

VALIANT COMMUNICATIONS LIMITED

Annual Report 2008 - 2009



Telecom Transmission Solutions
... In over 90 Countries worldwide

Integrating
voice, data
and IP
networks

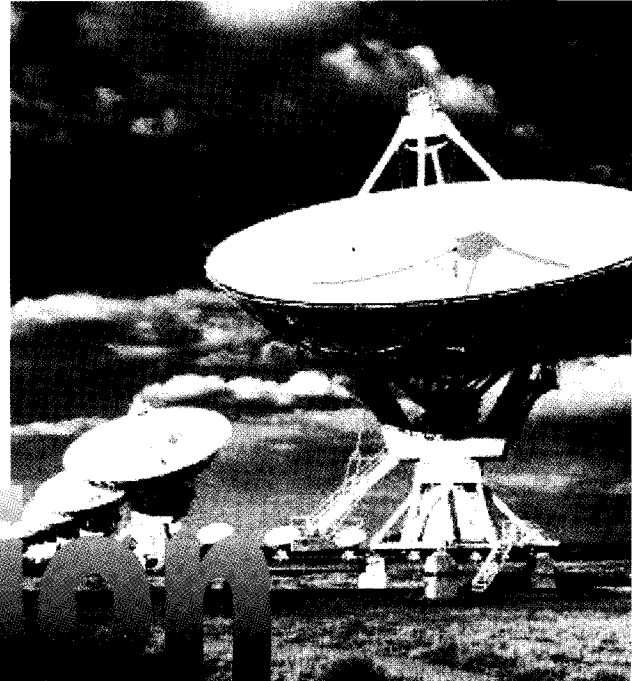
VALIANT COMMUNICATIONS LIMITED



annual report
2008-2009

telecom
transmission
equipment
and solutions

VALIANT COMMUNICATIONS LIMITED manufactures telecom transmission equipment and solutions with successful installations in over 90 countries, worldwide. Valiant's technological strengths span a wide section of the telecom transmission area including multiplexers, digital access cross connect switching equipment, ethernet based products and technologies, monitoring solutions for line trapping, billing and fraud management for telcos and cellular / mobile service providers, fail-over and protection switching applications, wide range of voice and data multiplexers,



innovation

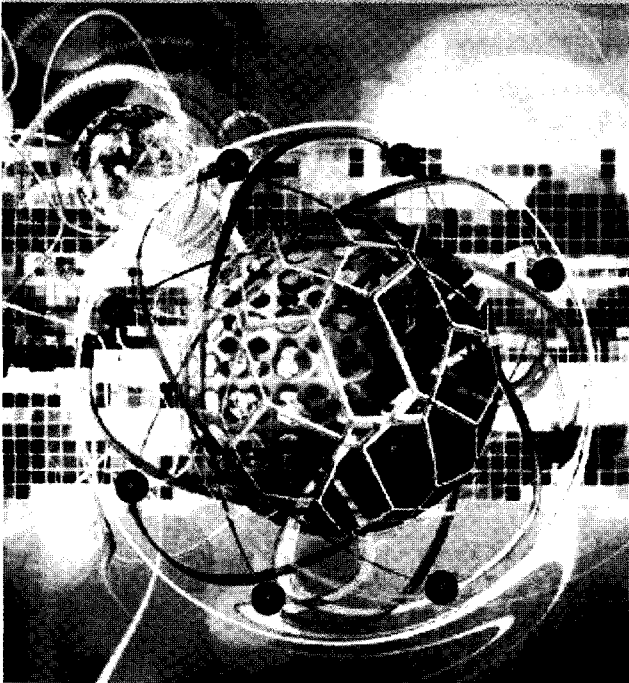
Echo cancellers and voice quality enhancement equipment, T1, E1, E3, DS3, SDH optical transmission solutions and a fast paced new product development strategy. With the introduction of new ethernet based products and solutions our products offer an opportunity for applications in the new generation wireless WiMAX networks.

Valiant's equipment is clearly focused on integrating voice, data and IP Networks.

Valiant strives to compete with some of the best companies in the world.

Valiant supplies its equipment to global, multi-national, mid-size, regional and government customers. Some of our product reference customers include Cable & Wireless, Telefónica, France Telecom, Orange Group, AT&T, Nortel, Nokia, Cisco, Alcatel / Lucent, Lockheed Martin, CBS News, Avaya, ADTRAN, Hitachi (USA), Agilent, BT, Marconi, Etisalat, Qatar Gas, RAS Gas, Brunei Airport Authority, Sri Lanka Airport Authority, Abu Dhabi Oil, Cook Islands, Jordan Air Force, INDOSAT and Fujitsu. This is to name a few of our prestigious customers.

Valiant's commitment to research and development investment has assembled an enhanced product portfolio that continues to grow. By investing a significant portion of our revenues in research and development, we are staying on top of today's trends and tomorrow's needs. Valiant continues to develop technological building blocks that result



design

in world-leading products. Further, an advanced project management approach between basic research and the introduction of new products. This enables us to satisfy changing market requirements with speed and flexibility.

VALIANT COMMUNICATIONS LIMITED



BOARD OF DIRECTORS

Inder Mohan Sood
Managing Director

Davinder Mohan Sood
Director Finance

Anil Tandon
Executive Director

Gaurav Kaura
Director

Vidur Bharadwaj
Director

Avinash Verma
Director

SECRETARY
Manish Kumar

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REGISTERED OFFICE
71/1, Shivaji Marg,
New Delhi 110 015

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

Valiant Communications &
Technologies Inc.
4000 Ponce de Leon,
Suite 470, Coral Gables,
FL 33146, USA

BANKERS
ING Vysya Bank Ltd.
HDFC Bank Ltd.
Punjab & Sind Bank Ltd.
ICICI Bank Ltd.
ICICI Bank UK plc., U.K.
Barclay Bank plc., U.K.
Citibank, N.A., U.S.A.

AUDITORS
B. Aggarwal & Co.
Chartered Accountants,
16 A/17, Ajmal Khan Road,
Karol Bagh, New Delhi 110 005

SHARE REGISTRARS
Physical & Electronic Mode
Link Intime India (P) Ltd.
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, New Delhi 110 028

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telecomtransmission solutions



DIRECTORS' REPORT

To the Members,

The Directors present their 16th Annual Report on the business and operations of the Company and the audited statement of accounts for the year ended March 31st 2009.

Financial Results

	<i>In Rupees</i>	
	2008-2009	2007-2008
Sales & Other Income	126,506,130	107,266,831
Gross Profit	33,890,748	31,753,560
Less: Interest	Nil	Nil
Depreciation	6,157,687	8,550,162
Tax	33,48,233	3,361,738
Net Profit	24,384,828	19,841,660

Corporate Highlights

During the year under review, the total income increased to Rs. 1265.06 lacs (previous year: Rs. 1072.67 lacs). The gross profit increased to Rs. 338.91 lacs (previous year: Rs. 317.54 lacs) and the net profit increased to Rs. 243.85 lacs (previous year: Rs. 198.42 lacs).

Revenue Mix – Region wise

Particulars	<i>Rupees in Lacs</i>	
	2008-2009	2007-2008
USA	757.53	512.58
Europe	64.25	61.65
Rest of the world	313.74	394.64
Total Revenue (Export)	1135.52	968.87

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, also. The Company has introduced many new products during the past one year and is confident to improve its performance further, in the current year ending March 31st 2010.

New Products

The Company has continued to introduce new products during the year 2008-2009. Improved and larger versions of existing products including multiplexers, digital access cross connects and echo cancellers were introduced. Many new products were also added to the product portfolio during the previous financial year. The applications of new products include ethernet, internet protocol, voice quality enhancement solutions for wireless, wireline and long distance telephony applications, cellular / mobile network application solutions, ISPs applications, corporate and enterprises network applications. New ethernet-based and IP (Internet protocol) based products and solutions were introduced. The Company has also introduced products for applications in the WiMAX networks. These products are already being deployed in various networks, worldwide.

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 installed in over 90 countries.

Future Prospects

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

Subsidiaries

As part of its future growth strategy, the Company has established three subsidiaries, viz. Valiant Communications (UK) Ltd., United Kingdom, Valiant Communications & Technologies Inc., USA, and Valiant Infrastructure Ltd., India to explore the emerging opportunities in world telecom market and infrastructure development.

However, during the current year, the Company has decided to disinvest a majority part of its investment in the 100% wholly owned subsidiary "Valiant Communications & Technologies Inc., USA".

For this purpose, the Company has entered into an agreement to sell, with Orion Telecom Networks, Inc., USA, for the disinvestment of 60% of total shareholding in aforesaid subsidiary for a total sum of USD 390,000 (US Dollar Three Hundred and Ninety Thousand only), which is above its present fair value (as on March 31st 2009). The Company has given a further option to Orion Telecom Networks, Inc., USA, to purchase an additional 10% shareholding at the same price, which is to be exercised on or before March 31st 2010. The whole transaction(s) shall be settled by way of actual cash remittances to the Company.

The above steps were taken due to the difficult present condition of the USA economy and owing to the difficult prevailing business environment in USA.

Consolidated Financial Statements

As required under the Listing Agreement with Stock Exchange(s), the audited consolidated financial statements of the Company together with all its subsidiaries, prepared in accordance with Accounting Standard 21 issued by Institute of Chartered Accountants of India, are attached.

The Central Government, vide its order no. 47/346/2009-CL-III dated May 5th 2009, has granted exemption to the Company from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of each subsidiary companies, as required under section 212(1) of Companies Act, 1956.

Buy-back of Equity Shares

The Board of Directors at their meeting held on September 8th 2008, had announced buy back of its fully paid equity shares

from existing shareholders and beneficial owners in accordance with the relevant provisions of Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, at a price not exceeding Rs. 32/- per share. The Company opted to buy back shares from open market through stock exchange route and the total offer size aggregates to Rs. 31,419,700/-, but subject to the maximum limit of 1,125,000 equity shares.

As of March 31st 2009, the Company had bought back and extinguished 951,631 equity shares having face and fully paid-up value of Rs. 10/- each at an average price of Rs. 23.50/- per equity share. The difference between the nominal value and amount spent for buy back, amounting to Rs. 12,845,352/- has been appropriated from the securities premium account. The Company has transferred Rs. 9,516,310/- from general reserve to capital redemption reserve, which represented the nominal value of shares bought back during the year.

Further, the Company has bought back the maximum limit of 1,125,000 equity shares up to May 8th 2009, for an aggregate consideration of Rs. 26,575,056/-. The Board of Directors at their meeting held on May 14th 2009, had decided to close the buyback offer.

Dividend

Your Directors are pleased to recommend, subject to the approval of the shareholders, a dividend of Rupees 1.20/- (i.e. 12%) per equity share, [previous year: Rupee 1.00/- (i.e. 10%) per equity share] on face value of Rs 10/- per share, on the paid-up equity share capital, in respect of financial year 2008-2009, absorbing total Rs. 10,558,471/- (previous year: Rs. 10,114,920/-) inclusive of dividend distribution tax.

The amount lying in unclaimed dividend accounts: financial year 2004-05: Rs. 311,420/-; financial year 2005-06: Rs. 143,886/-; financial year 2006-07: Rs. 184,128/-; financial year 2007-08: Rs. 159,140/-.

An amount of Rs. 8,851,567/- is proposed to transfer from profit and loss account to general reserve.

Dematerialization of Equity Shares

As on March 31st 2009, 65.24% (previous year: 72.12%) of the outstanding equity shares of the Company have been dematerialized.

Employee Stock Option Plan (ESOP)

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

Public Deposits

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

Directors

In accordance with the provisions of Section 256 of the

Companies Act, 1956, Mr. Vidur Bhardwaj and Mr. Avinash Verma, Directors of the Company, retire by rotation, and being eligible, offer themselves for re-appointment.

Re-appointment of Managing Director and Whole-time Director: The tenure of Mr. Inder Mohan Sood, Managing Director, and of Mr. Davinder Mohan Sood, Whole-time Director, will expire on August 16th 2009 and November 30th 2009 respectively.

Considering their long association with the Company, the valuable services rendered and efforts made by them for improving operations of the Company and nature of expertise they have in their respective field, the Board of Directors in their meeting held on June 2nd 2009, subject to the approval of the members and the provisions of the Article of Association of the Company, have re-appointed Mr. Inder Mohan Sood as Managing Director and Mr. Davinder Mohan Sood as Director - Finance of the Company, on existing terms and conditions, for a further period of five years from the date on which their respective tenure will be expired.

None of the Director to be appointed is disqualified under Section 274 (1) (g) of the Companies Act, 1956 read with Companies (Disqualification of Directors under Section 274 (1) (g) of Companies Act, 1956) Rules, 2003.

Directors' Responsibility Statement

The Directors hereby confirm:

- i) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

Report on Corporate Governance

The Company is committed to good corporate governance. The management respects the rights of its shareholders to information on the performance of the Company and its endeavor to maximize the long-term value to shareholders of the Company.

Pursuant to Clause 49 of the listing agreement, a report on Corporate Governance and a certificate from auditors of the Company is annexed hereto and forms part of the report.

Code of Conduct

All Board of Directors and senior management personnel



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

Auditors

M/s B. Aggarwal & Company, Chartered Accountants, Auditors of the Company hold office up to the conclusion of the ensuing Annual General Meeting. The Company has received a requisite certificate pursuant to Section 224 (1B) of the Companies Act, 1956, regarding their eligibility for re-appointment as Auditors of the Company. The Auditors' Report for the year under review is self-explanatory and does not require any further comment.

Personnel

The particulars of employees as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are set out in the statement annexed hereto as Annexure-I and forms a part of this report.

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

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to their matters is annexed hereto as Annexure-II and forms a part of this report.

Acknowledgment

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

June 2nd 2009, New Delhi

ANNEXURE I

Personnel who were in receipt of remuneration aggregating not less than Rs. 2,400,000/- per annum and employed throughout the year 2008-2009 and Rs. 200,000/- per month and employed for part of the year 2008-2009.

NIL

ANNEXURE II

Conservation of Energy

The Company's operations 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. automatic wave soldering machine, automatic testing equipment using state-of-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 benefit 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 R&D

Particulars	Rupees in Lacs	
	2008-2009	2007-2008
Capital	50.90	38.00
Recurring	-	-
Total	50.90	38.00
Total R&D expenditure as % of total turnover	4.02	3.54

Future Plan of Action

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

Foreign Exchange Earnings and Outgo

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. The Company is a 100% Export Oriented Unit registered under the Electronic Hardware Technology Park [EHTP] Scheme and engaged in the manufacture of Telecom Transmission Solutions with installations in over 90 countries worldwide. Hence, all operational activities are relating to exports promotion (also see headings New Products, Marketing and Future Prospects of Directors' Report).

Particulars	Rupees in Lacs	
	2008-2009	2007-2008
The foreign exchange earnings	1,006.11	957.52
The foreign exchange advances received	13.71	5.47
The foreign exchange outgo	709.22	432.10

MANAGEMENT DISCUSSION & ANALYSIS

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Accounting Standards issued by Institute of Chartered Accountant of India. The Management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgements relating to the financial statements have been made on prudent and reasonable basis, in order that the financial statements reflects 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.

Shareholders Fund

A statement of Shareholder Fund as on March 31st 2009 with comparison with previous three years are given below:

Particulars	<i>In Rupees</i>			
	Year ended on March 31 st 2009 (Audited)	Year ended on March 31 st 2008 (Audited)	Year ended on March 31 st 2007 (Audited)	Year ended on March 31 st 2006 (Audited)
Equity Paid-up Capital	76,939,690	86,456,000	80,456,000	80,456,000
Reserve and Surplus				
- P&L A/c (Cr.)	120,591,690	115,616,900	106,663,806	103,143,332
- General Reserve	609,349	1,274,092	1,274,092	1,274,092
- Security Premium	98,004,648	110,850,000	83,850,000	83,850,000
- Capital Redemption Reserve	9,516,310	-	-	-
Less: Misc. Expenses <i>(To the extent not written off)</i>	914,307	1,828,959	2,743,611	3,658,143
Shareholders Fund / Equity	304,747,380	312,368,033	269,500,287	265,065,281
Book Value (per equity share)	39.61	36.13	33.50	32.95

Industry Structure and Development

With an annual estimated market size of over US\$ 2500 billion, the international telecommunication business continues to see rapid change. The changes in technology are complex, but offer significant growth potential. Growth in the wireless sector, lead by growth in mobile communications has been the fastest. The size of the markets have increased dramatically, new products and technologies are being introduced at a feverish pace. There is a clear opportunity for companies to seize this opportunity with introduction of new products, technologies and applications.

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

Opportunities

The Company is a 100% Export Oriented Unit registered under the Electronic Hardware Technology Park [EHTP] Scheme and engaged in the manufacture of Telecom

Transmission Solutions with installations in over 90 countries worldwide.

New product development, technological innovations and strength are Valiant's asset. With introduction of new products, designs, solutions and applications, Valiant looks forward to a faster growth in sales and profits in the current financial year, while consolidating and expanding its sales and marketing initiatives worldwide.

To explore the world telecom market and to mark Valiant's presence at international level, subsidiaries namely, Valiant Communications (UK) Limited, United Kingdom and Valiant Communications & Technologies Inc., United States of America, have been established. These subsidiaries offer pre-sales and post-sales support to customers in the European Union and the United States.

The Company had acquired 58.65% equity stake in Valiant Infrastructure Limited, India. The present business of Valiant Infrastructure Limited is to develop know-how and technology for telecom infrastructure projects.

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

Threats

Telecommunication sector, being a high technology intensive business is prone to rapid technological obsolescence. To cope with 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.

Outlook

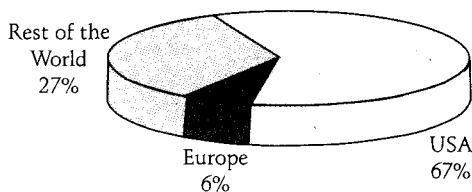
The Company continues to design, develop and introduce new products and strengthen its marketing network, worldwide. The introduction of new products and technologies are expected to help to increase export sales

growth in the current year. The Company has introduced many new products during the past one year and is confident to improve its performance in the current year ending March 31st 2010.

Many new products were also added to the product portfolio during the previous financial year. The applications of new products include ethernet, internet protocol, voice quality enhancement solutions for wireless, wireline and long distance telephony applications, cellular/ mobile network application solutions, ISPs applications, corporate and enterprises network applications.

Segment- wise Performance

During the financial year 2008-2009, the 67% of operating revenue comes from the USA, while 6% are from European market and the balance 27% of the sale is contributed from rest of the world.



Future Prospects

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

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

The Company will continue to introduce new products during the current financial year. New products and technologies and improved version of existing products are being introduced, during the year. The Company is focused on ethernet based products and technologies. Its focus is also on the mobile communication market, both of which represent the fastest growth areas, in the telecom equipment business.

Risk and Concerns

Risk is an inherent aspect of every business, though the telecom sector being part of a rapidly changing technology orbit, the level of risk increases due to high technology obsolescence. However, the 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), degree of financial risk is almost negligible.

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

Exchange Rate Fluctuation

The functional currency of your Company is the Indian rupee, whereas all the business receipts are in foreign currencies. The exchange rates between the rupee and the 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.

Internal Control System

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

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

Human Resources

Human Resources are 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-art technologies necessary training and development of its personnel are conducted on a continuous basis. Industrial relations with all employees are cordial. The staff strength of the Company as on March 31st 2009 is 40.

Financial Performance

During the year under review, the total income increased to Rs. 1265.06 lacs (previous year: Rs. 1072.67 lacs). The gross profit increased to Rs. 338.91 lacs (previous year: Rs. 317.54 lacs) and the net profit increased to Rs. 243.85 lacs (previous year: Rs. 198.42 lacs).

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 than from those expressed in the statement.

CORPORATE GOVERNANCE

The Company's Philosophy on Code of Governance

The Company strives to set and achieve high standards of Corporate Governance. "Endeavor to maximization of shareholders wealth" is the edifice on which the Corporate Governance initiative of Valiant Communications Limited 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 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 five times on 30.05.2008, 31.07.2008, 08.09.2008, 31.10.2008, 30.01.2009 during the financial year 2008-09.

Details of the Composition of the Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorships / other committee memberships held during the financial year 2008-2009, are given below:

Name of Directors	Board meetings attended during the year	Directorship in other public limited companies
Sh. I.M. Sood <i>Chairman & Managing Director</i>	5	1
Sh. D.M. Sood <i>Executive Director</i>	5	1
Sh. Anil Tandon <i>Executive Director</i>	5	1
Sh. Gaurav Kaura <i>Independent Non Executive Director</i>	4	-
Sh. Vidur Bharadwaj <i>Independent Non Executive Director</i>	3	-
Sh. Avinash Verma <i>Independent Non Executive Director</i>	5	-

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

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, role and terms of reference of the Audit Committee covers the areas as specified under the Listing Agreement and the Companies Act, 1956, besides other terms as may be referred by the Board. The functions of Audit Committee includes reviewing the Company's financial reporting process, disclosure norms, internal control systems, accounting policies and practices as well as quarterly / half yearly financial statements. It recommends

appointment of Statutory Auditors, fixes audit fees and reviews matters required to be included in Directors' responsibility statement, review of employees remuneration salary packages and its financial implications, disclosures of related party transactions, if any, internal control systems, scope for observations of the auditors and adequacy of the internal audit function.

The members of the Audit Committee met four times on 30.05.2008, 31.07.2008, 31.10.2008, 30.01.2009 during the financial year 2008-09.

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

Name	Category	Number of Audit Committee Meeting	
		Held	Attended
Sh. Gaurav Kaura	Chairman	4	3
Sh. Avinash Verma	Member	4	4
Sh. Vidur Bharadwaj	Member	4	2
Sh. D.M. Sood	Member	4	4

Investors Grievance Committee

To focus on the shareholders' grievances towards strengthening investor relations, the Board has constituted an Investors Grievance Committee under the chairmanship of Mr. Gaurav Kaura, an Independent Non-Executive Director with two other Independent Non-Executive Directors namely, Mr. Avinash Verma and Mr. Vidur Bhardwaj and one Executive Director, Mr. D.M. Sood.

During the year, the Company received total twelve queries regarding change of addresses of shareholders, non receipt of Annual Report / Dividend Warrant / Transfer of Shares / Dematerialization etc. out of which only one complaint is pending as on March 31st 2009. The rest of complaints were attended to the satisfaction of the investors. There were no pending share transfers at the close of the financial year ended on March 31st 2009.

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

Remuneration Committee

The Remuneration Committee was set up to evaluate remuneration and benefits of the Executive Directors. The committee consists of three Independent Non-Executive Directors with following details:

Name	Category	Number of Meeting	
		Held	Attended
Sh. Gaurav Kaura	Chairman	1	1
Sh. Vidur Bharadwaj	Member	1	1
Sh. Avinash Verma	Member	1	1



Remuneration Policy

The remuneration policy of the Company is primarily based on experience, track record, potential and performance of the executive directors.

Details of Remuneration Paid to Directors

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

Name & Category	Annual Salary	Directors' Fees	Service Contract
Sh. I.M. Sood <i>Chairman & Managing Director</i>	1,386,000	Nil	Up to 16/08/2009
Sh. D.M. Sood <i>Executive Director</i>	1,296,000	Nil	Up to 30/11/2009
Sh. Anil Tandon <i>Executive Director</i>	759,757	Nil	Up to 29/05/2013
Sh. Gaurav Kaura <i>Independent Non Executive Director</i>	Nil	15,000	Not Applicable
Sh. Vidur Bharadwaj <i>Independent Non Executive Director</i>	Nil	15,000	Not Applicable
Sh. Avinash Verma <i>Independent Non Executive Director</i>	Nil	10,000	Not Applicable

The applicable notice period is one month for all Executive Directors.

No stock options have been allotted to any Director(s) during the financial year 2008-2009.

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

As on March 31st 2009, the shareholdings of Non Executive Independent Directors are as follows:

Name	Total no. of Shares	Shareholding in % age
Sh. Gaurav Kaura	Nil	Nil
Sh. Vidur Bharadwaj	40,000	0.52
Sh. Avinash Verma	27,301	0.35

Directors Inter-se Relations

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

Disclosures

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

- The Company has complied with all mandatory requirements of Clause 49 of Listing Agreement.

General Body Meeting

Location and time for the last three Annual General Meeting:

	Date and Time	Venue
15 th Annual General Meeting	August 27 th 2008 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110 041
14 th Annual General Meeting	August 9 th 2007 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110 041
13 th Annual General Meeting	July 12 th 2006 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110 041

During the previous three years, the Company has passed special resolutions in Fifteenth and Thirteenth Annual General Meetings, however, the Company had not passed any special resolution during last three years, by way of postal ballot. There is no proposed special resolution to be passed by way of postal ballot under the Companies (Postal Ballot) Rules, 2001.

Means of Communications

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

In addition to above, the Company's quarterly half-yearly and annual audited financial results are also posted in EDIFAR website maintain by National Informatic Centre (NIC).

- The Management Discussion and Analysis is a part of Annual Report.

Shareholders' Information

- Annual General Meeting:

The information regarding the 16th Annual General Meeting during the year 2009 is as follows:

Date: August 17th 2009
Time: at 9.30 a.m.
Place: Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110 041

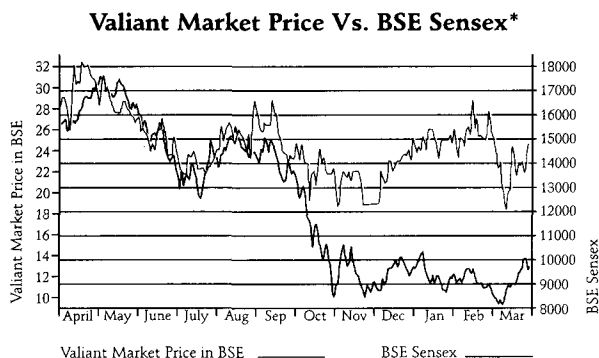
- Financial Calendar: 1st April to 31st March

- Date of Book Closure: August 10th 2009 to August 17th 2009 (both days inclusive)

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

e. Market Price Data:

Month	Valiant' market price in BSE		BSE Sensex	
	High	Low	High	Low
April	33.75	22.00	17,481	15,298
May	31.50	25.80	17,736	16,196
June	28.50	21.15	16,633	13,406
July	25.80	19.00	15,130	12,514
August	31.90	22.15	15,580	14,002
September	30.80	20.00	15,107	12,154
October	25.00	17.00	13,204	7,697
November	22.80	16.75	10,945	8,316
December	26.00	17.00	10,189	8,467
January	27.00	20.70	10,470	8,632
February	29.80	22.00	9,725	8,619
March	25.50	16.30	10,127	8,047

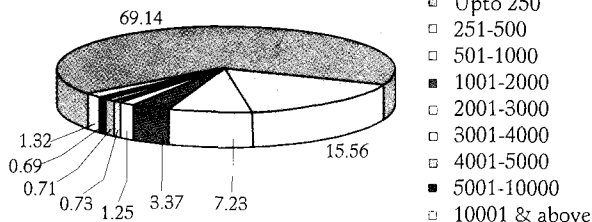


*Data Source - official website of Bombay Stock Exchange www.bseindia.com

f. Distribution of Shareholding (as on 31st March 2009)

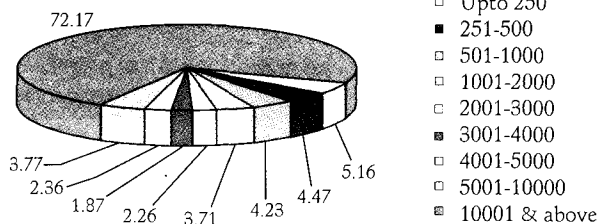
No. of equity shares held	No. of Shareholders	% of Shareholders
Up to 250	3,710	69.14
251-500	835	15.56
501-1000	388	7.23
1001-2000	181	3.37
2001-3000	67	1.25
3001-4000	39	0.73
4001-5000	38	0.71
5001-10000	37	0.69
10001 & above	71	1.32

Distribution of Shareholders



No. of equity shares held	No. of Shares held	% of Shares held
Up to 250	396,746	5.16
251-500	343,566	4.47
501-1000	325,108	4.23
1001-2000	285,384	3.71
2001-3000	174,044	2.26
3001-4000	144,224	1.87
4001-5000	181,502	2.36
5001-10000	289,710	3.77
10001 & above	5,553,685	72.17

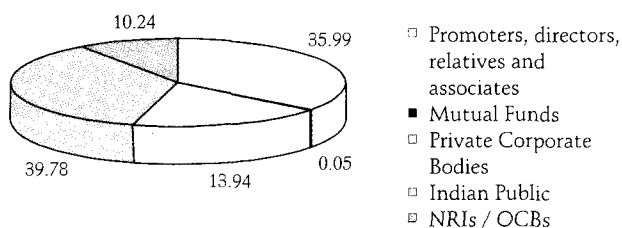
Distribution of Total Shareholding



g. Shareholding Pattern (as on 31st March 2009)

Categories	No. of Shares	Shareholding in %
Promoters, directors, relatives and associates	2,768,828	35.99
Mutual funds	3,900	0.05
Private corporate bodies	1,072,885	13.94
Indian public	3,060,458	39.78
NRI/OCBs/FIIs	787,898	10.24
Total	7,693,969	100.00

Shareholding Distribution





h. Dividend:

The Board of Directors have recommended for the approval of the shareholders a dividend of Rs. 1.20/- (i.e. 12%) per equity share, on face value of Rs 10/- per share on the paid-up equity share capital in respect of financial year 2008-2009, which will be paid after August 17th 2009 to those members of the Company whose name appear in the Company's Register of Members on the beginning of August 10th 2009.

Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronics mode. All transfer, transmission, request 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.
(formerly known as Intime Spectrum Registry Ltd.)
A -40, 2ND FLOOR
NARIANA INDUSTRIAL AREA, PHASE-II
NEW DELHI-110 028
TELEPHONE NO. +91-11-4141 0592

i. Listing of Shares:

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

Bombay Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.

Listing Fee: The Company has paid, till date, the listing fees of Bombay Stock Exchange, Mumbai, for the year 2008-2009 and 2009-2010.

j. 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, if the document is complete in all respects. The Company' share in electronic form are transferable through the depository system.

l. Dematerialisation of Shares and Liquidity:

The Company's equity shares are in demat trading segment and the Company had established connectivity with both NSDL and CDSL by signing the necessary agreements. As on 31st March 2009, 65.24% of the Company's equity Share Capital has been dematerialised.

k. Registrar and Share Transfer Agent:

M/s. Link Intime India (P) Ltd. have been appointed as

m. Address for Factory / Correspondence:

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

n. Compliance Officer:

Mr. Manish Kumar, Company Secretary
Valiant Communications Ltd.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Valiant Communications Limited,

We have examined the compliance of the conditions of Corporate Governance by Valiant Communications Limited (the Company) for the year ended March 31st 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

For and on behalf of
B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggarwal
(Partner)
Membership No.82908

Place: New Delhi
Date: June 2nd 2009

AUDITORS' REPORT

To the Members of
VALIANT COMMUNICATIONS LIMITED,

We have audited the attached Balance Sheet of M/s. VALIANT COMMUNICATIONS LIMITED (hereinafter referred to as the 'Company') as at March 31st 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the annexure referred to above, we report that:

- a) We have 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 appears from our examination of those books;
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 read with the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In the case of the Profit & Loss Account, of profit for the period ended on that date; and
 - (iii) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggarwal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (3) thereof)

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of information available.

According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.

During the year, the Company has not disposed off any major part of the fixed assets.

2. The stocks of the finished goods, stores and spare parts have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of stocks, as compared to book records.

3. We are informed that the Company has not taken/ granted any loans, secured or unsecured, from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. As explained to us, there has not been any transaction during the year that need to be entered in the register maintained under Section 301 of the Companies Act 1956 and exceeding during the year to Rs. 5,00,000 or more in respect of each such party.
6. During the year, the Company has not accepted any deposits within the meaning of Sections 58 A and 58 AA of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the Company has an Internal Audit System commensurate with the size and the nature of its business.
8. The Company is not required to maintain cost records as prescribed under Section 209 (1) (d) of the Companies Act, 1956.
9. There are no accumulated losses at the end of the financial year and the Company has not incurred any cash losses in the current financial year and preceding financial year. Hence the requirements of Clause (x) of Paragraph 4 of the Order are not applicable to the Company.
10. The Company has not taken any loans (either secured or unsecured) including term loans from financial institutions or bank or debenture holder.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The Company is not a Chit Fund, Nidhi or mutual benefit Society. Hence the requirements of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
13. The Company has kept adequate records of its transactions and contracts in shares, securities, and other investments and timely entries have been made therein. The shares, securities and other investments are held in the name of the Company or are in the process of being transferred in the Company's name.
14. The Company has not taken any term loans.

15. The Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise duty and other material statutory dues applicable to it.

According to the information and explanations given to us, there are no statutory dues payable in respect of Provident Fund Investor, Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise duty, cess which are outstanding as at 31-03-2009, for a period of more than six months from the date they became payable.

According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise duty, Service tax, and cess as at 31-03-2009, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Cenvat Credit Rules	Disallowance of refund of cenvat credit	Rs. 239,060/-	Up to 31-03-2008	Central Excise Department
Income Tax Act	Income tax	Rs. 8,277,961/-	Assessment Year 2005-2006	Tribunal
		Rs. 36,108,432/-	Assessment Years 2003-2004, 2004-2005 & 2006-2007	Appellate Authorities (Below Tribunal)

16. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
17. The Company has not issued any debentures. Hence the requirements of Clause (xix) of Paragraph 4 of the Order are not applicable to the Company.
18. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment and vice versa.
19. According to the information and explanations given to us, no preferential allotment of shares has been made by the Company to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not raised any money from public issue during the year. Hence the requirements of Clause (xx) of Paragraph 4 of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggarwal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

BALANCE SHEET AS AT
(In Rupees)

Particulars	Sch. No.	31-03-2009	31-03-2008
I. SOURCES OF FUNDS			
1) SHAREHOLDERS FUNDS			
a) Share capital	I	76,939,690	86,456,000
b) Reserves & surplus	II	228,721,997	227,740,992
2) LOAN FUNDS			
a) Secured loans		NIL	NIL
b) Unsecured loans		NIL	NIL
TOTAL		305,661,687	314,196,992
II. APPLICATION OF FUNDS			
1) FIXED ASSETS	III		
a) Gross block		112,224,362	104,470,315
b) Less: Accumulated depreciation		<u>55,509,055</u>	<u>49,351,368</u>
c) Net block		56,715,307	55,118,947
d) Capital work in progress		NIL	NIL
2) INVESTMENTS	IV	55,565,208	25,690,000
3) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	V	84,413,703	72,310,375
b) Sundry debtors	VI	13,233,243	2,836,385
c) Cash and bank balances	VII	106,536,274	165,417,825
d) Other current assets		NIL	NIL
e) Loans and advances	VIII	<u>9,627,791</u>	<u>8,167,966</u>
TOTAL (A)		<u>213,811,011</u>	<u>248,732,551</u>
Less:			
CURRENT LIABILITIES AND PROVISIONS	IX		
a) Current liabilities		7,197,408	2,853,357
b) Provisions		<u>14,146,738</u>	<u>14,320,108</u>
TOTAL (B)		<u>21,344,146</u>	<u>17,173,465</u>
NET CURRENT ASSETS (A-B)		192,466,865	231,559,086
4) MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	X	914,307	1,828,959
TOTAL		305,661,687	314,196,992
SIGNIFICANT ACCOUNTING POLICIES	XIV		
NOTES TO ACCOUNTS	XV		

Schedules referred to above and notes attached thereto form an integral part of balance sheet.
This is the balance sheet referred to in our report of even date.

For and on behalf of

B. AGGARWAL & CO.
Chartered AccountantsKapil Aggrawal
(Partner)
Membership No. 82908Place: New Delhi
Date: June 2nd 2009

For and on behalf of the Board

Inder Mohan Sood
Managing DirectorManish Kumar
Company SecretaryDavinder Mohan Sood
Director

VALIANT COMMUNICATIONS LIMITED, NEW DELHI
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
(In Rupees)

Particulars	Sch. No.	31-03-2009	31-03-2008
INCOME			
Sales & other income	XI	126,506,130	107,266,831
TOTAL INCOME		126,506,130	107,266,831
EXPENDITURE			
Manufacturing & other expenditure	XIII	91,188,438	74,264,302
Bank charges		512,292	334,317
Expenditure amortized	X	914,652	914,652
TOTAL EXPENDITURE		92,615,382	75,513,271
Profit before depreciation		33,890,748	31,753,560
Less: Depreciation		6,157,687	8,550,162
Profit before tax		27,733,061	23,203,398
Less : Income tax for previous years		(328,374)	(182,182)
Less: Income tax for the year		3,445,000	3,398,920
Less: Fringe benefits tax for previous years		55,607	-
Less: Fringe benefits tax for the year		176,000	145,000
Profit after tax		24,384,828	19,841,660
Add: Profit brought forward		115,616,900	106,663,806
Less: Transitional provision		-	773,646
Profit Available for Appropriation		140,001,728	125,731,820
APPROPRIATION			
Proposed dividend		9,024,720	8,645,600
Dividend distribution tax		1,533,751	1,469,320
Transferred to general reserve		8,851,567	-
Balance Carried to Balance Sheet		120,591,690	115,616,900
SIGNIFICANT ACCOUNTING POLICIES	XIV		
NOTES TO ACCOUNTS	XV		

Schedules referred to above and notes attached thereto form an integral part of profit and loss account.
This is the profit & loss account referred to in our report of even date.

For and on behalf of

B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggarwal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009

For and on behalf of the Board

Inder Mohan Sood
Managing Director

Manish Kumar
Company Secretary

Davinder Mohan Sood
Director

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE BALANCE SHEET AS AT

(In Rupees)

Particulars	31-03-2009	31-03-2008
I. SHARE CAPITAL AUTHORISED		
15,000,000 (previous year: 9,500,000) equity shares of Rs. 10/- each	150,000,000	95,000,000
ISSUED SUBSCRIBED AND PAID UP		
7,693,969 (previous year: 8,645,600) equity shares of Rs. 10/- each fully paid up (refer note 6 of schedule XV)	76,939,690	86,456,000
TOTAL	76,939,690	86,456,000
II. RESERVES AND SURPLUS		
Securities Premium Account		
Balance brought forward	110,850,000	83,850,000
Add: Received during the year	-	27,000,000
Less: Utilized for buy-back of equity shares	12,845,352	-
	98,004,648	110,850,000
Capital Redemption Reserve		
Balance brought forward	-	-
Add: Transferred from general reserve	9,516,310	-
	9,516,310	-
General Reserve		
Balance brought forward	1,274,092	1,274,092
Add: Transferred from profit and (loss) account	8,851,567	-
Less: Transferred to capital redemption reserve (refer note 6 of schedule XV)	9,516,310	-
	609,349	1,274,092
Profit and (loss) account (undistributed profits)	120,591,690	115,616,900
TOTAL	228,721,997	227,740,992

III. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION		NET BLOCK	
	As at 01-04-2008	Additions during the year	Deductions during the year	Total up to 31-03-2009	Depreciation for the year ended 31-03-2009	Accumulated Depreciation Up to 31-03-2009	Total as at 31-03-2008	Total as at 31-03-2009
Tangible Assets								
Building	18,106,657	-	-	18,106,657	295,139	1,506,345	16,895,451	16,600,312
Plant & Machinery	18,770,720	-	-	18,770,720	891,609	10,795,749	8,866,580	7,974,971
Electric Fitting	821,998	-	-	821,998	39,045	297,445	563,598	524,553
Office Equipment	2,863,543	108,167	-	2,971,710	138,454	1,302,330	1,699,667	1,669,380
Air Conditioner	982,733	-	-	982,733	46,680	312,044	717,369	670,689
Generator Set	732,487	-	-	732,487	34,793	225,955	541,325	506,532
Vehicles	3,146,695	1,186,929	-	4,333,624	353,307	1,728,838	1,771,164	2,604,786
Tools & Dies	1,460,052	39,094	-	1,499,146	164,831	759,056	865,827	740,090
Testing Equipment	13,281,389	842,320	-	14,123,709	661,922	4,416,080	9,527,231	9,707,629
Furnitures & Fittings	3,526,024	6,612	-	3,532,636	223,307	1,658,992	2,090,339	1,873,644
Computer	2,174,881	159,450	-	2,334,331	303,941	1,604,284	874,538	730,047
Intangible Assets								
Software	7,714,014	321,475	-	8,035,489	1,304,111	2,743,701	6,274,424	5,291,788
Technical Know-How	30,889,122	5,090,000	-	35,979,122	1,700,548	28,158,236	4,431,434	7,820,886
Total	104,470,315	7,754,047	-	112,224,362	6,157,687	55,509,055	55,118,947	56,715,307
<i>Previous Year</i>	<i>97,552,026</i>	<i>7,542,148</i>	<i>623,859</i>	<i>104,470,315</i>	<i>8,550,162</i>	<i>49,351,368</i>	<i>56,270,577</i>	<i>55,118,947</i>

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE BALANCE SHEET AS AT*(In Rupees)*

Particulars	31-03-2009	31-03-2008
IV. INVESTMENTS <i>(in shares, debentures or bonds)</i>		
	Face value of each	
Long Term (at cost)		
a) Trade investments in subsidiaries (unquoted, fully paid up):		
i) Valiant Communications (UK) Limited, United Kingdom; 225,000 (previous year: 225,000) ordinary shares	GBP 1.00 17,758,130	17,758,130
ii) Valiant Communications & Technologies Inc., United States of America; 65,000,000 (previous year: 15,000,000) capital stocks	USD 0.01 30,391,500	6,044,000
iii) Valiant Infrastructure Ltd., India; 188,787 (previous year: 188,787) equity shares	Rs. 10.00 1,887,870	1,887,870
b) Other than trade investments (quoted, fully paid up)		
i) Rallis India Ltd.; 2,025 (previous year: nil) equity shares	Rs. 10.00 777,064	-
ii) Siemens Ltd.; 2,000 (previous year: nil) equity shares	Rs. 2.00 447,187	-
iii) Tata Chemicals Ltd.; 10,000 (previous year: nil) equity shares	Rs. 10.00 1,737,580	-
iv) Tata Metaliks Ltd.; 5,000 (previous year: nil) equity shares	Rs. 10.00 421,903	-
v) Tata Steel Ltd.; 5,000 (previous year: nil) equity shares	Rs. 10.00 835,648	-
vi) Tata Sponge Iron Ltd.; 10,000 (previous year: nil) equity shares	Rs. 10.00 1,308,326	-
TOTAL	55,565,208	25,690,000
V. INVENTORIES		
Raw material	51,931,310	45,136,136
Semi finished	32,482,393	27,174,239
TOTAL	84,413,703	72,310,375
VI. SUNDRY DEBTORS <i>(Unsecured, but considered good)</i>		
Debts (outstanding for less than 6 months)	13,233,243	2,836,385
TOTAL	13,233,243	2,836,385
VII. CASH & BANK BALANCES		
Cash balance on hand	592,222	357,400
<i>Balances with scheduled banks</i>		
Current accounts*	15,371,126	7,386,626
Fixed deposits	90,572,926	157,673,799
TOTAL	106,536,274	165,417,825

* It includes balances in unclaimed dividend accounts.

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE BALANCE SHEET AS AT*(In Rupees)*

Particulars	31-03-2009	31-03-2008
VIII. LOANS & ADVANCES <i>(Unsecured, but considered good)</i>		
Sundry advances to suppliers and others	1,955,917	1,823,739
Tax deducted at source	2,263,402	2,093,742
Advance income and other taxes	5,065,977	4,018,796
Prepaid expenses	342,495	231,689
TOTAL	9,627,791	8,167,966
IX. CURRENT LIABILITIES AND PROVISIONS		
<i>Current liabilities</i>		
Sundry creditors (refer note 18 of schedule XV)	4,876,307	1,628,640
Advances from customers	1,522,527	577,141
Investor Education and Protection Fund shall be credited by unclaimed dividend	798,574	647,576
<i>Provisions</i>		
Provision for income tax	3,445,000	3,398,920
Provision for short-term employees benefits	143,267	121,328
Provision for gratuity	-	684,940
Proposed dividend	9,024,720	8,645,600
Dividend distribution tax on proposed dividend	1,533,751	1,469,320
TOTAL	21,344,146	17,173,465
X. MISCELLANEOUS EXPENDITURE		
<i>(To the extent not written off)</i>		
Preliminary expenses	1,828,959	2,743,611
Less: written off	914,652	914,652
TOTAL	914,307	1,828,959

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
(In Rupees)

Particulars	31-03-2009	31-03-2008
XI. SALES AND OTHER INCOME		
<i>Sales</i>		
Exports	113,551,909	96,887,391
<i>Other income</i>		
Unrealized exchange rate fluctuation	375,975	379,681
Bank interest	10,909,037	9,999,759
Profits on sale of current investment (Other than trade investments-quoted)	1,669,209	-
TOTAL	126,506,130	107,266,831
XII. COST OF MATERIAL		
<i>Raw material</i>		
Opening stock	45,136,136	42,570,194
Add: Purchases	66,729,464	48,603,382
	111,865,600	91,173,576
Less: Closing stock	51,931,310	45,136,136
Raw material consumed	59,934,290	46,037,440
<i>Semi finished</i>		
Opening stock	27,174,239	24,809,031
Less: Closing stock	32,482,393	27,174,239
(Increase)/decrease in inventories	(5,308,154)	(2,365,208)
Cost of material	54,626,136	43,672,232
XIII. MANUFACTURING & OTHER EXPENSES		
Manufacturing Expenses		
Cost of material	54,626,136	43,672,232
Stores and spares consumed	266,264	459,159
Power & fuel	707,208	836,829
Repairs to plant & machinery	117,674	62,366
Other manufacturing expenses	1,266,046	1,576,927
	56,983,328	46,607,513
Personnel Cost		
Salary, wages and benefits	11,939,421	11,132,662
Contribution to provident and other funds	494,830	484,138
Staff welfare	578,661	644,340
Directors' fee	40,000	-
	13,052,912	12,261,140
Administrative and other expenses		
Rent	720,000	750,000
Rates & taxes	21,723	93,795
Postage, phones & grams	730,762	751,319
Printing & stationery	832,393	791,848
Traveling expenses	2,411,974	2,064,300
Insurance	291,141	262,516
Advertisement expenses	349,758	313,752
Office general expenses	201,414	357,091
Vehicle repair & maintenance	452,785	404,402
Freight & cartage	6,922,093	5,839,504



VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
(In Rupees)

Particulars	31-03-2009	31-03-2008
XIII. MANUFACTURING & OTHER EXPENSES (Continued..)		
Administrative and other expenses		
Books & periodicals	28,804	44,114
Charity & donation	43,601	34,000
Securities buy-back expenses	783,911	-
Cost recovery charges	232,500	232,500
Security guard expenses	366,000	345,300
Loss on sale of fixed assets	-	81,394
Miscellaneous expenses	56,080	86,935
Auditors remuneration	225,000	196,630
Legal & professional charges	4,708,416	1,247,322
	19,378,355	13,896,722
Selling and distribution expenses		
Packing & forwarding	727,722	541,432
Business promotion	108,776	102,369
Sales promotion (in electronic media)	390,761	465,208
Royalty	546,584	389,918
	1,773,843	1,498,927
TOTAL	91,188,438	74,264,302

XIV. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting assumption

The financial statements are drawn up in accordance with the historical cost convention on accrual basis and comply with the accounting standards referred to in Sec 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006.

2. Employees benefits

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

- i) Provident fund is a defined contribution scheme and the contributions are charged to the profit & loss account of the year when the contributions to the government funds are due.
- ii) Gratuity liability is defined benefit obligations 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 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 for short-term compensated absences, which are provided for on the basis of estimates.
- iv) Actuarial gains/ losses are immediately taken to the profit and loss account and are not deferred.

3. Fixed assets

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

In accordance with Accounting Standard 28 issued by Institute of Chartered Accountants of India, consideration is given at the date of balance sheet to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets to recognize impairment loss. However, during the financial year ended on March 31st 2009, there is no indication which gives an expression of impairment loss in carrying amount of the Company' fixed assets.

4. Depreciation and amortization

Depreciation on fixed assets has been provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except for intangible assets, which are amortized over the respective individual estimated useful lives on a straight line basis, commencing from the date the asset is put to use by the Company. Depreciation on additions/ deletions is provided on pro-rata basis from/ to the date of additions/ deletions. The management estimates the useful lives for intangible assets as follows:

Technical know-how	:	4 years
Software	:	6 years

5. Inventories valuation

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

6. Transactions of foreign currencies

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

7. Investments

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

8. Miscellaneous expenditure

Preliminary expenses are amortized over a period of ten years.

9. Revenue recognition

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

10. Income tax

Provisions for current income tax liability is made on estimated taxable income under Income Tax Act, 1961 after considering permissible tax exemptions, deductions and allowances. The Company enjoys 100% tax exemption in accordance with the provisions of Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future benefits in the form of

adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Deferred assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Provision for fringe benefit tax for the financial year has been determined in accordance with the provisions of Income Tax Act, 1961.

11. Lease

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

12. Contingent liabilities and provisions

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

13. Use of estimates

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

14. Earning per share

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

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

15. Segment reporting

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



XV. NOTES TO ACCOUNTS

1. Directors' remuneration:

Particulars	<i>(In Rupees)</i>	
	For the year ended March 31 st	
	2009	2008
Managing Director and Whole-time Director		
Salary	3,441,757	2,106,000
Contribution to provident and other funds	26,520	18,720
Commission	-	-
Other allowances and perquisites	-	-
	3,468,277	2,124,720
Other Directors		
Directors' fee	40,000	-
TOTAL	3,508,277	2,124,720

Apart from the above mentioned directors' remuneration, all executive directors are entitled for gratuity of Rs. 350,000/- each payable only at the time of disassociation with the Company.

2. Auditor's remuneration:

Particulars	<i>(In Rupees)</i>	
	For the year ended March 31 st	
	2009	2008
Statutory audit fee	125,000	100,000
Certification & other charges	35,000	25,000
Tax audit	65,000	50,000
Service tax	-	21,630
TOTAL	225,000	196,630

In the financial year ended on March 31st 2009, the Company has availed cenvat credit on service tax charged by Auditors, hence, the amount of service tax is not recognized as an expense.

3. Additional information pursuant to part II of Schedule VI of Companies Act, 1956:

A. Particulars	For the year ended March 31 st	
	2009	2008
a) Licenced capacity	N.A.	N.A.
b) Installed capacity (lines)		
Telecom transmission equipment/ cards (Nos.)	30,000	30,000
c) Production		
Telecom transmission equipment/ cards (Nos.)	11,001	18,030

B. Particulars	<i>(In Rupees)</i>	
	For the year ended March 31 st	
	2009	2008
a) Opening stock		
Raw material		
Electronic components	43,616,174	40,965,407
Hardware	1,519,962	1,604,787
	45,136,136	42,570,194
Semi finished (telecom equipment)	27,174,239	24,809,031
Finished goods	-	-
TOTAL	72,310,375	67,379,225

(In Rupees)

For the year ended March 31st

B. Particulars	2009	2008
b) Turnover		
Telecom transmission equipment/ cards [Total 11,001 cards (previous year: 18,030 cards)]	113,551,909	96,887,391
c) Closing stock		
Raw material		
Electronic components	49,855,690	43,616,174
Hardware	2,075,620	1,519,962
	<u>51,931,310</u>	<u>45,136,136</u>
Semi finished (telecom equipment)	32,482,393	27,174,239
Finished goods	-	-
TOTAL	84,413,703	72,310,375
d) Consumption of raw material		
Electronic components [Total Qty. (in Nos.) 1,644,872 (previous year: 2,469,269)]	57,939,248	44,312,795
Hardware [Total Qty. (in Nos.) 3,613 (previous year: 1,717)]	1,995,042	1,724,645
TOTAL	59,934,290	46,037,440
e) Earning in foreign currency		
Value of exports (FOB)		
Telecom transmission equipment/ cards	106,719,387	92,270,957
Others	-	-
f) Expenditure in foreign currency		
Raw material	48,183,694	34,881,316
Capital goods	811,579	130,250
Total import (CIF)	<u>48,995,273</u>	<u>35,011,566</u>
Traveling expenses	1,317,979	1,936,835
g) Value of imported and indigenous raw material and store and spares consumed with percentage		
i) Raw material		
Imported [72.64% (previous year: 79.32%)]	43,536,268	36,516,897
Indigenous [27.36% (previous year: 20.68%)]	16,398,022	9,520,543
TOTAL	59,934,290	46,037,440
ii) Stores and spares		
Imported [0.00% (previous year: 0.00%)]	-	-
Indigenous [100.00% (previous year: 100.00%)]	266,264	459,159
TOTAL	266,264	459,159

- h) During the financial year ended on March 31st 2009, final dividend 2007-08, in foreign currency equivalent to Rs. 56,026/- was paid to three non resident shareholders, who hold 56,026 equity shares of the Company.

4. Dividend:

For the financial year ended March 31st 2009, the Company has proposed to pay to the equity shareholders a final dividend of Rs. 1.20/- (i.e 12%) per equity share (not subject to tax deduction), total amounting to Rs. 9,024,720/- excluding dividend distribution tax.

During the financial year ended March 31st 2009, the Company had declared and paid to the equity shareholders a final dividend for the financial year ended March 31st 2008, of Re. 1/- (i.e 10%) per equity share (not subject to tax deduction), total amounting to Rs. 8,645,600/- excluding dividend distribution tax.

5. Segment-wise revenue and results:*(In Rupees)***For the year ended March 31st**

Particulars	2009	2008
a) Revenue by Geographical Segment		
USA	75,752,939	51,258,207
Europe	6,424,995	6,165,025
Rest of the world	31,373,975	39,464,159
TOTAL	113,551,909	96,887,391
Less: Inter segment revenue	-	-
Net Sales/ Revenue from operation	113,551,909	96,887,391
b) Segment Results: Profit/(Loss) before tax and interest		
USA	39,310,660	28,153,443
Europe	3,334,138	3,386,125
Rest of the world	16,280,975	21,675,592
TOTAL	58,925,773	53,215,160
Less: Interest	Nil	Nil
Less: Other unallocable expenditure	44,146,934	40,391,201
Add: Other unallocable income	12,954,222	10,379,439
Profit before tax	27,733,061	23,203,398

The Company manufactures "Telecom Transmission Equipment", which is the only business segment of the Company. The Company is a 100% Export Oriented Unit with its sole manufacturing unit being located at New Delhi. The above segment revenue and results are being identified on the basis of geographical markets. Fixed assets used in 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.

6. Buy-back of equity shares:

The Board of Directors at their meeting held on September 8th 2008, had announced buy back of its fully paid equity shares from existing shareholders and beneficial owners in accordance with the relevant provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, at a price not exceeding Rs. 32/- per share. The Company opted to buy back shares from open market through stock exchange route and the total offer size aggregates to Rs. 31,419,700/-, but subject to the maximum limit of 1,125,000 equity shares.

As of March 31st 2009, the Company had bought back and extinguished 951,631 equity shares having face and fully paid-up value of Rs. 10/- each at an average price of Rs. 23.50/- per equity share. The difference between the nominal value and amount spent for buy back, amounting to Rs. 12,845,352/- has been appropriated from the securities premium account.

The Company has transferred Rs. 9,516,310/- from general reserve to capital redemption reserve which represented the nominal value of shares bought back during the year.

7. Event(s) occurring after the balance sheet date:

The Company has bought back the maximum limit of 1,125,000 equity shares up to May 8th 2009 for an aggregate consideration of Rs. 26,575,056/-. The Board of Directors at their meeting held on May 14th 2009, had decided to close the buyback offer.

In accordance with the provisions of Para 14 of Accounting Standard 4, issued by Institute of Chartered Accountants of India, the provision of proposed dividend and dividend distribution tax thereon, is made after taking into consideration of additional 173,369 equity shares, bought back and extinguished after balance sheet date i.e. in the financial statements for the year ended on March 31st 2009, the provision of proposed dividend is reduced by Rs. 208,043/- and distribution tax by Rs. 35,357/-.

8. Employees benefits:

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 Payment of Gratuity Act, 1972 including any statutory modifications or re-enactment thereof.

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

Gratuity Scheme	2008-2009	2007-2008
		<i>(In Rupees)</i>
Changes in present value of defined benefit obligation		
Opening defined benefit obligation	2,187,032	2,009,131
Interest cost	125,698	101,043
Current service cost	96,581	152,727
Benefits paid	(233,388)	(79,538)
Net actuarial (gain)/ loss on obligation	(626,152)	3,669
Closing defined benefit obligation	1,549,771	2,187,032
Changes in fair value of plan assets are as follows		
Opening fair value of plan assets	1,502,092	1,328,430
Expected return	135,188	115,574
Contribution by employer	270,804	53,891
Benefits paid	(233,388)	-
Net actuarial gain/ (loss)	(14,097)	4,197
Closing fair value of plan assets	1,660,599	1,502,092
Plan assets/ (liability) recognized in the balance sheet	110,828	(684,940)
Net employee benefit expenses (recognized in profit and loss account)		
Current service cost	96,581	152,727
Interest cost on benefit obligation	125,698	101,043
Expected return on plan assets	(135,188)	(115,574)
Net actuarial (gain)/ loss recognized in the year	(612,055)	(528)
Unrecognized past returns	-	(92,945)
Net benefit expense	(524,964)	44,723
Actual return on plan assets	121,091	119,771
Constitution of the fair value of total plan assets		
Investments with insurer	100%	100%
Principal actuarial assumptions		
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	9.00%	8.70%
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Current and previous year's figures as required to be disclosed under Para 120(n) are as follows:		
Defined benefit obligation	(1,549,771)	(2,187,032)
Plan assets	1,660,599	1,502,092
Surplus/ (deficit)	110,828	(684,940)
Experience adjustments on plan liabilities	626,152	(3,669)
Experience adjustments on plan assets	(14,097)	4,197
Contribution to defined contribution plan		
Provident fund	424,303	410,708



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

The Company expects to contribute Rs. 305,517/- to gratuity in financial year 2009-10. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Pursuant to the adoption of Account Standard 15 (Revised 2005) on "Employee Benefits", in financial statements for the year ended March 31st 2008, a provision for additional employees cost of Rs. 773,646/-, representing certain employee benefits up to March 31st 2007, has been adjusted to the brought forward balance of profit and loss account (shown in the financial statement of year ended March 31st 2008), in accordance with the transition provision in the revised accounting standard.

9. Contingent liabilities (not provided for) in respect of:

Particulars	<i>(In Rupees)</i>	
	As at March 31 st	
	2009	2008
Appeal against Company's cenvat credit refund by Central Excise Department for the financial year 2007-08	239,060	239,060
Appeal against Company by Income Tax Department in Income Tax Appellate Tribunal, for demand of the assessment year 2005-06	8,277,961	-
Appeal by Company against Income Tax Department in the office of Commissioner of Income Tax (Appeal) for demand of the assessment years 2003-04, 2004-05 and 2006-07.	36,108,432	-

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

The Commissioner of Income Tax (Appeal) has decided the aforesaid matter in favor of the Company for the assessment year 2005-06, whereas, the matter is subjudice for the assessment years 2003-04, 2004-05 and 2006-07. Further, the Delhi High Court has provided an interim relief to the Company, by providing stay of demands for the assessment years 2003-04, 2004-05 and 2006-07.

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

10. Exposures in foreign currencies:

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

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

Particulars	As at March 31 st	
	2009	2008
Creditors	USD 63,952	-
	INR 3,258,330	-
Debtors	USD 259,730	USD 62,318
	INR 13,233,244	INR 2,490,850
Advances to suppliers	USD 21,290	USD 14,264
	INR 1,084,725	INR 570,132
Advances from customers	USD 29,883	-
	INR 1,522,526	-

11. Net profit in accordance with the provisions of Section 198 and 349 of the Companies Act, 1956:

Particulars	(In Rupees)	
	For the year ended March 31 st	
	2009	2008
Profit before tax	27,733,061	23,203,398
Add:		
Directors's remuneration	3,508,277	2,124,720
Loss on sale of fixed assets	-	81,394
Less:		
Profit on sale of investments	1,669,209	-
Net profit as per Section 198 of Companies Act, 1956	29,572,129	25,409,512
Less:		
Directors's remuneration	3,508,277	2,124,720
Net profit as per Section 349 of Companies Act, 1956	26,063,852	23,284,792
Commission paid to directors	Nil	Nil

12. The Company has filed a suit against M/s. Seh Investments for recovery of Rs. 737,574/-.

13. The export earnings includes realized foreign currency exchange fluctuation gain of Rs. 2,543,733/- (previous year: Rs. 208,963/-).

14. Basic and diluted Earning Per Share (EPS) is Rs. 2.89/- (Previous year: Rs. 2.45/-) calculated by dividing the net profit (after tax) of the year by weighted average number of equity shares i.e. 8,444,061 (previous year: 8,112,814/-) having nominal value of Rs. 10/- each.

15. Related parties disclosure:

Name	Relationship	Transaction Details
Valiant Communications (UK) Ltd., UK	Subsidiary Company	Nil
Valiant Communications & Technologies Inc., USA	Subsidiary Company	Allotment of 50,000,000 (previous year: 15,000,000) capital stock to the Company at fully paid up face value of USD 0.01, amounting to Rs. 2,43,47,500/- (previous year: Rs. 60,44,000/-)
Valiant Infrastructure Limited, India	Subsidiary Company	Nil
Mr. Inder Mohan Sood	Key Managerial Personnel	Director remuneration of Rs. 3,468,277/-
Mr. Davinder Mohan Sood	Key Managerial Personnel	(previous year: Rs. 2,124,720/-)
Mr. Anil Tandon	Key Managerial Personnel	

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

16. Lease:

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

Rental expenses of Rs. 720,000/- (previous year: Rs. 750,000/-) in respect of obligation under operating lease(s), have been recognized in the profit and loss account.

17. Investments:

1) During the financial year ended on March 31st 2009, the Company had invested in equity shares of the following Companies (quoted fully paid up current investments, other than trade investments), which were also disposed off during the year:

(In Rupees)

S. N.	Name of company	No. of equity shares	Net purchase consideration	Net sales consideration	Profit/Loss
1.	Hindustan Constructions Co. Ltd.	10,000	320,022	530,013	209,991
2.	IVRCL Infrass & Project Ltd.	20,000	1,281,960	2,643,728	1,361,768
3.	Siemens Ltd.	1,000	230,052	327,502	97,450

II) As on balance sheet date, the aggregate value of:

(In Rupees)

S. N.	Particulars	As at March 31 st 2009		As at March 31 st 2008	
		Book Value	Market Value	Book Value	Market Value
1.	Quoted investments	5,527,707	5,263,794	-	-
2.	Unquoted investments	50,037,500	-	25,690,000	-

18. i) The Company had no outstanding dues to any small scale industrial undertaking as at the balance sheet date.
 ii) During the financial year under reporting, no interest was paid by the Company in accordance with the provisions, of the Micro, Small and Medium Enterprises Development Act, 2006. Further, all the payments were made to the suppliers before appointed day.
 iii) During the financial year, there is no reportable amount of interest due and payable, accrued and remaining unpaid, payable during the reporting year and preceding years in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.
 iv) According to the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, there is no micro and small enterprises supplier, to whom the Company owes dues, which are outstanding beyond prescribed period as at the balance sheet date.
 v) As at the balance sheet date in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has the following unpaid amount, categorized as current liability, to:

(In Rupees)

Particulars	As at March 31 st	
	2009	2008
Total outstanding dues including interest, of creditors other than micro and small enterprises	5,391,629	1,382,842
Total outstanding dues including interest, of micro and small enterprises	-	-

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

20. Schedules I to XV form an integral part of balance sheet and profit and loss account.

For and on behalf of

B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggrawal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009

For and on behalf of the Board

Inder Mohan Sood
Managing Director

Manish Kumar
Company Secretary

Davinder Mohan Sood
Director

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

CASH FLOW STATEMENT FOR THE YEAR ENDED

(In Rupees)

Particulars	31-03-2009	31-03-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	27,733,061	23,203,398
Adjustment for		
Depreciation	6,157,687	8,550,162
Loss on sale of fixed assets	-	81,394
Profit on sale of investment	(1,669,209)	-
Bank interest received	(10,909,037)	(9,999,759)
Preliminary expenses written off	914,652	914,652
Unrealized exchange (gain)/ loss	(375,975)	(379,681)
	(5,881,882)	(379,681)
Operating Profit Before Working Capital Changes	21,851,179	22,370,166
Adjustment for		
Trade & other receivables	(11,856,683)	(2,227,234)
Inventories	(12,103,328)	(4,931,150)
Trade & other payables	3,727,130	(4,044,217)
Cash generated from operations	1,618,298	11,167,565
Interest paid	-	-
Direct taxes paid	(3,348,233)	(3,361,738)
Net Cash from operating activities	(1,729,935)	7,805,827
B. CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(7,754,047)	(7,542,148)
Sale of fixed assets	-	62,222
Investments in subsidiaries	(24,347,500)	(7,931,870)
Investments in other than subsidiaries	(5,527,708)	-
Profit on sale of investments	1,669,209	-
Bank interest received	10,909,037	9,999,759
Net Cash used in investing activities	(25,051,009)	(5,412,037)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including security premium	-	33,000,000
Funds utilized for buy-back of equity shares	(22,361,662)	-
Dividends paid	(8,645,600)	(7,241,040)
Dividend distribution tax	(1,469,320)	(1,230,615)
Net cash generated from financing activities	(32,476,582)	24,528,345
Unrealized exchange gain/ (loss)	375,975	379,681
Net increase in cash and cash equivalents	(58,881,551)	27,301,816
Cash and cash equivalents - (opening balance)	165,417,825	138,116,009
Cash and cash equivalents - (closing balance)	106,536,274	165,417,825

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

As per our report attached

For and on behalf of

For and on behalf of the Board

B. AGGARWAL & CO.
Chartered Accountants

Inder Mohan Sood
Managing Director

Davinder Mohan Sood
Director

Kapil Aggarwal
(Partner)
Membership No. 82908

Manish Kumar
Company Secretary

Place: New Delhi
Date: June 2nd 2009



VALIANT COMMUNICATIONS LIMITED, NEW DELHI

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

State Code		I. Registration Details						Registration No.					
Balance Sheet Date		Balance Sheet Date						Registration No.					
5 5		3 1 0 3 2 0 0 9						5 6 6 5 2					
II. Capital Raised during the year (Amount in Rs. Thousands)													
Public Issue						Right Issue							
NIL						NIL							
Bonus Issue						Private Placements							
NIL						NIL							
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)													
Total Liabilities						Total Assets							
3 2 7 0 0 6						3 2 7 0 0 6							
Sources of Funds						Application of Funds							
Paid-up Capital						Net Fixed Assets							
7 6 9 4 0						5 6 7 1 6							
Share Application Money						Investment							
NIL						5 5 5 6 5							
Reserves & Surplus						Net Current Assets							
2 2 8 7 2 2						1 9 2 4 6 7							
Secured Loans						Accumulated Losses							
NIL						NIL							
Unsecured Loans						Miscellaneous Expenditure							
NIL						9 1 4							
IV. Performance of Company (Amount in Rs. Thousand)													
Turnover Including other incomes						Total Expenditure							
1 2 6 5 0 6						9 8 7 7 3							
Profit/Loss before Tax						Profit/Loss after Tax							
+ 2 7 7 3 3						+ 2 4 3 8 5							
Earning Per Share (In Rs.)						Dividend Rate (%)							
2 . 8 9						1 2							

V. Generic Name of Three Principal Services of Company

Item Code number: 8517 Product Description: TELECOMMUNICATION EQUIPMENT
 Item Code number: 8517-40 Product Description: OPTICAL FIBRE LINE TERMINATION
 Item Code number: 85173005 Product Description: DATA COMMUNICATION EQUIPMENT

For and on behalf of

For and on behalf of the Board

B. AGGARWAL & CO.
Chartered Accountants

Inder Mohan Sood
Managing Director

Davinder Mohan Sood
Director

Manish Kumar
Company Secretary

Kapil Aggarwal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(In Rupees)

Particulars	Valiant Communication (UK) Ltd. U.K.	Valiant Communications & Technologies Inc., U.S.A.	Valiant Infrastructure Ltd., India
Financial year ended on	March 31 st 2009	March 31 st 2009	March 31 st 2009
Holding Company's interest	100% (225,000 ordinary shares of £ 1.00 each fully paid up)	100% (65,000,000 capital stocks of US\$ 0.01 each fully paid up)	58.65% (188,787 equity shares of Rs. 10.00 each fully paid up)
The net aggregate of profits or losses for the current period of the subsidiary so far as it concerns the members of the holding company			
a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
b) not dealt with or provided for in the accounts of the holding company	Profit: 1,229,165	Profit: 604,267	Loss: 2,415
The net aggregate of profits or losses for the previous financial years of the subsidiary so far as it concerns the members of the holding company			
a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
b) not dealt with or provided for in the accounts of the holding company	Profit: 1,982,839	Loss: 15,183	Loss: 1,246
Other information pertaining to subsidiary companies			
Share capital	225,000 ordinary shares amounting to Rs. 16,393,725	65,000,000 capital stocks amounting to Rs. 33,117,500	321,882 equity shares amounting to Rs. 3,218,820
Reserves	3,212,004	589,084	(81,667)
Total assets	19,605,729	33,706,584	3,137,376
Total liabilities	19,605,729	33,706,584	3,137,376
Investments	Nil	40,895,578	Nil
Turnover (total income)	1,698,219	2,311,888	6,902
Profit/ (loss) before taxation	1,632,024	888,424	(4,118)
Provision for taxation	326,782	143,017	Nil
Profit/ (loss) after taxation	1,305,242	745,407	(4,118)
Proposed dividend	Nil	Nil	Nil
Currency	GBP	USD	Rupee
Exchange rate as of March 31 st 2009	Rs. 72.861	Rs. 50.950	Re. 1.000

Note: Information pertaining to subsidiary companies is provided in compliance with Central Govt. Approval vide 47/346/2009-CL-III dated May 5th 2009. The annual accounts and other related information of these subsidiary companies are available to the investors of Company's and subsidiary companies seeking such information during the business hours at the Company' registered office at any point of time. Further, the annual accounts of these subsidiary are also kept for inspection by any investor of the Company and subsidiary companies during the business hours at the registered and head office of Company and concerned subsidiary company.

For and on behalf of the Board

Place: New Delhi
Date: June 2nd 2009

Inder Mohan Sood
Managing Director

Davinder Mohan Sood
Director

Manish Kumar
Company Secretary



VALIANT COMMUNICATIONS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31-03-2009

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors

VALIANT COMMUNICATIONS LIMITED,

1. We have audited the attached Consolidated Balance Sheet of M/s. VALIANT COMMUNICATIONS LIMITED (hereinafter referred to as the 'Company') and its subsidiaries collectively referred to as "the Valiant Group" as at March 31st 2009 and also the Consolidated Profit & Loss Account and also Consolidated Cash Flow Statement of the Group for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
3. We have not audited the financial statements of foreign subsidiary, Valiant Communications (UK) Limited, for the financial year ended on March 31st 2009, whose financial statements reflect total assets (net) of Rs. 196.05 lakhs as at March 31st 2009, total revenues of Rs. 16.98 lakhs and net cash outflow of Rs. 97.51 lakhs for the year ended as on that date. These unaudited financial statements and other financial information have been presented to us prepared by management, and we do not express an opinion thereto.

As per the English Companies Act, 1985, M/s Valiant Communications (UK) Limited is defined as a small company. Consequently the provisions of Section 249A(1) of the English Companies Act, 1985 exempts the Company from the requirement of audited accounts. Moreover, no member or members of the subsidiary have requested an audit pursuant to Section 249B(2) of the English Companies Act, 1985. The foreign subsidiary is therefore eligible for exemption from the provisions relating to the audit of the financial statements for the period.

4. We have not audited the financial statements of foreign subsidiary, M/s Valiant Communications & Technologies Inc., for the financial year ended on March 31st 2009, whose financial statements reflect total assets (net) of Rs. 337.06 lakhs as at March 31st 2009, total revenues of Rs. 23.12 and net cash outflow of Rs. 33.82 lakhs for the year ended as on that date. These unaudited financial statements and other financial information have been presented to us prepared by management, and we do not express an opinion thereto.

As explained to us and as per the provisions of Chapter 607 of corporation laws of State of Florida, USA, M/s Valiant Communications & Technologies Inc, is exempt from the requirements of a statutory audit.

5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) issued by Institute of Chartered Accountants of India and on the basis of audited financial statements of the Company and un-audited financial statements of its foreign subsidiary.
6. Based on our audit, and on the other financial information of subsidiaries, and to the best of our information and according to the explanations given to us but subject to our remark in paragraphs 3 & 4, the said consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India :
 - (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Valiant Group as at March 31st 2009;
 - (ii) In the case of the Consolidated Profit & Loss Account, of the profit for the period ended on that date; and
 - (iii) In the case of the Consolidated Cash Flows, of the cash flows for the period ended on that date.

For and on behalf of
B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggarwal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

CONSOLIDATED BALANCE SHEET AS AT
(In Rupees)

Particulars	Sch. No.	31-03-2009	31-03-2008
I. SOURCES OF FUNDS			
1) SHAREHOLDERS FUNDS			
a) Share capital	I	76,939,690	86,456,000
b) Reserves & surplus	II	233,836,931	229,935,672
2) LOAN FUNDS			
a) Secured loans		NIL	NIL
b) Unsecured loans		NIL	NIL
3) MINORITY INTEREST		1,297,273	1,298,976
TOTAL		312,073,894	317,690,648
II. APPLICATION OF FUNDS			
1) FIXED ASSETS	III		
a) Gross block		114,729,431	106,975,384
b) Less: Accumulated depreciation		<u>55,509,055</u>	<u>49,351,368</u>
c) Net block		59,220,376	57,624,016
d) Capital work in progress		NIL	NIL
2) INVESTMENTS	IV	46,423,286	NIL
3) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	V	84,413,703	72,310,375
b) Sundry debtors	VI	13,233,243	2,836,385
c) Cash and bank balances	VII	119,806,703	192,185,043
d) Other current assets		NIL	NIL
e) Loans and advances	VIII	<u>9,986,343</u>	<u>8,524,093</u>
TOTAL (A)		<u>227,439,992</u>	<u>275,855,896</u>
Less:			
CURRENT LIABILITIES AND PROVISIONS	IX		
a) Current liabilities		7,307,530	2,934,504
b) Provisions		<u>14,616,537</u>	<u>14,683,719</u>
TOTAL (B)		<u>21,924,067</u>	<u>17,618,223</u>
NET CURRENT ASSETS (A-B)		205,515,925	258,237,673
4) MISCELLANEOUS EXPENDITURE	X	914,307	1,828,959
(To the extent not written off or adjusted)			
TOTAL		312,073,894	317,690,648
SIGNIFICANT ACCOUNTING POLICIES	XIV		
NOTES TO ACCOUNTS	XV		

Schedules referred to above and notes attached thereto form an integral part of consolidated balance sheet.
This is the consolidated balance sheet referred to in our report of even date.

For and on behalf of

B. AGGARWAL & CO.
Chartered AccountantsKapil Aggrawal
(Partner)
Membership No. 82908Place: New Delhi
Date: June 2nd 2009

For and on behalf of the Board

Inder Mohan Sood
Managing DirectorManish Kumar
Company SecretaryDavinder Mohan Sood
Director

VALIANT COMMUNICATIONS LIMITED, NEW DELHI
 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
 (In Rupees)

Particulars	Sch. No.	31-03-2009	31-03-2008
INCOME			
Sales & other income	XI	129,307,375	109,163,043
TOTAL INCOME		129,307,375	109,163,043
EXPENDITURE			
Manufacturing & other expenditure	XIII	91,438,092	74,385,038
Bank charges		547,552	340,371
Expenditure amortized		914,652	914,652
TOTAL EXPENDITURE		92,900,296	75,640,061
Profit before depreciation		36,407,079	33,522,982
Less: Depreciation		6,157,687	8,550,162
Profit before tax		30,249,392	24,972,820
Less : Income tax for previous years		(328,374)	(181,924)
Less: Income tax for the year		3,914,799	3,762,531
Less: Fringe benefits tax for previous years		55,607	-
Less: Fringe benefits tax for the year		176,000	145,000
Profit after tax before minority interest		26,431,360	21,247,213
Less: Minority interest		(1,703)	(887)
Less: Pre-acquisition losses separately considered		-	(837)
Net profit		26,433,063	21,248,937
Add: Profit brought forward		117,770,877	107,410,506
Less: Transitional provision		-	773,646
Profit Available for Appropriation		144,203,940	127,885,797
APPROPRIATION			
Proposed dividend		9,024,720	8,645,600
Dividend distribution tax		1,533,751	1,469,320
Transferred to general reserve		8,851,567	-
Balance carried to balance sheet		124,793,902	117,770,877
SIGNIFICANT ACCOUNTING POLICIES	XIV		
NOTES TO ACCOUNTS	XV		

Schedules referred to above and notes attached thereto form an integral part of consolidated profit & loss account.
 This is the consolidated profit & loss account referred to in our report of even date.

For and on behalf of

B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggarwal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009

For and on behalf of the Board

Inder Mohan Sood
Managing Director

Manish Kumar
Company Secretary

Davinder Mohan Sood
Director



VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT
(In Rupees)

Particulars	31-03-2009	31-03-2008
I. SHARE CAPITAL AUTHORISED		
15,000,000 (previous year: 9,500,000) equity shares of Rs. 10/- each	150,000,000	95,000,000
ISSUED SUBSCRIBED AND PAID UP		
7,693,969 (previous year: 8,645,600) equity shares of Rs. 10/- each fully paid up	76,939,690	86,456,000
TOTAL	76,939,690	86,456,000
II. RESERVES AND SURPLUS		
Securities Premium Account		
Balance brought forward	110,850,000	83,850,000
Add: Received during the year	-	27,000,000
Less: Utilized for buy-back of equity shares	12,845,352	-
	98,004,648	110,850,000
Capital Redemption Reserve		
Balance brought forward	-	-
Add: Transferred from general reserve	9,516,310	-
	9,516,310	-
General Reserve		
Balance brought forward	1,274,092	1,274,092
Add: Transferred from profit and (loss) account	8,851,567	-
Less: Transferred to capital redemption reserve	9,516,310	-
	609,349	1,274,092
Profit and (loss) account (undistributed profits)	124,793,902	117,770,877
Foreign currency translation reserve	912,722	40,703
TOTAL	233,836,931	229,935,672

III. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION		NET BLOCK	
	As at 01-04-2008	Additions during the year	Deductions during the year	Total up to 31-03-2009	Depreciation for the year ended 31-03-2009	Accumulated Depreciation Up to 31-03-2009	Total as at 31-03-2008	Total as at 31-03-2009
Tangible Assets								
Building	18,106,657	-	-	18,106,657	295,139	1,506,345	16,895,451	16,600,312
Plant & Machinery	18,770,720	-	-	18,770,720	891,609	10,795,749	8,866,580	7,974,971
Electric Fitting	821,998	-	-	821,998	39,045	297,445	563,598	524,553
Office Equipment	2,863,543	108,167	-	2,971,710	138,454	1,302,330	1,699,667	1,669,380
Air Conditioner	982,733	-	-	982,733	46,680	312,044	717,369	670,689
Generator Set	732,487	-	-	732,487	34,793	225,955	541,325	506,532
Vehicles	3,146,695	1,186,929	-	4,333,624	353,307	1,728,838	1,771,164	2,604,786
Tools & Dies	1,460,052	39,094	-	1,499,146	164,831	759,056	865,827	740,090
Testing Equipment	13,281,389	842,320	-	14,123,709	661,922	4,416,080	9,527,231	9,707,629
Furnitures & Fittings	3,526,024	6,612	-	3,532,636	223,307	1,658,992	2,090,339	1,873,644
Computer	2,174,881	159,450	-	2,334,331	303,941	1,604,284	874,538	730,047
Intangible Assets								
Software	7,714,014	321,475	-	8,035,489	1,304,111	2,743,701	6,274,424	5,291,788
Technical Know-How	33,394,191	5,090,000	-	38,484,191	1,700,548	28,158,236	6,936,503	10,325,955
Total	106,975,384	7,754,047	-	114,729,431	6,157,687	55,509,055	57,624,016	59,220,376
<i>Previous Year</i>	<i>97,552,026</i>	<i>10,047,217</i>	<i>623,859</i>	<i>106,975,384</i>	<i>8,550,162</i>	<i>49,351,368</i>	<i>56,270,577</i>	<i>57,624,016</i>

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT
(In Rupees)

Particulars	31-03-2009	31-03-2008
IV. INVESTMENTS		
<i>(in shares, debentures or bonds)</i>		
	Face value	
Long Term (at cost)	of each	
Other than trade investments		
Quoted in India, fully paid up:		
i) Rallis India Ltd.;		
2,025 (previous year: nil) equity shares	Rs. 10.00	777,064
ii) Siemens Ltd.;		
2,000 (previous year: nil) equity shares	Rs. 2.00	447,187
iii) Tata Chemicals Ltd.;		
10,000 (previous year: nil) equity shares	Rs. 10.00	1,737,580
iv) Tata Metaliks Ltd.;		
5,000 (previous year: nil) equity shares	Rs. 10.00	421,903
v) Tata Steel Ltd.;		
5,000 (previous year: nil) equity shares	Rs. 10.00	835,648
vi) Tata Sponge Iron Ltd.;		
10,000 (previous year: nil) equity shares	Rs. 10.00	1,308,326
Quoted outside India, fully paid up:		
i) ABB Ltd.;		
5,000 (previous year: nil) American Depository		
Receipts representing one registered share of	CHF 2.50	3,618,535
ii) Alcoa Inc.;		
15,000 (previous year: nil) common stocks	USD 1.00	6,324,326
iii) BHP Billiton Ltd.;		
1,500 (previous year: nil) American Depository		
Receipts representing two ordinary shares of	USD 0.50	3,536,335
iv) Dow Chemical Company;		
10,000 (previous year: nil) common stocks	USD 2.50	3,674,045
v) Du Pont El De Nemour & Company;		
4,200 (previous year: nil) common stocks	USD 0.30	4,013,015
vi) General Electric Company;		
2,000 (previous year: nil) common stocks	USD 0.06	1,478,156
vii) Las Vegas Sands Corporation;		
15,000 (previous year: nil) common stocks	USD 0.001	3,236,599
viii) Office Depot Inc.;		
25,000 (previous year: nil) common stocks	USD 0.01	2,972,820
ix) Rite Aid Corporation;		
50,000 (previous year: nil) common stocks	USD 1.00	1,908,532
x) Siemens AG Ltd.;		
1,000 (previous year: nil) American Depository		
Receipts representing one common share of no		
par value	-	3,138,795
xi) United States Steel Corporation;		
4,500 (previous year: nil) common stocks	USD 1.00	6,994,420
TOTAL	46,423,286	-
V. INVENTORIES		
Raw material	51,931,310	45,136,136
Semi finished	32,482,393	27,174,239
TOTAL	84,413,703	72,310,375

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF
THE CONSOLIDATED BALANCE SHEET AS AT
(In Rupees)

Particulars	31-03-2009	31-03-2008
VI. SUNDRY DEBTORS (<i>Unsecured, but considered good</i>)		
Debts (outstanding for less than 6 months)	13,233,243	2,836,385
TOTAL	13,233,243	2,836,385
VII. CASH & BANK BALANCES		
Cash balance on hand	708,749	479,377
<i>Balances with scheduled banks</i>		
Current accounts*	15,373,160	7,588,715
Fixed deposits	90,779,828	157,673,799
<i>Balances with non-scheduled banks</i>		
Current accounts*	12,944,966	26,443,152
TOTAL	119,806,703	192,185,043
* It includes balances in unclaimed dividend accounts.		
VIII. LOANS & ADVANCES (<i>Unsecured, but considered good</i>)		
Sundry advances to suppliers and others	2,308,342	2,173,739
Tax deducted at source	2,263,402	2,099,869
Advance income and other taxes	5,072,104	4,018,796
Prepaid expenses	342,495	231,689
TOTAL	9,986,343	8,524,093
IX. CURRENT LIABILITIES AND PROVISIONS		
<i>Current liabilities</i>		
Sundry creditors	4,986,429	1,709,787
Advances from customers	1,522,527	577,141
Investor Education and Protection Fund shall be credited by unclaimed dividend	798,574	647,576
<i>Provisions</i>		
Provision for income tax	3,914,799	3,762,531
Provision for short term employees benefits	143,267	121,328
Provision for gratuity	-	684,940
Proposed dividend	9,024,720	8,645,600
Dividend distribution tax on proposed dividend	1,533,751	1,469,320
TOTAL	21,924,067	17,618,223
X. MISCELLANEOUS EXPENDITURE		
<i>(To the extent not written off)</i>		
Preliminary expenses	1,828,959	2,743,611
Less: written off	914,652	914,652
TOTAL	914,307	1,828,959

VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF THE
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
(In Rupees)

Particulars	31-03-2009	31-03-2008
XI. SALES AND OTHER INCOME		
<i>Sales</i>		
Exports	113,590,332	96,887,391
<i>Other income</i>		
Exchange rate fluctuation	3,306,311	1,215,621
Bank interest	11,583,044	11,034,092
Profits on sale of current investment (Other than trade investments-quoted)	453,445	25,939
Dividend received on long term investments in non-subsidiaries (other than trade investments-quoted)	374,243	-
TOTAL	129,307,375	109,163,043
XII. COST OF MATERIAL		
<i>Raw material</i>		
Opening stock	45,136,136	42,570,194
Add: Purchases	66,729,464	48,603,382
	111,865,600	91,173,576
Less: Closing stock	51,931,310	45,136,136
Raw material consumed	59,934,290	46,037,440
<i>Semi finished</i>		
Opening stock	27,174,239	24,809,031
Less: Closing stock	32,482,393	27,174,239
(Increase)/decrease in inventories	(5,308,154)	(2,365,208)
Cost of material	54,626,136	43,672,232
XIII. MANUFACTURING & OTHER EXPENSES		
Manufacturing Expenses		
Cost of material	54,626,136	43,672,232
Stores and spares consumed	266,264	459,159
Power & fuel	707,208	836,829
Repairs to plant & machinery	117,674	62,366
Other manufacturing expenses	1,266,046	1,576,927
	56,983,328	46,607,513
Personnel Cost		
Salary, wages and benefits	11,939,421	11,132,662
Contribution to provident and other funds	494,830	484,138
Staff welfare	578,661	644,340
Directors' fee	40,000	-
	13,052,912	12,261,140
Administrative and other expenses		
Rent	721,800	751,800
Rates & taxes	49,091	93,795
Postage, phones & grams	730,762	751,319
Printing & stationery	833,118	793,548
Traveling expenses	2,411,974	2,064,300
Insurance	291,141	262,516
Advertisement expenses	349,758	313,752
Offices general expenses	277,005	357,091



VALIANT COMMUNICATIONS LIMITED, NEW DELHI

SCHEDULES FORMING PART OF THE
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
(In Rupees)

Particulars	31-03-2009	31-03-2008
XIII. MANUFACTURING & OTHER EXPENSES (Continued..)		
Administrative and other expenses		
Vehicle repair & maintenance	452,785	404,402
Freight & cartage	6,922,093	5,839,504
Books & periodicals	28,804	51,114
Charity & donation	43,601	34,000
Securities buy-back expenses	783,911	-
Cost recovery charges	232,500	232,500
Security guard expenses	366,000	345,300
Loss on sale of fixed assets	-	81,394
Miscellaneous expenses	56,505	92,170
Auditors remuneration	230,515	202,248
Goodwill written off	-	44,933
Legal & professional charges	4,846,646	1,301,772
	19,628,009	14,017,458
Selling and distribution expenses		
Packing & forwarding	727,722	541,432
Business promotion	108,776	102,369
Sales promotion (in electronic media)	390,761	465,208
Royalty	546,584	389,918
	1,773,843	1,498,927
TOTAL	91,438,092	74,385,038

XIV. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of consolidation

The consolidated financial statements comprises of the financial statements of Valiant Communications Ltd. (hereinafter referred to as "Holding Company") with its subsidiaries (hereinafter collectively referred to as "Group"). The consolidated financial statements are prepared in accordance with Accounting Standard 21 issued by Institute of Chartered Accountants of India and provisions of the Companies Act, 1956.

adding together book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and unrealized profits/ losses. Exchange difference resulting from the differences due to translation of foreign currency assets, liabilities, income and expenses is disclosed as foreign currency translation reserve. The excess value of consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as goodwill (capital reserve) and amortized during the financial year.

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

b) The subsidiary companies considered in the consolidated financial statements are:

Name of Subsidiary Companies	Country of Incorporation	Proportion of Ownership/Voting Power as at March 31 st 2009	Proportion of Ownership/Voting Power as at March 31 st 2008
Valiant Communications (UK) Limited	United Kingdom	100.00%	100.00%
Valiant Communications & Technologies Inc.	United States of America	100.00%	100.00%
Valiant Infrastructure Limited	India	58.65%	58.65%

2. Employees benefits

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

- a) 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.
- b) Gratuity liability is defined benefit obligations 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 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.
- c) Employees are entitled for short-term compensated absences, which are provided for on the basis of estimates.
- d) Actuarial gains/ losses are immediately taken to the profit and loss account and are not deferred.

3. Fixed assets

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

In accordance with Accounting Standard 28 issued by Institute of Chartered Accountants of India, consideration is given at the date of balance sheet to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets to recognize impairment loss. However, during the financial year ended on March 31st 2009, there is no indication which gives an expression of impairment loss in carrying amount of the Company's fixed assets.

4. Depreciation and amortization

Depreciation on fixed assets has been provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except for intangible assets, which are amortized over the respective individual estimated useful lives on a straight line basis, commencing from the date the asset is put to use by the Company. Depreciation on additions / deletions is provided on pro-rata basis from/ to the date of additions / deletions. The management estimates the useful lives for intangible assets as follows:

Technical know-how	:	4 years
Software	:	6 years

5. Inventories valuation

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

6. Transactions of foreign currencies

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

7. Investments

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

8. Miscellaneous expenditure

Preliminary expenses are amortized over a period of ten years.

9. Revenue recognition

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

10. Income tax

Provisions for current income tax liability is made on estimated taxable income under Income Tax Act, 1961 after considering permissible tax exemptions, deductions and allowances. The Company enjoys 100% tax exemption in accordance with the provisions of Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Deferred assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Provision for fringe benefit tax for the year has been determined in accordance with the provisions of Income Tax Act, 1961.

The income of subsidiary companies are subject to corporation tax laws of host countries, which is charged for determination of net profit of subsidiaries.

11. Lease

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

12. Contingent liabilities and provisions

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

13. Use of estimates

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

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

14. Earning per share

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

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

XV. NOTES TO THE ACCOUNTS

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

2. As at balance sheet date, the aggregate market value of the quoted investments is Rs. 40,570,157/- (previous year: nil).

3. Basic and diluted Earning Per Share (EPS) is Rs. 3.13/- (previous year: Rs. 2.62/-) calculated by dividing the net profit (after tax) of the year by weighted average number of equity shares i.e. 8,444,061 (previous year: 8,112,814) having nominal value of Rs. 10/- each.

4. Directors' remuneration:

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

The rental expenses of Rs. 721,800/- (previous year: Rs. 751,800/-) in respect of obligation under operating lease(s), have been recognized in the profit and loss account.

6. During the financial year under reporting, the staff strength of subsidiary companies is nil.

Particulars	(In Rupees)	
	2009	2008
Managing Director and Whole-time Director		
Salary	3,441,757	2,106,000
Contribution to provident and other funds	26,520	18,720
Commission	-	-
Other allowances and perquisites	-	-
	<u>3,468,277</u>	<u>2,124,720</u>
Other Directors		
Directors' fee	40,000	-
TOTAL	3,508,277	2,124,720

Apart from the above mentioned directors' remuneration, all executive directors are entitled for gratuity of Rs. 350,000/- each payable only at the time of disassociation with the Company.

Further, no managerial remuneration has been by the subsidiary companies.

(In Rupees)

Particulars	For the year ended March 31 st	
	2009	2008
7. Maximum balances with non scheduled banks:		
ICICI Bank UK plc., London, UK	18,450,882	20,459,563
Barclay Bank plc., London, UK	11,293,455	-
Citibank N.A., FL, USA	19,087,492	17,984,102
8. Auditor's remuneration:		
Statutory audit fee	130,000	105,000
Certification & other charges	35,000	25,000
Tax audit	65,000	50,000
Service tax	515	22,248
TOTAL	230,515	202,248

In the financial year ended on March 31st 2009, the holding Company has availed cenvat credit on service tax charged by Auditors, hence, the amount of service tax is not recognized as an expense.

9. Related Parties Disclosure:

Name	Relationship	Transaction Details
Valiant Communications (UK) Ltd., UK	Subsidiary Company	Nil
Valiant Communications & Technologies Inc., USA	Subsidiary Company	Allotment of 50,000,000 (previous year: 15,000,000) capital stock to the Company at fully paid up face value of USD 0.01, amounting to Rs. 2,43,47,500/- (previous year: Rs. 60,44,000/-)
Valiant Infrastructure Limited, India	Subsidiary Company	Nil
Mr. Inder Mohan Sood	Key Managerial Personnel	Director remuneration of Rs. 3,468,277/-
Mr. Davinder Mohan Sood	Key Managerial Personnel	(previous year: Rs. 2,124,720/-)
Mr. Anil Tandon	Key Managerial Personnel	

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

10. Schedules I to XV form an integral part of consolidated balance sheet and consolidated profit and loss account.

For and on behalf of

B. AGGARWAL & CO.
Chartered Accountants

Kapil Aggarwal
(Partner)
Membership No. 82908

Place: New Delhi
Date: June 2nd 2009

For and on behalf of the Board

Inder Mohan Sood
Managing Director

Manish Kumar
Company Secretary

Davinder Mohan Sood
Director

NOTICE

Notice is hereby given that 16th Annual General Meeting of the Valiant Communications Ltd. will be held on Monday, August 17th 2009, at 9.30 a.m. at Surbhi Farms, 96/4, Post & Village, Tikri Kalan, New Delhi 110 041 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the balance sheet as at March 31st 2009 and the profit & loss account for the year ended on the date, together with the reports of the Directors' and Auditors' thereon.
2. To declare a dividend for the financial year ended on March 31st 2009.
3. To appoint a Director in place of Mr. Vidur Bhardwaj, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Avinash Verma, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and fix their remuneration.

Special Business:

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 314 and Schedule XIII of Companies Act, 1956 and other applicable provisions of Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment of Mr. Inder Mohan Sood, Managing Director of the Company on non-rotational basis, for a further period of five years with effect from August 17th 2009 on existing terms and conditions including remuneration, which is being paid at a consolidated amount of Rs. 145,000 (Rs. One Lac Forty Five Thousand only) per month inclusive of all perks and allowances, and which shall be enhanced by 10% on yearly basis w.e.f. from 1st April of every year, a copy of terms and conditions is placed before this meeting, duly initialed for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the existing remuneration package including monetary value of perquisite to the extent the Remuneration Committee of the Board and/ or the Board of Directors may consider appropriate, and as may be permitted or authorized in accordance with the relevant provisions of the Act, for the time being in force, provided however, that the remuneration payable to Mr. Inder Mohan Sood shall be within limits set out in the Section 198 and 309 of the Companies Act, 1956 read with Clause 1 (B) of Section-II, Part-II of Schedule XIII of the Companies Act, 1956 or any amendment thereto or any modification(s) or any statutory re-enactment(s) thereof and /or any rules or regulations framed thereunder and the terms of the existing agreement between the Company and Mr. Inder Mohan Sood shall be suitably modified to give effect to such variation or increase, as the case may be.

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."

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 314 and Schedule XIII of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment of Mr. Davinder Mohan Sood, Director - Finance of the Company on non-rotational basis, for a further period of five years with effect from December 1st 2009 on existing terms and conditions including remuneration, which is being paid at a consolidated amount of Rs. 136,000 (Rs. One Lac Thirty Six thousand only) per month inclusive of all perks and allowances, and which shall be enhanced by 10% on yearly basis w.e.f. from 1st April of every year, a copy of terms and conditions is placed before this meeting, duly initialed for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the existing remuneration package including monetary value of perquisite to the extent the Remuneration Committee of the Board and/ or the Board of Directors may consider appropriate, and as may be permitted or authorized in accordance with the relevant provisions of the Act, for the time being in force, provided however, that the remuneration payable to Mr. Davinder Mohan Sood shall be within limits set out in the section 198 and 309 of the Companies Act, 1956 read with Clause 1 (B) of Section-II, Part-II of Schedule XIII of the Companies Act, 1956 or any amendment thereto or any modification(s) or any statutory re-enactment(s) thereof and /or any rules or regulations framed thereunder and the terms of the existing agreement between the Company and Mr. Davinder Mohan Sood shall be suitably modified to give effect to such variation or increase, as the case may be.

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."

Date: June 2nd 2009
Regd. Office: 71/1, Shivaji Marg,
New Delhi - 110015

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

Manish Kumar
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly completed must reach the Company's Registered Office at least 48 hours before the time of the meeting.
3. The members are requested to:
 - I) Notify change in their address, if any to the Company;
 - II) Send their queries, if any, at least 7 days in advance of the meeting so that necessary information can be made available at the meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from Monday, August 10th 2009 to Monday, August 17th 2009 (both days inclusive).
5. The dividend that may be declared by the Company will be paid on or after August 17th 2009 to those members of the Company whose name appear in the Company's Register of Members as on beginning of August 10th 2009.
6. Information required to be furnished under the Listing Agreement:
 - I) Mr. Inder Mohan Sood is one of the 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 Company, he is a director in Valiant Infrastructure Ltd. As on March 31st 2009, he holds 848,433 (11.03%) equity shares of the Company.
 - II) Mr. Davinder Mohan Sood is one of the Promoters of the Company. He is a 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 Company, he is a director in Valiant Infrastructure Ltd. As on March 31st 2009, he holds 831,333 (10.80%) equity shares of the Company.
 - III) Mr. Vidur Bhardwaj is a graduate from Delhi School of Planning and Architecture. He has a profession architecture consultancy Company and has an experience of over 15 years in business. He does not hold directorship or membership of any committee, in any other public limited company. As on March 31st 2009, he holds 40,000 (0.52%) equity shares 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 20 years. He has wide expertise and experience of accountancy and taxation matters. He does not hold directorship or membership of any committee, in any other public limited company. As on March 31st 2009, he holds 27,301 (0.35%) equity shares of the Company.

Explanatory Statements pursuant to Section 173 (2) of the Companies Act, 1956.**Item No. 6**

Mr. Inder Mohan Sood was re-appointed as Managing Director of the Company with effect from August 17th 2004 for a period of five years, and his term of office will expire on August 16th 2009.

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 five years. Accordingly, the Board of Directors at its meeting held on June 2nd 2009, subject to the approval of the members and the provisions of the Article of Association of the Company, has re-appointed Mr. Inder Mohan Sood as the Chairman & Managing Director of the Company for a further period of five years, w.e.f. August 17th 2009, on the existing terms and conditions including remuneration, which is being paid at a consolidated amount of Rs. 145,000 (Rs. One Lac Forty Five Thousand only) per month inclusive of all perks and allowances, and which shall be enhanced by 10% on yearly basis w.e.f. from 1st April of every year. A draft copy whereof is placed before this meeting for the purpose of inspection.

The validity of special resolution for re-appointment is five years from the date of appointment and the validity of special resolution for managerial remuneration in accordance with Clause 1 (B) of Section-II, Part-II of Schedule XIII of the Companies Act, 1956, is three years from the date of this annual general meeting.

Except Mr. Inder Mohan Sood, Managing Director and Mr. Davinder Mohan Sood, Director-Finance, none of the other Director is, in any way, concerned or interested in the said resolution.

Item No. 7

Mr. Davinder Mohan Sood was re-appointed as Director - Finance of the Company with effect from December 1st 2004 for a period of five years, and the present term of office would expire on November 30th 2009.

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 Director-Finance for a further period of five years. Accordingly, the Board of Directors in their meeting held on June 2nd 2009, 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 as Director - Finance of the Company for a further period of five years, w.e.f. December 1st 2009, on the existing terms and conditions including remuneration, which is being paid at a consolidated amount of Rs. 136,000 (Rs. One Lac Thirty Six thousand only) per month inclusive of all perks and allowances, and which shall be enhanced by 10% on yearly basis w.e.f. from 1st April of every year. A draft copy whereof is placed before this meeting for the purpose of inspection.

The validity of special resolution for re-appointment is five years from the date of appointment and the validity of special resolution for managerial remuneration in accordance with Clause 1 (B) of Section-II, Part-II of Schedule XIII of the Companies Act, 1956, is three years from the date of this annual general meeting.

Except Mr. Davinder Mohan Sood, Director-Finance and Mr. Inder Mohan Sood, Managing Director, none of the other Director is, in any way, concerned or interested in the said resolution.

Statement pursuant to Clause 1 (B) of Section-II, Part-II of Schedule XIII of the Companies Act, 1956:

General information:		
Nature of industry	Telecom	
Date of commencement of commercial production	March 1 st 1995	
Financial performance	During the financial year 2008-09, the total income was Rs. 1265.06 lacs, the gross profit was Rs. 338.91 lacs and the net profit was Rs. 243.85 lacs.	
Export performance and net foreign exchange collaboration	Based on the audited figures of financial year 2008-09, the exports sales was of Rs. 1135.52 lacs total imports was of Rs. 489.95 lacs	
Foreign investments or collaborators, if any	Rs. 500.38 lacs in foreign subsidiaries	
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	Monthly salary of Rs. 145,000/- inclusive of all perks and allowances	Monthly salary of Rs. 136,000/- inclusive of all perks and allowances
Recognition and awards	Nil	Nil
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	In accordance with the relevant slab of effective capital of the Company, but subject to the maximum amount mentioned therein	In accordance with the relevant slab of effective capital of the Company, but the maximum amount mentioned therein
Comparative remuneration profile	Below industrial standard	Below industrial standard
Pecuniary relationship	None, except managerial remuneration	None, except managerial remuneration
Other information:		
Reasons for loss or inadequate profits	Stiff competition in global market and worldwide economic recession	
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	20% - 40%	
Validity of members approval by way of special resolution under Clause 1 (B) of Section-II, Part-II of Schedule XIII of the Companies Act, 1956	Three years from the date of this annual general meeting	
Disclosures:		
<ol style="list-style-type: none"> 1. The shareholders of the Company shall be informed of the remuneration package of the managerial person; 2. The following disclosures shall be mentioned in the Corporate Governance report attached to the Directors' report: <ol style="list-style-type: none"> a) All element of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all directors; b) Details of fixed components and performance linked incentives along with the performance criteria; c) Service contracts, notice period, severance fees; d) Stock option details, if any, and whether the same has been issued at a discount as well as th period over which accrued and over which exercisable. 		

Date: June 2nd 2009
 Regd. Office: 71/1, Shivaji Marg,
 New Delhi - 110015

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

Manish Kumar
 Company Secretary

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

PROXY FORM

I/We..... of
 Mr./Ms./Mrs of failing him/her
 in the district of as my/our proxy to attend and vote for me/us and on my/our behalf at
 the 16TH ANNUAL GENERAL MEETING of the Company to be held on Monday , the 17th day of August, 2009 at 9.30 A.M. at Surbhi Farm,
 96/4, Post & Village, Tikri Kalan, New Delhi 110041.

Signed thisday of2009.

Signature(s) of the Shareholder(s)
 Folio Number
 DP ID No. Client ID No.
 Address

Note
 i) This form must be deposited at the Registered Office of the Company, not later that 48 hours before the time of the Meeting.
 i) A PROXY NEED NOT BE A MEMBER.

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

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

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

I hereby record my presence at the 16TH ANNUAL GENERAL MEETING of the Company to be held on Monday , the 17th day of August,
 2009 at 9.30 A.M. at Surbhi Farm, 96/4, Post & Village, Tikri Kalan, New Delhi 110041.

Folio Number

DP ID No. Client ID No.

Full Name of the Shareholder Signature
 (In Block letters)

*Full Name of Proxy Signature
 (In Block letters)

**To be filled by the proxy attends instead of the member.*

REGISTERED OFFICE

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

OVERSEAS OFFICES

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

Valiant Communications & Technologies Inc.
4000 Ponce de Leon,
Suite 470, Coral Gables,
FL 33146, USA

International Distributors and Representative offices

U.S.A	Canada	Asia & Middle East
Arizona	Ontario	Bahrain
Florida		Bangladesh
	Africa	India
Central & South America	Egypt	Indonesia
Argentina	Nigeria	Iraq
Columbia	South Africa	Jordan
Mexico	Zimbabwe	Lebanon
Uruguay		Philippines
	Australia	Qatar
Europe	New Zealand	Saudi Arabia
France		Singapore
Italy		Thailand
Lithuania		U.A.E
Romania		Vietnam
United Kingdom		Yemen
