

TRANSCRIPT OF THE PROCEEDINGS OF THE 27TH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF VALIANT COMMUNICATIONS LIMITED (“THE COMPANY”) HELD ON WEDNESDAY SEPTEMBER 30TH 2020 AT 9:30 A.M. THROUGH VIDEO-CONFERENCING (“VC”) / OTHER AUDIO VIDEO MEANS (“OAVM”).

Mr. Manish Kumar, Company Secretary:

“Good Morning everyone, I, Manish Kumar, Company Secretary welcome you all to the 27th AGM of Valiant Communications Limited. I will take a few moments to explain the details about this meeting.

In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the “MCA”) vide its General Circulars No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 5, 2020 read with SEBI Circular No. 79 dated May 12, 2020, has allowed companies to conduct their Annual General Meetings through Video Conferencing (“popularly known as VC”) or Other Audio Visual Means (“popularly known as OAVM”), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, this AGM, that is the 27th Annual General Meeting of Valiant Communications Limited is being held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

Members attending this AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Facility to join this AGM through VC or OAVM is made available on First Come First Serve basis for shareholders.

All members are kept mute by default, to avoid any background noise and to ensure smooth and seamless conduct of the meeting.

Once the Q/A session starts, the names of the Shareholders shall be announced who have registered themselves as Speakers to enable them to speak at the meeting. The Speaker Shareholders will thereafter be unmuted to speak. In order to give a fair chance to all speakers, speakers are requested to briefly their speech and queries.

To start speaking, Shareholders are requested to click on the video button. However, if due to any reason they are unable to join the meeting through video, they can speak through audio mode.

If there is a connectivity problem at the Speaker’s end, the next Shareholder waiting in the queue will be asked to join in, once the connectivity improves and if time permits, he will be called again to speak after the other Shareholder completes his/her speech.

The Shareholders who already have sent their questions well in advance through e-mails will, upon consideration of the relevancy of the queries, also be responded during the AGM.

For a good audio-video experience, Shareholders are requested to ensure that no other applications are running in the background and also availability of good internet connectivity.

If they find any issues, may contact at the phone numbers mentioned in the notice of the AGM.

Now, I would request our Chairman and Managing Director, to proceed with the meeting.”

Mr. Inder Mohan Sood (Chairman and Managing Director):

“Good Morning, Ladies and Gentlemen!!

I am delighted to welcome you all to the 27th Annual General Meeting of Valiant Communications Limited and the first of its kind meeting, being held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), due to the current COVID-19 pandemic. The requisite quorum is present at this Annual General Meeting, I declare the meeting in order to proceed further.

Let me first introduce my colleagues on the Board who are joining us from various locations.”

“I have with me Mr. Davinder Mohan Sood, Executive Whole-time Director and Chief Financial Officer. He is also the member of Audit Committee and Stakeholder Relationship Committee.”

Mr. Davinder Mohan Sood, Executive Whole-time Director and Chief Financial Officer: “Hello! Good Morning! we welcome everyone who are able to attend this meeting.”.

Mr. Inder Mohan Sood:

“Mr. Gaurav Kaura, Independent Non- Executive Director. He is Chairman of Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee. He is joining us from his residence in New Delhi.”

Mr. Gaurav Kaura: “Good Morning!”.

Mr. Inder Mohan Sood:

“Mr. Avinash Verma, Independent Non- Executive Director joins us from his residence in New Delhi. He is member of Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee.”

Mr. Avinash Verma: “Good Morning to everyone”.

Mr. Inder Mohan Sood:

“Mr. Sumit Mehta, Independent Non-Executive Director joins us from his residence in Gurugram. He is member of Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee.”

Mr. Sumit Mehta: “Good Morning!”.

Mr. Inder Mohan Sood:

“Ms. Neepa Chatterjee, Independent Non- Executive Director joins us from his residence in New Delhi. She is member of Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee.”

Ms. Neepa Chatterjee: “Good Morning and welcome to everyone in the meeting.”

Mr. Inder Mohan Sood:

“I would like to mention that the representatives of M/s. Pawan Nanak Bansal & Co., the Statutory Auditors of your Company and Mr. Sushant Bhalla, the Secretarial Auditor, are present in this meeting.

“This Meeting is duly constituted in accordance with the Companies Act, 2013, other applicable laws and the Articles of Association of the Company. All feasible efforts under the present circumstances have indeed been made so as to enable you to participate and vote on the items being considered in this meeting.

The Notice convening the 27th Annual General Meeting along with the Annual Report 2019- 20 of your Company was sent to you through e-mail in terms of the MCA Circulars dated April 8th 2020 and April 13th 2020 and May 5, 2020 and SEBI Circular dated May 12th 2020. The Notice and Annual Report were also available on the website of Bombay Stock Exchange (BSE) and the website of the Company. With your permission, I take the Notice convening this Meeting as read. All documents as stated in the Notice including Registers are available for inspection during the continuance of this meeting in the LLIPL e-voting System itself. Shareholders can inspect the same in electronic mode only, by following the instructions given in the Notice.

There is no qualification, observation or comment or other remarks made by the Auditors in their Report on the both Standalone and Consolidated Financial Statements or by the Secretarial Auditor in his Secretarial Audit Report for the financial year ended March 31, 2020 which may have any adverse effect on the functioning of the Company.

Hence, the Auditors’ Report on the Financial Statements and Secretarial Audit Report are not required to be read at this meeting.”

Chairman’s Speech

Dear Shareholders,

Welcome to the 27th Annual General Meeting of Valiant Communications Limited. I hope all of you and your family members are healthy and safe and are following safety norms prescribed by government and WHO to emerge from these critical times. It is a pleasure to connect with all of you, although this time we meet virtually.

On behalf of the Valiant’s Board of Directors, I want to thank you for taking the time out to join us today. Your support and confidence in us, even in uncertain times like these, drive us to look for more ways to do more, and create greater value.

As you all know, with this global outbreak of COVID-19 pandemic and its impact on India, the last few months have been extremely challenging for almost everyone. The COVID-19 pandemic is extraordinary and unprecedented. It has impacted the world and every country, business and individual. These are not easy times for any of us, and our customers are dealing with several challenges as well. As everybody witnesses now, the technology is essential to get it all working, the efficiencies of automation to make it viable, and experiential design to unlock more value from this work. We believe that we can play a significant role in this changing business environment. The COVID-19 virus has disrupted production and sales for a few months and broken supply chains causing some delays in closing projects. The availability of vaccine to fight this virus is imperative. The virus in the meantime is causing supply chain disruptions and delays and reduced productivity.

At the business front: During the year 2019-20, the Company has posted its annual revenue at Rs. 1,766 lac as compared to Rs. 1,846 lac in previous year. The total revenue of the Company has been dropped by 4% on annual basis.

The 58% of operating revenue comes from the India as compared to 64% in previous year, while 17% is from the USA as compared to 15% in previous year and 6% is from European market as compared to 9% in previous year. Whereas, the balance 19% of the sales is contributed from the rest of the world as compared to 12% in previous year.

Further, the Company has recorded the annual EBITDA Profit at Rs. 159 lac as compared to Rs. 217 lac in last year. The other income is increased from Rs. 31 lac to Rs. 49 lac on annual basis.

Whereas, at consolidated level, the net revenue of the Group is increased by 3% to Rs. 1,968 lac from Rs. 1,914 lac on annual basis. The annual EBITDA Profit stands at Rs. 179 lac as compared to Rs. 232 lac on year on year basis. The reported net profit after taxes is Rs. 0.3 lac as compared to Rs. 43 lac from corresponding previous year.

As it is commonly believed now-a-days that the liquidity position of the organization is of utmost important.

We wish to confirm that our liquidity position is healthy and comfortable.

As on March 31st 2020, the liquidity position at group level has improved to Rs. 970 lacs from Rs. 838 lacs as was reported last year.

The Current Assets ratio also stands healthy at 9.17 times.

The contingent liability is also reduced to Nil with favourable order from statutory authorities.

The Company and all its subsidiaries have maintained its debt-free status throughout the reporting year.

As you know, your Company manufactures a wide range of communication, transmission, synchronization and cyber security solutions with successful installations of its equipment in over 110 countries. The Company offers these products and solutions for Power Utilities, Oil & Gas sector, Railways & Metro Rail Networks, Airport Communications networks, Mobile and Corporate networks.

The communication sector, being a high technology-intensive business is prone to rapid technological obsolescence. To cope with an ever changing dynamic and highly competitive communications business environment, we are innovating and evolving rapidly; offering technically advanced and competitively priced products, solutions and applications to the demanding international customers, while competing with some of the best businesses in the communication field, in the world.

The Company is focused on providing a mix products and advance technologies for export and domestic market.

Various initiatives taken by the Government of India, under the leadership of our Hon'ble Prime Minister, such as "Make in India", "Digital India" and "PMA Policy", the Indian business scenario is now looking ever more vibrant and promising. Being an only Indian manufacturer Company in various products and technologies, the Company has a distinctive advantage over its MNCs competitors and with all the initiatives taken by the Government of India are helping the Company to capitalize its position in India.

Various products of the Company have now been approved by some of the major corporations such as Power Grid and almost all State Electricity Boards.

At export level also, the Company is expanding its marketing network in Europe and whereas, we also witness our increased acceptability in US market.

All our manufactured 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.

As you know, the world is now becoming more and more digitalised especially in this ongoing COVID era. However, this has also exposed the businesses and government systems for cyber-attacks particularly when it relates to the national security. It has been reported incidents where the entire national grids of the countries have been brought down by malicious cyber-attacks.

We find a business opportunity here, as we have that business domain knowledge. We are now offering a comprehensive Cyber Security solution designed to assist organizations to detect, prevent, secure and protect their network against firewall breaches and cyber-attacks.

Our Cyber Security Solution functions in real-time to alert the user against a network security breach and to take appropriate corrective measures, according to user's custom defined network security policy. Cyber Security solution detects firewall breaches, network intrusions and cyber-attacks in "real-time". It provides the user, the data, to conduct forensic analysis and trace the attack route which assists the user to identify the points of network vulnerability.

Our continued focus on its Cyber and Network Security technology products are likely to have a positive impact in this year. Our range of Encryption & Firewall Equipment along with Network Protection solutions for providing Network / Path / Equipment (Switch/Server/Router) redundancy solutions for network reliability to currently cater to the network security requirements to its international customers and being received well for growth.

We also would like to share a video of our application of Cyber and Network Security products to make you understand better our outlook for the same after my address.

To conclude, I would like to say that I remain hopeful that government, organisations and individuals working together can and will overcome this great challenge to humanity.

I would like to sincerely thank all our shareholders, customers, suppliers, communities and other stakeholders for their continued support to the Company during the year.

I would also like to thank all the employees and my colleagues on the Board of Directors, for their commitment to enhancing the performance and health of the Company.

Thank you!

The video presentation file was displayed (refer note).

Mr. Inder Mohan Sood:

"After tabling the resolutions, registered speakers can express their views and ask questions. Now I will take up the formal items of business of this AGM in sequence.

The first item of business relates to Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.

The objective of this item is to comply with the requirements of the Companies Act, 2013.

The second item of business relates to re-appointment of Mr. Davinder Mohan Sood who retires by rotation and being eligible, offers himself for re-appointment.

Detailed information as required under the SEBI Listing Regulations and the Secretarial Standard on General Meetings in respect his re-appointment has been provided in the Notice convening this AGM.

The objective of this Resolution is to comply with the requirements of Section 152 of the Companies Act, 2013. This item has no financial implication on the Company.

I now invite the shareholder speakers to come forward and ask their queries and suggestions who have registered themselves with us previously. I would request the speakers to be precise. Please do not repeat the queries already asked by other fellow Members. We shall be happy to answer your questions or provide clarifications after all the questions are asked.”

Mr. Manish Kumar:

“First I would like to call Mr. Peeyush Gupta. Mr. Peeyush Gupta please express your views and queries. You are visible and unmuted now.”

Mr. Peeyush Gupta:

“Good morning Chairman and other panellists!

I am grateful to the Board and the Company Secretary for making a well drafted Annual Report also with full details, facts & figures.

Though all of my queries have been answered by the Chairman in his speech, however I would like to know further about the business front particularly at exports. I would also like to know our focus on Research and Development.

Thank You.”

Mr. Manish Kumar:

“Thank you Mr. Gupta!

Second, I would like to call Mr. Suraj Kumar.

Mr. Suraj Kumar please express your views or queries. You are visible and unmuted now.”

Mr. Suraj Kumar:

“Good morning Sir! My name is Suraj Kumar.

First, I would like to thank the Management for providing this opportunity. I have read the Annual Report emailed to us. I have observed that we have enough cash surplus in balance sheet. I would like to know from the Management, about their opinion on paying Dividend to the shareholders.

Thanks for having me here.”

Mr. Manish Kumar:

“Thank you Mr. Kumar!

We have also received some queries from shareholders, which are being displayed in next slides. Thereafter, the Management shall reply to the queries.”

The power point file was displayed for the queries asked by shareholders (refer note).

Mr. Inder Mohan Sood:

“I request CFO to reply the shareholders queries and also share his views.”

Mr. Davinder Mohan Sood:

“Thank you Chairman!

The Company and all its subsidiaries were debt free during the year under reporting 2019-20 and also maintained this status in the current year also.

The amounts of finance cost shown in standalone and consolidated P&L are because of the applicability of Ind AS 116 in the year 2019-20. For easier understanding, now Companies are required to break the lease expenses in amortization and finance cost.

As Chairman Sir has informed that 58% of operating revenue comes from the India as compared to 64% in previous year, while 17% is from the USA as compared to 15% in previous year and 6% is from European market as compared to 9% in previous year. Whereas, the balance 19% of the sales is contributed from the rest of the world as compared to 12% in previous year.

Various initiatives have been taken during the year to expand the export market footprint. Our company conducts training programmes for its distributors worldwide and also provide onsite installation and commissioning services to its customers. This enables accurate transfer of operational knowledge to the respective stakeholders.

Our Company, through its USA subsidiary Valcomm Technologies participated at Distributech 2020 in January to show-case its Communications, Transmission, Protection, Grid Synchronization & Cyber Security products and solutions. The response for these innovative technologies was very encouraging. This participation has helped the company to open it South American market while introducing these technologies to its US customers.

Valiant Cyber-Security solutions are designed to assist organizations to detect, prevent, secure and protect their network against firewall breaches and cyber-attacks in real-time and to conduct forensic analysis and trace the attack route in real-time.

Valiant has developed an advanced comprehensive cyber defence strategy from generating alarms to isolating the network or to automatically switchover to redundant network / redundant firewall.

These products and technologies are required by all organizations and initiatives are being taken towards aggressive marketing of these solutions.

As reported in the last audited financial statements, the 58% of operating revenue came from India, while the balance 42% was from export markets.

With the various initiatives taken by the Government of India, under the leadership of our Hon'ble Prime Minister, such as 'Make-in-India' and 'Aatamnirbhar Bharat', the Indian business scenario is now looking more vibrant and promising.

Being an only Indian manufacturer Company in various products and technologies, the Company has a distinctive advantage over its MNCs competitors. All the initiatives taken by the Government of India

are helping the Company (being an indigenous manufacturer of communications, transmission, synchronization, and cyber security equipment) to capitalize its position in India.

There are substantial opportunities in India, wherein the products of the Company have been offered by the prominent industrial leaders in turnkey projects pertaining to power and defence sector of the country. These are expected to be unfolded shortly.

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

However, once the liquidity further improves, the Management is open to declare dividend in future.

Now I request Company Secretary to reply on the queries of certifications.”

Mr. Manish Kumar, Company Secretary:

“The confirmation of CEO and CFO certification of annual accounts as required by Listing Regulation 17 sub-regulation 8 are given on Page 25 of annual report.

Similarly, the confirmation of confirmation of signing of Code of Conduct by all Directors and Senior management, is given on Page 8 of annual report.

The same may referred there.”

Mr. Inder Mohan Sood:

“Ladies & Gentlemen, the agenda items have already been put to vote by remote e- voting and now being put for voting electronically during the Annual General Meeting.

I would like to inform you that pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided remote e-voting facilities to all its Members through Link Intime India Private Limited (LLIPL) in respect of each of the business contained in the Notice convening this AGM. Such remote e-voting opened on Saturday, 26th September, 2020 at 10:00 A.M. and concluded on Tuesday, 29 September, 2020 at 5:00 P.M.

Members present at this AGM, who have not cast their votes through remote e-voting may avail the facility of e-voting during this AGM.

I request the Company Secretary to share the e-voting details.”

Mr. Manish Kumar, Company Secretary:

“I would like to inform to the Shareholders that CS Mahesh Kr. Gupta from Mahesh Gupta & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for the purpose of scrutinizing the remote e-voting as well as e-voting during the AGM. Members present at this AGM, who have not cast their votes through remote e-voting may avail the facility of e-voting during this AGM.

The Results of the e-voting during this AGM along with the Results of the remote e-voting will be scrutinized and considered and a consolidated result will be declared subsequently. Please refer to the Notice for the same.”

Mr. Inder Mohan Sood:

“Ladies and Gentlemen, this concludes the transaction of business mentioned in the Notice convening the 27th AGM of the Company.

I now request the e-voting to take place. Please note that the e-voting can be done for another 15 minutes from the conclusion of this meeting.

Ladies & Gentlemen, this concludes the proceedings of the 27th Annual General Meeting of Valiant Communications Limited.

I thank you all once again and wish you and your family good health and prosperity!

I request the Board members may please leave the meeting at their convenience. Thank you for your participation. I request the Company Secretary to allow the members to cast their votes.”

Mr. Manish Kumar, Company Secretary:

“Thank you Chairman Sir! for the smooth conduct of the meeting.”

Note: The Video and Power Point file referred above are available at the website of the Company i.e. www.valiantcom.com