



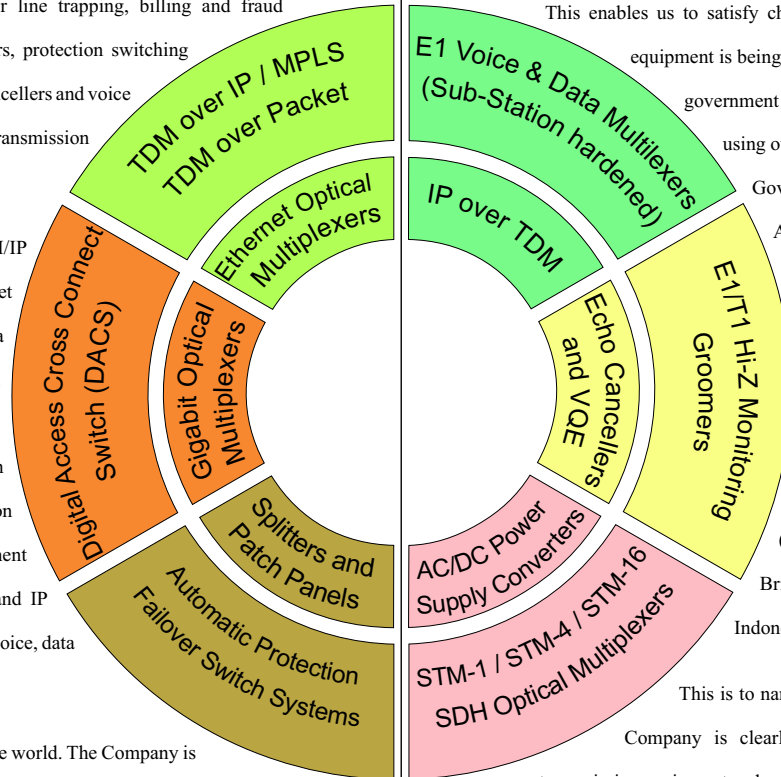
Integrating
voice, data
and IP
networks

telecom
transmission
equipment
and solutions

VALIANT COMMUNICATIONS LIMITED manufactures a wide range of telecom transmission equipment and solutions with successful installations in over 100 countries. Valiant's technological strengths span a wide section of the telecom transmission area, including the latest Ethernet / IP based products and technologies, electrical and optical multiplexers, digital access cross-connect switching equipment, monitoring solutions for line trapping, billing and fraud management for telcos and cellular / mobile service providers, protection switching equipment, a wide range of voice and data multiplexers, echo cancellers and voice quality enhancement equipment, T1, E1, E3, DS3, SDH optical transmission solutions and a fast paced new product development strategy.

Valiant has developed high-speed multiple gigabit port TDM/IP products and technologies being used in Gigabit Ethernet backbone for the modern high-speed mobile and data transmission networks deployment in 3G and 4G Long-term evolution (LTE) networks, for applications for use in mobile access, high speed networking, IP telephony, high-definition mobile TV, video conferencing and 3D television and integration of 2G, 3G and LTE networks. Other new product development includes applications in power, defense, mobile and broadband IP 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. 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.



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 in advanced technology products.

This enables us to satisfy changing market requirements with speed and flexibility. Valiant

equipment is being used by some of the global, multi national, mid-size, regional and

government customers. Some of our recent prestigious reference customers

using our equipment include Raytheon (Canada), Government of Canada,

Government of South Korea, Brunei Shell Petroleum, Royal Jordanian

Air Force / Army, Bangladesh Air Force / Army, Etisalat (UAE and

Afghanistan), Tetrasviac (Russia), Sri Lanka Airport Authority,

Nepal Electricity (NEA), EGAT (Thai Power Utility), TEIAS

(Turkish Electricity), VietNam Electricity (EVN), Hanoi Power

(Vietnam), VNTP (Vietnam Post), MobiFone, and Viettel

(Vietnam), Digicel Mobile (Suriname), Airport Authority

(Vietnam), Airport Authority (Sri Lanka), Airport Authority

(Turkey), Camintel Cambodia, Brunei Institute of Technology,

British Telecom, France Telecom, Telefónica, Vodafone, INDOSAT

Indonesia, Tunisia Telecom, TelBru (Brunei) etc.

This is to name a few of our prestigious customers, using our equipment. 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 for the future networks, Valiant is focused

on new product development, marketing, distribution and support of its product range.



BOARD OF DIRECTORS

Inder Mohan Sood
Managing Director

Davinder Mohan Sood
Director Finance

Anil Tandon
Executive Director

Gaurav Kaura
Director

Sumit Mehta
Director

Avinash Verma
Director

SECRETARY

Manish Kumar

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

BANKERS

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

AUDITORS

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

SHARE REGISTRARS

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

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telecom transmission solutions

DIRECTORS' REPORT

To the Members,

The Directors present their 20th Annual Report on the business and operations of the Company and the audited statement of accounts for the year ended March 31st 2013.

Financial Results

	In ₹	
	2012-2013	2011-2012
Sales & Other Income	87,822,876	91,297,520
Gross Profit	5,544,803	11,860,125
Less: Depreciation	9,204,147	8,281,269
Exceptional item	-	737,475
Taxes	(1,097,580)	1,128,891
Net Profit	(2,561,764)	1,712,490

Corporate Highlights

During the year under review, the total income is ₹ 878 lakh (previous year: ₹ 913 lakh). The profit before depreciation, exceptional item and taxation is ₹ 55 lakh (previous year: ₹ 119 lakh) and the net loss is ₹ 26 lakh (previous year: profit of ₹ 17 lakh).

Revenue Mix – Region-wise

	₹ in Lakhs	
Particulars	2012-2013	2011-2012
USA	334.94	441.69
Europe	44.86	28.70
Rest of the world	413.71	341.03
Total Revenue (Export)	793.51	811.42

The Company continues to design, develop and introduce new products and strengthen its marketing network worldwide. The Company has introduced many new products during the past one year and is confident that it will be able to improve its performance in the current year ending March 31st 2014.

New Products

The Company introduced new products during the financial year 2012-2013 with different versions of the voice and data multiplexers, teleprotection equipment, TDM over Packet/Ethernet/MPLS and digital access cross-connect switch product range. The new products find application in wireless, wireline, defense, cellular / mobile, corporate and enterprises networks applications. These products are already being deployed in various network worldwide. A series of new products based on advanced technologies based on Ethernet / IP / high speed data technologies are being introduced in the current financial year. We believe that these new products will help to create growth opportunities for the Company.

Marketing

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

**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 two subsidiaries, viz. Valiant Communications (UK) Limited, United Kingdom and Valiant Infrastructure Limited, India to explore the emerging opportunities in world telecom market and infrastructure development.

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 applicable Accounting Standards, issued by Institute of Chartered Accountants of India, are attached.

A statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies is attached to the accounts. In terms of the general exemption granted by the Ministry of Corporate Affairs vide its circular no. 02/2011 dated February 8, 2011, the audited accounts and reports of Board of Directors and Auditors of the Company's subsidiaries have not been annexed to this Annual Report. The Company has complied with the requirements as prescribed under the said circular. The consolidated financial statements prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, forming part of this Annual Report include the financial information of the subsidiary companies.

Dividend

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

The amount lying in unclaimed dividend accounts are as follows: for the financial year 2006-07: ₹ 173,822/-; financial year 2007-08: ₹ 135,038/-; financial year 2008-09: ₹ 156,101/-; financial year 2009-10: ₹ 181,290/-; and financial year 2010-11: ₹ 111,844/-.

Dematerialization of Equity Shares

As on March 31st 2013, 95.77% (previous year: 95.80%) of the outstanding equity shares of the Company have been dematerialized.

Public Deposits

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

Buyback of Equity Shares

The Board of Directors at its meeting held on December 21st 2011, had announced buyback of its fully paid-up 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 ₹ 18/- per share. The Company opted to buy back shares from open market through stock exchange route and the total offer size aggregates to ₹ 18,000,000/-, but subject to the maximum limit of 1,000,000 equity shares.

During the year under reporting, the Company had bought back and extinguished 199,550 (previous year: 97,590) equity shares, having face and fully paid-up value of ₹ 10/- each. The difference between the nominal value and amount spent for buy back with other incidental expenses, total amounting to ₹ 1,836,850/- (previous year: ₹ 1,040,047), is appropriated from securities premium account.

The Company has transferred ₹ 1,995,500/- (previous year: ₹ 975,900) from securities premium to capital redemption reserve which represented the nominal value of shares bought back during the year under reporting.

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.

Directors

In accordance with the provisions of Section 256 of the Companies Act, 1956, Mr. Avinash Verma and Mr. Sumit Mehta, Directors of the Company, retire by rotation, and being eligible, offer themselves for re-appointment.

Subject to the approval of the members and the provisions of the Articles of Association of the Company, the Board of Directors in its meeting held on May 11th 2013, has re-appointed Mr. Anil Tandon as Whole-time Director on existing terms and conditions, for a further period of five years w.e.f. May 30th 2013.

None of the Directors 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 the shareholders of the Company.

Pursuant to Clause 49 of the listing agreement, a report on Corporate Governance and a certificate from the auditors of the Company are annexed hereto and form 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, values, policies and procedures within the applicable laws, rules and regulations.

Auditors

M/s B. Aggarwal & Company, Chartered accountants, the Auditors of the Company holds 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 form 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

New Delhi, May 11th 2013

ANNEXURE-I

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED MARCH 31st 2013.

None of the employees' remuneration exceeds the limit specified in Section 217 (2A)

ANNEXURE-II

INFORMATION AS PER SECTION 217 (1) (E) READ WITH THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED MARCH 31st 2013.

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 machines, automatic testing equipment using state-of-the-art technology.
- (ii) Use of programmable power supplies with equipment, which consume less power than conventional supplies.

Technology Absorption, Adaption & Innovation
The Company continues to use the latest technologies for improving the productivity and quality of its products.

Research and Development

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

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

Expenditure on R&D

Particulars	₹ in Lakhs	
	2012-2013	2011-2012
Capital	104.93	54.63
Recurring	-	-
Total	104.93	54.63
Total R&D expenditure as % of total turnover	13.22	6.73

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 manufacturing of Telecom Transmission Solutions with installations in over 100 countries. Hence, all operational activities are relating to exports promotion (also see headings New Products, Marketing and Future Prospects of Directors' Report)

Particulars	₹ in Lakhs	
	2012-2013	2011-2012
The foreign exchange Earnings	672.91	802.31
The foreign exchange advances received	22.02	-
The foreign exchange outgo	278.66	316.62

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Accounting Standards issued by the Institute of Chartered Accountants of India. The management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transaction, and reasonably present the Company's state of affairs and profits of the year.

Industry Structure and Development

Communication technology is positively changing the way we work, live and play. Network infrastructure provides the fundamentals for people to communicate. 24/7 Internet connectivity and high speed data communication is becoming an essential part of modern life. The accelerated demand is fuelled by smartphones and notebooks, coupled with sharply rising usage of video services. Mobile data traffic more than doubled in 2012-13 and is expected to double annually over the coming three years. Telecommunication hardware business is becoming more and more user friendly and software intensive.

That said, there are billions of dollars worth of equipment that is already installed in the network, which is not so up-to-date and is based on older technology. This equipment will not be thrown away. This older equipment also needs to be integrated with the new and latest technologies. The opportunity to do this is considerably large. The changes in technology are complex, but offer significant growth potential.

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

Opportunities

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

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

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

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

The Company owns a 62.53% equity stake in Valiant

Infrastructure Limited, India. The present business of Valiant Infrastructure Limited is to develop know-how and technology for telecom infrastructure projects.

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

Threats

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

Income Tax Demand

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

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

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

Future Prospects

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

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

The Company is introducing many new products during the year 2013-2014 for wireless, wire-line, defense, cellular / mobile, corporate and enterprises networks applications.



These products are already being deployed in various networks worldwide. A series of new products based on advanced Ethernet / IP / high speed data communication technologies are further being introduced. We believe that these new products will help to create growth opportunities for the Company.

Outlook

The Company continues to design, develop and introduce new products and strengthen its marketing network, worldwide. The introduction of new products and technologies are expected to help to increase export sales growth in the current year. The Company has introduced many new products during the past one year and is confident that these new products will help to increase its sales and performance in the current year ending March 31st 2014.

The Company introduced new products during the year 2012-2013 with a wide range of multiplexers, teleprotection, E1/T1 over packet, and digital access cross-connect switch product range. The new products find application in wireless, wire-line, defense, cellular / mobile, corporate and enterprises networks applications. These products are already being deployed in various networks, worldwide. A series of new products based on advanced technologies are being introduced in the current financial year. We believe that these new products will help to create growth opportunities for the company.

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.

Risk and Concerns

Risk is an inherent aspect of every business. The telecom sector being part of a rapidly changing technology orbit, the level of risk increases due to high technology obsolescence. However, continuous technological innovation, product

development, value additions by research and development can minimize this class of business risk. Effective reporting and control mechanisms ensure timely information availability and facilitate proactive risk management.

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

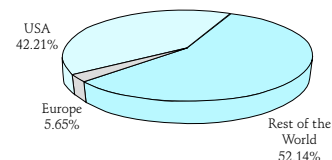
The Board of Directors is responsible for monitoring risk levels on various parameters and their implementation to ensure the de-risking of the business at various levels. Further, the Audit Committee provides the direction on the risk management.

Financial Performance

During the year under review, the total income is ₹ 878 lakh (previous year: ₹ 913 lakh). The profit before depreciation, exceptional item and taxation is ₹ 55 lakh (previous year: ₹ 119 lakh) and the net loss is ₹ 26 lakh (previous year: profit of ₹ 17 lakh).

Segment-wise Performance

During the year 2012-13, the 42.21% (previous year: 54.43%) of operating revenue comes from the US, while 5.65% (previous year: 3.54%) is from the European market and the balance 52.14% (previous year: 42.03%) of the sales is contributed from rest of the world.



Shareholders Fund

A statement of Shareholders Fund as on March 31st 2013 along with the comparison with previous three years is given below:

In ₹

Particulars	Year ended on March 31 st 2013 (Audited)	Year ended on March 31 st 2012 (Audited)	Year ended on March 31 st 2011 (Audited)	Year ended on March 31 st 2010 (Audited)
Equity Paid-up Capital	72,234,600	74,230,100	75,206,000	75,206,000
Reserve and Surplus				
- P&L A/c (Cr.)	111,459,534	114,021,298	112,308,808	115,689,941
- Security Premium	89,676,647	93,508,997	95,524,944	95,524,944
- Capital Redemption Reserve	14,221,400	12,225,900	11,250,000	11,250,000
Less: Misc. Expenses (not written off)	-	-	-	-
Shareholders Fund / Equity	287,592,181	293,986,295	294,289,752	297,670,885
Book Value (per equity share)	₹ 39.81	₹ 39.60	₹ 39.14	₹ 39.58

Exchange Rate Fluctuation

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

Human Resources

Human resource is most precious asset of your Company and the Company seeks to attract and retain the best talent available. The Company provides an environment, which encourages initiatives, innovative thinking and recognizes and rewards performance. Since the Company operates in state-of-the-art technologies, necessary training and development of its personnel are conducted on a continuous basis. Industrial relations with all employees are cordial. The staff strength of the Company as on March 31st 2013 is 38.

Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

The Company's Philosophy on Code of Governance

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

Board of Directors

The primary functions of Board of Directors include:

- a. **Strategic and Operational planning:** Reviewing, understanding and approving Valiant's long-term strategic plans and annual operating plans and monitoring the implementation and execution of those plans.
- b. **Financial reporting:** Reviewing, understanding and approving Valiant's financial statements and reports and overseeing the establishment and maintenance of

controls, process and procedures to promote accuracy, integrity and clarity in financial and other disclosures.

- c. **Governance, compliance and risk management:** Overseeing the establishment and maintenance of Valiant's governance and compliance processes and procedures to promote the conduct of Valiant's business with the highest standards of responsibility, ethics and integrity.

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

The Board of Directors met six times on 11.04.2012, 10.05.2012, 14.06.2012, 19.07.2012, 09.11.2012 and 07.02.2013 during the financial year 2012-2013.

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 2012-2013, 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>	6	2
Sh. D.M. Sood <i>Executive Director</i>	6	2
Sh. Anil Tandon <i>Executive Director</i>	6	1
Sh. Gaurav Kaura <i>Independent Non Executive Director</i>	6	-
Sh. Avinash Verma <i>Independent Non Executive Director</i>	6	-
Sh. Sumit Mehta ^a <i>Independent Non Executive Director</i>	4	-
Sh. Vidur Bharadwaj ^a <i>Independent Non Executive Director</i>	-	-

^aAppointed on June 14th 2012 ^aResigned w.e.f. May 18th 2012

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

Audit Committee

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

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



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

The members of the Audit Committee met four times on 10.05.2012, 19.07.2012, 09.11.2012 and 07.02.2013 during the financial year 2012-2013.

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	4
Sh. Avinash Verma	Member	4	4
Sh. D.M. Sood	Member	4	4
Sh. Sumit Mehta ^a	Member	4	3
Sh. Vidur Bharadwaj ^a	Member	4	-

^aAppointed on June 14th 2012 ^aResigned w.e.f. May 18th 2012

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 other Independent Non-Executive Directors namely, Mr. Avinash Verma, Mr. Sumit Mehta (appointed on June 14th 2012) and Mr. Vidur Bharadwaj (resigned w.e.f. May 18th 2012), and one Executive Director, Mr. D.M. Sood.

During the year, the Company received a total of eight queries regarding change of addresses of shareholders, non-receipt of Annual Report / Dividend Warrant / Transfer of Shares / Dematerialization etc. All complaints were attended to the satisfaction of the investors. There were no pending share transfers at the close of the financial year ended on March 31st 2013.

Mr. Manish Kumar, Company Secretary, has been appointed as Compliance Officer within 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. Avinash Verma	Member	1	1
Sh. Sumit Mehta	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

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

Name & Category	Annual Salary	Directors' Fees	Service Contract
Sh. I.M. Sood <i>Chairman & Managing Director</i>	1,885,000	Nil	Up to 16/08/2014
Sh. D.M. Sood <i>Executive Director</i>	1,768,000	Nil	Up to 30/11/2014
Sh. Anil Tandon <i>Executive Director</i>	1,464,067	Nil	Up to 29/05/2018
Sh. Gaurav Kaura <i>Independent Non Executive Director</i>	Nil	40,000	Not Applicable
Sh. Avinash Verma <i>Independent Non Executive Director</i>	Nil	40,000	Not Applicable
Sh. Sumit Mehta ^a <i>Independent Non Executive Director</i>	Nil	30,000	Not Applicable
Sh. Vidur Bharadwaj ^a <i>Independent Non Executive Director</i>	Nil	Nil	Not Applicable

^aAppointed on June 14th 2012 ^aResigned w.e.f. May 18th 2012

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 2012-2013.

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

As on March 31st 2013, none of NonExecutive Independent Directors holds any share in the Company.

Directors Inter-se Relations

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

Disclosures

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

General Body Meeting

Location and time for last three Annual General Meetings:

	Date and Time	Venue
19 th Annual General Meeting	September 24 th 2012 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110041
18 th Annual General Meeting	September 26 th 2011 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110041
17 th Annual General Meeting	August 16 th 2010 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110041

During the previous three years, the Company has passed special resolution(s) in the 19th Annual General Meeting; however, the Company had not passed any special resolution during last three years, by way of postal ballot. There is no proposed special resolution to be passed by way of postal ballot under the Companies (Postal Ballot) Rules, 2001.

Means of Communications

a. 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 and other statutory filings are also available on the web portal namely, www.corpfilings.co.in and the web portal of the Company.

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

Shareholders' Information

a. Annual General Meeting:

The information regarding the 20th Annual General Meeting during the year 2013 is as follows:

Date: September 24th 2013
 Time: at 9.30 a.m.
 Place: Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110041

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

c. Date of Book Closure: Sept. 15th 2013 to Sept. 24th 2013 (both days inclusive)

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

e. Dividend:

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

f. Listing of Shares:

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

Bombay Stock Exchange, Mumbai
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 01

Listing Fee: The Company has paid, till date, the listing fees of Bombay Stock Exchange, Mumbai, for the year 2012-2013 and 2013-2014.

g. Share Transfer System:

The transfer is processed by the Registrar and Share Transfer Agent, Link Intime India (P) Ltd. and approved by Share Transfers Committee, if the document is complete in all respects. The Company's share in electronic form are transferable through the depository system.

h. Registrar and Share Transfer Agent:

M/s. Link Intime India (P) Ltd. has been appointed as Registrar & Share Transfer Agent for all works relating to share registry in terms of both physical and electronic modes. All transfers, transmissions, requests related to correspondence / queries, intimation of change of address and dividend mandate etc., should be addressed to our RTA directly at the following address:

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

i. Dematerialisation of Shares and Liquidity:

The Company's equity shares are in the demat trading segment and the Company has established connectivity with both NSDL and CDSL by signing the necessary agreements. As on March 31st 2013, 95.77% (previous year: 95.80%) of the outstanding equity shares of the Company have been dematerialized.

j. Address for Factory / Correspondence:

Valiant Communications Ltd.
 71/1, Shivaji Marg,
 New Delhi 110 013, India

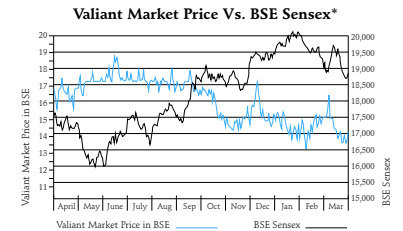
k. Compliance Officer:

Sh. Manish Kumar, Company Secretary
 Valiant Communications Ltd.



I. Market Price Data:

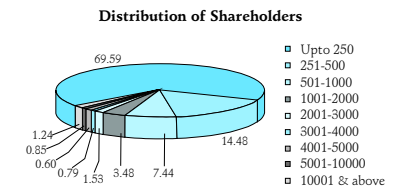
Month	Valiant' market price in BSE		BSE Sensex	
	High	Low	High	Low
April	18.35	16.05	17,664	17,010
May	19.15	16.95	17,432	15,810
June	19.80	18.00	17,448	15,749
July	19.20	17.20	17,631	16,598
August	19.15	16.95	17,973	17,027
September	18.80	16.60	18,870	17,251
October	17.85	14.65	19,137	18,393
November	16.78	14.10	19,373	18,256
December	17.95	14.30	19,612	19,149
January	16.45	13.35	20,204	19,509
February	16.25	13.30	19,967	18,794
March	17.25	13.00	19,755	18,568



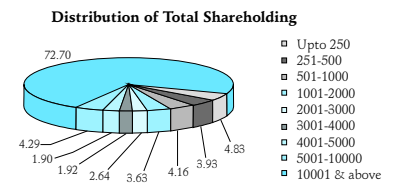
*Data Source – official website of Bombay Stock Exchange www.bseindia.com

m. Distribution of Shareholding (as on 31st March 2013)

No. of equity shares held	No. of Shareholders	% of Shareholders
Up to 250	3,359	69.59
251-500	699	14.48
501-1000	359	7.44
1001-2000	168	3.48
2001-3000	74	1.53
3001-4000	38	0.79
4001-5000	29	0.60
5001-10000	41	0.85
10001 & above	60	1.24
Total	4,827	100.00

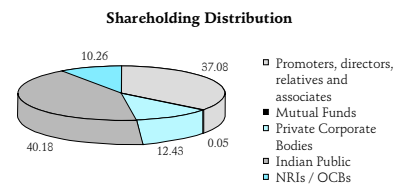


No. of equity shares held	No. of Shares held	% of Shares held
Up to 250	349,071	4.83
251-500	283,699	3.93
501-1000	300,739	4.16
1001-2000	262,524	3.63
2001-3000	190,656	2.64
3001-4000	138,666	1.92
4001-5000	136,851	1.90
5001-10000	309,633	4.29
10001 & above	5,251,621	72.70
Total	7,223,460	100.00



n. Shareholding Pattern (as on 31st March 2013)

Categories	No. of Shares	Shareholding in %
Promoters, directors, relatives and associates	2,678,594	37.08
Mutual funds	3,900	0.05
Private corporate bodies	897,835	12.43
Indian public	2,902,505	40.18
NRIs/OCBs/FIIs	740,626	10.26
Total	7,223,460	100.00



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 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

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

Alok Jain
Partner
Membership No. 510960

New Delhi, May 11th 2013

INDEPENDENT AUDITORS' REPORT

To the Members of
VALIANT COMMUNICATIONS LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of **VALIANT COMMUNICATIONS LIMITED** ("the Company"), which comprise the balance sheet as at March 31st 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2013;
- in the case of the Statement of Profit and Loss, of the **loss** for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in Paragraphs 4 & 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - 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;
 - 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;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31st 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is due and payable by the Company.

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

Alok Jain
Partner
Membership No. 510960

New Delhi, May 11th 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (1) thereof)

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of information available.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- c. During the year, the Company has not disposed off any major part of the fixed assets.
2. a. The stocks of the finished goods, stores and spare parts have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of stocks, as compared to book records.
3. We are informed that the Company has not 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 needs to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding during the year to ₹ 500,000/- 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. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.
- b. 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 31-03-2013 for a period of more than six months from the date they became payable.
- c. 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, service tax, customs duty, excise duty and cess as at 31-03-2013, which have not been deposited on account of a dispute, are as follows:



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

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

10. 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.
11. The Company has not taken any loans (either secured or unsecured) including term loans from financial institutions or banks or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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.
14. 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.
15. 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.
16. The Company has not obtained any term loans.
17. 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.
18. 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.
19. 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.
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 any such case by the management.

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

Alok Jain
Partner
Membership No. 510960

New Delhi, May 11th 2013

VALIANT COMMUNICATIONS LIMITED

BALANCE SHEET AS AT

(In ₹)

Particulars	Note No.	31-03-2013	31-03-2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	72,234,600	74,230,100
Reserves & surplus	2	215,357,581	219,756,195
		287,592,181	293,986,295
Non-current liabilities			
Deferred tax liabilities (net)	3	2,203,783	3,320,446
		2,203,783	3,320,446
Current liabilities			
Trade payables	4	10,884,320	5,373,630
Other current liabilities		3,477,506	1,445,662
Short-term provisions		261,883	1,811,363
		14,623,709	8,630,655
Total		304,419,673	305,937,396
ASSETS			
Non-current assets			
Fixed assets	5		
Tangible assets		41,565,861	40,253,473
Intangible assets		16,172,138	11,280,346
Intangible assets under development		-	3,070,000
Non-current investments	6	26,705,724	26,705,724
Long-term loans and advances	7	7,700,565	6,365,304
		92,144,288	87,674,847
Current assets			
Inventories	8	105,440,470	104,871,850
Trade receivables	9	16,393,364	4,224,435
Cash and cash equivalents	10	82,264,513	102,189,947
Short-term loans and advances	11	8,177,038	6,976,317
		212,275,385	218,262,549
Total		304,419,673	305,937,396
Significant accounting policies	14		
Other notes to accounts	15-27		

As per our report of even date

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

Alok Jain
Partner
Membership No. 510960

New Delhi, May 11th 2013

For and on behalf of the Board

Inder Mohan Sood Davinder Mohan Sood
Managing Director Director-Finance

Manish Kumar
Company Secretary

New Delhi, May 11th 2013



VALIANT COMMUNICATIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

(In ₹)

Particulars	Note No.	31-03-2013	31-03-2012
INCOME			
I. Revenue from operations (export sales)		78,577,816	80,645,057
II. Other income		9,245,060	10,652,463
III. Total revenue (I+II)	12	87,822,876	91,297,520
EXPENSES			
Cost of raw materials consumed		34,079,280	43,067,051
Changes in inventories of finished goods, work-in-progress and stock-in-trade		6,694,708	(2,395,038)
Employee benefits expenses		20,783,539	19,069,122
Depreciation and amortization expenses		9,204,147	8,281,269
Other expenses		20,720,546	19,696,260
IV. Total expenses	13	91,482,220	87,718,664
V. Profit before exceptional and extraordinary items and tax (III-IV)		(3,659,344)	3,578,856
VI. Exceptional items	16	-	737,475
VII. Profit before extraordinary items and tax (V-VI)		(3,659,344)	2,841,381
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		(3,659,344)	2,841,381
X. Tax expenses			
1) Current tax		19,083	1,552,570
2) Deferred tax		(1,116,663)	(423,679)
XI. Net profit/(loss) after tax for the period (IX-X)		(2,561,764)	1,712,490
XII. Earning per share (basic and diluted)		(0.35)	0.23
XIII. Weighted average number of equity shares		7,291,170	7,513,635
Significant accounting policies	14		
Other notes to accounts	15-27		

As per our report of even date

For and on behalf of

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

Alok Jain
Partner
Membership No. 510960
New Delhi, May 11th 2013

For and on behalf of the Board

Inder Mohan Sood Davinder Mohan Sood
Managing Director Director-Finance

Manish Kumar
Company Secretary

New Delhi, May 11th 2013

VALIANT COMMUNICATIONS LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
1. Share capital		
Authorized		
15,000,000 (previous year: 15,000,000) equity shares of ₹ 10/- each	150,000,000	150,000,000
Issued, subscribed and paid-up		
7,223,460 (previous year: 7,423,010) equity shares of ₹ 10/- each fully paid up	72,234,600	74,230,100
Total	72,234,600	74,230,100

1.1 Reconciliation statement for number of equity shares outstanding

Equity	31-03-2013		31-03-2012	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of reporting period	7,423,010	74,230,100	7,520,600	75,206,000
Extinguished under buy-back offer	(199,550)	(1,995,500)	(97,590)	(975,900)
Outstanding at the end of reporting period	7,223,460	72,234,600	7,423,010	74,230,100

1.2 Terms/ rights attached to equity shares

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

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

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

Name	Category	31-03-2013		31-03-2012	
		No. of shares	% shareholding	No. of shares	% shareholding
Inder Mohan Sood	Promoter	888,433	12.30	888,433	11.97
Davinder Mohan Sood	Promoter	880,999	12.20	880,999	11.87
Ostrich Estate Private Ltd.	Non-promoter	410,000	5.68	410,000	5.52
Strategic Ventures Fund (Mauritius) Ltd.	Non-promoter	538,000	7.45	600,000	8.08

1.4 Buyback of equity shares

The Board of Directors at its meeting held on December 21st 2011, had announced the buyback of its fully paid-up 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 ₹ 18/- per share. The Company opted to buy back shares from open market through stock exchange route and the total offer size aggregates to ₹ 18,000,000/-, but subject to the maximum limit of 1,000,000 equity shares.

During the year under reporting, the Company had bought back and extinguished 199,550 (previous year: 97,590) equity shares, having face and fully paid-up value of ₹ 10/- each. The difference between the nominal value and amount spent for buy back with other incidental expenses, total amounting to ₹ 1,836,850/- (previous year: ₹ 1,040,047), is appropriated from securities premium account.

The Company has transferred ₹ 1,995,500/- (previous year: ₹ 975,900) from securities premium to capital redemption reserve which represented the nominal value of shares bought back during the year under reporting. During the last five years immediately preceding the date as at the balance sheet is prepared, the Company had bought-back 1,422,140 equity shares (including above mentioned 199,550 equity shares), pursuant to the approval(s) of Board of Directors of the Company.



VALIANT COMMUNICATIONS LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
2. Reserves & surplus		
<i>Securities premium account</i>		
Balance as per last financial statement	93,508,997	95,524,944
Less: Utilized for buy-back of equity shares	(1,836,850)	(1,040,047)
Less: Transferred to capital redemption reserve account	(1,995,500)	(975,900)
Closing balance	89,676,647	93,508,997
<i>Capital redemption reserve</i>		
Balance as per last financial statement	12,225,900	11,250,000
Add: Transferred from securities premium account	1,995,500	975,900
Closing balance	14,221,400	12,225,900
<i>Surplus in statement of profit and loss account</i>		
Balance as per last financial statement	114,021,298	112,308,808
Add: Profit/ (loss) for the year	(2,561,764)	1,712,490
Closing balance	111,459,534	114,021,298
Total	215,357,581	219,756,195
3. Deferred tax liabilities (net)		
Depreciation and amortization	3,493,808	3,404,297
Gross deferred tax liability	3,493,808	3,404,297
Less:		
Unabsorbed depreciation carried forward	1,212,019	-
Expenditure under Section 43B of Income Tax Act	78,006	83,851
Gross deferred tax asset	1,290,025	83,851
Total	2,203,783	3,320,446
4. Current liabilities		
Trade payables	10,884,320	5,373,630
<i>Other current liabilities</i>		
Advances from customers	2,201,925	249,865
Tax deduction at source (TDS) payable	361,637	285,566
Unpaid dividend	913,944	910,231
	3,477,506	1,445,662
<i>Short-term provisions</i>		
Provision for income tax	-	1,540,000
Provision for short-term employees benefits	261,883	271,363
	261,883	1,811,363
Total	14,623,709	8,630,655

VALIANT COMMUNICATIONS LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Description	GROSS BLOCK			DEPRECIATION & AMORTIZATION			NET BLOCK			
	As at 01-04-2012	Additions	Deductions	Total upto 31-03-2013	Total upto 31-03-2012	Depreciation for the year	Written back	Accumulated Depreciation upto 31-03-2013	Total as at 31-03-2012	Total as at 31-03-2013
Tangible Assets										
Building	18,106,657	-	-	18,106,657	2,391,762	295,139	-	2,686,901	15,714,895	15,419,756
Plant & Machinery	18,770,720	-	-	18,770,720	15,470,576	891,609	-	14,562,185	5,300,144	4,408,535
Electric Fitting	858,323	-	-	858,323	416,933	40,770	-	457,703	441,390	400,620
Office Equipment	3,187,444	38,100	-	3,225,544	1,742,881	151,688	-	1,894,569	1,444,563	1,330,975
Air Conditioner	1,117,633	-	-	1,117,633	462,772	53,087	-	515,859	654,861	601,774
Generator Set	732,487	-	-	732,487	330,334	34,793	-	365,127	402,153	367,360
Vehicles	5,405,206	-	-	5,405,206	2,313,836	515,494	-	2,827,330	3,091,370	2,577,876
Tools & Dies	1,895,263	-	-	1,895,263	1,341,780	137,780	-	1,479,560	553,483	415,703
Testing Equipment	17,085,264	4,202,194	-	21,237,458	6,614,438	961,381	-	7,576,019	10,420,826	13,661,439
Furniture & Fixtures	3,627,110	42,501	-	3,669,611	2,335,448	231,255	-	2,566,703	1,291,662	1,102,908
Computer	3,311,569	632,103	-	3,943,672	2,373,443	291,314	-	2,664,757	938,126	1,278,915
	74,047,676	4,914,898	-	78,962,574	33,794,203	3,602,310	-	37,396,713	40,253,473	41,565,861
Intangible Assets										
Software	8,689,319	-	-	8,689,319	6,875,550	1,295,302	-	8,168,852	1,813,769	520,467
Technical Know-How	46,394,059	10,493,429	-	57,087,488	37,127,482	4,308,335	-	41,435,817	9,466,577	15,651,671
	55,283,378	10,493,429	-	65,776,807	44,003,032	5,603,637	-	49,604,669	11,280,346	16,172,138
Total	129,331,054	15,408,327	-	144,739,381	77,797,235	9,204,147	-	87,001,382	51,533,819	57,737,999
<i>Previous year</i>	<i>121,410,171</i>	<i>8,606,054</i>	<i>685,171</i>	<i>129,331,054</i>	<i>70,201,137</i>	<i>8,281,269</i>	<i>-</i>	<i>77,797,235</i>	<i>51,209,034</i>	<i>51,533,819</i>

Particulars	Face value of each	31-03-2013	31-03-2012
6. Non-current investments			
Long-term (at cost) investments in equity instruments			
a) Trade investments in subsidiaries (unquoted, fully paid up):			
i) Valiant Communications (UK) Limited, United Kingdom; 225,000 (previous year: 225,000) ordinary shares	£ 1.00	17,758,130	17,758,130
ii) Valiant Infrastructure Ltd., India; 201,287 (previous year: 201,287) equity shares	₹ 10.00	2,012,870	2,012,870
		19,771,000	19,771,000
b) Non-trade investments (quoted, fully paid up, other than in subsidiaries, associates, joint venture and controlled special purpose entities)			
i) Alcoa Inc., United States of America 6,000 (previous year: 6,000) common stock	US\$ 1.00	4,530,254	4,530,254
ii) United States Steel Corporation, United States of America 1,100 (previous year: 1,100) common stock	US\$ 1.00	2,404,470	2,404,470
		6,934,724	6,934,724
Total		26,705,724	26,705,724



VALIANT COMMUNICATIONS LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
7. Long-term loans & advances (Unsecured but considered good)		
Capital advances	7,700,565	6,365,304
Total	7,700,565	6,365,304
8. Inventories (Valued at lower of cost or net realizable value)		
Raw material	67,466,615	60,203,287
Work-in-progress	37,973,855	44,668,563
Total	105,440,470	104,871,850
9. Trade receivables (Unsecured but considered good)		
Debts (outstanding for less than six months)	16,393,364	4,224,435
Total	16,393,364	4,224,435
10. Cash & cash equivalents		
Cash on hand	169,491	140,852
Balances with banks		
Current accounts*	5,268,751	7,668,618
Deposit (with less than 12 months maturity)	76,826,271	94,380,477
Total	82,264,513	102,189,947
*It includes balance in unclaimed dividend accounts of ₹ 913,944/- (previous year: ₹ 910,231/-).		
11. Short-term loans & advances (Unsecured but considered good)		
Sundry advances to suppliers	1,482,270	1,055,012
Tax deducted at source	813,529	944,987
Advance income and other taxes	4,854,979	3,955,081
Prepaid expenses	1,026,260	1,021,237
Total	8,177,038	6,976,317
12. Revenue		
Revenue from operations		
Sale of products (exports)	78,577,816	80,645,057
Other operating revenues	-	-
	78,577,816	80,645,057
Other Income		
Bank interest	7,893,311	9,334,621
Dividend income (non-current and non-trade)	51,860	44,905
Profit on sale of fixed asset	-	71,111
Net gain/(loss) on foreign currency transaction & translation	1,176,039	949,014
Other non-operating income (net of expenses directly attributable to such income)	123,850	185,544
Net gain/ (loss) on sale of fully paid-up investments: Current (other quoted non-trade investments in non-subsidiaries)	-	67,268
	9,245,060	10,652,463
Total	87,822,876	91,297,520

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
13. Expenses		
Cost of raw material consumed		
Opening stock	60,203,287	55,212,256
Add : Purchases	41,342,608	48,058,082
Less : Closing stock	(67,466,615)	(60,203,287)
	34,079,280	43,067,051
Changes in inventories of work-in-progress (semi-finished)		
Opening stock	44,668,563	42,273,525
Less : Closing stock	(37,973,855)	(44,668,563)
(Increase) / decrease in inventories	6,694,708	(2,395,038)
Employee benefits expenses		
Salary, wages and bonus	19,438,053	17,826,326
Contribution to provident and other funds	520,398	541,794
Staff welfare	825,088	701,002
	20,783,539	19,069,122
Depreciation and amortization expenses		
Depreciation on tangible assets	3,602,510	3,347,992
Amortization of intangible assets	5,601,637	4,933,277
	9,204,147	8,281,269
Other expenses		
Consumption of stores and spare parts	506,575	846,675
Power & fuel	1,055,004	875,766
Repairs to machinery	149,365	104,400
Other manufacturing expenses	1,263,524	1,319,299
Rent	720,000	720,000
Rates & taxes, excluding taxes on income	18,911	18,911
Postage, phones & grams	669,115	734,141
Printing & stationery	726,468	717,975
Traveling	1,673,457	2,768,153
Insurance	176,521	213,356
Advertisement	717,259	413,021
Office general expenses	359,976	537,914
Vehicle repair & maintenance	717,295	677,206
Freight & cartage	3,752,080	4,121,849
Books & periodicals	33,566	9,810
Charity and donation	45,549	36,000
Security	717,960	620,934
Miscellaneous	198,282	177,257
Auditors remuneration	700,000	300,000
Bank charges	401,336	286,581
Legal & professional	5,204,377	3,162,638
Packing & forwarding	882,485	888,799
Business promotion	31,441	145,575
	20,720,546	19,696,260
Total	91,482,220	87,718,664



VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

14. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting assumption

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

b. Employees benefits

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

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

c. Fixed assets

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

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

d. Depreciation and amortization

Depreciation on fixed assets has been provided on straight line method at the rates prescribed in Schedule 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

e. Inventories valuation

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

f. Transactions of foreign currencies

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

g. Investments

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

h. Revenue recognition

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

i. Income tax

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

VALIANT COMMUNICATIONS LIMITED
**NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013**

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

j. Lease

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

k. Contingent liabilities and provisions

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

l. Use of estimates

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

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

m. Earning per share

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

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

n. Segment reporting

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

15. Contingent liabilities and commitments

(In ₹)

Particulars	31-03-2013	31-03-2012
15.1 Contingent liabilities (not provided for)		
Income-tax matter in dispute	63,099,630	16,537,491
Any other contingent liability	359,598	-
Total	63,459,228	16,537,491

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

On appeals filed by the Income Tax Department, the Hon'ble Delhi High Court has reversed the erstwhile orders of Income Tax Appellate Tribunal (ITAT), Delhi, and referred back the matters to the ITAT to examine alternate claims of Company.

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

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

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

VALIANT COMMUNICATIONS LIMITED
**NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013**

15.2 Commitments

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

16. Exceptional item

The exceptional item represents the loss on closure of subsidiary of Company, namely "Valiant Communications FZE, UAE" during previous financial year.

17. Auditor's remuneration

(In ₹)

	31-03-2013	31-03-2012
Statutory audit fee	175,000	150,000
Certification charges	50,000	50,000
Income tax representation	350,000	-
Tax audit	125,000	100,000
Service tax	-	-
Total	700,000	300,000

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

18. Additional information under Schedule VI of the Companies Act, 1956

(In ₹)

Particulars	31-03-2013	31-03-2012
a) Consumption of raw material		
Electronic components	31,047,916	39,650,208
Hardware	3,031,364	3,416,843
	34,079,280	43,067,051
b) Purchases of raw material		
Electronic components	38,047,383	44,440,024
Hardware	3,295,225	3,618,058
	41,342,608	48,058,082
c) Work-in-progress		
Electronic cards	37,973,855	44,668,563
d) Earning in foreign currency		
Value of Exports (FOB)		
i) Telecom transmission equipment / cards	76,036,530	77,856,270
ii) Others	-	-
Profit on sale of investments	-	67,268
Dividend received	51,860	44,905
	76,088,390	77,968,443
e) Expenditure in foreign currency		
Raw material	27,785,071	33,563,714
Capital goods	2,256,506	690,992
Total Import (CIF)	30,041,577	34,254,706
Traveling expenses	604,835	889,365
	30,646,412	35,144,071

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
f) Dividend paid to non-resident shareholders in foreign currency		
No. of shareholders	-	3
No. of shares held	-	56,026
Dividend remitted (in ₹)	-	33,616
Year to which it relates	-	2010-11
g) Value of raw materials, spares parts and components consumed		
Raw material		
Imported [71.69% (previous year: 72.38%)]	24,431,436	31,171,932
Indigenous [28.31% (previous year: 27.62%)]	9,647,844	11,895,119
	34,079,280	43,067,051
Stores & Spares		
Imported [0.00% (previous year: 0.00%)]	-	-
Indigenous [100.00% (previous year: 100.00%)]	506,575	846,675
	506,575	846,675
19. Segmentwise revenue & results		
Revenue by geographical segment		
USA	33,493,716	44,169,116
Europe	4,486,465	2,869,760
Rest of the world	41,370,672	34,102,858
Total	79,350,853	81,141,734
Less : Inter segment revenue	-	-
Net sales/ revenue from operation	79,350,853	81,141,734
Profit/(loss) before tax and interest by geographical segment		
USA	16,283,159	22,029,500
Europe	2,181,120	1,431,303
Rest of the world	20,112,586	17,008,918
Total	38,576,865	40,469,721
Less : Interest	-	-
Less : Other unallocable expenditure	50,708,231	47,784,126
Add: Other unallocable income	8,472,022	10,155,786
Profit before tax	(3,659,344)	2,841,381

- a) The revenue figures include realized foreign currency exchange fluctuation gain/(loss) on export earnings.
- b) The Company manufactures "Telecom Transmission Equipment", which is the only business segment of the Company. The Company is a 100% Export Oriented Unit with its sole manufacturing unit being located at New Delhi. The above segment revenue and results are being identified on the basis of geographical markets. The Fixed assets used in the Company's business cannot be specifically identified with any geographical segment. The Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a segregation of capital employed on segment basis, is not possible.

20. Employees benefits

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

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



VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
Gratuity Scheme		
Changes in present value of defined benefit obligation		
Opening defined benefit obligation	3,604,358	3,178,351
Interest cost	311,753	273,692
Current service cost	210,345	198,420
Benefits paid	-	(18,750)
Net actuarial (gain)/ loss on obligation	(35,328)	(27,355)
Closing defined benefit obligation	4,091,128	3,604,358
Changes in fair value of plan assets		
Opening fair value of plan assets	3,913,055	3,335,571
Expected return	352,175	300,201
Contribution by employer	176,670	286,214
Benefits paid	-	(18,750)
Net actuarial gain/ (loss)	11,439	9,819
Closing fair value of plan assets	4,453,339	3,913,055
Plan assets/ (liability) recognized in the balance sheet	362,211	308,697
Net employee benefit expenses (recognized in profit & loss account)		
Current service cost	210,345	198,420
Interest cost on benefit obligation	311,753	273,692
Expected return on plan assets	(352,175)	(300,201)
Net actuarial (gain)/ loss recognized in the year	(46,767)	(37,174)
Net benefit expense	123,156	134,737
Actual return on plan assets	363,614	310,020
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%	9.00%
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Contribution to defined contribution plan		
Provident fund	405,531	406,556

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 ₹ 212,000/- to gratuity in financial year 2013-2014. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

VALIANT COMMUNICATIONS LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Gratuity Scheme	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Defined benefit obligation	(4,091,128)	(3,604,358)	(3,178,351)	(1,990,301)	(1,549,771)
Plan Assets	4,453,339	3,913,055	3,335,571	2,128,869	1,660,599
Surplus (deficit)	362,211	308,697	157,220	138,068	110,828
Experience adjustments on plan liabilities	35,328	27,355	(1,017,525)	(140,773)	626,152
Experience adjustments on plan assets	11,439	9,819	(13,284)	1,795	(14,097)

21. Foreign currency exposures

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

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

(In ₹)

Particulars	Currency	31-03-2013	31-03-2012
Creditors	US\$	4,975,896	2,721,551
Debtors	US\$	16,393,364	4,224,435
Advances paid	US\$	1,280,471	843,959
Advances received	US\$	2,201,925	249,865
Bank balance	JPY	-	48,617
Bank balance	US\$	804,602	1,043,973

22. Related parties disclosure

Name	Relationship	Transaction details
Valiant Communications (UK) Limited, UK	Subsidiary	Nil (previous year: nil)
Valiant Infrastructure Limited, India	Subsidiary	Nil (previous year: purchase of fixed assets of ₹ 2,505,069/- at book value)
Mr. Inder Mohan Sood	Key Managerial Personnel	Directors' remuneration of ₹ 5,117,067/-
Mr. Davinder Mohan Sood	Key Managerial Personnel	(previous year: ₹ 4,994,983/-)
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 the Institute of Chartered Accountants of India.

23. Lease

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

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

24. Aggregate value of investments, as at reporting date

(In ₹)

Particulars	31-03-2013		31-03-2012	
	Book Value	Market Value	Book Value	Market Value
Quoted investments	6,934,724	5,027,105	6,934,724	4,728,242
Unquoted investments	19,771,000	Not Applicable	19,771,000	Not Applicable



VALIANT COMMUNICATIONS LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31ST 2013

25. Other disclosures:

- The Company had no outstanding dues to any small scale industrial undertaking as at the balance sheet date. However, there is a pending dispute between the Company and a micro unit registered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, for claim of ₹ 484,987/-. Whereas the Company has disputed the delivery of services before the Delhi High Court. The Delhi High Court was pleased to grant an interim injunction in favour of Company. The matter is sub-judice before the Delhi High Court.
- During the financial year under reporting, no interest was paid by the Company in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. Further, all the payments were made to the suppliers on or before appointed day.
- During the financial year under reporting, no interest was paid by the Company in accordance with the provisions of the payable during the reporting year and preceding years in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.
- During the financial year, there is no reportable amount of interest due and payable, accrued and remaining unpaid, small enterprises supplier, to whom the Company owes dues, which are outstanding beyond prescribed period as at the balance sheet date.
- As at the balance sheet date, in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has the following unpaid amount, categorized as current liability in balance sheet, to:

(In ₹)

Particulars	31-03-2013	31-03-2012
Total outstanding dues including interest, of creditors other than micro and small enterprises	10,753,655	4,175,744
Total outstanding dues including interest, of micro and small enterprises	-	-

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

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

As per our report of even date

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

Alok Jain
 Partner
 Membership No. 510960

New Delhi, May 11th 2013

For and on behalf of the Board

Inder Mohan Sood Davinder Mohan Sood
 Managing Director Director-Finance

Manish Kumar
 Company Secretary

New Delhi, May 11th 2013

VALIANT COMMUNICATIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

(In ₹)

Particulars	31-03-2013	31-03-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(3,659,344)	2,841,381
Adjustment for		
Depreciation and amortization	9,204,147	8,281,269
Profit on sale of investments	-	(67,268)
Profit on sale of fixed assets	-	(71,111)
Bank interest	(7,893,311)	(9,334,621)
Dividend income	(51,860)	(44,905)
Exceptional item (see note 16)	-	737,475
Net (gain)/Loss on foreign currency translation	(1,176,039)	(949,014)
Operating profit before working capital changes	(3,576,407)	1,393,206
Adjustment for		
Trade & other receivables	(13,369,650)	3,881,258
Inventories	(568,620)	(7,386,069)
Trade and other payables	5,993,054	2,842,099
Cash generated from operations	(11,521,623)	730,494
Interest paid	-	-
Direct taxes	(19,083)	(1,552,570)
Net cash generated from operating activities	(11,540,706)	(822,076)
B. CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(15,408,327)	(8,606,054)
Sale on fixed assets	-	71,111
Long-term loans and advances	(1,335,261)	66,652
Intangible assets under development	3,070,000	(420,000)
Dividend income	51,860	44,905
Proceeds on closure of subsidiary	-	1,178,325
Long-term investments in equity shares	-	(6,934,724)
Investments in equity shares of subsidiary	-	(100,000)
Sale of investments	-	67,268
Bank interest	7,893,311	9,334,621
Net cash generated from investing activities	(5,728,417)	(5,297,896)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Funds utilized for buy-back of equity shares	(3,832,350)	(2,015,947)
Dividend paid	-	(4,512,360)
Dividend distribution tax	-	(732,018)
Net cash generated from financing activities	(3,832,350)	(7,260,325)
Net gain/(loss) on foreign currency translation	1,176,039	949,014
Net increase in cash and cash equivalents	(19,925,434)	(12,431,283)
Cash and cash equivalents (opening balance)	102,189,947	114,621,230
Cash and cash equivalents (closing balance)	82,264,513	102,189,947

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

As per our report of even date For and on behalf of the Board
 For and on behalf of
 B. AGGARWAL & CO. Inder Mohan Sood Davinder Mohan Sood Manish Kumar
 Chartered Accountants Managing Director Director-Finance Company Secretary
 Firm Registration No. 004706N
 Alok Jain (Partner)
 Membership No. 510960
 New Delhi, May 11th 2013 New Delhi, May 11th 2013



VALIANT COMMUNICATIONS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(In ₹)

Particulars	Valiant Communications (UK) Ltd.	Valiant Infrastructure Ltd.
	United Kingdom	India
Financial year ended	March 31 st 2013	March 31 st 2013
Holding Company's interest	100% (225,000 ordinary shares of £ 1.00 each fully paid up)	62.53% (201,287 equity shares of ₹ 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
b) not dealt with or provided for in the accounts of the holding company	634,366	46,913
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
b) not dealt with or provided for in the accounts of the holding company	5,365,683	(4,645)
Other information pertaining to subsidiary companies		
Share capital	225,000 ordinary shares amounting to ₹ 18,522,203	321,882 equity shares amounting to ₹ 3,218,820
Reserves	6,000,048	(8,600)
Total assets	24,522,273	3,417,809
Total liabilities	24,522,273	3,417,809
Investments	4,200,594	-
Turnover (total income)	1,124,916	275,258
Profit / (loss) before taxation	792,916	106,720
Provision for taxation	158,550	51,700
Profit / (loss) after taxation	634,366	75,020
Proposed dividend	NIL	NIL
Currency	£	₹
Exchange rate to ₹ as of March 31 st 2013	82.321	₹ 1.000

Note: Information pertaining to subsidiary companies is provided in compliance with General Circular No. 2/2011 dated February 8th, 2011, issued by Ministry of Corporate Affairs. The annual accounts and other related information of these subsidiary companies are available to the investors of Company and subsidiary companies seeking such information during the business hours at the Company's registered office, at any point of time. Further, the annual accounts of these subsidiaries 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

Inder Mohan Sood
Managing DirectorDavinder Mohan Sood
Director-FinanceManish Kumar
Company SecretaryNew Delhi, May 11th 2013

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VALIANT COMMUNICATIONS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31-03-2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors,
VALIANT COMMUNICATIONS LIMITED

We have audited the accompanying consolidated financial statements of VALIANT COMMUNICATIONS LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31st 2013, the consolidated Statement of Profit & Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have not audited the financial statements of its foreign subsidiary.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our Opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31st, 2013;
- In the case of the consolidated Statement of Profit and Loss, of the **loss** for the year ended on that date; and
- In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Alok Jain
Partner
Membership No. 510960

New Delhi, May 11th 2013



VALIANT COMMUNICATIONS LIMITED
CONSOLIDATED BALANCE SHEET AS AT

(In ₹)

Particulars	Note No.	31-03-2013	31-03-2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	72,234,600	74,230,100
Reserves & surplus	2	222,119,464	225,685,450
		294,354,064	299,915,550
Minority interest			
		1,199,530	1,171,423
Non-current liabilities			
Deferred tax liabilities (net)	3	2,203,783	3,320,446
		2,203,783	3,320,446
Current liabilities			
Trade Payables	4	11,121,140	5,573,712
Other current liabilities		3,477,506	1,445,662
Short-term provisions		450,473	2,024,041
		15,049,119	9,043,415
Total		312,806,496	313,450,834
ASSETS			
Non-current assets			
Fixed assets	5		
Tangible assets		41,565,861	40,253,473
Intangible assets		16,172,138	11,280,346
Intangible assets under development		-	3,070,000
Non-current investments	6	11,135,302	11,108,681
Long-term loans and advances	7	8,050,565	6,715,304
		76,923,866	72,427,804
Current assets			
Inventories	8	105,440,470	104,871,850
Trade receivables	9	16,393,364	4,224,435
Cash and cash equivalents	10	105,831,454	124,935,790
Short-term loans and advances	11	8,217,342	6,990,955
		235,882,630	241,023,030
Total		312,806,496	313,450,834
Significant accounting policies	14		
Other notes to accounts	15-23		

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

Alok Jain
Partner
Membership No. 510960
New Delhi, May 11th 2013

For and on behalf of the Board

Inder Mohan Sood Davinder Mohan Sood
Managing Director Director-Finance

Manish Kumar
Company Secretary

New Delhi, May 11th 2013

VALIANT COMMUNICATIONS LIMITED

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED

(In ₹)

Particulars	Note No.	31-03-2013	31-03-2012
INCOME			
I. Revenue from operations (export sales)		78,577,816	80,645,057
II. Other income		10,639,126	12,635,202
III. Total revenue (I+II)	12	89,216,942	93,280,259
EXPENSES			
Cost of raw materials consumed		34,079,280	43,067,051
Changes in inventories of finished goods, work-in-progress and stock-in-trade		6,694,708	(2,395,038)
Employee benefits expenses		20,783,539	19,069,122
Finance costs		-	-
Depreciation and amortization expenses		9,204,147	8,281,269
Other expenses		21,233,381	20,200,795
IV. Total expenses	13	91,995,055	88,223,199
V. Profit before exceptional and extraordinary items and tax (III-IV)		(2,778,113)	5,057,060
VI. Exceptional items	17	-	13,151
VII. Profit before extraordinary items and tax (V-VI)		(2,778,113)	5,043,909
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		(2,778,113)	5,043,909
X. Tax expenses			
1) Current tax	209,333		1,765,248
2) Deferred tax	(1,116,663)	(907,330)	(423,679)
XI. Net profit/(loss) after tax, but before minority interest and share of associates (IX-X)		(1,870,783)	3,702,340
XII. Minority interest		28,107	(404)
XIII. Net profit/(loss) after tax for the period (XI-XII)		(1,898,890)	3,702,744
XIV. Earning per share (basic and diluted)		(0.26)	0.49
XV. Weighted average number of equity shares		7,291,170	7,513,635
Significant accounting policies	14		
Other notes to accounts	15-23		

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

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

Alok Jain
Partner
Membership No. 510960
New Delhi, May 11th 2013

For and on behalf of the Board

Inder Mohan Sood Davinder Mohan Sood
Managing Director Director-Finance

Manish Kumar
Company Secretary

New Delhi, May 11th 2013



VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
1. Share capital		
Authorized		
15,000,000 (previous year: 15,000,000) equity shares of ₹ 10/- each	150,000,000	150,000,000
Issued, subscribed and paid-up		
7,223,460 (previous year: 7,423,010) equity shares of ₹ 10/- each fully paid-up	72,234,600	74,230,100
Total	72,234,600	74,230,100

1.1 Reconciliation statement for number of equity shares outstanding

Equity	31-03-2013		31-03-2012	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of reporting period	7,423,010	74,230,100	7,520,600	75,206,000
Extinguished under buy-back offer	(199,550)	(1,995,500)	(97,590)	(975,900)
Outstanding at the end of reporting period	7,223,460	72,234,600	7,423,010	74,230,100

1.2 Terms/ rights attached to equity shares

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

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

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

Name	Category	31-03-2013		31-03-2012	
		No. of shares	% shareholding	No. of shares	% shareholding
Inder Mohan Sood	Promoter	888,433	12.30	888,433	11.97
Davinder Mohan Sood	Promoter	880,999	12.20	880,999	11.87
Ostrich Estate Private Ltd.	Non-promoter	410,000	5.68	410,000	5.52
Strategic Ventures Fund (Mauritius) Ltd.	Non-promoter	538,000	7.45	600,000	8.08

1.4 Buyback of equity shares

The Board of Directors at its meeting held on December 21st 2011, had announced the buyback of its fully paid-up 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 ₹ 18/- per share. The Company opted to buy back shares from open market through stock exchange route and the total offer size aggregates to ₹ 18,000,000/-, but subject to the maximum limit of 1,000,000 equity shares.

During the year under reporting, the Company had bought back and extinguished 199,550 (previous year: 97,590) equity shares, having face and fully paid-up value of ₹ 10/- each. The difference between the nominal value and amount spent for buy back with other incidental expenses, total amounting to ₹ 1,836,850/- (previous year: ₹ 1,040,047/-), is appropriated from securities premium account.

The Company has transferred ₹ 1,995,500/- (previous year: ₹ 975,900/-) from securities premium to capital redemption reserve which represented the nominal value of shares bought back during the year under reporting. During the last five years immediately preceding the date as at the balance sheet is prepared, the Company had bought-back 1,422,140 equity shares (including above mentioned 199,550 equity shares), pursuant to the approval(s) of Board of Directors of the Company.

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
2. Reserves & surplus		
<i>Securities premium account</i>		
Balance as per last financial statement	93,508,997	95,524,944
Less: Utilized for buy-back of equity shares	(1,836,850)	(1,040,047)
Less: Transferred to capital redemption reserve account	(1,995,500)	(975,900)
Closing balance	89,676,647	93,508,997
<i>Capital redemption reserve</i>		
Balance as per last financial statement	12,225,900	11,250,000
Add: Transferred from securities premium account	1,995,500	975,900
Closing balance	14,221,400	12,225,900
<i>Surplus in statement of profit and loss account</i>		
Balance as per last financial statement	120,313,499	116,610,755
Add: Profit/ (loss) for the year	(1,898,890)	3,702,744
Closing balance	118,414,609	120,313,499
<i>Foreign currency translation reserve</i>		
Balance brought forward	(362,946)	(2,490,380)
Addition/(deduction) for the year	169,754	2,127,434
	(193,192)	(362,946)
Total	222,119,464	225,685,450
3. Deferred tax liabilities (net)		
Depreciation and amortization	3,493,808	3,404,297
Gross deferred tax liability	3,493,808	3,404,297
Less:		
Unabsorbed depreciation carried forward	1,212,019	-
Expenditure under Section 43B of Income Tax Act	78,006	83,851
Gross deferred tax asset	1,290,025	83,851
Total	2,203,783	3,320,446
4. Current liabilities		
Trade payables	11,121,140	5,573,712
<i>Other current liabilities</i>		
Advances from customers	2,201,925	249,865
Tax deduction at source (TDS) payable	361,637	285,566
Unpaid dividend	913,944	910,231
	3,477,506	1,445,662
<i>Short-term provisions</i>		
Provision for income tax	188,590	1,752,678
Provision for short-term employees benefits	261,883	271,363
	450,473	2,024,041
Total	15,049,119	9,043,415



VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at 01-04-2012	Additions	Deductions	Total upto 31-03-2013	Total upto 31-03-2012	Depreciation for the year	Written back	Accumulated Depreciation upto 31-03-2013	Total as at 31-03-2012	Total as at 31-03-2013
5. Fixed assets										
Tangible Assets										
Building	18,106,657	-	-	18,106,657	2,891,762	295,139	-	2,686,901	15,714,895	15,419,756
Plant & Machinery	18,770,720	-	-	18,770,720	15,470,576	891,609	-	14,362,185	5,500,144	4,408,535
Electric Fitting	858,323	-	-	858,323	416,993	40,770	-	457,703	441,390	400,620
Office Equipment	3,187,444	88,100	-	3,225,544	1,742,881	151,688	-	1,894,569	1,444,563	1,330,975
Air Conditioner	1,117,633	-	-	1,117,633	462,772	53,087	-	515,859	654,861	601,774
Generator Set	732,487	-	-	732,487	330,354	34,795	-	365,127	402,153	367,360
Vehicles	5,405,206	-	-	5,405,206	2,313,856	513,494	-	2,827,330	3,091,370	2,577,876
Tools & Dies	1,895,263	-	-	1,895,263	1,341,780	137,780	-	1,479,560	553,483	415,703
Testing Equipment	17,055,264	4,202,194	-	21,257,458	6,614,438	961,581	-	7,576,019	10,420,826	13,661,439
Furniture & Fixtures	3,627,110	42,501	-	3,669,611	2,335,448	231,255	-	2,566,703	1,291,662	1,102,908
Computer	3,311,569	632,103	-	3,943,672	2,373,443	291,314	-	2,664,757	938,126	1,278,915
	74,047,676	4,914,898	-	78,962,574	33,794,203	3,602,510	-	37,396,713	40,253,473	41,565,861
Intangible Assets										
Software	8,689,319	-	-	8,689,319	6,875,580	1,293,302	-	8,168,852	1,813,769	520,467
Technical Know-How	46,594,059	10,493,429	-	57,087,488	37,127,482	4,308,335	-	41,435,817	9,466,577	15,681,671
	55,283,378	10,493,429	-	65,776,807	44,003,062	5,601,637	-	49,604,669	11,280,346	16,172,138
Total	129,331,054	15,408,327	-	144,739,381	77,797,235	9,204,147	-	87,001,382	51,533,819	57,737,999
<i>Previous year</i>	<i>121,410,171</i>	<i>8,606,054</i>	<i>685,171</i>	<i>129,331,054</i>	<i>70,201,137</i>	<i>8,281,269</i>	<i>-</i>	<i>77,797,235</i>	<i>51,209,034</i>	<i>51,533,819</i>
Particulars	Face value of each	31-03-2013	31-03-2012							
6. Non-current investments										
Long-term (at cost) investments in equity instruments other than in subsidiaries, associates, Joint ventures and controlled special purpose entities										
a) Trade investments (unquoted, fully paid up):										
i) Valcomm Technologies Inc. USA	US\$ 0.01	4,200,578	4,173,957							
8,250,000 (previous year: 8,250,000) equity Shares		4,200,578	4,173,957							
b) Non-trade investments (quoted, fully paid up):										
ii) Alcoa Inc. USA	US\$ 1.00	4,530,254	4,530,254							
6,000 (previous year: 6,000) common stock										
iii) United States Steel Corporation, USA	US\$ 1.00	2,404,470	2,404,470							
1,100 (previous year: 1,100) common stock										
		6,934,724	6,934,724							
Total		11,135,302	11,108,681							
7. Long-term loans & advances										
(Unsecured but considered good)										
Capital advances		7,700,565	6,365,304							
Security deposits		350,000	350,000							
Total		8,050,565	6,715,304							

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
8. Inventories (Valued at lower of cost or net realizable value)		
Raw material	67,466,615	60,203,287
Work-in-progress	37,973,855	44,668,563
Total	105,440,470	104,871,850
9. Trade receivables (Unsecured but considered good)		
Debts (outstanding for less than six months)	16,393,364	4,224,435
Total	16,393,364	4,224,435
10. Cash & cash equivalents		
Cash on hand	188,368	210,079
Balances with banks		
Current accounts*	25,809,754	27,584,049
Deposits (with less than 12 months maturity)	79,833,332	97,141,662
Total	105,831,454	124,935,790
*It includes balance in unclaimed dividend accounts of ₹ 913,944/- (previous year: ₹ 910,231/-).		
11. Short-term loans & advances (Unsecured but considered good)		
Sundry advances to suppliers	1,482,270	1,055,012
Tax deducted at source	840,855	947,760
Advance income and other taxes	4,867,957	3,966,946
Prepaid expenses	1,026,260	1,021,237
Total	8,217,342	6,990,955
12. Revenue		
Revenue from operations		
Sale of products (exports)	78,577,816	80,645,057
Other operating revenues	-	-
	78,577,816	80,645,057
Other Income		
Bank interest	8,300,770	9,362,658
Other interest	-	385,056
Dividend income (non-current and non-trade)	51,860	44,905
Profit on sale of fixed asset	-	71,111
Net gain/(loss) on foreign currency transaction & translation	2,162,646	713,760
Other non-operating income (net of expenses directly attributable to such income)	123,850	185,544
Net gain/ (loss) on sale of fully paid-up investments:		
Current (quoted non-trade investments in non-subsidiaries)	-	67,268
Long-term (unquoted trade investments in associates)	-	1,804,900
	10,639,126	12,635,202
Total	89,216,942	93,280,259



VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

(In ₹)

Particulars	31-03-2013	31-03-2012
13. Expenses		
Cost of raw material consumed		
Opening stock	60,203,287	55,212,256
Add : Purchases	41,342,608	48,058,082
Less : Closing stock	(67,466,615)	(60,203,287)
	34,079,280	43,067,051
Changes in inventories of work-in-progress (semi-finished)		
Opening stock	44,668,563	42,273,525
Less : Closing stock	(37,973,855)	(44,668,563)
(Increase) / decrease in inventories	6,694,708	(2,395,038)
Employee benefits expenses		
Salary, wages and bonus	19,438,053	17,826,326
Contribution to provident and other funds	520,398	541,794
Staff welfare	825,088	701,002
	20,783,539	19,069,122
Depreciation and amortization expenses		
Depreciation on tangible assets	3,602,510	3,347,992
Amortization of intangible assets	5,601,637	4,933,277
	9,204,147	8,281,269
Other expenses		
Consumption of stores and spare parts	506,575	846,675
Power & fuel	1,055,004	875,766
Repairs to machinery	149,365	104,400
Other manufacturing expenses	1,263,524	1,319,299
Rent	721,800	721,800
Rates & taxes, excluding taxes on income	18,911	18,911
Postage, phones & grams	669,115	734,141
Printing & stationery	743,300	722,175
Traveling	1,950,909	3,160,034
Insurance	176,521	213,356
Advertisement	717,259	413,021
Office general expenses	359,976	537,914
Vehicle repair & maintenance	717,295	677,206
Freight & cartage	3,752,080	4,121,849
Books & periodicals	45,410	12,388
Charity and donation	45,549	36,000
Security	717,960	620,934
Miscellaneous	202,297	180,732
Auditors remuneration	705,618	305,618
Bank charges	406,005	295,537
Legal & professional	5,394,982	3,248,665
Packing & forwarding	882,485	888,799
Business promotion	31,441	145,575
	21,233,381	20,200,795
Total	91,995,055	88,223,199

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

14. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of consolidation

The consolidated financial statements comprise of the financial statements of Valiant Communications Ltd. (hereinafter referred to as "Holding Company") with its subsidiaries and associates (hereinafter collectively referred to as "Group"). The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 23, issued by the Institute of Chartered Accountants of India and provisions of Companies Act, 1956.

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

b. Employees benefits

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

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

funds are due.

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

c. Fixed assets

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

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

d. Depreciation and amortization

Depreciation on fixed assets has been provided on straight line method at the rates prescribed in Schedule 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

e. Inventories valuation

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



VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

f. Transactions of foreign currencies

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

g. Investments

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

h. Revenue recognition

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

i. Income tax

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

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

j. Lease

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

k. Contingent liabilities and provisions

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

l. Use of estimates

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

m. Earning per share

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

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

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

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

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

Name of Subsidiary Companies	Country of Incorporation	Proportion of Ownership/Voting Power as at March 31 st 2013	Proportion of Ownership/Voting Power as at March 31 st 2012
Valiant Communications (UK) Limited	United Kingdom	100.00%	100.00%
Valiant Infrastructure Limited	India	62.53%	62.53%

17. Exceptional item

The exceptional item represents the loss on closure of subsidiary of Company, namely "Valiant Communications FZE, UAE", during previous financial year:

18. Auditor's remuneration

Particulars	31-03-2013	31-03-2012
Statutory audit fee	180,000	155,000
Certification charges	50,000	50,000
Income tax representation	350,000	-
Tax audit	125,000	100,000
Service tax	618	618
Total	705,618	305,618

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

19. Lease

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

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

20. Related parties disclosure

Name	Relationship	Transaction details
Valiant Communications (UK) Limited	Subsidiary	Nil
Valiant Communications FZE,	Subsidiary	Nil
Valiant Infrastructure Limited	Subsidiary	Nil (previous year: purchase of fixed assets of ₹ 2,505,069/- at book value)
Mr. Inder Mohan Sood	Key Managerial Personnel	Directors' remuneration of ₹ 5,117,067/- (previous year: ₹ 4,994,983/-).
Mr. Davinder Mohan Sood	Key Managerial Personnel	
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 the Institute of Chartered Accountants of India.



VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST 2013

21. Other disclosures

- During the year under reporting, the staff strength of subsidiary companies is nil.
- The Company had no outstanding dues to any small scale industrial undertaking as on the balance sheet date.
- During the financial year under reporting, no interest was paid by the Company in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. Further, all the payments were made to the suppliers on or before appointed day.
- During the financial year, 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.
- 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 the prescribed period as at the balance sheet date.
- As on the balance sheet date, in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has the following unpaid amount, categorized as current liability in balance sheet, to:

Particulars	31-03-2013	31-03-2012
Total outstanding dues including interest, of creditors other than micro and small enterprises	10,884,475	4,488,378
Total outstanding dues including interest, of micro and small enterprises	-	-

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

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

As per our report of even date	For and on behalf of the Board		
For and on behalf of B. AGGARWAL & CO. Chartered Accountants Firm Registration No. 004706N	Inder Mohan Sood Managing Director	Davinder Mohan Sood Director-Finance	Manish Kumar Company Secretary
Alok Jain Partner Membership No. 510960 New Delhi, May 11 th 2013			New Delhi, May 11 th 2013

VALIANT COMMUNICATIONS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(In ₹)

Particulars	31-03-2013	31-03-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(2,778,113)	5,043,909
Adjustment for		
Depreciation and amortization	9,204,147	8,281,269
Profit on sale of investments	-	(1,872,168)
Profit on sale fixed assets	-	(71,111)
Dividend income	(51,860)	(44,905)
Exceptional item (see note 17)	-	13,151
Interest income	(8,300,770)	(9,747,714)
Foreign currency translation reserve adjustment	143,133	1,916,291
Net (gain)/loss on foreign currency translation	(2,162,646)	(713,760)
Operating profit before working capital changes	(3,946,109)	2,804,962
Adjustment for		
Trade & other receivables	(13,395,316)	13,756,770
Inventories	(568,620)	(7,386,069)
Trade & other payables	6,005,704	3,104,348
Cash generated from operations	(11,904,341)	12,280,011
Direct taxes	(209,333)	(1,765,248)
Net cash generated from operating activities	(12,113,674)	10,514,763
B. CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(15,408,327)	(6,100,985)
Sale of fixed assets	-	71,111
Long-term loans and advances	(1,335,261)	66,652
Intangible assets under development	3,070,000	(420,000)
Dividend income	51,860	44,905
Proceeds on closure of subsidiary	-	1,178,325
Long-term investments in equity shares	-	(6,934,724)
Investments in equity shares of subsidiary	-	(100,000)
Sale of investments	-	7,263,300
Interest income	8,300,770	9,747,714
Adjustment for closure of subsidiary	-	(1,119,987)
Net cash generated from investing activities	(5,320,958)	3,696,311
C. CASH FLOW FROM FINANCING ACTIVITIES		
Funds utilized for buy-back of equity shares	(3,832,350)	(2,015,947)
Dividend paid	-	(4,512,360)
Dividend distribution tax	-	(732,018)
Net cash generated from financing activities	(3,832,350)	(7,260,325)
Net gain/(loss) on foreign currency translation	2,162,646	713,760
Net increase in cash and cash equivalents	(19,104,336)	7,664,509
Cash and cash equivalents (opening balance)	124,935,790	117,271,281
Cash and cash equivalents (closing balance)	105,831,454	124,935,790

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

As per our report of even date

For and on behalf of

B. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 004706N

Alok Jain (Partner)

Membership No. 510960

New Delhi, May 11th 2013

For and on behalf of the Board

Inder Mohan Sood

Managing Director

Davinder Mohan Sood

Director-Finance

Manish Kumar

Company Secretary

New Delhi, May 11th 2013

NOTES

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NOTICE

Notice is hereby given that 20th Annual General Meeting of the Valiant Communications Ltd. will be held on Tuesday, September 24th 2013, 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 2013 and the profit & loss account for the year ended on the date, together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Avinash Verma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sumit Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration.

Special Business:

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

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded for the re-appointment of Mr. Anil Tandon, as a Whole-time Director for a further period of five years w.e.f. May 30th 2013, on the terms and conditions set out in the draft agreement submitted to this meeting and for the purpose of identification, initialed by the Chairman, which is hereby specifically approved with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and / or agreement in such manner and to such extent as may be agreed between the Board of Directors and Mr. Anil Tandon so as not to exceed the limit specified in clause 1 (B) of Section-II, Part-II of Schedule XIII of the Companies Act, 1956 including any amendment thereto as approved by the special resolution dated Sept. 24th 2012 passed by the members.

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 that 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, that the remuneration payable to Mr. Anil Tandon shall be within the limits set out in 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 hereunder and the terms of the agreement between the Company and Mr. Anil Tandon 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: May 11th 2013
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 atleast 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, atleast 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 September 15th 2013 to September 24th 2013 (both days inclusive).
5. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amounts of dividend remaining unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund. Members who have not encashed the dividend warrants are requested to write to the Company for revalidation of dividend warrants.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that services of notice / document including Annual Report can be sent by email to its members. To support this green initiative of the Government, members are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email addresses with the Share Registrar of the Company i.e. Link Intime India Pvt. Ltd., 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina New Delhi-110028.
7. Information required to be furnished under the Listing Agreement:
 - i) 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 25 years. He has wide expertise and experience of accountancy and taxation matters. He does not hold directorship or membership of any committees, in any other company. As on March 31st 2013, he does not hold any equity share of Company.
 - ii) Mr. Sumit Mehta is a practicing advocate from last eight years. He has wide expertise and experience in cyber laws. He does not hold directorship or membership of any committee, in any other company. As on March 31st 2013, he does not hold any equity shares of the Company.
 - iii) Mr. Anil Tandon is an Honors Graduate in Economics from Delhi University with an experience of over 25 years in corporate business. He has been associated with the Company, since its inception. He has varied experience in senior management and operations of the Company. Apart from Company, he is a director in Valiant Infrastructure Ltd. As on March 31st 2013, he holds 10,200 (0.14%) equity shares of the Company.

Explanatory Statement for Item No. 5 pursuant to Section 173 (2) of the Companies Act, 1956

Mr. Anil Tandon was initially appointed as an Additional Director of the Company with effect from May 30th 2008 by the Board of Directors of the Company, and regularized by the members in their meeting held on August 27th 2008.

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 is of opinion that he should be re-appointed as Whole-time Director of the Company for a further period of five years. Accordingly, the Board of Directors at its meeting held on May 11th 2013, subject to the approval of the members and the provisions of the Article of Association of the Company, has re-appointed Mr. Anil Tandon as Whole-time Director of the Company for a further period of five years, w.e.f. May 30th 2013, on the existing terms and conditions including remuneration. A draft copy whereof is placed before this meeting for the purpose of inspection.

The material terms of the agreement entered into between the Company and Mr. Anil Tandon are given below:

The remuneration payable to Mr. Anil Tandon shall be determined by the Board of Directors from time to time in consultation with Mr. Anil Tandon, however, with in the maximum limit prescribed in clause 1 (B) of Section-II, Part-II of schedule XIII of the Companies Act, 1956:

1. Salary: ₹ 1,589,500/- per annum
2. Medical reimbursement: Maximum of ₹ 15,000/- in a financial year.
3. Company's contribution to provident fund, medical insurance, usage of Company's mobile phone and gratuity payment as per Company's rule and encashment of earned leave shall not be included in the computation of limits for remuneration.
4. The Whole-time Director will be entitled to leave according to the Company's leave rules applicable to employees.

The Board of Directors shall have discretion and authority to modify the foregoing terms of remuneration, however, with in the maximum limit prescribed in clause 1 (B) of Section-II, Part-II of schedule XIII of the Companies Act, 1956:

The validity of special resolution for re-appointment is five years from the date of appointment.

A copy of the draft agreement referred to in the resolution would be available for inspection by the Members at the registered office of the Company during business hours on any working day, up to and including the day of this meeting.

Except Mr. Anil Tandon, none of the other Director is, in any way, concerned or interested in the said resolution.



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 20th ANNUAL GENERAL MEETING of the Company to be held on Tuesday , the 24th day of September, 2013 at 9.30 A.M. at Surbhi
Farm, 96/4, Post & Village, Tikri Kalan, New Delhi 110041.

Signed thisday of2013.

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

Affix
₹ One
Revenue
Stamp

Note

- i) This form must be deposited at the Registered Office of the Company, not later than 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 20th ANNUAL GENERAL MEETING of the Company to be held on Tuesday , the 24th day of September, 2013 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

*Full Name of Proxy Signature

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

Valiant Communications Limited

(An ISO 9001:2008 and ISO 14001:2004 Certified Company)

71/1, Shivaji Marg, New Delhi 110015, India

T : +91-11-2592 8415, 2592 8416, 2541 0053 | F : + 91-11-2543 4300, 4105 5604

E : admin@valiantcom.com | W : www.valiantcom.com



19/08/2013

FORM A

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

1.	Name of the Company	Valiant Communications Limited
2.	Annual financial statements for the year ended	March 31 st 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	a. Inder Mohan Sood CEO/Managing Director	
	b. Davinder Mohan Sood CFO/ Director-Finance	
	c. Gaurav Kaura Chairman- Audit Committee	
	d. Alok Jain Partner, B. Aggarwal & Co. Chartered Accountants Auditor of the Company	

Encl.:

1. 6 (six) copies of Annual Report 2012-2013 of the Company