

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 foreign currencies)	
	31-03-2019	31-03-2018
Liabilities in USD		
Creditors	65,542	1,05,589
Advances from customers	68,583	14,132
Assets in USD		
Debtors	52,117	2,26,884
Advances paid to suppliers	22,053	8,004
Bank balance	75,323	24,785
Assets in JPY		
Advance paid to the suppliers	4,06,800	-
Assets in Euro		
Advance paid to the suppliers	506	-
Particulars	in ₹	
	31-03-2019	31-03-2018
Liabilities in INR		
Creditors	45,33,534	68,67,539
Advances from customers	47,23,829	9,19,145
Assets in INR		
Debtors	36,04,954	1,47,56,555
Advances paid to suppliers	18,24,326	5,20,580
Bank balance	52,10,110	16,11,999

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against 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.

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Impact on profit or loss and total equity

Particulars	31-03-2019	31-03-2018
Increase in exchange rate by 5%	69,101	4,55,122
Decrease in exchange rate by 5%	(69,101)	(4,55,122)

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 31-03-2019			
Financial liabilities at amortised cost	1,81,63,726	-	-
Borrowings	-	-	-
As at 31-03-2018			
Financial liabilities at amortised cost	2,09,57,857	-	-
Borrowings	-	-	-

28. Related party transactions

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

28.1 Subsidiaries with ownership details

Name	Country	31-03-2019	31-03-2018
Direct			
Valiant Communications (UK) Limited	U.K.	100.00%	100.00%
Valiant Infrastructure Limited	India	88.94%	88.94%
Indirect			
Valcomm Technologies Inc.	U.S.A.	100.00%	100.00%

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

28.2 Transactions with Subsidiaries

Particulars	Nature	31-03-2019	31-03-2018
Overseas			
Valiant Communications (UK) Limited	Sale of goods	93,81,340	82,22,700
Valcomm Technologies Inc.	Sale of goods	3,63,187	-
Indian			
Valiant Infrastructure Limited	Services received	14,96,000	-
Balance payable or receivable from above transaction at the year end		-	-

28.3 Key Management Personnel

Mr. Inder Mohan Sood (Chairman and Managing Director)
 Mr. Davinder Mohan Sood (Executive Director -Finance)
 Mr. Gaurav Kaura (Independent Director)
 Mr. Avinash Verma (Independent Director)

Mr. Sumit Mehta (Independent Director)
 Ms. Neepa Chatterjee (Independent Director)
 Mr. Manish Kumar (Company Secretary)

During the year under reporting the Company has paid total remuneration of ₹ 83,28,500/- (previous year: ₹ 83,36,000/-) to above Key Management Personnel.

29. Auditor's remuneration

Particulars	31-03-2019	31-03-2018
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	31-03-2019	31-03-2018
Revenue by geographical segment		
India	11,84,82,561	12,95,17,876
USA	2,81,18,669	2,72,08,720
Europe	1,65,31,167	1,16,20,116
Rest of the world	2,14,51,387	6,05,00,382
Total	18,45,83,784	22,88,47,094
Less : Inter segment revenue	-	-
Net sales/ revenue from operation	18,45,83,784	22,88,47,094
Profit/(loss) before tax and interest by geographical segment		
India	6,57,31,053	6,55,27,672
USA	1,55,99,508	1,42,73,386
Europe	91,71,063	60,95,782
Rest of the world	1,19,00,673	3,17,37,815
Total	10,24,02,297	11,76,34,655
Less : Interest	-	-
Less : Other unallocable expenditure	10,12,11,617	10,08,61,770
Add: Other unallocable income	31,47,973	36,18,163
Profit before tax	43,38,653	2,03,91,048

Notes to the financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

The Company manufactures "Communication Equipment" primarily for power utilities / other utilities and engaged in its allied services, 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. Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows:

Particulars	31-03-2019	31-03-2018
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year*	35,60,330	-
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

* Out of above amount overdue is ₹ Nil (Previous year: ₹ Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

- 32.** Effective April 1, 2018, the Company has adopted Ind AS 115 using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial results of the Company.
- 33.** Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21 'Foreign Currency Transactions and Advance Considerations'. This Appendix requires the advances received or paid in Foreign Currency to be treated as non-monetary items not subject to restatement in subsequent period. The application of Appendix B to Ind AS 21 did not have any material impact on the financial statements of the Company.
- 34.** The comparative figures for the previous year have been rearranged wherever required to conform to the revised presentation of accounts.
- 35.** 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, 16 May 2019

Consolidated Financial Statements

For the Financial Year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Valiant Communications Limited

Report on the audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Valiant Communications Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide

Revenue recognition

The Key Audit Matter	How our audit addressed the KAM
As described in Note 3.13 to the consolidated financial statements, the Group has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. The standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include – • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; • Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams; and • Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

Uncertain direct tax position

The Key Audit Matter	How our audit addressed the KAM
The Group has direct tax matter. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Refer Note 23.1 to the consolidated financial statements.	Our audit procedures includes:- - Obtained understanding of key uncertain tax positions; - Assessed management's estimate of the possible outcome of the disputed case and - As per key correspondences, various other undisputed refund dues are substantially sufficient to settle the above claim.

**Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows 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 respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. 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 gross assets of Rs. 361.67 lacs as at 31 March 2019, total turnover of Rs. 163.87 lacs for the year ended on that date, as considered in the consolidated financial statements. While preparing consolidated financial statements, these figures are liable further for elimination in accordance with the applicable Ind AS. These financial statements are unaudited under the provisions of law of the respective host country and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on the Management certification.

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

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries which are incorporated in India, as on 31 March 2019 and taken on record by the Board of Directors of respective companies, none of the

directors of the Group companies incorporated in India is disqualified as on 31 March 2019 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure-I.
- B. With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 23.1 to the consolidated 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 to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Alok Jain
Partner
Membership No. 510960

New Delhi, 16 May 2019

ANNEXURE - I

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

In conjunction with our audit of the consolidated financial statements of Valiant Communications Limited ("the Holding Company") as of 31 March 2019, we have audited the internal financial controls with reference to financial statements of 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 subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") 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 the respective entity'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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of Act, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 internal financial controls system with reference to financial statements of the Holding Company and its subsidiary companies, which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries which are incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

New Delhi, 16 May 2019

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 2019

All amounts are in ₹ unless otherwise stated

Particulars	Note	As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4(a)	4,23,97,992	4,50,21,850
(b) Other intangible assets	4(b)	2,37,66,908	2,45,25,189
(c) Intangible assets under development		20,17,500	16,80,000
(d) Financial Assets			
Loans	5	4,07,000	3,72,000
(e) Deferred tax assets (net)	15	4,19,478	-
(f) Income tax assets (net)	7(a)	49,83,534	52,16,466
(g) Other non-current assets	9(a)	54,50,000	42,37,500
Total non-current assets		7,94,42,412	8,10,53,005
Current assets			
(a) Inventories	10	7,88,14,220	5,99,14,856
(b) Financial Assets			
(i) Trade receivables	11	8,96,95,501	12,02,36,785
(ii) Cash and cash equivalents	12(a)	6,52,95,272	4,13,13,505
(iii) Bank balances other than (ii) above	12(b)	1,84,85,602	4,03,59,177
(iv) Others financial assets	6	7,29,662	7,00,875
(c) Income tax assets (Net)		8,03,145	2,80,352
(d) Other current assets	9(b)	1,10,67,480	70,56,229
Total current assets		26,48,90,882	26,98,61,779
Total assets		34,43,33,294	35,09,14,784
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	7,22,34,600	7,22,34,600
(b) Other equity	14	24,39,10,645	24,10,48,201
Equity attributable to the owners		31,61,45,245	31,32,82,801
Non-controlling interest		4,20,279	4,07,322
Total equity		31,65,65,524	31,36,90,123
LIABILITIES			
Non-current liabilities			
(a) Provisions	18(a)	15,91,892	7,84,895
(b) Deferred tax liabilities (net)	15	-	4,78,156
Total non-current liabilities		15,91,892	12,63,051
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Outstanding dues of micro enterprises and small enterprises	16(a)	35,60,330	-
- Outstanding dues of creditors other than micro and small enterprises	16(a)	1,12,98,706	2,40,82,402
(ii) Other financial liabilities	16(b)	41,25,018	38,13,738
(b) Other current liabilities	17	56,74,279	43,35,255
(c) Provisions	18(b)	15,17,545	11,94,938
(d) Current tax liabilities (net)	7(b)	-	25,35,277
Total current liabilities		2,61,75,878	3,59,61,610
Total equity and liabilities		34,43,33,294	35,09,14,784

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, 16 May 2019

Valiant Communications Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	Note	31-03-2019	31-03-2018
I. Revenue From Operations	19	19,13,92,376	23,65,37,689
II. Other Income	20	33,63,007	40,36,695
III. Total Income (I+II)		19,47,55,383	24,05,74,384
IV. EXPENSES			
Cost of materials consumed	21.1	8,55,91,219	10,53,42,614
Purchase of stock in trade		-	64,73,848
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.2	(17,57,360)	34,53,886
Excise duty on sale of goods			24,15,939
Employee benefits expenses	21.3	3,73,31,961	3,74,07,153
Depreciation and amortization expenses	21.4	1,73,99,395	1,64,54,463
Other expenses	21.5	5,03,73,918	4,95,54,576
Total expenses (IV)		18,89,39,133	22,11,02,479
V. Profit/(loss) before exceptional items and tax (III- IV)		58,16,250	1,94,71,905
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		58,16,250	1,94,71,905
VIII. Tax expenses:			
(1) Current tax	8	23,63,911	61,53,275
(2) Deferred tax	8	(8,97,634)	3,43,312
IX. Profit (Loss) for the year (VII-VIII)		43,49,973	1,29,75,318
X. Other Comprehensive Income			
a) Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(27,770)	24,80,871
b) Items that will not be reclassified to profit or loss			
Remeasurement of the employee defined benefit plans		(19,55,138)	(1,26,745)
Equity instruments through Other Comprehensive Income		-	-
Income tax relating to items that will not be reclassified profit or loss		5,08,336	34,921
		(14,46,802)	(91,824)
Total Other Comprehensive Income (a+b)		(14,74,572)	23,89,047
XI. Total Comprehensive Income for the year (IX+X)		28,75,401	1,53,64,365
XII. Profit for the year attributable to:			
Owners of the Company		43,37,016	1,29,81,392
Non-controlling interest		12,957	(6,074)
		43,49,973	1,29,75,318
XIII. Other Comprehensive Income attributable to:			
Owners of the Company		(14,74,572)	23,89,047
Non-controlling interest		-	-
		(14,74,572)	23,89,047
XIV. Total Comprehensive Income attributable to:			
Owners of the Company		28,62,444	1,53,70,439
Non-controlling interest		12,957	(6,074)
		28,75,401	1,53,64,365
XV. Earnings per equity share	22		
(1) Basic		0.60	1.80
(2) Diluted		0.60	1.80

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, 16 May 2019

Valiant Communications Limited

Consolidated Cash Flow Statement for the year ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	31-03-2019	31-03-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	58,16,250	1,94,71,905
Adjustment for		
Depreciation and amortization	1,73,99,395	1,64,54,463
Remeasurement of the employee defined benefit plans	(19,55,138)	(1,26,745)
(Profit)/ loss on sale of fixed assets	11,373	-
Bank interest	(19,88,218)	(25,34,474)
Transition deferred tax assets of subsidiary	-	(2,825)
Net gain on sale of investments over fair value	-	(8,82,985)
Net gain on derecognition of financial assets	(4,89,418)	-
Dividend income	(35,333)	(65,071)
Foreign currency translation reserve adjustments	(27,770)	24,80,871
Net (gain)/ loss on foreign currency translation	(6,98,358)	1,22,16,533
	1,22,16,533	(5,54,165)
Operating profit before working capital changes	1,80,32,783	3,42,40,974
Adjustment for		
(Increase)/ decrease in trade receivables	3,05,41,284	(1,77,39,551)
(Increase)/ decrease in other financial assets	(63,787)	(3,91,401)
(Increase)/ decrease in other assets	(43,01,112)	(29,47,219)
(Increase)/ decrease in inventories	(1,88,99,364)	2,00,02,304
Increase/ (decrease) in trade payables	(92,23,366)	1,10,21,513
Increase/ (decrease) in other financial liabilities	3,11,280	5,80,936
Increase/ (decrease) in other current liabilities	24,68,628	14,83,506
Cash generated from operations	1,88,66,346	4,62,51,062
Interest paid	-	-
Direct taxes paid	(43,90,851)	(53,46,860)
Net cash generated from operating activities	1,44,75,495	4,09,04,202
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(1,40,96,630)	(2,00,45,959)
Sale of tangible and intangible assets	68,000	-
Sale (Purchase) of investments	-	71,36,020
Capital advances	(12,12,500)	1,05,001
Intangible assets under development	(3,37,500)	(4,00,000)
Investment in bank deposits	2,18,73,575	(2,63,34,746)
Dividend income	35,333	65,071
Bank interest	19,88,218	25,34,474
Net cash generated from investing activities	83,18,496	(3,69,40,139)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net gain on derecognition of financial assets	4,89,418	-
Net cash generated from financing activities	4,89,418	-
Net gain/ (loss) on foreign currency translation	6,98,358	5,54,165
Net increase in cash and cash equivalents	2,39,81,767	45,18,228
Cash and cash equivalents (opening balance)	4,13,13,505	3,67,95,277
Cash and cash equivalents (closing balance)	6,52,95,272	4,13,13,505

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, 16 May 2019

Valiant Communications Limited

Consolidated statements of Changes in Equity for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	Equity Share Capital	Other Equity attributable to the equity holders of the parent					Other Comprehensive Income (OCI)		Total Other Equity	Non-controlling Interest	Total Equity
		Reserves and Surplus	Capital Redemption Reserve	Securities Premium	Retained Earnings	Equity Instruments Through Other Comprehensive Income	Foreign Currency Translation Reserve				
As at 01-04-2017	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	4,13,396	29,83,25,758
Profit for the year	-	-	-	-	1,29,81,392	-	-	-	1,29,81,392	(6,074)	1,29,75,318
Other Comprehensive Income (net)	-	-	-	-	(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	(6,074)	1,53,64,365
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	4,07,322	31,36,90,123
Profit for the year	-	-	-	-	43,37,016	-	-	-	43,37,016	12,957	43,49,973
Other Comprehensive Income (net)	-	-	-	-	(14,46,802)	-	(27,770)	-	(14,74,572)	-	(14,74,572)
Total Comprehensive Income	-	-	-	-	28,90,214	-	(27,770)	-	28,62,444	12,957	28,75,401
As at 31-03-2019	7,22,34,600		1,42,21,400	8,96,76,647	13,76,89,461	-	23,23,137		24,39,10,645	4,20,279	31,65,65,524

Note:

1. Amount received on issue of shares in excess of the par value has been classified as securities premium and can be utilized in accordance with the provisions of the Companies Act, 2013 (the Act).
2. Capital redemption reserve is created out of profits on redemption of capital, which is required to be maintained as per statute and cannot be distributed to the shareholders. The same can only be utilized in a restrictive manner as required by the Act.
3. Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity
4. Foreign currency translation reserve pertains to exchange differences on the translation of the subsidiaries having a functional currency other than Indian Rupees.

As per 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, 16 May 2019

Notes to the consolidated financial statements for the period ended 31 March 2019

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 communications equipment, primarily for power utilities / other utilities and; its allied services. The Group has its manufacturing facilities in India and sells 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 2019 were approved by the Board of Directors and authorised for issue on 16 May 2019.

2. Recent accounting pronouncement

Standards issued but not yet effective

Ind AS 116 'Leases'

The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from 01 April 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Group is currently evaluating the requirements of Ind AS 116 on the financial statements.

The Group believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

Amendment to Ind AS 12 'Income Taxes'

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.

Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 01 April 2019.

At present, there shall not be any significant impact on financial statements because of above.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 01 April 2019.

The Group is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits'

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 01 April 2019.

The Group is evaluating the effect of the above in the financial statements.

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").

3.2 Basis of preparation and measurement

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention 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.

All assets and liabilities are classified into current and non-current generally based on the nature of product/ activities of the Group and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent.

Notes to the consolidated financial statements for the period ended 31 March 2019

The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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, maximising the use of relevant observable inputs and minimising 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.

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.

Notes to the consolidated financial statements for the period ended 31 March 2019

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.

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

Notes to the consolidated financial statements for the period ended 31 March 2019

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.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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 AS, 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. 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.

Notes to the consolidated financial statements for the period ended 31 March 2019

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.

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 from contract with customers

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018, has notified the Ind AS 115 (effective for annual periods beginning on or after 1 April 2018).

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

Accordingly, the revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

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.

Notes to the consolidated financial statements for the period ended 31 March 2019

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.

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 off 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.

Notes to the consolidated financial statements for the period ended 31 March 2019

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.

3.18 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 provided by LIC, in currencies consistent with the currencies of the post-employment benefit obligation.

Contingencies and commitments

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

Notes to the consolidated financial statements for the period ended 31 March 2019

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.

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 judgement 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.

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

4 (a) Property, Plant and Equipment

Description	Gross Block			Depreciation				Net Block	
	As at 01-04-2018	Additions	Deductions	Total up to 31-03-2019	Total upto 31-03-2018	Depreciation for the year	Depreciation written back	Accumulated Depreciation upto 31-03-2019	Total as at 31-03-2019
Building	1,81,06,657	-	-	1,81,06,657	53,50,568	5,92,132	-	59,42,700	1,21,63,957
Plant & Machinery	1,88,57,852	-	-	1,88,57,852	1,64,20,844	2,91,919	-	1,67,12,763	21,45,089
Electric Installations	8,58,323	-	-	8,58,323	8,37,772	4,547	-	8,42,319	16,004
Office Equipment	48,09,846	65,867	-	48,75,713	37,87,283	3,04,225	-	40,91,508	7,84,205
Air Conditioner	19,00,065	82,813	-	19,82,878	9,43,715	1,06,678	-	10,50,393	9,32,485
Generator Set	7,32,487	-	-	7,32,487	5,31,411	32,872	-	5,64,283	1,68,204
Vehicles	1,09,46,252	19,48,418	15,87,452	1,13,07,218	55,89,030	12,96,911	15,08,078	53,77,863	59,29,355
Tools & Dies	20,89,297	-	-	20,89,297	17,34,096	33,317	-	17,67,413	3,21,884
Testing Equipment	3,43,26,344	2,45,845	-	3,45,72,189	1,49,31,145	20,32,326	-	1,69,63,471	1,76,08,718
Furniture & Fixtures	52,87,886	-	-	52,87,886	38,04,575	1,76,750	-	39,81,325	13,06,561
Computer	65,33,970	6,28,586	-	71,62,556	54,96,690	6,44,336	-	61,41,026	10,21,530
Total	10,44,48,979	29,71,529	15,87,452	10,58,33,056	5,94,27,129	55,16,013	15,08,078	6,34,35,064	4,50,21,850
Previous year	9,74,82,505	69,66,474	-	10,44,48,979	5,41,02,782	53,24,347	-	5,94,27,129	4,33,79,723

4 (b) Other Intangible assets

Description	Gross Block			Amortization				Net Block	
	As at 01-04-2018	Additions	Deductions	Total up to 31-03-2019	Total upto 31-03-2018	Amortization for the year	Amortization written back	Accumulated amortization upto 31-03-2019	Total as at 31-03-2019
Computer Software	1,03,17,512	-	-	1,03,17,512	93,42,449	2,71,419	-	96,13,868	7,03,644
Technical Know-How	11,39,96,589	1,11,25,100	-	12,51,21,689	9,04,46,463	1,16,11,962	-	10,20,58,425	2,30,63,264
Total	12,43,14,101	1,11,25,100	-	13,54,39,201	9,97,88,912	1,18,83,381	-	11,16,72,293	2,45,25,189
Previous year	11,12,34,616	1,30,79,485	-	12,43,14,101	8,86,58,796	1,11,30,116	-	9,97,88,912	2,25,75,820

Note: 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 2019

All amounts are in ₹ unless otherwise stated

5. Loans (at amortised cost)*

Loans Receivables considered good- Unsecured

Particulars	31-03-2019	31-03-2018
Non-current		
Security deposits (non-interest bearing)	4,07,000	3,72,000
Total	4,07,000	3,72,000

*There is no loan 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.

6. Other financial assets (at amortised cost)*

Unsecured, considered good

Particulars	31-03-2019	31-03-2018
Current		
Interest accrued on fixed deposit with bank	7,29,662	7,00,875
Total	7,29,662	7,00,875

* 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.

7. Income taxes

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

a) Income tax assets and liabilities as at

Particulars	31-03-2019	31-03-2018
Non current tax assets		
Advance income tax (net of provisions)	49,83,534	52,16,466
Total	49,83,534	52,16,466

b) Current tax liabilities

Provision for income tax (net of advance tax)	-	25,35,277
Total	-	25,35,277

8. a) Income tax recognized in profit and loss

Particulars	31-03-2019	31-03-2018
Current income tax charge		
Current income tax	20,35,166	60,70,198
Adjustment in respect of current income tax of previous year	3,28,745	83,077
Deferred tax		
In respect of current year	(8,67,734)	(4,39,431)
Adjustment in respect of prior years	(29,900)	7,82,743
Income tax expenses reported in the statement of profit and loss	14,66,277	64,96,587

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

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

Particulars	31-03-2019	31-03-2018
Profit before tax	58,16,250	1,94,71,905
Income tax expense calculated at Indian tax rate of 26.00% (previous year: 27.55%)	15,12,225	53,64,996
Effect of expenses that are not deductible in determining taxable profit	16,840	12,524
Tax effect on fair value recognized gain on investments	-	-
Tax impact on sale of long-term investments	-	-
Others	(3,61,633)	2,53,247
Adjustment for changes in estimates of deferred tax	(29,900)	7,82,743
Adjustment in respect of current income tax of previous year	3,28,745	83,077
Income tax expenses reported in the Statement of profit and loss	14,66,277	64,96,587

9. Other assets

Unsecured, considered good

a) Non-current assets

Particulars	31-03-2019	31-03-2018
Capital advances	54,50,000	42,37,500
Total	54,50,000	42,37,500

b) Current assets

Particulars	31-03-2019	31-03-2018
Statutory dues receivable from government authorities		
Value Added Tax (VAT) credit refundable	27,628	38,736
Service Tax credit refundable	40,931	1,37,307
Goods and Service tax (GST) input credit	10,81,144	21,780
Advances to suppliers	26,25,855	11,37,739
Advances to employees	16,500	-
Earnest money deposits with customers	7,01,200	3,25,500
Prepaid expenses	65,74,222	53,95,167
Total	1,10,67,480	70,56,229

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	31-03-2019	31-03-2018
Raw material	7,57,45,782	5,86,03,778
Work-in-progress	30,68,438	13,11,078
Total	7,88,14,220	5,99,14,856

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

11. Trade receivables

Particulars	31-03-2019	31-03-2018
Trade receivables		
Unsecured, considered good	8,96,95,501	12,02,36,785
Any other	-	-
Total	8,96,95,501	12,02,36,785

Notes:

1. The 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 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.
5. There is no amount due by any of related party.

12. Cash & bank balances

Particulars	31-03-2019	31-03-2018
a) Cash & cash equivalents		
Balances with banks in current accounts	6,51,98,979	4,11,98,473
Cash on hand	96,293	1,15,032
Total	6,52,95,272	4,13,13,505
b) Other bank balance		
Deposits (with original maturity more than 3 months but less than 12 months)	50,00,000	2,65,00,000
Earmarked balances with banks		
Unpaid dividend accounts	-	1,10,164
Bank deposits as margin money against bank guarantees	1,34,85,602	1,37,49,013
Total	1,84,85,602	4,03,59,177

13. Share capital

Particulars	31-03-2019	31-03-2018
Authorized		
1,50,00,000 equity shares of ₹ 10/- each	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

Notes to the consolidated financial statements for the period ended 31 March 2019

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 31-03-2018	72,23,460	7,22,34,600
Any changes/ movement during the year	-	-
As at 31-03-2019	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 31-03-2018		11,49,086	15.91
As at 31-03-2019		11,49,086	15.91
b) Davinder Mohan Sood	Promoter		
As at 31-03-2018		11,47,758	15.89
As at 31-03-2019		11,47,758	15.89
c) Ostrich Estate Private Ltd.	Non-promoter		
As at 31-03-2018		1,67,454	2.32
As at 31-03-2019		1,67,454	2.32

- 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	31-03-2019	31-03-2018
Securities premium	8,96,76,647	8,96,76,647
Capital redemption reserve	1,42,21,400	1,42,21,400
Retained earnings	13,76,89,461	13,47,99,247
Reserve for equity instrument through Other Comprehensive Income	-	-
Foreign currency translation reserve	23,23,137	23,50,907
Total	24,39,10,645	24,10,48,201

14.1 Movement in other equity

Particulars	31-03-2019	31-03-2018
Reserves & surplus		
Securities premium		
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

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

14.1 Movement in other equity (contd...)

Particulars	31-03-2019	31-03-2018
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	13,47,99,247	12,07,54,644
Add: Profit/ (loss) for the year	43,37,016	1,29,81,392
Cumulative gain/ (loss) transferred from OCI on financial asset derecognition	-	11,55,035
Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of income tax)	(14,46,802)	(91,824)
Closing balance	13,76,89,461	13,47,99,247
Reserve for equity instrument through Other Comprehensive Income		
Balance at beginning of year	-	11,55,035
Addition/ (deduction) for the year	-	-
Cumulative gain/ (loss) transferred to retained earnings	-	(11,55,035)
Closing balance	-	-
Foreign currency translation reserve		
Balance brought forward	23,50,907	(1,29,964)
Addition/ (deduction) for the year	(27,770)	24,80,871
Closing balance	23,23,137	23,50,907
Total	24,39,10,645	24,10,48,201

Note:

1. Amount received on issue of shares in excess of the par value has been classified as securities premium and can be utilized in accordance with the provisions of the Companies Act, 2013 (the Act).
2. Capital redemption reserve is created out of profits on redemption of capital, which is required to be maintained as per statute and cannot be distributed to the shareholders. The same can only be utilized in a restrictive manner as required by the Act.
3. Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity.
4. Foreign currency translation reserve pertains to exchange differences on the translation of the subsidiaries having a functional currency other than Indian Rupees.

15. Net deferred tax assets/ liabilities

Particulars	31-03-2019	31-03-2018
Property, plant and equipment	3,88,975	10,23,649
Gross deferred tax liability	3,88,975	10,23,649
Less:		
Unabsorbed depreciation carried forward	-	-
Provisions for employee benefits	8,08,453	5,45,493
Gross deferred tax asset	8,08,453	5,45,493
Deferred tax liabilities (net)	-	4,78,156
Deferred tax assets (net)	4,19,478	-

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

16. Current financial liabilities

Particulars	31-03-2019	31-03-2018
a) Trade payable		
Outstanding dues of micro enterprises and small enterprises (refer note 31)	35,60,330	-
Outstanding dues of creditors other than micro and small enterprises	1,12,98,706	2,40,82,402
Total	1,48,59,036	2,40,82,402
b) Other financial liabilities		
Unpaid dividend	-	1,10,164
Employees related payables	25,30,077	21,83,875
Other expenses payable	15,94,941	15,19,699
Total	41,25,018	38,13,738

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	31-03-2019	31-03-2018
Advances from customers	47,43,750	14,99,403
Statutory dues	9,30,529	28,35,852
Total	56,74,279	43,35,255

18. Provisions

Particulars	31-03-2019	31-03-2018
a) Non-current		
Provision for gratuity	15,91,892	7,84,895
Total	15,91,892	7,84,895
b) Current		
Provision for short-term employees benefit (leave encashment)	15,17,545	11,94,938
Total	15,17,545	11,94,938

19. Revenue from operations

Particulars	31-03-2019	31-03-2018
<i>from exports</i>		
Sale of products	7,27,11,269	10,51,97,301
Sale of services	1,98,546	17,12,152
Total (A)	7,29,09,815	10,69,09,453
<i>from India</i>		
Sale of products inclusive of excise duty	11,06,13,667	12,83,51,931
Sale of services	78,68,894	12,76,305
Total (B)	11,84,82,561	12,96,28,236
Total (A + B)	19,13,92,376	23,65,37,689

Notes to the consolidated financial statements for the period ended 31 March 2019

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	31-03-2019	31-03-2018
Net Revenue from operations	19,13,92,376	23,41,21,750

20. Other income

Particulars	31-03-2019	31-03-2018
a) Interest income		
Interest Income on bank deposits carried at amortised cost	19,88,218	25,34,474
b) Dividend income		
Dividend on non-current investment in equity instruments carried at FVOCI	35,333	65,071
c) Others gains and losses		
Net gain on derecognition of financial assets	4,89,418	8,82,985
Net gain/ (loss) on foreign currency transaction and translation	6,98,358	5,54,165
Other non-operating income (net of expenses directly attributable to such income)	1,51,680	-
Total	33,63,007	40,36,695

21. Expenses

Particulars	31-03-2019	31-03-2018
21.1 Cost of material consumed		
Opening stock	5,86,03,778	7,51,52,196
Add: Purchases	10,27,33,223	8,87,94,196
Less: Closing stock	(7,57,45,782)	(5,86,03,778)
Total	8,55,91,219	10,53,42,614
21.2 Changes in inventories of work-in-progress (semi-finished)		
Opening stock	13,11,078	47,64,964
Less: Closing stock	(30,68,438)	(13,11,078)
(Increase) / decrease in inventories	(17,57,360)	34,53,886
21.3 Employee benefits expenses		
Salary, wages and bonus	3,54,90,194	3,55,25,471
Contribution to provident and other funds	9,24,126	9,77,368
Staff welfare	9,17,641	9,04,314
Total	3,73,31,961	3,74,07,153

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

	Particulars	31-03-2019	31-03-2018
21.4	Depreciation and amortization expenses		
	Depreciation on tangible assets	55,16,014	53,24,347
	Amortization of intangible assets	1,18,83,381	1,11,30,116
	Total	1,73,99,395	1,64,54,463
21.5	Other expenses		
	Consumption of stores and spare parts	13,91,038	7,95,673
	Power & fuel	14,61,093	15,42,503
	Repairs to machinery	3,45,866	2,44,622
	Repairs to building	3,94,680	4,45,315
	Other manufacturing expenses	96,49,866	82,45,802
	Loss on sale of fixed assets	11,373	-
	Rent	7,21,800	7,21,800
	Rates & taxes, excluding taxes on income	57,210	4,23,635
	Postage, phones & grams	7,96,117	8,22,449
	Product testing & quality certification	17,92,305	17,54,022
	Printing & stationery	6,19,904	7,07,745
	Installation & commissioning	56,04,661	13,58,576
	Traveling	74,51,955	71,68,404
	Insurance	2,23,612	9,24,632
	Advertisement	5,17,308	8,80,689
	Office general expenses	7,71,738	10,85,609
	Vehicle repair & maintenance	8,76,648	8,79,623
	Freight & cartage	65,80,033	94,07,523
	Charity and donation	36,000	33,000
	Unrealized debtors	42,289	8,36,038
	Security	12,24,000	11,70,000
	Miscellaneous	6,23,742	2,33,735
	Auditors remuneration	4,05,000	4,05,000
	Bank charges	7,04,784	7,45,584
	Legal & professional	62,48,023	49,06,547
	Packing & forwarding	15,49,794	34,69,465
	Business promotion	2,73,079	3,46,585
	Total	5,03,73,918	4,95,54,576

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

22. Earning per share

Particulars	31-03-2019	31-03-2018
Net profit attributable to the equity shareholders of the Company	43,37,016	1,29,81,392
Weighted average number of equity shares of ₹10/- each	72,23,460	72,23,460
Basic and diluted earning per share	0.60	1.80

23. Contingent liabilities and commitments

23.1 Contingent liabilities (not provided for)

Particulars	31-03-2019	31-03-2018
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 2019

All amounts are in ₹ unless otherwise stated

Particulars	31-03-2019	31-03-2018
25.1 Net employee benefit expenses (recognized in profit and loss account)		
Current service cost	3,94,233	3,14,522
Net interest expenses/ (income)	1,69,282	89,601
Amount recognized in profit and loss account	5,63,515	4,04,123
Remeasurement of the net employee defined benefit plans		
Net actuarial gain/ (loss) on obligation	(19,08,688)	(1,03,578)
Net actuarial gain/ (loss) on plan assets	(46,450)	(23,167)
Amount recognized in Other Comprehensive Income	(19,55,138)	(1,26,745)
Total	25,18,653	5,30,868
25.2 Changes in present value of defined benefit obligation		
Opening defined benefit obligation	71,88,240	62,54,611
Interest cost	6,44,730	5,15,529
Current service cost	3,94,233	3,14,522
Benefits paid	(11,45,261)	-
Net actuarial (gain)/ loss on obligation	19,08,688	1,03,578
Closing defined benefit obligation	89,90,630	71,88,240
25.3 Changes in fair value of plan assets		
Opening fair value of plan assets	64,03,345	56,69,589
Interest return	4,75,448	4,25,928
Contribution by employer	17,11,656	3,30,995
Benefits paid	(11,45,261)	-
Net actuarial gain/ (loss)	(46,450)	(23,167)
Closing fair value of plan assets	73,98,738	64,03,345
25.4 Plan assets/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	89,90,630	71,88,240
Less: Fair value of plan assets	73,98,738	64,03,345
Funded status [Deficit/ (Surplus)]	15,91,892	7,84,895
25.5 Constitution of the fair value of total plan assets		
Investments with insurer (LIC of India)	100%	100%
25.6 Principal actuarial assumptions		
Discount rate	7.50%	7.50%
Salary escalation	6.00%	6.00%
Expected rate of return on plan assets	7.51%	7.51%
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Employee turnover	1% to 3%	1% to 3%

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

25.7 Sensitivity analysis Impact on defined benefit obligation

Assumption	31-03-2019	31-03-2018
Discount rate		
1.00% increase	(4,69,916)	(3,54,105)
1.00% decrease	5,25,705	3,99,249
Future salary increase		
1.00% increase	4,79,572	3,63,902
1.00% decrease	(4,36,657)	(3,28,556)
Attrition Rate		
1.00% increase	(11,802)	(9,029)
1.00% decrease	13,947	8,965

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	31-03-2019	31-03-2018
With in next 12 months	20,09,779	3,85,710
Between 1-5 years	11,57,861	11,56,358
Between 5-10 years	8,36,430	7,89,085

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	31-03-2019	31-03-2018
Financial assets		
Measured at amortised cost		
a) Cash and bank balances	8,37,80,874	8,16,72,682
b) Other financial assets at amortised cost	9,08,32,163	12,13,09,660
Measured at fair value through other comprehensive income (FVOCI)		
a) Investment (other than subsidiaries)	-	-
Financial liabilities		
Measured at amortised cost		
a) Other financial liabilities at amortised cost	1,89,84,054	2,78,96,140
b) Borrowings	-	-

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Fair value hierarchy

There are no reported financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at 31-03-2019 and 31-03-2018.

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 currencies : USD, JPY and Euro currency.

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.

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.

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

Particulars	< 1 year	1 to 3 years	> 3 years
As at 31-03-2019			
Financial liabilities at amortised cost	1,89,84,054	-	-
Borrowings	-	-	-
As at 31-03-2018			
Financial liabilities at amortised cost	2,78,96,140	-	-
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	31-03-2019	31-03-2018
Direct			
Valiant Communications (UK) Limited	U.K.	100.00%	100.00%
Valiant Infrastructure Limited	India	88.94%	88.94%
Indirect			
Valcomm Technologies Inc.	U.S.A.	100.00%	100.00%

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. Neepta 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 ₹ 1,09,99,005/- (previous year: ₹ 93,79,136/-) to above Key Management Personnel.

29. Auditor's remuneration

Particulars	31-03-2019	31-03-2018
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	-	-
Total	4,05,000	4,05,000

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

30. Segmentwise revenue & results

Particulars	31-03-2019	31-03-2018
Revenue by geographical segment		
India	11,86,48,730	12,95,17,876
USA	2,94,40,772	2,72,08,720
Europe	2,18,51,488	61,28,660
Rest of the world	2,14,51,386	7,36,82,433
Total	19,13,92,376	23,65,37,689
Less: Inter segment revenue	-	-
Net sales/ revenue from operation	19,13,92,376	23,65,37,689
 Profit/(loss) before tax and interest by geographical segment		
India	6,66,78,108	6,75,29,648
USA	1,65,45,099	1,46,93,955
Europe	1,22,80,080	33,09,757
Rest of the world	1,20,55,230	3,97,91,890
Total	10,75,58,517	12,53,25,250
Less: Interest	-	-
Less: Other unallocable expenditure	10,51,05,274	10,98,90,040
Add: Other unallocable income	33,63,007	40,36,695
Profit before tax	58,16,250	1,94,71,905

The Group manufactures "Communication Equipment" primarily for power utilities / other utilities and engaged in its allied services, 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.

31. Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows:

Particulars	31-03-2019	31-03-2018
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year*	35,60,330	-
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the consolidated financial statements for the period ended 31 March 2019

All amounts are in ₹ unless otherwise stated

*Out of above amount overdue is ₹ Nil (Previous year: ₹ Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

32. Additional information related to the subsidiaries considered in the preparation of consolidated financial statements.

a) As at 31-03-2019

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.	96.66	30,60,05,820	66.75	28,94,919	98.12	(14,46,802)	50.59	14,48,117
Indian subsidiary								
Valiant Infrastructure Ltd.	1.12	35,38,718	2.18	94,626	-	-	3.31	94,626
Foreign subsidiaries								
Valiant Communications (UK) Ltd.	7.57	2,39,54,516	14.22	6,16,845	35.59	(5,24,881)	3.21	91,964
Valcomm Technologies Inc.	3.72	1,17,81,106	17.15	7,43,583	(33.71)	4,97,111	43.34	12,40,694
Non-controlling interest in all subsidiaries	(0.13)	(4,20,279)	(0.30)	(12,957)	-	-	(0.45)	(12,957)
Consolidation adjustments as per Ind AS	(8.94)	(2,82,94,357)	-	-	-	-	-	-
Total	100.00	31,65,65,524	100.00	43,37,016	100.00	(14,74,572)	100.00	28,62,444

b) 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 as per Ind AS	(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

**Notes to the consolidated financial statements for the period ended 31 March 2019**

All amounts are in ₹ unless otherwise stated

- 33.** Effective 1 April 2018, the Group has adopted Ind AS 115 using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial results of the Company.
- 34.** Effective 1 April 2018, the Group has adopted Appendix B to Ind AS 21 'Foreign Currency Transactions and Advance Considerations'. This Appendix requires the advances received or paid in Foreign Currency to be treated as non-monetary items not subject to restatement in subsequent period. The application of Appendix B to Ind AS 21 did not have any material impact on the financial statements of the Company.
- 35.** The comparative figures for the previous year have been rearranged wherever required to conform to the revised presentation of accounts.
- 36.** 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, 16 May 2019



NOTICE

Notice is hereby given that 26th Annual General Meeting of the Valiant Communications Limited will be held on Wednesday, 25 September 2019, at 9.30 a.m. at A7/523, Mundka Village, New Delhi – 110 041, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt

- a) the Audited Financial Statements for the financial year ended 31 March 2019 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 2019 together with the Report of the Auditors thereon.

SPECIAL BUSINESS:

2. Re-appointment of Mr. Inder Mohan Sood as Managing Director and CEO

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded for the re-appointment of Mr. Inder Mohan Sood (holding DIN 00001758), as Managing Director and Chief Executive Officer, as approved by the Nomination and Remuneration Committee and Board of Directors pursuant to the provisions of Companies Act, 2013, for a further period of three years w.e.f. 17 August 2019, but liable to retire by rotation, on existing terms and conditions including remuneration, set out in the explanatory statement annexed hereto including the remuneration to be paid in the event of inadequacy of profits in any financial year, with liberty to the Board of Directors of the Company to increase, alter and vary, on the approval and recommendation of Nomination and Remuneration Committee of the Board, without further reference to the Members, the terms and conditions of the said re-appointment including the remuneration, but subject to the maximum remuneration prescribed under Para A, Section II, Part II of Schedule V of the Companies Act, 2013, in such manner, as may be agreed to between the Board of Directors and Mr. Inder Mohan Sood.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to execute the agreement and other documents and take such steps as may be necessary and desirable to implement and give effect to the forgoing resolution.”

3. Re-appointment of Mr. Davinder Mohan Sood as Executive Whole-time Director and CFO

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded for the re-appointment of Mr. Davinder Mohan Sood (holding DIN 00001756), as Executive Whole-time Director and Chief Financial Officer, as approved by the Nomination and Remuneration Committee and Board of Directors pursuant to the provisions of Companies Act, 2013, for a further period of three years w.e.f. 1 December 2019, but liable to retire by rotation, on existing terms and conditions including remuneration, set out in the explanatory statement annexed hereto including the remuneration to be paid in the event of inadequacy of profits in any financial year, with liberty to the Board of Directors of the Company to increase, alter and vary, on the approval and recommendation of Nomination and Remuneration Committee of the Board, without further reference to the Members, the terms and conditions of the said re-appointment including the remuneration, but subject to the maximum remuneration prescribed under Para A, Section II, Part II of Schedule V of the Companies Act, 2013, in such manner, as may be agreed to between the Board of Directors and Mr. Davinder Mohan Sood.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to execute the agreement and other documents and take such steps as may be necessary and desirable to implement and give effect to the forgoing resolution.”



4. Re-appointment of Mr. Gaurav Kaura as an Independent Director

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Gaurav Kaura (holding DIN 00001797), a non-executive Independent Director of the Company, being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company with effect from 25 September 2019 up to 24 September 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all such acts, deeds, matters and things and take such steps as may be necessary, expedient or desirable in this regard."

5. Re-appointment of Mr. Avinash Verma as an Independent Director

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Avinash Verma (holding DIN 01158958), a non-executive Independent Director of the Company, being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company with effect from September 25 September 2019 up to 24 September 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all such acts, deeds, matters and things and take such steps as may be necessary, expedient or desirable in this regard."

6. Re-appointment of Mr. Sumit Mehta as an Independent Director

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Sumit Mehta (holding DIN 05302285), a non-executive Independent Director of the Company, being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company with effect from 25 September 2019 up to 24 September 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all such acts, deeds, matters and things and take such steps as may be necessary, expedient or desirable in this regard."

7. Re-appointment of Ms. Neepa Chatterjee as an Independent Director

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the basis of recommendation of the Nomination and Remuneration Committee, Ms. Neepa Chatterjee (holding DIN 05302341), a non-executive Independent Director of the Company, being eligible for re-appointment, be and is hereby re-appointed as an Independent Woman Director of the Company with effect from 25 September 2019 up to 24 September 2024.



RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all such acts, deeds, matters and things and take such steps as may be necessary, expedient or desirable in this regard."

Date: 16 May 2019
Regd. Office: 71/1, Shivaji Marg,
New Delhi - 110015

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

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 commencement 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 Thursday, 19 September 2019 to Wednesday, 25 September 2019 (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 have been transferred to the Investors Education and Protection Fund (the Fund). Members are also requested to note that, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, the Company has transferred all shares on which dividend had 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.
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), Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058.
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. The route map showing directions to reach the venue of the Annual General Meeting is annexed.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
11. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
12. Members holding shares in physical form are requested to consider converting their share certificates into dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agent for any assistance in this regard.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Bank Holidays, during business hours up to the date of the Annual General Meeting.



14. Details of Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations)

- i) 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 & Distributors (P) Ltd. (d) Great Films (P) Ltd. (e) Valcomm Technologies Inc. He does not hold any kind of 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 2019, he holds 11,49,086 (15.91%) equity shares of the Company.
- ii) Mr. Davinder Mohan Sood is one of Promoters of the Company. He is an Honors Graduate in English from Delhi University and also accredited with Advanced Security Analysis from The New York Institute of Finance, USA. He has varied experience in senior management and operations of the Company. He is associated with the Company right from its inception. Apart from the Company, he holds the office of director in (a) Valiant Infrastructure Ltd. (b) Gem Financiers & Distributors (P) Ltd. (c) Great Films (P) Ltd. (d) Valcomm Technologies Inc. He does not hold any kind of 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 2019, he holds 11,47,758 (15.89%) equity shares of the Company.
- iii) Mr. Gaurav Kaura is a commerce graduate and proficient in the field of Computer Software / Internet technologies. He does not hold directorship, or membership of any committees, in any other company. As on 31 March 2019, he does not hold any equity share of the Company.
- iv) Mr. Avinash Verma is a fellow member of Institute of Chartered Accountants of India and Honors Commerce Graduate from Delhi University. He is in practice from last 30 years. He has wide expertise and experience of accountancy and taxation matters. He does not hold directorship or membership of any committees, in any other company. As on 31 March 2019, he does not hold any equity share of the Company.
- v) Mr. Sumit Mehta is a practicing advocate from last thirteen years. He has wide expertise and experience in cyber laws. He does not hold directorship or membership of any committee, in any other company. As on 31 March 2019, he does not hold any equity share of the Company.
- vi) Ms. Neepa Chatterjee has wide experience in the field of marketing and had worked for some of the big brands like IKEA, Taj, Modiluft, etc. She holds a master's degree in Business Administration. As on 31 March 2019, she holds 20,310 (0.28%) equity shares of the Company.

Explanatory Statements with respect to special business
[Section 102(1) of the Companies Act, 2013]

Item No. 2

Mr. Inder Mohan Sood was re-appointed as Managing Director of the Company and his term of office will expire on 16 August 2019.

Considering his long association with the Company, the valuable services rendered and efforts made by him in improving the operations of the Company, the Board of Directors are of opinion that he be re-appointed as Managing Director and Chairman of the Company for a further period of three years. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 16 May 2019, subject to the approval of the members and the provisions of the Articles of Association of the Company, has re-appointed Mr. Inder Mohan Sood (hereinafter referred to as "the Appointee") as the Managing Director and Chief Executive Director of the Company for a further period of three years, w.e.f. 17 August 2019, on the existing terms and conditions as provided below:

- A. **Tenure of Re-Appointment:** The re-appointment of Mr. Inder Mohan Sood as Managing Director & CEO is for a period three (3) years i.e., from 17 August 2019 to 16 August 2022.
- B. **Nature of Duties:** The appointee shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board, in connection with and in the best interests of the Company and the business of any one or more of its Associated Companies and/or Subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such Associated Companies/ Subsidiaries or any other Executive body or a Committee of such a Company.
- C. **Remuneration:** The Appointee shall be entitled to remuneration as stated hereunder in terms of Schedule V to the Act and as per Industry/Market Standards:
 - a) **Salary:** ₹ 34,85,000 (Thirty Four Lac and Eighty Five Thousand only) per annum with annual increments effective 1st April every year (starting April 2020) as may be decided by the Board, based on the recommendation of Nomination & Remuneration Committee, but subject to the maximum remuneration prescribed under Para A, Section II, Part II of Schedule V of the Companies Act, 2013.
 - b) **Benefits, Perquisites, Allowances:** None
 - c) **Commission / Incentive:** None



In addition to the above, Mr. Inder Mohan Sood, will be entitled for all other statutory employee benefits with respect to Provident Fund, Gratuity, leave rules as per Company's policy and rules.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution except Mr. Inder Mohan Sood, Managing Director and CEO and Mr. Davinder Mohan Sood, Executive Whole-time Director and CFO.

The Board recommends the resolution set forth in Item No. 2 for the approval of the members.

Item No. 3

Mr. Davinder Mohan Sood was re-appointed as Whole-time Director of the Company and the present term of office would expire on 30 November 2019.

Considering his long association with the Company, the valuable services rendered and efforts made by him in improving the operations of the Company, the Board of Directors are of opinion that he be re-appointed as Whole-time Director and Chief Financial Officer for a further period of three years. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 16 May 2019, subject to the approval of the members and the provisions of the Article of Association of the Company, has re-appointed Mr. Davinder Mohan Sood (hereinafter referred to as "the Appointee") as Executive Whole-time Director and Chief Financial Officer of the Company for a further period of three years, w.e.f. 1 December 2019, on the existing terms and conditions including remuneration as provided below:

- A. **Tenure of Re-Appointment:** The re-appointment of Mr. Davinder Mohan Sood as Executive Whole-time Director and Chief Financial Officer is for a period three (3) years i.e., from 1 December 2019 to 30 November 2022.
- B. **Nature of Duties:** The appointee shall devote his whole time and attention to the financial and business activities of the Company and carry out such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board, in connection with and in the best interests of the Company and the business of any one or more of its Associated Companies and/or Subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such Associated Companies/ Subsidiaries or any other Executive body or a Committee of such a Company.
- C. **Remuneration:** The Appointee shall be entitled to remuneration as stated hereunder in terms of Schedule V to the Act and as per Industry/Market Standards:
 - a) **Salary:** ₹ 31,39,000 (Thirty One Lac and Thirty Nine Thousand only) per annum with annual increments effective 1st April every year (starting April 2020) as may be decided by the Board, based on the recommendation of Nomination & Remuneration Committee, but subject to the maximum remuneration prescribed under Para A, Section II, Part II of Schedule V of the Companies Act, 2013.
 - b) **Benefits, Perquisites, Allowances:** None
 - c) **Commission / Incentive:** None

In addition to the above, Mr. Davinder Mohan Sood, will be entitled for all other statutory employee benefits with respect to Provident Fund, Gratuity, leave rules as per Company's policy and rules.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution except Mr. Inder Mohan Sood, Managing Director and CEO and Mr. Davinder Mohan Sood, Executive Whole-time Director and CFO.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members.



Statement pursuant to Section-II of Schedule V of the Companies Act, 2013:

General Information:		
Nature of industry	Manufacturing of communications equipment and its allied services	
Date of commencement of commercial production	01-04-1999	
Financial performance	Based on the audited figures of financial year 2018-19,the total income is ₹ 1,877 lakh (previous year: ₹ 2,325 lakh). The profit before depreciation, exceptional item and taxation is ₹ 217 lakh (previous year: ₹ 368 lakh) and the net profit after tax is ₹ 29 lakh (previous year: ₹ 148 lakh).	
Foreign investments or collaborators, if any	Based on the audited figures of financial year 2018-19, ₹ 178 lakh (previous year: ₹ 178 lakh) in foreign subsidiaries have been invested.	
Information about the Appointees:		
Name of Appointee	Mr. Inder Mohan Sood	Mr. Davinder Mohan Sood
Background	Promoter of the Company	Promoter of the Company
Past remuneration	Annual salary of ₹ 34,85,000/- with no additional benefits, perquisites and allowances	Annual salary of ₹ 31,39,000/- with no additional benefits, perquisites and allowances
Recognition and awards	None	None
Job profile and suitability	In charge of all operational activities from inception of the Company	In charge of all finance activities from inception of the Company
Remuneration proposed	As set out in the above Notice and Explanatory Statement.	As set out in the above Notice and Explanatory Statement.
Comparative remuneration profile	Below industrial standard	Below industrial standard
Pecuniary relationship directly or indirectly with the Company.	None, except managerial remuneration	None, except managerial remuneration
Relationship with the managerial personnel	Yes	Yes
Other Information:		
Reasons for loss or inadequate profits	The drop of 19.34% in revenue because of stiff competition and subdued demand in global market (refer report on Management Discussion and Analysis for more details).	
Steps taken or proposed to be taken for improvement	Expansion in global marketing network and introduction of new products with latest technology	
Expected increase in productivity and profits	The Company expects improved performance in the years ahead in terms of better revenue-mix and profitability as a result of above measures.	
Validity of members approval by way of ordinary resolution under Para A, Section-II, Part-II of Schedule V of the Companies Act, 2013	Three years from the date of this annual general meeting	

Disclosures:

The remuneration package of the managerial personnel has been provided in the Notice and the Company has made appropriate disclosures as required under Schedule V of the Companies Act, 2013 in the Corporate Governance Report forming part of the Directors' Report of the Company.

Item No. 4 to 7

The Members of the Company at the 21st Annual General Meeting held on 26 September 2014 had appointed Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee as Independent Directors of the Company for the first term to hold office up to 25 September 2019.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and shall be eligible for reappointment on passing of a special resolution by the Company for another term of upto five consecutive years.

The Nomination and Remuneration Committee (NRC) of the Company has, in its meeting held on May 16th 2019, recommended to the Board, for the re-appointment of Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee as Independent Directors for a further term of five (5) consecutive years from 25 September 2019 to 24 September 2024, subject to shareholders' approval.

The NRC has, while recommending the re-appointment of Independent Directors, considered various factors including the number of board, committee and general meetings attended by the Independent Directors; their physical fitness & mental alertness, knowledge & experience in their respective fields; their specific skills helping the Board and the Company in attaining its objectives; their participation in the Board.



Committee deliberations; summary of performance evaluation of each of the director being re-appointed; time devoted by them; their specialised skills and expertise and their independent judgement in the opinion of the entire Board.

Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee, have submitted their consent for re-appointment as Independent Directors of the Company. They have also given declarations to the effect that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act and that they meet the criteria of Independence as specified under Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In opinion of the Board, Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee, fulfil the conditions for appointment as Independent Directors as specified in the Act, the rules made thereunder and the Listing Regulations and are independent of the Management.

The Company has received notices in writing under the provisions of Section 160 of the Act from Members proposing the candidature of Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee for re-appointment as Independent Directors of the Company. The Independent Directors shall be paid remuneration by way of sitting fee for attending meetings of the Board and its Committees as may be decided by the Board within the limits specified under the Act.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chatterjee or their relatives, respectively, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise.

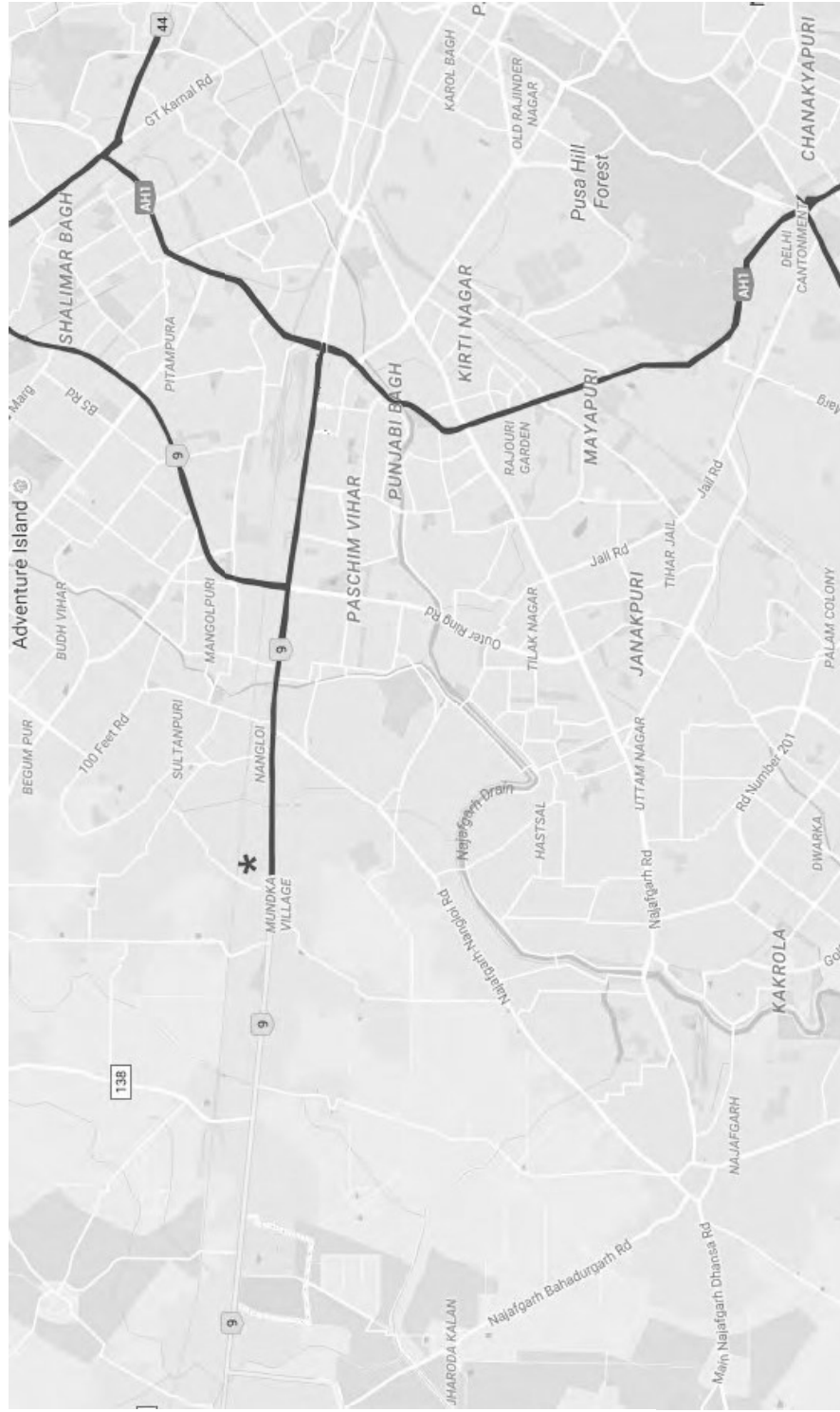
The Board considers that their continued association as Independent Directors would be of immense benefit to the Company. Accordingly, the Board recommends the resolutions set out at Item Nos. 4 to 7 in the accompanying Notice for the approval of the shareholders by way of special resolutions.

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

Date: 16 May 2019
Regd. Office: 71/1, Shivaji Marg,
New Delhi - 110015

Manish Kumar
Company Secretary
Membership No.: A16483

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 18 September 2019.
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 Saturday, 21 September 2019 (10.00 a.m. IST) and ends on Tuesday, 24 September 2019 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 18 September 2019, may cast their vote electronically. The remote 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

- Name: E-mail Id:
Address:
..... Signature:
or failing him
- Name: E-mail Id:
Address:
..... Signature:
or failing him
- 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 26th Annual General Meeting of the Company to be held on Wednesday, 25 September 2019 at 9.30 a.m. at A7/523, Mundka Village, New Delhi - 110 041 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	*Optional	
		For	Against
1	(a) Adoption of Audited Financial Statements, Directors and Auditors Reports for the financial year ended 31 March 2019 (b) Adoption of Audited Consolidated Financial Statements and Auditors Reports for the financial year ended 31 March 2019		
2.	Re-appointment of Mr. Inder Mohan Sood, as Managing Director and CEO		
3.	Re-appointment of Mr. Davinder Mohan Sood, as Executive Whole-time Director and CFO		
4.	Re-appointment of Mr. Gaurav Kaura, as Independent Director		
5.	Re-appointment of Mr. Avinash Verma, as Independent Director		
6.	Re-appointment of Mr. Sumit Mehta, as Independent Director		
7.	Re-appointment of Ms. Neepa Chatterjee, as Independent Director		

**Affix
₹ One
Revenue
Stamp**

Signed theday of2019

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

- Note: i) This form in order to be effective should be duly 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 joint holders 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)

26th ANNUAL GENERAL MEETING ON WEDNESDAY, 25 SEPTEMBER 2019 AT 9:30 A.M.
at A7/523, Mundka Village, New Delhi-110 041

Folio Number _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of Proxyholder _____ Signature _____

- Only Member/Proxyholder can attend the meeting.**
- 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
Central House Rear Office,
124 High Street, Hampton Hill,
Middlesex TW12 1NS, UK

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

International Distributors and Representative Offices

U.S.A

Arizona
Florida

Canada

Ontario

Central & South America

Argentina
Brazil
Chile
Columbia
Mexico

Middle East

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

Europe

Bulgaria
France
Latvia
Lithuania
Netherlands
Norway
Romania
Russia
Serbia
Spain
Sweden
Switzerland
Turkey
United Kingdom

Africa

Algeria
Egypt
Libya
Nigeria
South Africa

Asia

Bangladesh
Brunei
Cambodia
China
Hong Kong
Indonesia
Kyrgyzstan
Malaysia
Mongolia
Myanmar
Philippines
Singapore
South Korea
Sri Lanka
Thailand
Vietnam

Australia

Australia
New Zealand