

Valiant Communications Limited

(An ISO 9001:2015 and ISO 14001:2015 Certified Company)

Regd. Office : 71/1, Shivaji Marg, New Delhi 110015, India

Corporate Identity No. : L74899;DL1993 PLC056652 | GSTIN : 07 AAACV4250G 1ZJ

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

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



Date: 30-05-2023

The Deputy General Manager
Corporate Relationship Department
BSE limited, Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Fort,
Mumbai -400 001
BSE Scrip Code : 526775

Sub: Business Updates

Dear Sir / Madam,

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and also in continuation of our erstwhile disclosures, please find attached herewith the business updates.

This is for your information and record.

Sincerely,
For Valiant Communications Limited

Manish Kumar
Company Secretary

Encl.: As above



BUSINESS UPDATES & SHARE HOLDER'S LETTER

Q4 FY23 | FY 2022-23

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About us :

Valiant Communications (VCL) is a manufacturer of communication, transmission, protection, synchronization and cyber security equipment and solutions with successful installations in over 110 countries. VCL is certified with ISO 9001:2015, ISO 10001:2018, ISO 14001:2015, ISO 27001:2013 and ISO 45001:2018. VCL solutions are offered for all types of Utility applications including Power Utilities, Oil & Gas, Railways, Metro Rail Communications, Airport Communications and also for Mobile Backhaul, Corporate and the Defence sector.

Technologies on which we work :

With technology beginnings with Digital Pair Gain Systems, PDH Multiplexers and Optical Line Terminating Equipment (OLTE), VCL has grown into a global supplier of reliable communications, transmission, GPS/GNSS synchronization and cutting-edge technology products including IP/MPLS Routers, 1+1 Automatic Ethernet Failover Switches, Teleprotection Distance and Differential Protection, IP Multiplexers, Phasor Measurement Unit (PMU), Ruggedized Industrial Switches, L2, L3 Industrial Switches, Parallel Redundancy Protocol (PRP) Switches and a comprehensive range of Cyber Security products and solutions.

FINANCIAL PERFORMANCE:

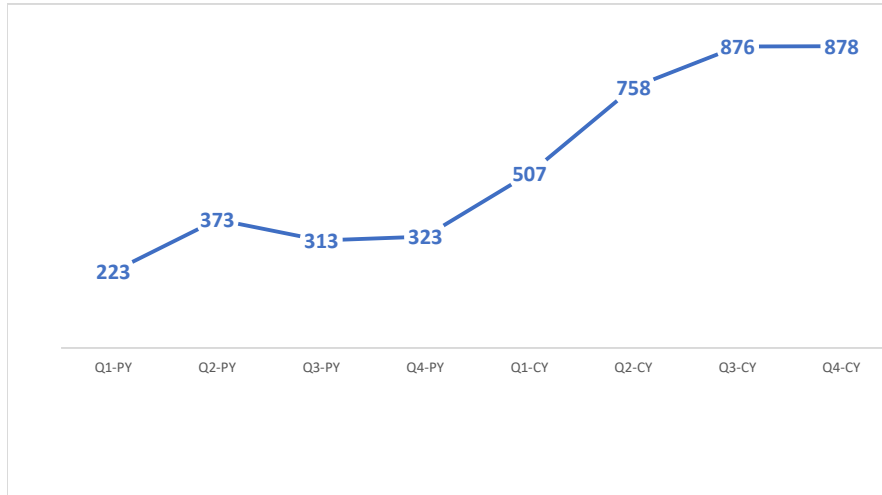
- The Company has achieved its all-time high revenue figures at quarterly and annual level in the reporting financial year 2022-23 for both at standalone and consolidated level.
- Standalone Level (in ₹ Lacs)

Annual basis:	CY2022-23	PY2021-22
Revenue	3,019	1,232
EBITDA [§]	467	(219)
PBT [#]	250	(427)
Operating EBITDA margin (%)	15.46%	(17.79%)

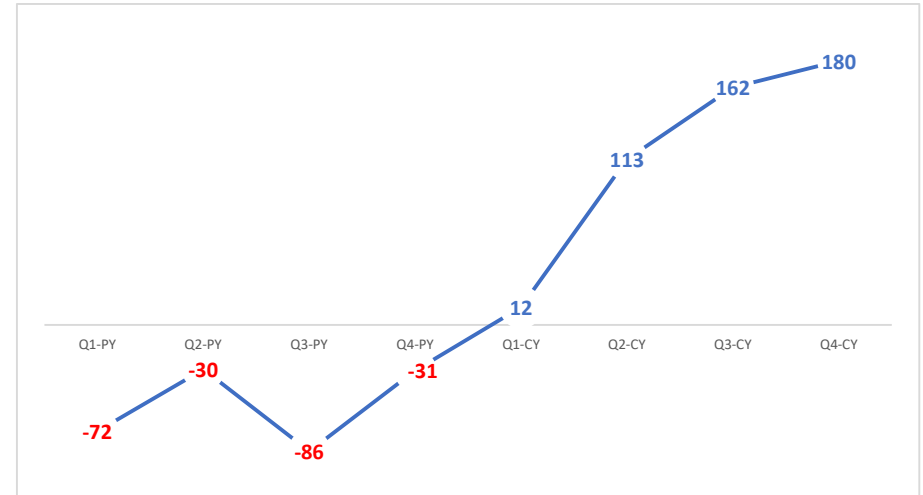
Quarterly basis:	Q4-CY2022-23	Q3-CY2022-23	Q4-PY2021-22
Revenue	878	876	323
EBITDA [§]	180	162	(31)
PBT [#]	116	113	(90)
Operating EBITDA margin (%)	20.52%	18.47%	(9.45%)

Key Indicators

Quarterly revenue (in lacs)



Quarterly EBITDA (in lacs)



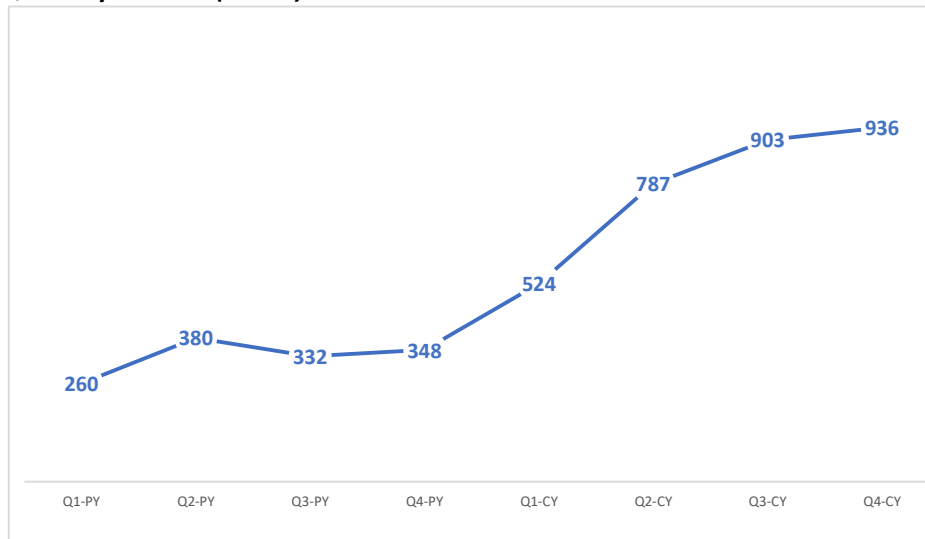
• Consolidated Level (in ₹ Lacs)

Annual basis:	CY2022-23	PY2021-22
Revenue	3,150	1,320
EBITDA [§]	441	(154)
PBT [#]	224	(361)
Operating EBITDA margin (%)	13.99%	(11.64%)

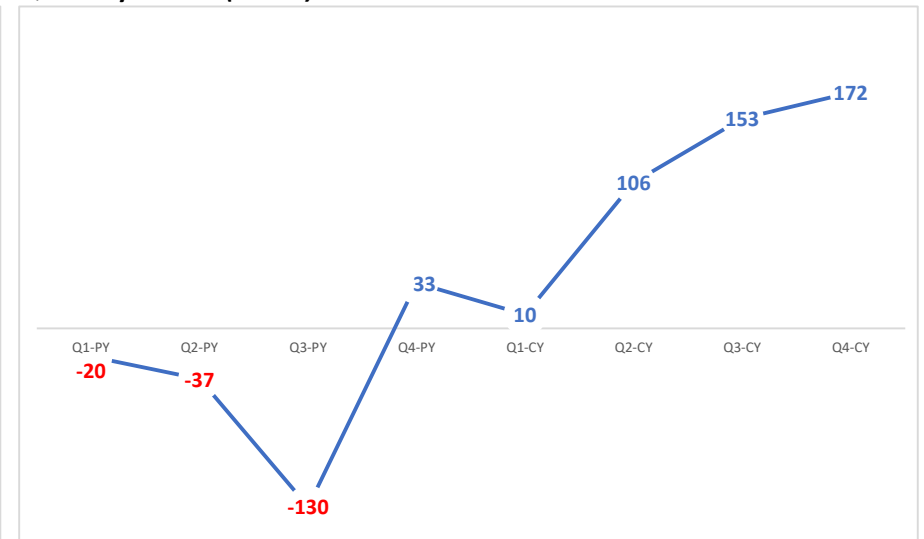
Quarterly basis:	Q4-CY2022-23	Q3-CY2022-23	Q4-PY2021-22
Revenue	936	903	348
EBITDA [§]	172	153	33
PBT [#]	108	104	(26)
Operating EBITDA margin (%)	18.35%	16.91%	9.51%

Key Indicators

Quarterly revenue (in lacs)



Quarterly EBITDA (in lacs)



[§] EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortisation

[#] PBT stands for Profit before Tax.

BALANCE SHEET:

AT STANDALONE LEVEL (IN ₹ LACS)

Particulars	As at 31-03-2023	As at 31-03-2022	Particulars	As at 31-03-2023	As at 31-03-2022
ASSETS			EQUITY AND LIABILITIES		
Non-current assets			Equity		
(a) Property, plant and equipment	596.76	403.36	(a) Equity share capital	722.35	722.35
(b) Other intangible assets	294.39	288.68	(b) Other equity	2,257.93	2,071.18
(c) Intangible assets under development	-	39.72	Total equity	2,980.28	2,793.53
(d) Right of use assets	14.32	11.78	LIABILITIES		
(e) Financial assets			Non-current liabilities		
(i) Investments	206.21	206.21	(a) Financial liabilities		
(ii) Other financial assets	9.12	9.12	(i) Borrowings	137.80	-
(f) Deferred tax assets (net)	51.85	119.19	(ii) Lease liabilities	14.99	12.10
(g) Income tax assets (net)	14.04	2.38	(b) Provisions	-	2.20
(h) Other non-current assets	26.96	-	Total non-current liabilities	152.79	14.30
Total non-current assets	1,213.65	1,080.44	Current liabilities		
Current assets			(a) Financial liabilities		
(a) Inventories	1,704.74	1,382.77	(i) Borrowings	29.53	-
(b) Financial assets			(ii) Trade payables	258.34	186.53
(i) Trade receivables	334.96	289.73	(iii) Other financial liabilities	81.57	66.15
(ii) Cash and cash equivalents	125.14	56.03	(b) Other current liabilities	117.81	78.08
(iii) Bank balances other than (ii) above	188.00	193.56	(c) Provisions	13.02	6.36
(iv) Other financial assets	8.50	6.99	Total current liabilities	500.27	337.12
(c) Other current assets	58.35	135.43			
Total current assets	2,419.69	2,064.51	Total equity and liabilities	3,633.34	3,144.95
Total assets	3,633.34	3,144.95			

Note: The above balance sheets is a summarised form, extracted from the audited financial statements, which have been prepared in accordance with the Schedule III of the Companies Act, 2013. For details, please refer the annual report 2023.

BALANCE SHEET:

AT CONSOLIDATED LEVEL (IN ₹ LACS)

Particulars	As at 31-03-2023	As at 31-03-2022	Particulars	As at 31-03-2023	As at 31-03-2022
ASSETS			EQUITY AND LIABILITIES		
Non-current assets			Equity		
(a) Property, plant and equipment	596.76	403.36	(a) Equity share capital	722.35	722.35
(b) Other intangible assets	294.40	288.68	(b) Other equity	2,571.72	2,373.99
(c) Intangible assets under development	-	39.72	Equity attributable to the owners	3,294.07	3,096.34
(d) Right of use assets	14.32	11.78	Non-controlling interest	4.33	4.31
(e) Financial Assets			Total equity	3,298.40	3,100.65
Other financial assets	12.82	12.82	LIABILITIES		
(f) Deferred tax assets (net)	62.23	119.19	Non-current liabilities		
(g) Income tax assets (net)	14.06	2.41	(a) Financial liabilities		
(h) Other non-current assets	26.96	-	(i) Borrowings	137.80	-
Total non-current assets	1,021.54	877.96	(ii) Lease liabilities	14.99	12.10
Current assets			(b) Provisions	-	2.20
(a) Inventories	1,704.74	1,382.77	Total non-current liabilities	152.79	14.30
(b) Financial Assets			Current liabilities		
(i) Investments	96.75	41.89	(a) Financial liabilities		
(ii) Trade receivables	366.74	298.60	(i) Borrowings	29.53	-
(iii) Cash and cash equivalents	529.37	487.13	(ii) Trade payables	307.93	169.43
(iv) Bank balances other than (iii) above	209.70	212.78	(iii) Other financial liabilities	82.05	66.20
(v) Other financial assets	9.51	9.47	(b) Other current liabilities	117.85	78.67
(c) Other current assets	63.22	135.48	(c) Provisions	13.02	6.36
Total current assets	2,980.03	2,568.12	(d) Current tax liabilities (net)	-	10.47
			Total current liabilities	550.38	331.13
Total assets	4,001.57	3,446.08	Total equity and liabilities	4,001.57	3,446.08

Note: The above balance sheets is a summarised form, extracted from the audited financial statements, which have been prepared in accordance with the Schedule III of the Companies Act, 2013. For details, please refer the annual report 2023.

Business Association with Tejas Networks:

Valiant has successfully partnered in the Indian market with Tejas Networks Limited [NSE: TEJASNET], a Tata Group company. It is a testimony that our natural partnership is a winning combination in all business opportunities falling under ‘*Make-in-India*’ wherein, Tejas and Valiant compete as a team against foreign MNCs.

- Valiant and Tejas have now partnered for the forthcoming large-scale business opportunities for their products supplies at the State Electricity Boards (SEBs) of Kerela, Tamil Nadu, Telangana and Gujarat. These business opportunities are valued at over ₹ 100+ crores for Valiant.
- Valiant has also partnered with Tejas and another Tata’ flagship company, for power utility markets in the continent of Australia for multi-years contracts. Given the global reach of the Tata Group, the management is optimistic about the outcome about such opportunities.
- Both the Companies are determined to replicate their business synergies at the global level also. As a first, Valiant and Tejas have co-exhibited their product portfolio at “DistribuTECH International® 2023” exhibition held at San Diego, USA. DistribuTECH 2023 is the leading annual transmission and distribution event for utilities, technology providers, and industry leaders.



Other Business Updates:

- i) The reported financial year is closed with an healthy order book at ₹3,600 lacs with an expected execution period of next 3 to 4 forthcoming quarters.
- ii) The Company has pleasantly witnessed a new revenue stream of Network Management System licensing for its products deployed in Power Grid Corporation of India Limited (PGCIL). Apart from the order received from Sterlite Technologies Limited of INR 150 lac (reported earlier), the Company has received another order of INR 150 lac from NMSWorks for PGCIL Eastern Region. The Company expects similar orders for different regions of PGCIL in the near term from the other awardees.
- iii) During the quarter under reporting, Valiant has become the 1st Indian company whose make “Phasor Measurement Unit (PMU)” has been re-type test approved with latest technical specifications by the Council Of Scientific And Industrial Research–National Physical Laboratory (**CSIR–NPL**), an organization whose aim to “strengthen and advance physics-based research and development for the overall development of science and technology in the country”, which is formed under an Act of Indian Parliament and is functioning directly under the chairmanship of our Hon’ble Prime Minister.

Based on this approval, the Company has applied for Proof of Concept (PoC) to the Power Grid Corporation of India Limited. It is important to mention that PMU is a key component of “One Nation, One Grid” concept and smart-grid projects. PMU plays a key role in Grid Automation, Grid Stabilization and Load Management of the Power Grid.

Globally, there are very few foreign manufacturers, manufacturing PMUs at present. The PMU opportunity is also of global nature.

Being an indigenous manufacturer, Valiant is apparently a beneficiary of all business opportunities that are notably arising in the Indian Public Sector out of the 'Make in India' and '*Atmanirbhar Bharat*' initiatives of our Hon'ble Prime Minister of India.

- iv) Cyber Security business: Our Company has also successfully conducted a Proof of Concept (PoC) trials with India's premier Grid Operator for a few of its Cyber Security products and these successful trials for early detection and warning systems of cyber-attacks, ransomware attacks and network intrusion to safeguard their Grid communication systems, will start to generate business revenue in the coming quarters. This opportunity is of very large scale, both domestically and internationally, due to the unique cyber-security solutions that our Company offers.

The Government has a heightened focus on Cyber Security for all its departments and with a view of protecting critical infrastructure and its data. This should translate into induction of our Cyber Security products in the Government Sector under the 'Make in India' and the '*Atmanirbhar Bharat*', path-breaking initiatives taken by the Government of India.

- v) Presently, the revenue of the Company is broadly driven by the power utility sector; however, the management also sees some exciting opportunities in Indian Defence sector, which is now procuring under the 'Make in India' and '*Atmanirbhar Bharat*' initiatives of our Hon'ble Prime Minister of India.

vi) At present, the Company is forced to carry higher inventory than its usual level because of ongoing world-wide supply chain disruption in semi-conductors.

However, in view of the revenue opportunities as cited above, we expect the same shall be translated in cash and return to its usual level by the end of this year.

vii) The Company is also increasing its heads count in R&D, Project Execution and Quality Departments for its forthcoming high technology products, which may have a -ve impact on margins in near term.

viii) The opportunities of marketing of IP/MPLS Routers are progressing very well to all Government departments and addressing other global opportunities. IP/MPLS Routers are already being exported to different countries, globally.

ix) During the reported year, Valiant group has taken focused marketing initiatives to breakthrough into the international markets in France, Hungary, Czech Republic, Latvia, Thailand, Philippines, Peru, Mexico and Brazil in the Power and IT Sectors. During the period under reporting, the wholly owned subsidiary of the Company, namely, Valcomm Technologies Inc. has added prestigious name such as the US Government (various departments), General Dynamics, Ministry of Defence Serbia, Ministry of Defence Bulgaria, Ministry of Defence Australia, Costal Department France etc., as its end user customers.

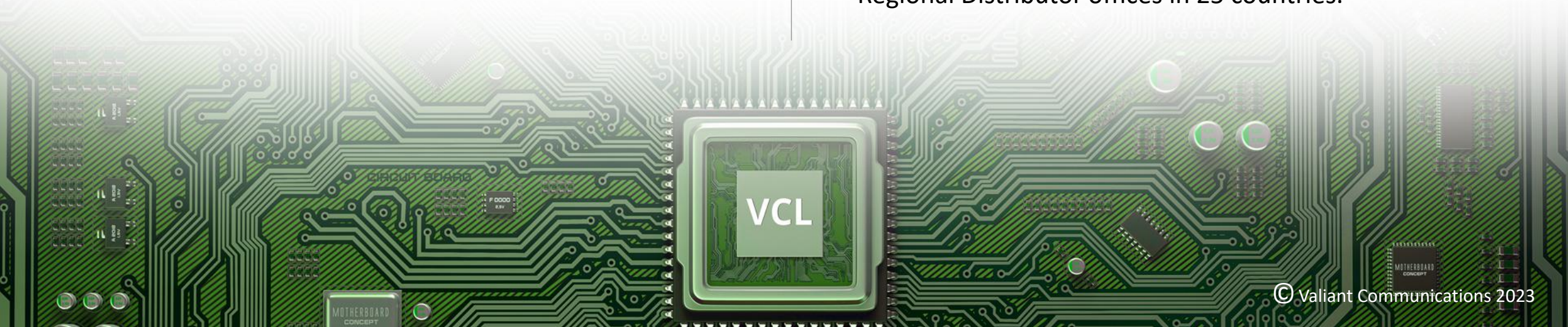
Cautionary Statement: *The future-outlook statements are forward looking. It involves risks and uncertainties and is based on current expectations. Actual results may differ materially.*

ABOUT VALIANT COMMUNICATIONS



Introduction

- Established in 1993 in technical and financial collaboration with Vanguard Communications USA.
- An ISO 9001:2015, ISO 10001:2018, ISO 14001:2015, ISO 27001:2013 and ISO 45001:2018 certified equipment manufacturer of Communication, Transmission, Protection, Synchronization and Cyber Security solutions.
- Provides a powerful blend of “innovation, quality and economics”.
- Successful installations in over 110 countries, worldwide.
- Global footprint with offices in USA, UK, Canada and India.
- Regional Distributor offices in 25 countries.



PRESTIGIOUS REFERENCE CUSTOMERS

End-users, using VCL equipment



ABB



Siemens



Schneider-Electric



Power Grid (PGCIL)



Turkish Electricity Company



Larsen & Toubro Limited



Perusahaan Listrik Negara



Vietnam Electricity



Defense Communications Agency (DCA)



Honeywell



Lockheed Martin



Northrop Grumman



United Nations



United States Government



Raytheon



Amentum (NASA)



GE Renewable Energy



L3 Harris



Motorola



Tranelectrica



Airport Authority of India



General Dynamics



Government of Canada



Tesla

TARGET INDUSTRIES



POWER & UTILITIES

Power Sector Infrastructure –
Transmission, Distribution,
Digital Substations, Smart Grid.

Wide Area Monitoring (WAMS)

Utilities – Water, Oil & Gas, Solar and
Wind Energy, Renewables.

Railways and Metro Rail,

Airport Communication Networks.



CORPORATES & GOVERNMENT

Industrial Automation,

Corporate Networks,

Banks and Financial Institutions,

Rural Communications

Mobile 4G, 5G Communication
Networks.



CYBER SECURITY

Cyber Security for core sector
(Power, Railways, Airports,
Utilities, Institutions)

Defense Networks,

Automatic Network Isolation solution.

Network Reliability & Failover solutions.

OPPORTUNITY SCALE



\$100B

Legacy, Contemporary, Emerging technologies including MPLS Router product market size is valued at > \$50 billion in 2019 and is projected to reach > \$ 100 billion by 2027.

- *MPLS-Market*

<https://www.mordorintelligence.com/industry-reports/managed-mpls-market>

\$305B

Cyber Security market size was valued at \$149.67 billion in 2019 and is projected to reach \$304.91 billion by 2027.

- *Cyber-Security-Market*

<https://www.alliedmarketresearch.com/cyber-security-market>



Global Distribution Network



Contact Us

For more details, visit us at our Website
www.valiantcom.com

U.K.

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

E-mail: gb@valiantcom.com

U.S.A.

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

E-mail: us@valiantcom.com

INDIA

Valiant Communications Limited
71/1, Shivaji Marg,
New Delhi – 110015
INDIA

E-mail: mail@valiantcom.com