

Valiant Communications Limited

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

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Date: 27-01-2021

The Deputy General Manager
Corporate Relationship Department
BSE Limited, Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Fort,
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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 dated 12-06-2020, 14-08-2020 and 10-11-2020, 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



In this unprecedented COVID-19 crisis, the Management finds it prudent to disseminate the following important information in continuation to its erstwhile disclosures dated 12-06-2020, 14-08-2020 and 10-11-2020:

- i) The Company's manufacturing facilities and all site operations have resumed with its full employees' strength currently.
- ii) During the quarter under reporting:
 - a) **At consolidated level:** The net revenue of the Group is increased by 55% to ₹ 697 lac from ₹ 450 lac on quarterly basis. The growth is driven by exports, which contributes 84% of the consolidated revenue. The reported PBT stands at ₹ 167 lac Vs. loss of ₹ 62 lac; and reported PAT is ₹ 131 lac as compared to loss of ₹ 51 lac in corresponding previous quarter, witnessed by the improvement in Operating Profit Margin (OPM). The EPS for year-to-date, has resultantly improved to ₹ 2.22 from ₹ -0.12
 - b) **At standalone level:** The Company has posted its quarterly revenue figure at ₹ 667 lac (corresponding previous quarter: ₹ 391 lac) with growth rate of 71%. Whereas the PBT stands at ₹ 124 lac Vs. Loss of ₹ 71 lac; and reported PAT is ₹ 94 lac as compared to loss of ₹ 61 lac in corresponding previous quarter. The EBITDA margin is improved to 23.62% from -8.66%.
- iii) The Company has sufficient inventory of raw material of all key components, which shall be sufficient to meet demand in short-term to medium term with minimum cash-outflow.
- iv) The current position of supply chain is conducive at present; however, any escalation in lockdowns and/or imposition of movement restrictions by nations, may cause logistic challenges, specifically in exports.
- v) The liquidity position at group level is comfortable as provided below:

As at 31-12-2020	As at 30-09-2020	As at 31-03-2020
INR 1064 lacs	INR 1071 lacs	INR 970 lac

- vi) The Company and all its subsidiaries maintained its debt free status.
- vii) The Company does not see incremental risk to recoverability of assets (investments, Receivables, etc.) given the measures being taken to mitigate the COVID-19 situation.

- viii) The Company has recently completed fully indigenous design of Routers, Firewall, IEC 61850-3 complaint Ethernet Switches along with its exclusive range of related cyber-security products which it shall be offering for the forthcoming Bharatnet, Power Grid and Railway projects.

There exists a very large opportunity for indigenously designed and manufactured Routers, Firewalls and IEC 61850-3 complaint Ethernet Switches, as currently only the foreign made products of similar specifications are being offered in the Bharatnet project.

Bharatnet (also known as Bharat Broadband Network Limited) is the world's largest rural broadband project to provide connectivity to all 250,000 gram panchayats, covering nearly 625,000 villages in India.

In view of its initial stage, the management is confident that we are addressing a very large opportunity for supply of indigenously designed and manufactured communications, transmission and cyber security equipment for Bharatnet, Power Grid and Railway projects. This opportunity takes more importance due to the foresight of our Honorable Prime Minister Shri Modi Ji for implementing Government policies to promote Make in India and *Atmanirbhar Bharat* for the manufacturing and MSME sector in India.

- ix) The Company is expanding its marketing network in Europe and South America. The Company has appointed distributors in France, Spain, Portugal, Peru and Chile for its recently introduced Cyber-Security and Power Utility products.

In a recent development, Valiant has entered into 4 year rate contract under a frame agreement with the engineering major, Balkantel OOD for Bulgarian state-owned Power Utility ESO EAD, for supply and installation of its power utility products and solutions for the contract awarded to Balkantel OOD.

- x) Valcomm Technologies Inc., a wholly owned subsidiary of the Company has started to receive an encouraging response from USA and has contributed 19% of Group's revenue during the 9 months of current financial year.

Valcomm USA, has now been an approved vendor with Hargray Communications Group and Anixter (a Fortune 500 company). Valcomm USA made pilot project supplies of communications and synchronization equipment in the US to Power Utilities, Energy Cooperatives, Shale Oil & Gas, Hydro companies, regional Cable TV, Broadband Internet Service Providers and Government organizations.

- xi) In the current reported year to date revenue, only 16% of the operating revenue came from India, while the balance 84% 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.

In a first, a contract was awarded recently to the Company (being an Indian manufacturer) by the Power Grid Corporation of India under 'Aatamnirbhar Bharat' initiative, though, the Company was not the lowest bidder.

We wish to express our gratitude and our sincere "Thank You" to our Government for implementing the 'Make in India' and 'Atmanirbhar Bharat' policies to promote the manufacturing sector in India.

Being the only Indian manufacturer for various products in select domains, 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 unfold in the coming quarters.

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.
