

Valiant Communications Limited

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

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Date: 10-11-2023

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

Q2 FY 2023-24 | H1 FY 2023-24

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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 level for both at standalone and consolidated level in the reporting quarter ended 30-09-2023.

At Stand-alone Level (in ₹ Lacs)

Financial highlights

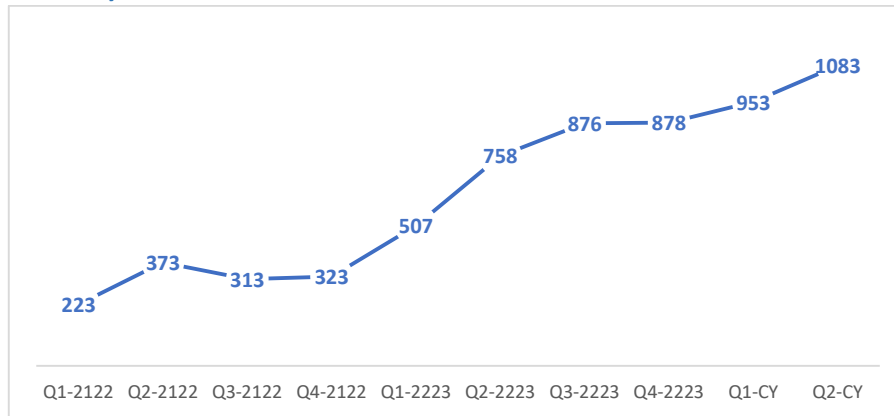
Half (H1) yearly basis:	H1-CY2023-24	H1-PY2022-23
Revenue	2,036	1,265
EBITDA [§]	416	125
PBT [#]	299	21
Operating EBITDA margin (%)	20.43%	9.87%

Quarterly basis:	Q2-CY2023-24	Q2-PY2022-23
Revenue	1,083	758
EBITDA [§]	232	113
PBT [#]	173	60
Operating EBITDA margin (%)	21.40%	14.88%

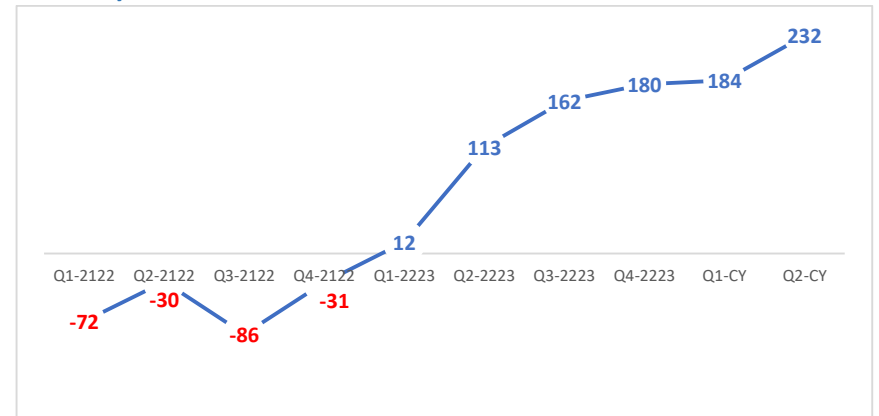
[§] EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortisation

[#] PBT stands for Profit before Tax.

Quarterly revenue



Quarterly EBITDA



At Consolidated Level (in ₹ Lacs)

Financial highlights

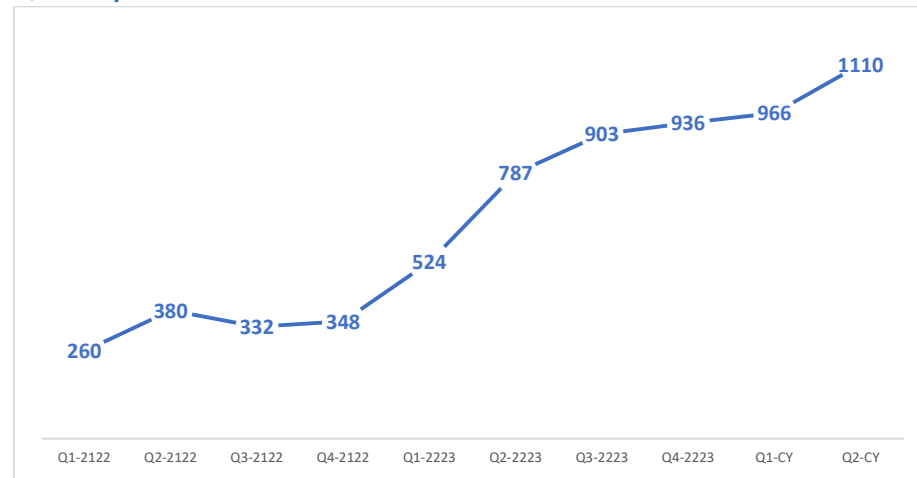
Half (H1) yearly basis:	H1-CY2023-24	H1-PY2022-23
Revenue	2,076	1,311
EBITDA [§]	420	116
PBT [#]	303	13
Operating EBITDA margin (%)	20.23%	8.87%

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

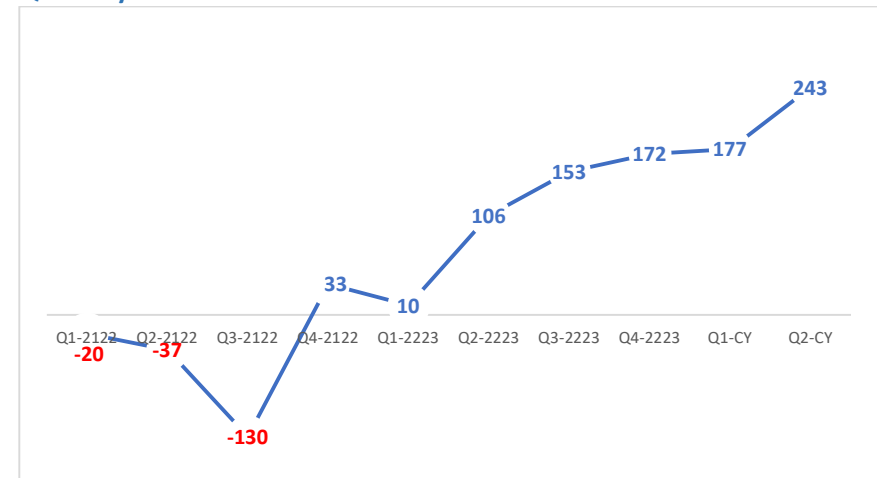
Quarterly basis:	Q2-CY2023-24	Q2-PY2022-23
Revenue	1,110	787
EBITDA [§]	243	106
PBT [#]	184	53
Operating EBITDA margin (%)	21.89%	13.50%

[#] PBT stands for Profit before Tax.

Quarterly revenue



Quarterly EBITDA



Business Updates:

- i) The current order book is healthy with the confirmed orders of ₹ 2,799 lacs and there are another ₹ 481 lac+ tenders, where the Company is declared as L1. The expected execution period for these orders is next 3 to 4 forthcoming quarters.
- ii) The management expects to improve its operating profit margins in forthcoming quarters in the light of:
 - Expected better product-mix;
 - Earlier years supplies are entering in AMC phase now, resulting a top-up revenue for services;
 - New cutting-edge technology driven products are being offered.
- iii) The shareholders are advised to visit the recent Press-releases to better understand the business and the technologies on which we work. The same are available at the website of the Company and can also be accessed by clicking [HERE](#).
- iv) Cyber Security business: The Company has executed its pilot order from the Grid Controller of India (formerly known as POSOCO), a Government of India Enterprise, for its Cyber Security equipment for deployment in power grid network in India.

Since Grid Controller of India is the apex body and the National Load Despatch Centre, it supervises over the Regional Load Despatch Centres and monitors the operations and grid security of the National Grid, the scale of the opportunity is large. The management expects to multiply this maiden opportunity at State level too.

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.

The successful deployment of Cyber Security equipment 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. Due to the unique cyber-security solutions that our Company offers, the opportunity appears of very large scale, both domestically and internationally.

- v) 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 satisfactory performance, the Company has received a purchase order and has also supplied its PMU to CSIR–NPL. It is important to mention that PMU is a key component of "One Nation, One Grid, One Frequency" 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.

Understanding PMU technology: The future of Phasor Measurement Unit (PMU) technology shall provide advancements in achieving a greater control in operations, interoperability, and integration of the evolving power grid. The PMU provides enhanced accuracy, monitoring and control of the power grid, with expected wide-scale deployment in the power grid infrastructure, enabling real-time monitoring across a broader range of locations, resulting in advanced analytics and machine learning to optimize grid operations and predictive maintenance. Further, the PMUs may play a crucial role in enhancing grid resilience against natural disasters and cyberattacks. As renewable energy sources continue to grow and become more diverse, the PMUs will be vital for managing the variable nature of renewables and ensuring grid stability. The PMUs will be essential for managing distributed energy resources. These use cases of PMUs will help make power grids more reliable, efficient, and capable of accommodating the changing energy landscape.

Being an indigenous manufacturer of PMUs, 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.

vi) Additionally, the Company has also completed its MPLS Routers supplies to Indian Railways. This is also a very important and scalable opportunity for the Company.

The opportunities of marketing of MPLS Routers are progressing very well to all other Government departments and also addressing global opportunities.

The importance of MPLS Routers for power grid and utility communications needs to be understood to show the scale of the addressable opportunity. MPLS technology allows for efficient traffic engineering, enabling power grid operators to prioritize and route critical data with low latency and high reliability. This is crucial for real-time monitoring and control of the grid, as the MPLS Router technology supports QoS features, this ensures that different types of traffic (e.g., control signals, sensor data, voice communication) receive the appropriate level of service. This helps maintain a consistent and predictable performance for grid applications. Further, MPLS networks can be configured to provide secure communication. By using Virtual Private Networks (VPNs) and encryption, sensitive power grid data can be protected from unauthorized access or tampering. As the MPLS networks are highly scalable, this makes them suitable for large-scale power grid deployments. As the grid infrastructure grows, MPLS can easily accommodate additional communication needs. MPLS Routers also allow for the segmentation of traffic into different virtual networks or VPNs. This isolation helps ensure that various components of the power grid, such as substations or control centres, remain separate and secure. Additionally, MPLS Routers are designed for complete redundancy using failover mechanisms, increasing the reliability of power grid communications. Features of Centralized Management make it easier to monitor, configure, and troubleshoot the communication infrastructure across the entire power grid and utility communication network. MPLS is protocol-agnostic, meaning that it can work with a variety of communication protocols and technologies. This flexibility is valuable in integrating diverse devices and systems within the power grid. And MPLS allows for in-depth performance monitoring, which is essential for identifying and addressing any network issues promptly. This is critical for ensuring the smooth operation of the power grid. MPLS technology also provides predictable and low-latency communication, which is vital for applications like real-time grid monitoring, fault detection, and response. All these features make MPLS routers a robust and versatile solution for power grid communication, addressing the unique requirements of this critical infrastructure.

MPLS Routers and MPLS technology also makes the transmission backbone of 4G and 5G mobile networks.

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

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.

- ix) At the export front, Valiant group has taken focused marketing initiatives to breakthrough into the international markets in France, Bulgaria, Romania, Switzerland, Philippines, Paraguay, Uruguay, Colombia, Peru, Mexico and Brazil in the Power and IT Sectors. During the period under reporting, the recent reference customers include:
- Sumaria Systems, USA (network solutions for Dept. of Defence).
 - Sio S.P.A., Italy (for Police Forces)
 - Department of Transportation (DoT), USA
 - Naval Surface Warfare Center, USA
 - Zoox Inc, USA (a subsidiary of Amazon Inc. developing autonomous vehicles)
 - Lockheed Martin Missiles and Fire Control (MFC)
 - Gore Nitrogen, USA (industrial, pipeline, and oil field service industries)
 - Atura Power, USA (largest fleet of combined-cycle turbine gas plants)

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.

- Both the Companies are determined to replicate their business synergies at the global level also. Valiant has recently announced the receipt of order from Tejas to supply its Communication, Protection and Synchronization solution. The supply shall be part of international contract awarded by Bhutan Power System Operator (BPSO) to Tejas (with Valiant's consortium). Valiant has also partnered with Tejas and another Tata' flagship company, for global power utility markets. Given the global reach of the Tata Group, the management is optimistic about the outcome about such opportunities. Please refer the recent Press Release issued for further details.
- 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.
- 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. Valiant and Tejas collectively introduced a comprehensive range of IT (Information Technology) and OT (Operational Technology) products that play an increasingly critical

roles in ensuring reliable, cyber safe, and efficient operation of utilities, power generation, transmission, and distribution systems. These solutions are used to provide end-to-end communication, transmission, protection, synchronization and cyber-security for Utilities and Power networks.

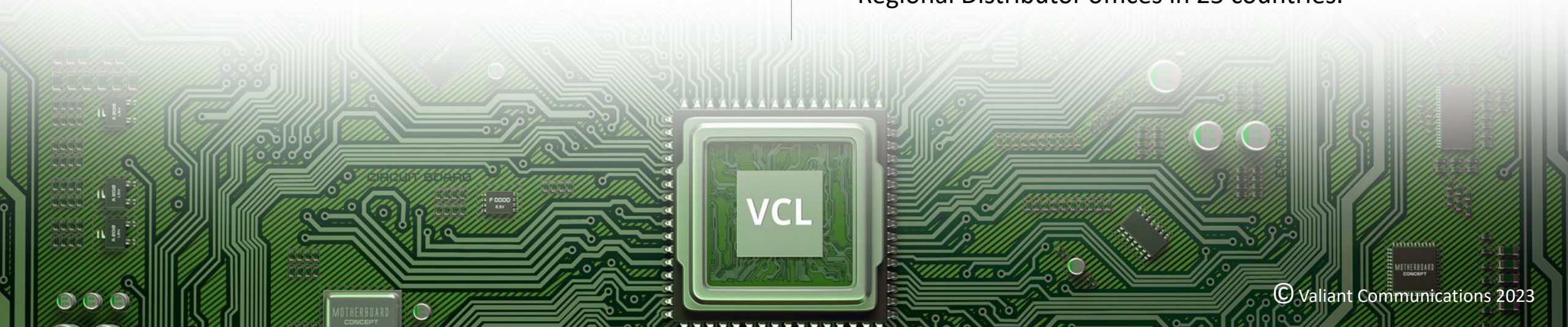
Cautionary Statement: *The future-outlook statements given above are forward looking and are based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company may alter, modify or otherwise change in any manner the above contents, without obligation to notify any person of such revision or changes.*

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



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