optiemus

27TH

# Annual Report 2019-20

OPTIEMUS INFRACOM LIMITED

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Ashok Gupta,** Executive Chairman
**Mrs. Renu Gupta,** Non-Executive Director
**Mr. Neetesh Gupta,** Non-Executive Director
**Mr. Tejendra Pal Singh Josen,** Independent Director
**Mr. Gautam Kanjilal,** Independent Director
**Mr. Charan Singh Gupta,** Independent Director
**Mr. Naresh Kumar Jain,** Independent Director

## KEY MANAGERIAL PERSONNEL

**Mr. Ashok Gupta,** Executive Chairman (Whole Time Director)
**Mr. Vikas Chandra,** Company Secretary & Compliance Officer
**Mr. Parveen Sharma,** Chief Financial Officer

## STATUTORY AUDITORS

M/s. Mukesh Raj & Co.
Chartered Accountants
C-63, First Floor, Preet Vihar,
New Delhi-110092

## BANKERS / FINANCIAL INSTITUTIONS

Indusind Bank Limited
State Bank of India
Tata Capital Financial Services Limited

## REGISTERED OFFICE

K-20, 2nd Floor, Lajpat Nagar - Part-2,
New Delhi-110 024
Ph. No.: 011-2984 0905, Fax: 011-2984 0908
Website: www.optiemus.com
E-mail: info@optiemus.com
CIN: L64200DL1993PLC054086

## CORPORATE OFFICE

Plot No. 2A, First Floor, Wing A,
Sector-126, Noida-201301 (U.P.)
Ph. No. : 0120-6726800-805
Fax: 0120-6726895

## REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) LTD.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi- 110 062
Phone: +91-11-2996 1281/83
Fax: +91-11-2996 1284
E-mail: beetal@beetalfinancial.com

## COMMITTEES OF BOARD

Audit Committee
Nomination & Remuneration Committee
Stakeholders Relationship Committee
Corporate Social Responsibility Committee
Internal Complaints Committee
Operations & Administration Committee

## LISTED AT

BSE Ltd.
National Stock Exchange of India Ltd.

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# CHAIRMAN'S MESSAGE

**Dear Stakeholders,**

It gives me immense pleasure to present the 27th Annual Report of the Company "Optiemus Infracom Limited" for the financial year 2019-20.

The year saw a challenging business environment with lower GDP growth and slowdown in consumption. The novel coronavirus has affected not just human health but severely impacted businesses and the society at large and the world economy is expected to take a big hit. Large-scale quarantines, travel restrictions and social-distancing measures is driving a sharp fall in consumer and business spending, producing a recession situation across world economies. India will be also no exception and the country wide lockdown has severely impacted Indian Businesses with reduced demand or loss of business.

To provide the much needed boost to the Indian economy our Hon'ble Prime Minister, Mr. Narendra Modi announced a special economic package with the aim of making the country independent against the tough competition in the global supply chain and to help in empowering the poor, laborers, migrants who have been adversely affected by COVID. The stimulus package was pivoted on "Atma Nirbhar Bharat". Following this announcement, the Finance Minister, Ms. Nirmala Sitharaman, through various press conferences, announced the detailed measures under the economic package which includes many policies and measures for businesses through financial or legislative aspects.

The Company is under view that these measures will help the economy and the businesses in India to flourish and become capable of catering to Indian and global demands. Amidst all the disruption and economic fallout, there is an opportunity for India to acquire new overseas markets as companies across the world look to derisk and diversify their supply chains or relocate their manufacturing hubs. Further, the government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies.

In April, 2020, the Ministry of Electronics and Information Technology launched a Production-Linked Incentive Scheme ("PLI") for electronics sector to become second largest mobile manufacturing country. The PLI Scheme offers a production linked incentive to boost domestic manufacturing and attract large investments in mobile phones manufacturing and specified electronic components.

For availing the benefits under the said scheme, Optiemus Electronics Limited, a Subsidiary of Optiemus Infracom Limited, filed an application for Manufacturing of Mobile Phones in India. If the subsidiary will be selected under the said scheme, the Company will get favorable outcomes from the said scheme in manufacturing and trading of mobile phones.

Further, your company has taken stringent measures to control the costs and increase revenues in the past few years. We are continuously focusing on introducing new innovative products at competitive prices to maintain better customer experience and on gaining smartphone market share while growing feature phone volumes. Your Company has always been upbeat and swift in understanding the needs of changing market and responding to them. Our emphasis on innovation will help us to achieve faster growth in years to come by offering a unique value proposition to our customers in terms of our product and service. We remain committed to uphold that vision and creating ever greater value for all our stakeholders.

I would like to express my gratitude to the Board members, employees, shareholders, customers, partners and bankers for the continued faith & support in the Company. I will look forward to your support and guidance, as always, to take this company to even greater heights.

**Thanking You,**

**Ashok Gupta**
**Executive Chairman**

# DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present the 27th Annual Report on the business and operations of the Company along with the Audited Annual Accounts for the financial year ended March 31, 2020.

## 1. FINANCIAL SYNOPSIS:

Key aspects of Financial Performance of the Company for the year ended March 31, 2020 are tabulated below pursuant to the Companies (Accounts) Rules, 2014.

The consolidated performance of the Company and its subsidiaries has also been set out herein, and wherever required:

**(INR in Lacs except EPS)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year ended 31.03.2020 | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2019 |
| Revenue from Operations | 34,131 | 40,107 | 37,285 | 119,598 |
| Total Expenses | 41,908 | 45,235 | 45,890 | 129,731 |
| Profit before Exceptional & Extraordinary Items and Tax | (7,479) | 187 | (7516) | (3,822) |
| Exceptional Items | - | - | - | - |
| Profit/(Loss) from associates and Joint Venture | - | - | (1,569) | (86) |
| Profit Before Tax | (7,479) | 187 | (9,085) | (3,909) |
| **Tax Expense:** | | | | |
| (1) Current Tax | - | 233 | - | 233 |
| (2) Deferred Tax | (611) | (241) | (598) | 121 |
| (3) Taxation Adjustment of previous year(net) | (2) | (26) | (2) | (121) |
| Profit After Tax | (6,866) | 222 | (8,485) | (5,940) |
| Total Comprehensive Income | (6,845) | 233 | (8,418) | (6,184) |
| Earnings per equity share | (7.98) | 0.27 | (9.81) | (7.21) |

## 2. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

In the last month of financial year 2019-20, the COVID-19 pandemic developed rapidly the global crisis, forcing Union & State Governments to enforce lock-downs of all economic activity. For your Company, the focus immediately shifted to ensure the health and well-being of all employees and on minimizing disruption for supply of goods and services to the customers.

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the underlying data and based on current estimates, the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

During the year, the standalone gross revenue from operations of the Company declined by 14.90% from Rs. 40,107 Lakh (FY 2018-19) to Rs. 34,131 Lakh and the Company recorded net loss of Rs. 6,866 Lakh during the year as against profit of Rs. 222 in previous FY 2018-19. In view of loss, Earning per share also decreased from 0.27 to (7.98). Detailed information on state of affairs of the Company is given in Management Discussion and Analysis Report forming part of this Report.

**3. SUBSIDIARIES AND ASSOCIATE COMPANIES**

As on 31st March, 2020, the Company has 4 (Four) unlisted subsidiary companies namely Optiemus Electronics Limited, FineMS Electronics Private Limited, Optiemus Infracom (Singapore) Pte Limited and Troosol Enterprises Private Limited and 2 (Two) Associate Companies viz. Teleecare Network India Private Limited and Optiaux Technologies Limited.

Out of 4 (four) subsidiaries, the Company has one material subsidiary viz. M/s Optiemus Electronics Limited, where material subsidiary is defined in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to mean a subsidiary, whose income or net worth exceeds 10% (Ten Percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Policy for determining ‘material’ subsidiaries is hosted on the website of the Company under the web link *https://www.optiemus.com/investors.html.*

Optiaux Technologies Limited, Associate Company was not carrying any business activity since its incorporation, therefore, in August, 2020, it has filed an application with the Registrar of Companies to strike off / remove its name from the Register of Companies.

Further, in accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the Company has prepared its consolidated financial statement including all of its subsidiaries and associates which is forming part of Annual Report.

A Report on Performance and Financial Position of each of the Subsidiaries and Associates Companies included in the Consolidated Financial Statement is presented in a separate section in this Annual Report. Please refer Form No. AOC-1 annexed to this report.

In terms of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been hosted on the company’ website under the web link https://www.optiemus.com/investors.html. Further, the annual accounts of each of the said subsidiary companies of the Company have also been hosted on the company’s website under the web link https://www.optiemus.com/investors.html.

**4. TRANSFER TO RESERVES**

The Company didn’t transfer any amount to General Reserve Account during the financial year ended March 31, 2020.

**5. DIVIDEND**

In view of loss incurred by the Company, the directors regret and express their inability to recommend dividend for the financial year ended March 31, 2020.

**6. DEPOSITS**

During the year, the Company didn’t accept any deposits within the meaning of the provisions of Section 73 of the Companies Act, 2013 and rules made thereunder.

**7. CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of business of the Company during the financial year 2019-20.

## 8. MATERIAL CHANGES AND COMMITTMENT

There were no material changes affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

Further, Public health epidemics or outbreaks could adversely impact our business. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, it has now spread to several other countries and infections have been reported globally.

The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others. In particular, the continued spread of the coronavirus globally could adversely impact our operations and financial results for the coming quarters.

## 9. NOMINATION AND REMUNERATION POLICY

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company has approved a policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. Extract of Nomination and Remuneration Policy of the Company is given in ***Annexure–1*** and forms part of this Report. The Policy is also available on the website of the Company and can be accessed at the web link *https://www.optiemus.com/investors.html.*

## 10. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as per the provisions of sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed Form MGT-9 is annexed to this Report as ***Annexure -2***. The Annual Return of the Company for the Financial Year 2019-2020 will also be available on the website of the Company at the web link *https://www.optiemus.com/investors.html.*

## 11. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2019-20, the Board met 7 (Seven) times on April 24, 2019, June 06, 2019, August 05, 2019, August 13, 2019, August 30, 2019, November 14, 2019 and February 12, 2020. The Maximum gap between the two meetings did not exceed 120 days. Detailed information on Board Meetings is given in Corporate Governance Report.

Further, during the year, a separate meeting of the Independent Directors of the Company was held on 12th February, 2020 to discuss and review the performance of all other Non- Independent Directors, Chairperson of the Company and the Board as a whole and for reviewing and assessing the matters as prescribed under Schedule IV of Companies Act, 2013 and Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance to clause (c) of sub section (3) of Section 134 of the Companies Act, 2013, to the best of their knowledge and belief, the Directors of your Company hereby confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) 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) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis;

(v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to the provisions of Section 186 of the Companies Act, 2013, details of Investments made, Loans and Guarantee given, falling under the provisions of Section 186 of the Companies Act, 2013, are given under Note No. 5a, 5b, 9e, and 28c of the notes to standalone financial statements.

**14. RISK MANAGEMENT FRAMEWORK**

The Company has taken necessary steps for risk management including identifying risk which may threaten the existence/ operations of the Company.

**15. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the amendments made in the provisions of Section 135 of the Companies Act, 2013 effective from September 19, 2018, the Company was not required to constitute Corporate Social Responsibility ("CSR") Committee for the FY 2019-20 as the Turnover, Networth, Net Profit during the preceding financial year 2018-19 didn't exceed the limits specified under Section 135 of the Companies Act, 2013. Accordingly, the Company was also not required to spend any amount towards CSR activities for the Financial Year 2019-20. Therefore, on the recommendation of CSR Committee, Board of Directors decided not to spend any amount towards CSR activities during the financial year 2019-20.

Further, Board of Directors decided not to dissolve the existing CSR Committee as the Turnover/Net worth/Profit of the Company may get increase in subsequent financial year. If the provisions of Section 135 of the Companies Act, 2013 will remain not applicable for continuous 2-3 financial years, then the Board will consider the matter to dissolve the committee.

As on 31st March, 2020, the CSR Committee comprise of the following Directors, namely-

| Name | Designation | Position |
|---|---|---|
| Mr. Naresh Kumar Jain | Independent Director | Chairman |
| Mr. Gautam Kanjilal | Independent Director | Member |
| Mr. Neetesh Gupta | Non-Executive Director | Member |

**16. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM**

Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, *inter alia*, provides for a mandatory requirement for all listed companies to establish a mechanism called, 'Whistle Blower Policy' for directors and employees to report to the management, instances of unethical behavior, actual or suspected, fraud or violation of the company's, code of conduct.

In compliance of the above requirements, your Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy which aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The Vigil (Whistle Blower) Mechanism aims to ensure that the Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

Further, your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Policy is hosted on the Company's website www.optiemus.com under the web link *https://www.optiemus.com/investors.html*.

## 17. DIRECTORS & KEY MANAGERIAL PERSONNEL

### a. Induction, re-appointment and Resignation

The following changes took place in the composition of Board of Directors and Key Managerial Personnel of the Company during the year under review:

a) Mr. Parveen Sharma was appointed as Chief Financial Officer and Key Managerial Personnel of the Company with effect from April 24, 2019.

b) Mr. Hardip Singh has been resigned from the position of Whole Time Director and Key Managerial Personnel of the Company with effect from September 05, 2019.

c) Mr. Ashok Gupta was re-appointed as a Whole-time Director, designated as Executive Chairman of the Company, for a period of further 3 (Three) years with effect from April 01, 2020 to March 31, 2023 by the shareholders of the Company in the 26th Annual General Meeting held on September 28, 2019.

Mr. Naresh Kumar Jain was appointed as an Independent Director for a 1st term of 5 (five) years from October 28, 2015 to October 27, 2020 and his term of office is going to expire on October 27, 2020, therefore, the Board, upon the recommendation of the Nomination and Remuneration Committee, in its meeting held on August 29, 2020 has approved the re-appointment of Mr. Jain for a Second Term of 5 (Five) years from October 28, 2020 to October 27, 2025 and recommends the matter for the approval of shareholders in the ensuing Annual General Meeting.

Further, in accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third of total Directors of the Company shall be liable to retire by rotation, out of which atleast one-third Directors shall retire at every Annual General Meeting. Hence, this year, Mr. Neetesh Gupta (DIN: 00030782) retires from the Board by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The details of Directors being recommended for re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 are contained in the Notice of ensuing Annual General Meeting of the Company. Appropriate resolutions seeking shareholders' approval to the appointment/re-appointment of Directors are included in the Notice of Annual General Meeting.

None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.

Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### b. Declaration by Independent Directors

The Company has received declarations from all the Independent Directors confirming and certifying that they continue to meet the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, all the Independent Directors fulfill the conditions for appointment/ re-appointment as an Independent Directors on the Board. Further, in the opinion of the Board, all the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iii) (a) of the Companies (Accounts) Rules, 2014.

Pursuant to Ministry of Corporate Affairs' Notification No. G.S.R. 804(E) dated December 01, 2019 all the Independent Directors have registered themselves in the databank of Indian Institute of Corporate Affairs (IICA).

c. **Inter-se relationship of Directors**

Mrs. Renu Gupta and Mr. Neetesh Gupta, Non-Executive Directors and Mr. Ashok Gupta, Executive Chairman are inter-related, wherein Mr. Neetesh Gupta is son of Mr. Ashok Gupta and Mrs. Renu Gupta. No relationship exist between other Directors/ KMP.

d. **Selection and Appointment of Directors**

The charter of Nomination and Remuneration Committee of the Board empowers it to review the structure, size, composition, and diversity of the Board, evaluation of existing skills, defining gaps and making necessary recommendations to the Board.

e. **Board Evaluation**

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the Annual Report to disclose the manner in which formal annual evaluation of the Board, its Committee and individual Directors is done and evaluation criteria thereof. Performance evaluation criteria for Board, Committees of the Board and Directors are placed on the Company's website www.optiemus.com under the web link *https://www.optiemus.com/investors.html* as a part of Company's Nomination & Remuneration Committee Policy.

Manner in which said evaluation was made by the Board is given below:

- Based on the criteria, a structured questionnaire was prepared after taking into consideration inter-alia the inputs received from the Directors (except for the director being evaluated) for the year under review. The structured questionnaire covered various aspects of the Board's functioning such as strategic alignment and direction, engagement alignment, composition and structure, dynamics and culture, ethical leadership and corporate citizenship, support to the Board, Committees evaluation and self-evaluation etc.
- The ratings for Non-Independent Directors were given by the Independent Directors at a separate meeting convened by them. The ratings for Independent Directors were given by all the Directors excluding the Independent Director being evaluated. The evaluation for performance of Committees was given by the entire Board.
- A consolidated summary of the ratings given by each of the directors was then prepared separately for Independent & Non-Independent Directors, based on which a report on performance evaluation was prepared in respect of the performance of the Board, Directors individually and Committee(s).
- The report on performance evaluation of Non Independent Directors so arrived at was then noted and discussed by the Nomination and Remuneration Committee.

The performance evaluation of Individual Directors including Chairman of the Board was done in accordance with the provisions of the Companies Act, 2013 and Listing Regulations and also based on the structured questionnaire mentioned above.

f. **Familiarization programme for Independent Directors**

SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and the applicable provisions of Companies Act, 2013 requires conduction of familiarization programme of the independent directors. On these lines, Board has always endeavored to keep Independent Directors updated about the latest happenings in the Company, Industry and legal framework, for which Periodic familiarization programmes are conducted for the directors about nature of industry, Business Model, roles, rights, responsibilities of Independent Directors, update on amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, SEBI (Prohibition of Insider Trading) Regulations, SEBI (Depositories and Participants) Regulations, Guidelines issued by SEBI regarding Board evaluation and its applicability to the Company etc.

## 18. PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in ***Annexure -3*** forming part of the Annual Report.

## 19. AUDITORS

### a) Statutory Auditors

At the 24th Annual General Meeting held on 8th December, 2017, the shareholders approved the appointment of M/s Mukesh Raj & Co. Chartered Accountants, (Firm Registration No. 016693N), as Statutory Auditors of the Company until the conclusion of 29th Annual General Meeting to be held in the year 2022.

The Company has received a certificate of eligibility from M/s. Mukesh Raj & Co, in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and a confirmation that they continue to hold valid peer review certificate as required under Listing Regulations.

The Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark or disclaimer. The observations of Statutory Auditors in its reports on standalone and consolidated financials are self-explanatory and therefore do not call for any further comments. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Auditors did not report any fraud during the year.

M/s Mukesh Raj & Co, Chartered Accountants have certified that the company has complied with the mandatory requirements of corporate governance as stipulated in Listing Regulations. The same is annexed to this report as ***Annexure -4***.

### b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s S.K. Batra & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2020-21. Secretarial Audit Report for the financial year 2019-20 as given by M/s S.K. Batra & Associates in the prescribed form MR-3 is annexed to this Report as ***Annexure -5***.

The adverse remarks contained in Secretarial Audit Report for the year under review and Company's reply thereto are as follows:

| Sr. No. | Adverse Remark | Company Reply |
|---|---|---|
| 1. | Annual Financial Results of the Company for the quarter and year ended 31st March, 2019 was filed after the due date i.e. 30.05.2019 as the Board Meeting was adjourned due to lack of quorum. | The Company has always been meticulous in complying with the SEBI Regulations but the submission of financial results for the quarter ended March 31, 2019 got delayed due to unavoidable circumstances i.e. Due to lack of quorum, the scheduled meeting dated 30.05.2019 was adjourned automatically on 06.06.2019 as per the provisions of Section 174 (4) of the Companies Act, 2013.<br>Necessary disclosures/intimations in this regard were |

| Sr. No. | Adverse Remark | Company Reply |
|---|---|---|
| | | given by the Company to Stock Exchange and shareholders. |
| 2. | During the F.Y. 2019-20, the Company has entered into material related party transactions in its ordinary course of business with its subsidiary "Optiemus Electronics Limited" for which shareholders' approval was required to be obtained. | During the F.Y. 2019-20, the Company has entered into material related party transactions in its ordinary course of business and on arm's length basis with its subsidiary "Optiemus Electronics Limited" ("OEL") for which shareholders' approval is required to be obtained as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.<br>To ratify the material related party transactions entered into by the Company during the F.Y. 2019-20 with OEL, the Board of Directors, based upon the recommendation of Audit Committee, recommended the matter to be placed before the shareholders in the Notice of ensuing Annual General Meeting for obtaining their approval. |

**Annual Secretarial Compliance Report**

A Secretarial Compliance Report for the financial year ended March 31, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s S.K. Batra & Associates, Secretarial Auditors and submitted to both the stock exchanges i.e. NSE and BSE.

c) **Cost Auditor**

Maintaining cost records as specified by the Central Government under section 148 (1) of the Companies Act, 2013 is not applicable on the Company. Hence, no Cost Auditor is appointed by the Company.

## 20. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements, *inter-alia*, of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition Redressal) Act, 2013". An Internal Complaint Committee has been set up to consider and redress all the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed-off during the Financial Year 2019-20:

- No. of complaints pending at the beginning : Nil
- No. of complaints received : Nil
- No. of complaints disposed-off : N.A.

## 21. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

Considering the nature of business of the Company, energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost. However, Capital expenditure on energy conservation equipment is not required, keeping in view the normal energy consumption in the business activity of the Company. Various Steps are being taken for conservation of energy and using alternate sources of energy, to name a few:

- Advocating switching off of lights and ACs when not required, turning off of PCs when not in use, setting higher temperatures on air conditioners etc. to reduce consumption.
- Installed various energy saving electrical devices for saving energy.
- Puts control on usage of other electrical equipment's.

Technology absorption

Taking into consideration the nature of Business of Company, No technology is being used.

Foreign exchange earnings and Outgo

The Company has continued to maintain focus on and avail of export opportunities based on economic considerations.

Foreign Exchange Earning & Outgo details are as follows:

| **Foreign Exchange details*** | **As on 31st March, 2020 (INR in Lacs)** |
|---|---:|
| Foreign Exchange Earnings (A)<br>(Including deemed exports & sales through export houses) | 739 |
| Foreign Exchange Outgo (B) | 3,725 |
| Net Foreign Exchange Earnings (A-B) | (2,986) |

***The Figures are on receipt/payment basis.***

**22. RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Further, the transactions entered into by the Company with one of its subsidiary viz. Optiemus Electronics Limited during the financial year 2019-20 are material as per the criteria specified in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for which shareholders' approval is required, therefore, the matter is being placed in the Notice of ensuing Annual General Meeting for obtaining approval of shareholders.

The disclosure of transactions as required under the provisions of Companies Act, 2013 attached herewith as **Annexure-6**. Further, suitable disclosures as required under IND AS have been made in Note 29 of the Notes to the financial statements.

The policy on Related Party Transactions as approved by the Board is hosted on the Company's website under the web link *https://www.optiemus.com/investors.html.*

**23. SIGNIFICANT AND MATERIAL ORDERS**

During the year, there was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**24. SHARE CAPITAL**

The paid-up equity share capital as on 31st March, 2020 was Rs. 85.81 Crore.

There was no public issue, rights issue, bonus issue, preferential issue or redemption of shares etc. made during the year. The Company has not issued shares with differential voting rights or sweat equity shares. Also, the Company has not granted any Stock Options during the year.

**25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

In the opinion of the Board, your Company has in place an adequate system of internal control commensurate with its size and nature of business. This system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Board has appointed M/s Rohit Kishan Garg & Co., Chartered Accountants as an Internal Auditors of the Company for the financial year 2020-21 and their audit reports are submitted to the Audit Committee of Board which reviews and approves performance of internal audit function and ensures the necessary checks and balances that may need to be built into the control system. The Board, in consultation with the Internal Auditors monitors and controls the major financial risk exposures.

**26. CORPORATE GOVERNANCE**

Your Company strives to ensure that best corporate governance practices are identified, adopted and consistently followed. It is ensured that the practices being followed by the Company are in alignment with its philosophy towards Corporate Governance. Your Company believes that good corporate governance is the basis for sustainable growth of the business and effective management of relationship among constituents of the system and always works towards strengthening this relationship through corporate fairness, transparency and accountability. Your Company give prime importance to reliable financial information, integrity transparency, fairness, empowerment and compliance with law in letter and spirit.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Corporate Governance' has been included in this Annual Report.

**27. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section and forms part of the Annual Report.

**28. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS**

The Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

**29. ACKNOWLEDGEMENT**

The Board of Directors wish to express their sincere appreciation for the co-operation and assistance received from the Bankers, Financial Institutions, Regulatory Authorities, Stakeholders including Customers and other business associates who have extended their valuable support and encouragement during the year under review.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every member of the Company.

The Board of Directors acknowledge the hard work, dedication, commitment and cooperation of the employees of the Company. The enthusiasm and unstinting efforts of the employees have enabled the Company to continue being a leading player in the Telecom Industry.

On behalf of the Board of Directors
For **Optiemus Infracom Limited**

**Ashok Gupta**
Executive Chairman
DIN: 00277434

Date : August 29, 2020
Place : Noida (U.P.)

# Annexure - 1
# EXTRACT OF NOMINATION & REMUNERATION POLICY

## Policy for appointment and removal of Director, KMP and Senior Management

**i) <u>Appointment criteria and qualifications:</u>**

**a. <u>Qualification & Expertise</u>**

- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

**b. <u>Age Limit</u>**

- The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director or Manager who is below the age of Twenty One years or has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- However, there is no such limit for appointment of Senior management and Directors other than Whole-time Director or Managing Director or Manager

**ii) <u>Term of appointment</u>:**

*a) Managing Director/Whole-time Director:*

The Company shall appoint or re-appoint any person as its Managing Director, Executive Director and manager for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

*b) Independent Director:*

- Any person to become Independent Director must comply the terms of qualification as defined under section 149(6) of the Companies Act, 2013 and under Listing Regulations.
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such person serves is restricted to seven listed companies as an Independent Director; and in case such person is serving as a Whole-time Director in any listed company the number of boards on which such person serves as Independent Director is restricted to three listed companies.

**iii) Evaluation:**

*For Executive Directors and Non-Executive Non Independent Directors*

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) in consultation with the Independent Directors of the Company.

*For Independent Directors*

Evaluation of Independent Director shall be carried on by the entire Board of the Company except the Director getting evaluated. The Criteria for evaluation of performance of Independent Directors should be in the format as laid down below:

Name of the Director:___________________

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

| Criteria for Evaluation | Sub Criteria for Evaluation | Rating |
|---|---|---|
| Attendance | Attendance and contribution at Board and Committee meetings. | |
| Based on in general knowledge, skills and job profile | His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards. | |
| | His knowledge in the area of expertise, business operations, processes and Corporate Governance. | |
| Based on Responsibilities & Obligations | His ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions. | |
| | Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity. | |
| | Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board. | |
| | Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency. | |
| | His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc. | |
| Based on overall understanding of the Company goals and performances | Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc. | |
| | His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders. | |
| Based on Team Performance | His/her contribution to enhance overall brand image of the Company. | |

Note: Rating 9 and above - excellent, between 7 to 8 – Very good, between 5 to 6 – Good, between 3 to 4 – Satisfactory and Less than 3 – Unsatisfactory.

**Procedure to rate the performance**

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of the each and every Director. The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

**iv) Removal:**

In the event of falling under any ground of disqualification or Vacation mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**v) Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the approval of shareholders of the Company if required under the Act.

**Policy relating to the Remuneration for the Executive Directors, KMP and Senior Management Personnel**

**i. General:**

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Nomination and Remuneration Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Nomination and Remuneration Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors/Manager.

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

e) Stock Options:

The Directors, KMP and Senior Management excluding Independent Directors shall be entitled to stock option of the Company.

**ii. Remuneration**

*a. To Executive Directors, KMP & Senior Management*

- Fixed pay:

  The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the

Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

  If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors/Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

  If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**iii. Remuneration to Non- Executive / Independent Director:**

- Sitting Fees:

  The Independent Directors of the Company are entitled to receive remuneration by way of fees for attending meetings of Board or Committee thereof for an amount as may be approved/ revised by the Board of Directors, however, within the prescribed Statutory limit Rs.1,00,000 per meeting of the Board or Committee thereof.

- Commission:

  Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

  Text of entire policy is available on website under web link https://optiemus.com/policies.html.

# ANNEXURE - 2
## FORM NO. MGT 9
## EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2020

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014*

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| **I** | **CIN** | L64200DL1993PLC054086 |
| **Ii** | **Registration Date** | 17/06/1993 |
| **Iii** | **Name of the Company** | Optiemus Infracom Limited |
| **Iv** | **Category/Sub-category of the Company** | Company limited by shares |
| **V** | **Address of the Registered office & contact details** | **Address:** K-20, 2nd Floor, Lajpat Nagar Part - 2, New Delhi-110 024, **Ph. No.:** 011-29840906/7/8<br>**E-mail:** info@optiemus.com |
| **Vi** | **Whether listed company** | Yes |
| **vii** | **Name, Address & contact details of the Registrar & Transfer Agent, if any.** | **Name:** Beetal Financial & Computer Services(P) Ltd.<br>**Address:** Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062<br>**Ph. No.:** 011-29961281-83<br>**E-mail:** beetal@beetalfinancial.com |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:

| S. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---|---|---|---|
| 1. | Telecommunication-Mobile Handset & Accessories | 4652 | 87.97% |
| 2. | Rental Income | 6810 | 10.49% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company - NIL

| S. No. | Name | Address of the Company | CIN/Registration No. | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Optiemus Electronics Limited | K-20, Second Floor, Lajpat Nagar Part-2, New Delhi-110024 | U32300DL2016PLC290355 | 80.09 | 2(87) |
| 2 | FineMS Electronics Private Limited | Plot No. 2A, First Floor, Sector, 126, Noida, Gautam Buddha Nagar, Uttar Pradesh -201301 | U32100UP2016PTC084743 | 60 | 2(87) |
| 3 | Optiemus Infracom (Singapore) Pte. Ltd. | 101 Cecil Street, # 11-10, Tong Eng Building, Singapore - 069533 | 201129975E | 100 | 2(87) |

| | | | | | |
|---|---|---|---|---|---|
| 4 | Troosol Enterprises Private Limited | Plot No. 2A, First Floor, Sector-126, Noida, Uttar Pradesh- 201301 | U74120UP2016PTC075631 | 60 | 2(87) |
| 5 | Teleecare Network India Private Limited | RZ-340A,Gali No. 11D, Kailash Puri Extension, Palam New Delhi - 110045 | U64202DL2003PTC119799 | 46.22 | 2(6) |
| 6 | Optiaux Technologies Private Limited | K-20, Second Floor, Lajpat Nagar Part-2, New Delhi-110024 | U72900DL2018PTC338944 | 50 | 2(6) |

## IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

### A) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1-April-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters Shareholding** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 25562041 | - | 25562041 | 29.79 | 25562041 | - | 25562041 | 29.79 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 38738500 | - | 38738500 | 45.14 | 38738500 | - | 38738500 | 45.14 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| **Sub Total (A)(1)** | **64300541** | **-** | **64300541** | **74.93** | **64300541** | **-** | **64300541** | **74.93** | **-** |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| **Sub Total (A)(2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Shareholding of Promoter (A = (A)(1)+(A)(2)** | **64300541** | **-** | **64300541** | **74.93** | **64300541** | **-** | **64300541** | **74.93** | **-** |
| **B. Public Shareholding** | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | 50078 | - | 50078 | 0.06 | 0.06 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1-April-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| i) Others: Foreign Portfolio Investors | - | - | - | - | 470000 | - | 470000 | 0.55 | 0.55 |
| **Sub-total (B)(1):-** | **-** | **-** | **-** | **-** | **520078** | **-** | **520078** | **0.61** | **0.61** |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corporate: | | | | | | | | | |
| i) Indian | 14887205 | 194400 | 15081605 | 17.57 | 12427089 | 194400 | 12621489 | 14.70 | (2.86) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakhs | 955196 | 708739 | 1663935 | 1.94 | 1190012 | 673433 | 1863445 | 2.17 | 0.23 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs | 4038266 | 125400 | 4163666 | 4.85 | 5427211 | 110400 | 5537611 | 6.45 | 1.60 |
| c) Others (specify) | | | | | | | | | |
| Clearing Member | 26394 | - | 26394 | 0.03 | 81853 | - | 81853 | 0.09 | 0.06 |
| HUF | 571950 | - | 571950 | 0.67 | 875182 | - | 875182 | 1.02 | 0.35 |
| NRI | 6100 | - | 6100 | 0.01 | 13992 | - | 13992 | 0.02 | 0.01 |
| **Sub-total (B)(2):-** | **20485111** | **1028539** | **21513650** | **25.07** | **20015339** | **978233** | **20993572** | **24.46** | **(0.61)** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | **20485111** | **1028539** | **21513650** | **25.07** | **20535417** | **978233** | **21513650** | **25.07** | **-** |
| **C. Shares held by Custodian for GDRs & ADRs** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Grand Total (A+B+C)** | **84785652** | **1028539** | **85814191** | **100** | **84835958** | **978233** | **85814191** | **100** | **-** |

## B) Shareholding of Promoter-

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares* | |
| 1 | Ashok Gupta | 5754894 | 6.71 | - | 5754894 | 6.71 | - | - |
| 2 | Deepesh Gupta | 5365029 | 6.25 | - | 5365029 | 6.25 | - | - |
| 3 | Mukesh Kumar Gupta | 1123200 | 1.31 | - | 1123200 | 1.31 | - | - |
| 4 | Neetesh Gupta | 5214607 | 6.08 | - | 5214607 | 6.08 | - | - |
| 5 | Rekha Gupta | 1123200 | 1.31 | - | 1123200 | 1.31 | - | - |
| 6 | Renu Gupta | 6981111 | 8.13 | - | 6981111 | 8.13 | - | - |
| 7 | GRA Enterprises Pvt. Ltd. | 38738500 | 45.14 | *11.65 | 38738500 | 45.14 | *25.42 | - |
| | **Total Shareholding** | **64300541** | **74.93** | ***11.65** | **64300541** | **74.93** | ***25.42** | **-** |

*% is calculated on the basis of total paid-up shares of the Company.

## C) Change in Promoters' Shareholding

| S. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 64300541 | 74.93 | 64300541 | 74.93 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.): | No Change during the year | | | |
| | At the end of the year | 64300541 | 74.93 | 64300541 | 74.93 |

## D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For Each of the Top 10 Shareholders | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **Cross Border Imports Private Limited** | | | | | |
| | **At the Beginning of the year** | | 2565038 | 2.99 | 2565038 | 2.99 |
| | Changes during the year | | | | | |
| | 14-Jun-19 | Buy | 21155 | 0.02 | 2586193 | 3.01 |
| | 21-Jun-19 | Buy | 2700 | 0.00 | 2588893 | 3.02 |
| | **At the end of the year** | | 2588893 | 3.02 | 2588893 | 3.02 |
| 2 | **Harsimrat Investments Private Limited** | | | | | |
| | **At the Beginning of the year** | | 2915000 | 3.40 | 2915000 | 3.40 |
| | Changes during the year | | | | | |
| | 05-Apr-19 | Sell | (110000) | (0.13) | 2805000 | 3.27 |
| | 26-Apr-19 | Sell | (30000) | (0.03) | 2775000 | 3.23 |
| | 10-May-19 | Sell | (300000) | (0.35) | 2475000 | 2.88 |
| | 07-Jun-19 | Buy | 40000 | 0.05 | 2515000 | 2.93 |
| | 14-Jun-19 | Sell | (95000) | (0.11) | 2420000 | 2.82 |
| | 21-Jun-19 | Sell | (75000) | (0.09) | 2345000 | 2.73 |
| | 11-Oct-19 | Buy | 41200 | 0.05 | 2386200 | 2.78 |
| | **At the end of the year** | | 2386200 | 2.78 | 2386200 | 2.78 |
| 3 | **Arcadia Share & Stock Brokers Pvt. Ltd** | | | | | |
| | **At the Beginning of the year** | | 965076 | 1.12 | 965076 | 1.12 |
| | Changes during the year | | | | | |
| | 05-Apr-19 | Buy | 100000 | 0.12 | 1065076 | 1.24 |
| | 12-Apr-19 | Buy | 9028 | 0.01 | 1074104 | 1.25 |
| | 19-Apr-19 | Buy | 70175 | 0.08 | 1144279 | 1.33 |
| | 26-Apr-19 | Buy | 125499 | 0.15 | 1269778 | 1.48 |
| | 17-May-19 | Sell | (1039) | 0.00 | 1268739 | 1.48 |
| | 31-May-19 | Sell | (4600) | (0.01) | 1264139 | 1.47 |

| S. No. | For Each of the Top 10 Shareholders | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | 07-Jun-19 | Sell | (5000) | (0.01) | 1259139 | 1.47 |
| | 14-Jun-19 | Buy | 159010 | 0.19 | 1418149 | 1.65 |
| | 21-Jun-19 | Buy | 250000 | 0.29 | 1668149 | 1.94 |
| | 28-Jun-19 | Buy | 38079 | 0.04 | 1706228 | 1.99 |
| | 05-Jul-19 | Buy | 43496 | 0.05 | 1749724 | 2.04 |
| | 12-Jul-19 | Sell | (12998) | (0.02) | 1736726 | 2.02 |
| | 19-Jul-19 | Buy | 16390 | 0.02 | 1753116 | 2.04 |
| | 26-Jul-19 | Sell | (5119) | (0.01) | 1747997 | 2.04 |
| | 02-Aug-19 | Sell | (6705) | (0.01) | 1741292 | 2.03 |
| | 09-Aug-19 | Sell | (17923) | (0.02) | 1723369 | 2.01 |
| | 16-Aug-19 | Sell | (10379) | (0.01) | 1712990 | 2.00 |
| | 23-Aug-19 | Sell | (13367) | (0.02) | 1699623 | 1.98 |
| | 30-Aug-19 | Sell | (18734) | (0.02) | 1680889 | 1.96 |
| | 13-Sep-19 | Buy | 200000 | 0.23 | 1880889 | 2.19 |
| | 20-Sep-19 | Sell | (15885) | (0.02) | 1865004 | 2.17 |
| | 27-Sep-19 | Sell | (39377) | (0.05) | 1825627 | 2.13 |
| | 11-Oct-19 | Sell | (9007) | (0.01) | 1816620 | 2.12 |
| | 18-Oct-19 | Sell | (21017) | (0.02) | 1795603 | 2.09 |
| | 01-Nov-19 | Buy | 500 | 0.00 | 1796103 | 2.09 |
| | 08-Nov-19 | Sell | (2470) | 0.00 | 1793633 | 2.09 |
| | 15-Nov-19 | Sell | (1000) | 0.00 | 1792633 | 2.09 |
| | 22-Nov-19 | Sell | (1600) | 0.00 | 1791033 | 2.09 |
| | 29-Nov-19 | Sell | (2000) | 0.00 | 1789033 | 2.08 |
| | 06-Mar-20 | Buy | 6149 | 0.01 | 1795182 | 2.09 |
| | 13-Mar-20 | Sell | (10000) | (0.01 | 1785182 | 2.08 |
| | 27-Mar-20 | Buy | 99196 | 0.12 | 1884378 | 2.20 |
| | 31-Mar-20 | Sell | (25235) | (0.03) | 1859143 | 2.17 |
| | **At the end of the year** | | 1859143 | 2.17 | 1859143 | 2.17 |
| 4 | **Dhiru Realestates Private Limited** | | | | | |
| | **At the Beginning of the year** | | 1765808 | 2.06 | 1765808 | 2.06 |
| | Changes during the year | | | | | |
| | 05-Apr-19 | Sell | (20000) | (0.02) | 1745808 | 2.03 |
| | 12-Apr-19 | Sell | (22238) | (0.03) | 1723570 | 2.01 |
| | 26-Apr-19 | Sell | (23000) | (0.03) | 1700570 | 1.98 |
| | 17-May-19 | Sell | (27070) | (0.03) | 1673500 | 1.95 |
| | 14-Jun-19 | Sell | (55000) | (0.06) | 1618500 | 1.89 |
| | 21-Jun-19 | Sell | (170500) | (0.20) | 1448000 | 1.69 |
| | 09-Aug-19 | Sell | (1831) | 0.00 | 1446169 | 1.69 |
| | 16-Aug-19 | Sell | (2042) | 0.00 | 1444127 | 1.68 |
| | 27-Sep-19 | Sell | (561) | 0.00 | 1443566 | 1.68 |

| S. No. | For Each of the Top 10 Shareholders | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | 04-Oct-19 | Buy | 4265 | 0.00 | 1447831 | 1.69 |
| | 18-Oct-19 | Sell | (5017) | (0.01) | 1442814 | 1.68 |
| | 10-Jan-20 | Sell | (74049) | (0.09) | 1368765 | 1.60 |
| | **At the end of the year** | | 1368765 | 1.60 | 1368765 | 1.60 |
| 5 | **Pataliputra International Limited** | | | | | |
| | **At the Beginning of the year** | | 1944228 | 2.27 | 1944228 | 2.27 |
| | Changes during the year | | | | | |
| | 24-May-19 | Sell | (32501) | (0.04) | 1911727 | 2.23 |
| | 31-May-19 | Sell | (327399) | (0.38) | 1584328 | 1.85 |
| | 14-Jun-19 | Sell | (70000) | (0.08) | 1514328 | 1.76 |
| | 21-Jun-19 | Sell | (26500) | (0.03) | 1487828 | 1.73 |
| | 28-Jun-19 | Sell | (35700) | (0.04) | 1452128 | 1.69 |
| | 05-Jul-19 | Sell | (73461) | (0.09) | 1378667 | 1.61 |
| | 12-Jul-19 | Sell | (64339) | (0.07) | 1314328 | 1.53 |
| | 26-Jul-19 | Sell | (20000) | (0.02) | 1294328 | 1.51 |
| | 02-Aug-19 | Sell | (100000) | (0.12) | 1194328 | 1.39 |
| | 09-Aug-19 | Buy | 75000 | 0.09 | 1269328 | 1.48 |
| | 23-Aug-19 | Sell | (510000) | (0.59) | 759328 | 0.88 |
| | 13-Sep-19 | Sell | (3335) | 0.00 | 755993 | 0.88 |
| | 20-Sep-19 | Buy | 174016 | 0.20 | 930009 | 1.08 |
| | 27-Sep-19 | Buy | 244007 | 0.28 | 1174016 | 1.37 |
| | 04-Oct-19 | Buy | 256784 | 0.30 | 1430800 | 1.67 |
| | 11-Oct-19 | Sell | (26335) | (0.03) | 1404465 | 1.64 |
| | 18-Oct-19 | Sell | (58851) | (0.07) | 1345614 | 1.57 |
| | 25-Oct-19 | Sell | (79595) | (0.09) | 1266019 | 1.48 |
| | 01-Nov-19 | Sell | (106019) | (0.12) | 1160000 | 1.35 |
| | 08-Nov-19 | Buy | 12939 | 0.02 | 1172939 | 1.37 |
| | 15-Nov-19 | Buy | 11469 | 0.01 | 1184408 | 1.38 |
| | 22-Nov-19 | Buy | 42755 | 0.05 | 1227163 | 1.43 |
| | 29-Nov-19 | Buy | 4379 | 0.01 | 1231542 | 1.44 |
| | 06-Dec-19 | Buy | 16599 | 0.02 | 1248141 | 1.45 |
| | 13-Dec-19 | Buy | 29629 | 0.03 | 1277770 | 1.49 |
| | 20-Dec-19 | Buy | 6848 | 0.01 | 1284618 | 1.50 |
| | 27-Dec-19 | Sell | (809) | 0.00 | 1283809 | 1.50 |
| | 03-Jan-20 | Buy | 1047 | 0.00 | 1284856 | 1.50 |
| | 10-Jan-20 | Buy | 41689 | 0.05 | 1326545 | 1.55 |
| | 17-Jan-20 | Sell | (35066) | (0.04) | 1291479 | 1.51 |
| | 24-Jan-20 | Buy | 4213 | 0.00 | 1295692 | 1.51 |
| | 31-Jan-20 | Buy | 1978 | 0.00 | 1297670 | 1.51 |
| | 07-Feb-20 | Buy | 12749 | 0.01 | 1310419 | 1.53 |

| S. No. | For Each of the Top 10 Shareholders | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | 14-Feb-20 | Buy | 46522 | 0.05 | 1356941 | 1.58 |
| | 21-Feb-20 | Sell | (15645) | (0.02) | 1341296 | 1.56 |
| | 28-Feb-20 | Sell | (29230) | (0.03) | 1312066 | 1.53 |
| | 06-Mar-20 | Sell | (4945) | (0.01) | 1307121 | 1.52 |
| | 13-Mar-20 | Sell | (144534) | (0.17) | 1162587 | 1.35 |
| | 20-Mar-20 | Sell | (1168) | 0.00 | 1161419 | 1.35 |
| | 27-Mar-20 | Buy | 6947 | 0.01 | 1168366 | 1.36 |
| | 31-Mar-20 | Sell | (560) | 0.00 | 1167806 | 1.36 |
| | **At the end of the year** | | 1167806 | 1.36 | 1167806 | 1.36 |
| **6** | **Globe Capital Market Ltd** | | | | | |
| | **At the Beginning of the year** | | 458752 | 0.53 | 458752 | 0.53 |
| | Changes during the year | | | | | |
| | 12-Apr-19 | Sell | (947) | 0.00 | 457805 | 0.53 |
| | 19-Apr-19 | Buy | 547 | 0.00 | 458352 | 0.53 |
| | 26-Apr-19 | Sell | (155) | 0.00 | 458197 | 0.53 |
| | 24-May-19 | Sell | (1890) | 0.00 | 456307 | 0.53 |
| | 31-May-19 | Buy | 7092 | 0.01 | 463399 | 0.54 |
| | 07-Jun-19 | Sell | (2421) | 0.00 | 460978 | 0.54 |
| | 14-Jun-19 | Buy | 813053 | 0.95 | 1274031 | 1.48 |
| | 21-Jun-19 | Sell | (53552) | (0.06) | 1220479 | 1.42 |
| | 28-Jun-19 | Sell | (17003) | (0.02) | 1203476 | 1.40 |
| | 05-Jul-19 | Sell | (8100) | (0.01) | 1195376 | 1.39 |
| | 19-Jul-19 | Sell | (1900) | 0.00 | 1193476 | 1.39 |
| | 26-Jul-19 | Buy | 16219 | 0.02 | 1209695 | 1.41 |
| | 02-Aug-19 | Sell | (53161) | (0.06) | 1156534 | 1.35 |
| | 09-Aug-19 | Sell | (156167) | (0.18) | 1000367 | 1.17 |
| | 16-Aug-19 | Buy | 50000 | 0.06 | 1050367 | 1.22 |
| | 23-Aug-19 | Buy | 48000 | 0.06 | 1098367 | 1.28 |
| | 30-Aug-19 | Sell | (2335) | 0.00 | 1096032 | 1.28 |
| | 06-Sep-19 | Sell | (3782) | 0.00 | 1092250 | 1.27 |
| | 13-Sep-19 | Sell | (3100) | 0.00 | 1089150 | 1.27 |
| | 20-Sep-19 | Sell | (3900) | 0.00 | 1085250 | 1.26 |
| | 27-Sep-19 | Buy | 39220 | 0.05 | 1124470 | 1.31 |
| | 04-Oct-19 | Sell | (13686) | (0.02) | 1110784 | 1.29 |
| | 11-Oct-19 | Sell | (41200) | (0.05) | 1069584 | 1.25 |
| | 18-Oct-19 | Buy | 200 | 0.00 | 1069784 | 1.25 |
| | 25-Oct-19 | Sell | (51432) | (0.06) | 1018352 | 1.19 |
| | 01-Nov-19 | Buy | 63432 | 0.07 | 1081784 | 1.26 |
| | 08-Nov-19 | Sell | (12000) | (0.01) | 1069784 | 1.25 |
| | 06-Dec-19 | Sell | (9309) | (0.01) | 1060475 | 1.24 |
| | 10-Jan-20 | Buy | 5353 | 0.01 | 1065828 | 1.24 |

| S. No. | For Each of the Top 10 Shareholders | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | 17-Jan-20 | Buy | 32340 | 0.04 | 1098168 | 1.28 |
| | 24-Jan-20 | Sell | (38374) | (0.04) | 1059794 | 1.24 |
| | 31-Jan-20 | Buy | 681 | 0.00 | 1060475 | 1.24 |
| | 28-Feb-20 | Buy | 32020 | 0.04 | 1092495 | 1.27 |
| | 06-Mar-20 | Buy | 9262 | 0.01 | 1101757 | 1.28 |
| | 13-Mar-20 | Buy | 79718 | 0.09 | 1181475 | 1.38 |
| | 20-Mar-20 | Sell | (121000) | (0.14) | 1060475 | 1.24 |
| | **At the end of the year** | | 1060475 | 1.24 | 1060475 | 1.24 |
| 7 | **Hayward Technologies Private Limited** | | | | | |
| | **At the Beginning of the year** | | 2600000 | 3.03 | 2600000 | 3.03 |
| | Changes during the year | | | | | |
| | 24-May-19 | Sell | (200000) | (0.23) | 2400000 | 2.80 |
| | 14-Jun-19 | Sell | (1000000) | (1.17) | 1400000 | 1.63 |
| | 12-Jul-19 | Buy | 34908 | 0.04 | 1434908 | 1.67 |
| | 23-Aug-19 | Sell | (500000) | (0.58) | 934908 | 1.09 |
| | 06-Mar-20 | Buy | 9729 | 0.01 | 944637 | 1.10 |
| | **At the end of the year** | | 944637 | 1.10 | 944637 | 1.10 |
| 8 | **Sunita Singh** | | | | | |
| | **At the Beginning of the year** | | 850000 | 0.99 | 850000 | 0.99 |
| | Changes during the year | | NIL | | | |
| | **At the end of the year** | | 850000 | 0.99 | 850000 | 0.99 |
| 9 | **Vijay Kumar** | | | | | |
| | **At the Beginning of the year** | | 659282 | 0.77 | 659282 | 0.77 |
| | Changes during the year | | | | | |
| | 05-Apr-19 | Sell | (25000) | (0.03) | 634282 | 0.74 |
| | 12-Apr-19 | Sell | (75000) | (0.09) | 559282 | 0.65 |
| | 19-Apr-19 | Sell | (15000) | (0.02) | 544282 | 0.63 |
| | 26-Apr-19 | Sell | (42620) | (0.05) | 501662 | 0.58 |
| | 17-May-19 | Sell | (2919) | 0.00 | 498743 | 0.58 |
| | 24-May-19 | Buy | 198823 | 0.23 | 697566 | 0.81 |
| | 31-May-19 | Sell | (30000) | (0.03) | 667566 | 0.78 |
| | 14-Jun-19 | Sell | (4263) | 0.00 | 663303 | 0.77 |
| | 21-Jun-19 | Sell | (973) | 0.00 | 662330 | 0.77 |
| | 28-Jun-19 | Sell | (2258) | 0.00 | 660072 | 0.77 |
| | **At the end of the year** | | 660072 | 0.77 | 660072 | 0.77 |
| 10 | **Capston Capital Partners** | | | | | |
| | **At the Beginning of the year** | | 95000 | 0.11 | 95000 | 0.11 |
| | Changes during the year | | | | | |
| | 31-Jan-20 | Buy | 375000 | 0.44 | 470000 | 0.55 |
| | **At the end of the year** | | 470000 | 0.55 | 470000 | 0.55 |

**E. Shareholding of Directors and Key Managerial Personnel:**

| S. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **Ashok Gupta - Executive Chairman** | | | | |
| | At the beginning of the year | 5754894 | 6.71 | 5754894 | 6.71 |
| | Changes during the year | | NIL | | |
| | At the end of the year | 5754894 | 6.71 | 5754894 | 6.71 |
| 2 | **Renu Gupta - Director** | | | | |
| | At the beginning of the year | 6981111 | 8.14 | 6981111 | 8.14 |
| | Changes during the year | | NIL | | |
| | At the end of the year | 6981111 | 8.14 | 6981111 | 8.14 |
| 3 | **Neetesh Gupta - Director** | | | | |
| | At the beginning of the year | 5214607 | 6.08 | 5214607 | 6.08 |
| | Changes during the year | | NIL | | |
| | At the end of the year | 5214607 | 6.08 | 5214607 | 6.08 |
| 4 | **Tejendra Pal Sigh Josen - Director** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | | NIL | | |
| | At the end of the year | - | - | - | - |
| 5 | **Gautam Kanjilal - Director** | | | | |
| | At the beginning of the year | 2850 | 0.00 | 2850 | 0.00 |
| | Changes during the year | | NIL | | |
| | At the end of the year | 2850 | 0.00 | 2850 | 0.00 |
| 6 | **Charan Singh Gupta - Director** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | | NIL | | |
| | At the end of the year | - | - | - | - |
| 7 | **Naresh Kumar Jain- Director** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | | NIL | | |
| | At the end of the year | - | - | - | - |
| 9 | **Vikas Chandra- Company Secretary** | | | | |
| | At the beginning of the year | 40 | 0.00 | 40 | 0.00 |
| | Changes during the year | | NIL | | |
| | At the end of the year | 40 | 0.00 | 40 | 0.00 |
| 10 | **Parveen Sharma- Chief Financial Officer** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | | NIL | | |
| | At the end of the year | - | - | - | - |

## V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

**(INR in lacs)**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 23421 | 460 | - | 23881 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **23421** | **460** | **-** | **23881** |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | - | - | - | - |
| * Reduction | (987) | (10) | - | (997) |
| **Net Change** | **(987)** | **(10)** | **-** | **(997)** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 22434 | 450 | - | 22884 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **22434** | **450** | **-** | **22884** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(INR in lacs)**

| S. No. | Particulars of Remuneration | Name of MD/WTD | | Total Amount |
|---|---|---|---|---|
| | | Mr. Ashok Gupta* | Mr. Hardip Singh** | |
| | | Whole Time Director (Executive Chairman) | Whole Time Director | |
| 1 | Gross salary: | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 16.38 | 16.38 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 1.44 | 1.44 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | | | |
| | - others, specify… | - | - | - |
| 5 | Others, please specify | - | - | - |
| | **Total (A)** | **-** | **-** | **17.82** |
| | Ceiling as per the Act | NIL, due to loss incurred during the F.Y. 2019-20. (Remuneration paid to Mr. Hardip Singh during the financial year was within the limit specified under Schedule V of the Companies Act, 2013 and in accordance with the provisions mentioned therein.) | | |

** During the year, Mr. Ashok Gupta decided to forgo his salary for the FY 2019-20, hence no remuneration was paid to him.*

*** Mr. Hardip Singh resigned from the position of Whole Time Director of the Company w.e.f. September 05, 2019, therefore, remuneration paid to him for the period April 01, 2019 to September 05, 2019 was within the limit specified under Schedule V of the Companies Act, 2013 and as per the ordinary resolution passed by the Shareholders in the Annual general Meeting held on September 30, 2016.*

**B. Remuneration to other Directors** **(INR in lacs)**

| S. No. | Particulars of Remuneration | Name of Directors | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|
| | | Mr. Gautam Kanjilal | Mr. Tejendra Pal Singh Josen | Mr. Charan Singh Gupta | Mr. Naresh Kumar Jain | Mrs. Renu Gupta | Mr. Neetesh Gupta | |
| 1 | Independent Directors | | | | | NA | NA | |
| | Sitting Fee for attending board & committee meetings | 4.60 | 4.80 | 4.90 | 5.00 | - | - | 19.30 |
| | Commission | - | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - |
| | **Total (1)*** | **4.60** | **4.80** | **4.90** | **5.00** | **-** | **-** | **19.30** |
| 2 | Other Non-Executive Directors | | | | | | | |
| | Fee for attending board & committee meetings | NA | NA | NA | NA | - | - | - |
| | Commission | - | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - |
| | **Total (2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **Total (B)=(1+2)** | **4.60** | **4.80** | **4.90** | **5.00** | **-** | **-** | **19.30** |
| | **Total Managerial Remuneration** | **-** | **-** | **-** | **-** | **-** | **-** | **37.12#** |
| | Overall Ceiling as per the Act | a) 1% of Net Profits of the Company for all Non-Executive Directors<br>b) 11% of Net Profits of the Company for all the Executive and Non-Executive Directors | | | | | | |

** During the year, only sitting fees was paid to Non-Executive Directors for attending meetings, therefore 1% limit doesn't apply for payment made to Non-Executive Directors. Further, sitting fees paid to Independent Directors is not more than Rs.1,00,000 per meeting as per Section 196 & Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.*

*# Total Managerial remuneration is the sum of remuneration paid to WTD and sitting fees paid to other (Non-Executive & Independent) Directors.*

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD **(INR in lacs)**

| S. No. | Particulars of Remuneration | Name of KMP | | Total Amount |
|---|---|---|---|---|
| | | Company Secretary | Chief Financial Officer | |
| | | Mr. Vikas Chandra | Mr. Parveen Sharma* | |
| 1 | Gross salary: | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 20.45 | 36.54 | 56.99 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | | | |
| | - others, specify… | - | - | - |
| 5 | Others, please specify | - | - | - |
| | **Total (A)** | **20.45** | **36.54** | **56.99** |

**Mr. Parveen Sharma was appointed as Chief Financial Officer and Key Managerial Personnel of the Company with effect from April 24, 2019.*

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year, there was no Penalty/Punishment/compounding of offences under the Companies Act, 2013.

## Annexure-3

**Disclosure on remuneration pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

| | |
|---|---|
| **The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year | *Mr. Ashok Gupta, Executive Chairman (Whole Time Director) - 1:23 |
| Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Director & Company Secretary in the financial year | Percentage increase in remuneration of Director, Chief Financial Officer and Company Secretary during the financial year 2019-20: Nil |
| Percentage increase in Median remuneration of employees in a financial year | Median Remuneration of Employees of the Company increased during the financial year 2019-20: (14.87%) |
| Number of permanent employees on rolls of the Company | 80 |
| Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof | Average percentile increase in remuneration of Non-Managerial Personnel and said Managerial Personnel of the Company during the financial year: Nil. |
| The Company affirms that the remuneration is as per the Remuneration Policy of the Company. | |

** Mr. Ashok Gupta didn't withdraw his remuneration during the financial year 2019-20 due to cash crunch issue in the Company and the ratio is calculated on the basis of gross remuneration instead of remuneration paid.*

***Mr. Hardip Singh has been resigned from the position of Whole time Director w.e.f. September 05, 2019. Hence his detail is not given in above table.*

## Details of Employee(s) drawing more than Rupees Eight lac & fifty thousand only per month and other top ten employees in terms of remuneration drawn

| Name of Employee | Ashok Gupta | Parveen Sharma | Sanjay Mirakhur | Vikas Chandra | Sanjeev Gupta | Apurba Chakraborty | Ragini Bhandari | Amit Sharma | Vikash Agarwal | Amit Mahajan |
|---|---|---|---|---|---|---|---|---|---|---|
| Designation | Executive Chairman and Whole-time Director | Chief Finance Officer | Associate Vice President - Sales | Company Secretary | Sr. Manager - Finance | VP - Sales & Operations | Sr. Manager HR | Deputy General Manager - SCM | Asst. General Manager - Product | Sr. Manager - Legal |
| Remuneration (CTC in Rs. Per annum) | 9000000 | 4083012 | 3487200 | 2120316 | 1834584 | 1800000 | 1528572 | 1402404 | 1322640 | 1300000 |
| Nature of employment | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent |
| Qualification | Bachelor in Commerce | B.Com., (MBA (Finance) | B.Com, PG Diploma in System Management, PG Diploma in Marketing & Sales Management | B.Com, Member of ICSI, PG in Financial Management | B.Com | MBA | MBA HR | B.Com | Graduate | B.Com, Member of ICSI, CS, LLM |
| Experience | 40 Years | 28 years | 29 Years | 18 Years | 27 Years | 30 Years | 14 Years | 17 Years | 15 Years | 14 Years |
| Date of joining | 05-01-2009 | 24-04-2019 | 01-08-2005 | 01-10-2008 | 15-09-2003 | 10-09-2019 | 16-08-2013 | 15-06-2017 | 01-05-2017 | 01-11-2018 |
| Age | 61 | 52 | 55 | 40 | 51 | 53 | 38 | 48 | 43 | 42 |
| Last employment | NA | International Value Retail Private Limited | Innova Telecom Pvt. Ltd. (ITPL) | Training with SKP & Co, Company Secretaries | HV Equipments | Optiemus Infracom Limited | Essar Telecom Retail Limited | OXE Mobiles | Teleecare Network India Private Limited | Teleecare Network India Private Limited |
| Percentage of equity shares | 5754894 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Relation to Board of Directors | Relative of Renu Gupta and Neetesh Gupta, Non-Executive Directors | None | None | None | None | None | None | None | None | None |

## Annexure 4
## AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

**To**
**The Members of**
**Optiemus Infracom Limited**

We have examined the compliance of the conditions of Corporate Governance by **Optiemus Infracom Limited** for the year ended 31st March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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 opinion on the financial statements of the Company.

In our opinion and according to the information and explanations given to us and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020.

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

For **Mukesh Raj & Co**
Chartered Accountants
Firm Regn. No. 016693N

**Mukesh Goel**
Partner
Membership Number: 094837
UDIN: 20094837AAAADX7794

Date: August 29, 2020
Place: Noida

# Annexure - 5
## Form No. MR-3
## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To
The Members
Optiemus Infracom Limited
L64200DL1993PLC054086
K-20, 2nd Floor Lajpat Nagar-II
New Delhi-110024

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Optiemus Infracom Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Optiemus Infracom Limited** ("the Company") for the financial year ended on 31st March, 2020, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The SEBI (Depositories and Participants) Regulations, 2018 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing to the extent applicable;

v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:

   a) SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

   b) SEBI (Prohibition of Insider Trading) Regulations, 2015;

   c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) SEBI (Share Based Employee Benefits) Regulations, 2014 **[Not Applicable for the FY 2019-20]**;

   e) SEBI (Issue and listing of Debt securities) Regulations, 2008 **[Not Applicable for the FY 2019-20]**;

   f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 [**Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial year 2019-2020;**

g) The SEBI (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable for the FY 2019-20]**; and

h) The SEBI (Buyback of Securities) Regulations, 1998 **[Not Applicable for the FY 2019-20];**

i) We have also examined compliance with the applicable clauses of the followings:

   a) Secretarial Standards issued by The Institute of Company Secretaries of India.

   b) The Listing Agreements entered into by the Company with the Stock Exchanges in India in pursuance to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except the followings:

a) *Annual Financial Results of the Company for the quarter and year ended 31st March, 2019 was filed after the due date i.e. 30.05.2019 as the Board Meeting was adjourned due to lack of quorum.*

b) *During the F.Y. 2019-20, the Company has entered into material related party transactions in its ordinary course of business with its subsidiary "Optiemus Electronics Limited" for which shareholders' approval was required to be obtained.*

We have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Act, Rules, laws and Regulations to the Company. The list of major head or groups of Acts, Rules, Laws and Regulations as applicable to the Company is mentioned below:

1. Employee State Insurance Act, 1948
2. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
3. The Payment of Bonus Act, 1965
4. The Payment of Gratuity Act, 1972
5. The Maternity Benefit Act, 1961
6. The Employees Compensation Act, 1923
7. The Apprentices Act, 1961
8. Equal Remuneration Act, 1976
9. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
10. Environment Protection Act, 1986 and other Environmental Laws
11. Factories Act, 1948
12. Indian Contract Act, 1872
13. Industrial Dispute Act, 1947
14. Minimum Wages Act, 1948
15. Payment of Wages Act, 1936
16. Contract Labour (Regulation & Abolition) Act, 1970
17. Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
18. Industrial Employment (Standing Orders) Act, 1946 and other applicable labour laws

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that –

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to notices received from various statutory/ regulatory Authorities including initiating actions for corrective measures and compounding wherever found necessary.

We further report that during the audit period, there were no instances of:

(i) Public/Right/Preferential issue of shares/sweat equity etc.

(ii) Buy-back of securities

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv) Merger / Amalgamation / Reconstruction etc.

**For M/s S.K. Batra & Associates**
**Company Secretaries**

**Sumit Kumar**
**[Proprietor]**
**FCS No.: 7714**
**C.P No.: 8072**
**UDIN: F007714B000588481**

**Date: August 20, 2020**
**Place: New Delhi**

This Report is to be read with the letter of even date which is annexed as Annexure-1 and forms an integral part of this Report.

**Annexure-1**

This letter is to be read with our Report of even date, MR-3 and forms an integral part of this Report.

To
The Members
**Optiemus Infracom Limited**
K-20, 2nd Floor Lajpat Nagar-II
New Delhi-110024

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in a Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M/s S.K. Batra & Associates**
**Company Secretaries**

**Sumit Kumar**
**[Proprietor]**
**FCS No.: 7714**
**C.P No.: 8072**
**UDIN: F007714B000588481**

**Date: August 20, 2020**
**Place: New Delhi**

## Annexure - 6
## Form No. AOC-2

*Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*

Details of contracts or arrangements or transactions not at arm's length basis: None

Details of material contracts or arrangement or transactions at arm's length basis:

| | | | | | |
|---|---|---|---|---|---|
| **Name(s) of the related party and nature of relationship** | Optiemus Electronics Limited<br>Director of the Company is Director in other Company | Teleecare Network India Private Limited<br>Director of the Company is Director in other Company | GDN Enterprises Private Limited<br>Director of the Company is Director in other Company | International Value Retail Private Limited<br>Director of the Company is Director in other Company | MPS Telecom Retail Private Limited<br>Director of the Company is Director in other Company |
| **Nature of contracts/ arrangements/ transactions** | Sale/Buy | Sale/ Buy/ Rental Income | Sale/ Buy | Sale/ Buy/ Rental Income | Sale/ Buy |
| **Duration of the contracts/ arrangements/ transactions** | Not Defined | Not Defined | Not Defined | Not Defined | Not Defined |
| **Salient terms of the contracts or arrangements or transactions including the value, if any** | Transaction in ordinary Course of Business and at arm's length price | Transaction in ordinary Course of Business and at arm's length price | Transaction in ordinary Course of Business and at arm's length price | Transaction in ordinary Course of Business and at arm's length price | Transaction in ordinary Course of Business and at arm's length price |
| **Date(s) of approval by the Board, if any** | Earlier arrangement is continuing without any modification. No fresh Board Resolution passed. | Earlier arrangement is continuing without any modification. No fresh Board Resolution passed. | Earlier arrangement is continuing without any modification. No fresh Board Resolution passed. | Earlier arrangement is continuing without any modification. No fresh Board Resolution passed. | Earlier arrangement is continuing without any modification. No fresh Board Resolution passed. |
| **Amount paid as advances, if any** | Nil | Nil | Nil | Nil | Nil |

On behalf of the Board of Directors
For **Optiemus Infracom Limited**

Date: August 29, 2020
Place: Noida (U.P.)

**Ashok Gupta**
Executive Chairman

**Annexure - 7**
**Form No. AOC-1**
*Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

## Part "A": Subsidiaries

(INR in lacs)

| S. No. | Particulars | 31st March, 2020 | 31st March, 2020 | 31st March, 2020 | 31st March, 2020 |
|---|---|---|---|---|---|
| 1 | Name of Subsidiary Companies | Optiemus Electronics | Troosol Enterprises | FineMS Electronics | Optiemus Infracom |
| | | Limited | Private Limited | Private Limited | (Singapore) Pte. Ltd. |
| 2 | Date since when subsidiary was acquired | 29.01.2016 | 13.11.2019 | 09.07.2016 | 05.10.2011 |
| 3 | Reporting period of the subsidiary concerned, if different from the holding Company's reporting period | N.A | N.A | N.A | N.A |
| 4 | Reporting Currency | INR | INR | INR | USD |
| 5 | Exchange Rate (in INR) | - | - | - | |
| 6 | Share Capital | 1,386 | 1 | 100 | 23 |
| 7 | Reserves & Surplus | (1396) | (25) | (241) | (22) |
| 8 | Total Assets | 6425 | 226 | 30 | 1 |
| 9 | Total Liabilities | 6436 | 250 | 171 | - |
| 10 | Investment | - | - | - | - |
| 11 | Turnover | 17684 | - | - | 4 |
| 12 | Profit before Taxation | (257) | (3) | (5) | - |
| 13 | Provision for Taxation | - | - | - | - |
| 14 | Profit after Taxation | (271) | (2) | (5) | - |
| 15 | Proposed Dividend | - | - | - | - |
| 16 | % of Shareholding | 80.09 | 60 | 60 | 100 |

**There is no subsidiary which is yet to commence operations.*

## Part "B": Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(INR in Lacs expect No. of Equity Shares)

| Name of Associate/Joint Venture | Teleecare Network India Private Limited | Optiaux Technologies Private Limited |
|---|---|---|
| 1. Latest audited Balance Sheet Date | 31.03.2020 | 31.03.2020 |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | | |
| i. Number of Equity Shares | 1,59,34,200 | 50,000 |
| ii. Amount of Investment in Associates/Joint Venture | 5145 | 5 |
| iii. Extend of Holding% | 46.22% | 50% |
| 3. Description of how there is significant influence | Through Shareholding | Through Shareholding |
| 4. Reason why the associate/joint venture is not consolidated | N.A. | N.A. |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | 3,322 | - |
| 6. Profit/Loss for the year | | |
| i. Considered in Consolidation | (1,569) | - |
| ii. Not Considered in Consolidation | (1,825) | - |

1. Names of associates or joint ventures which are yet to commence operations: *Optiaux Technologies Private Limited
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

**Optiaux Technologies Private Limited didn't carry any business activity since incorporation, hence, in August, 2020, it has filed an application to the Registrar of Companies to strike off/remove its name from the Register of Companies, which is under process.*

**For and on behalf of the Board of**
**Optiemus Infracom Limited**

**Ashok Gupta**
Executive Chairman
DIN: 00277434
Address: C-5/15, Vasant Kunj, New Delhi- 110070

**Neetesh Gupta**
Director
DIN: 00030782
Address: C-5/15, Vasant Kunj, New Delhi- 110070

**Parveen Sharma**
Chief Financial Officer
PAN: ATWPS6301D
Address: H. No. 101/145, Gyan Khand First, Indirapuram, Ghaziabad, Uttar Pradesh-201014

**Vikas Chandra**
Company Secretary
PAN: AFGPC4820F
Address: UGF-2, Plot No. 129, Sector 4, Vaishali, Ghaziabad, Uttar Pradesh-201010

**Date : August 29, 2020**
**Place : Noida (U.P.)**

# MANAGEMENT DISCUSSION AND ANALYSIS

In order to understand the performance of the Company during Financial Year 2019-20 better, it is important to compare it with respect to the developments in Global and Domestic economic conditions.

## INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Foreign companies are investing in India to take advantage of relatively lower wages, special investment privileges such as tax exemptions, etc. The Indian government's favourable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040. India has retained its position as the third largest start-up base in the world with over 8,900-9,300 start-ups. The Government's focus on supporting the farmers, economically less-privileged workers in the un-organized sector and salaried employees, while continuing the push towards better physical and social infrastructure, would pave the way for higher sustainable growth and development in India.

According to Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 469.99 billion during April 2000 and March 2020, indicating that Government's effort to improve ease of doing business and relaxing FDI norms has yield results. India is going to be the most attractive emerging market for global partners (GP) investment for the coming 12 months as per a recent market attractiveness survey conducted by Emerging Market Private Equity Association (EMPEA).

Currently, the world is facing an unprecedented crisis with the highly contagious COVID-19 hitting major economies across the world in rapid succession The COVID-19 induced lockdown/social distancing measures started in March, 2020 and put 75% of the overall economic activity into standstill. It consequently hastened the downward trajectory of GDP growth in Q4 FY20 to 3.1%. For FY20, India's GDP growth declined to 4.2% as compared to 6.1% in FY19.

Phasing out of lockdown/social distancing measures at a slower pace coupled with relatively tepid policy response could result in deeper recession in Financial Year 2020-21 as compared to all 'recessions' India has ever experienced. Sharp decline in government revenue receipts due to the extended lockdown and growth slowdown coupled with rising need for fiscal support will throw a spanner in the works of both Union and State Government finances. The combined fiscal deficit of the Union and State Governments may reach 12% of GDP in FY21. This can raise the risks of a subsequent ratings outlook downgrade, given the mix of low growth and rising deficit.

### Business Segment-Telecommunication Products

India is currently the world's second-largest telecommunications market with a subscriber base of more than 1.20 billion and has registered strong growth in the past decade and half. The Indian mobile economy is growing rapidly and will contribute substantially to India's Gross Domestic Product (GDP), according to report prepared by GSM Association (GSMA) in collaboration with the Boston Consulting Group (BCG).

The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth in the Indian telecom sector. The government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer at affordable prices. The deregulation of Foreign Direct Investment (FDI) norms has made the sector one of the fastest growing and a top five employment opportunity generator in the country. Revenue from Telecom equipment sector is expected to grow to US$ 26.38 billion by 2020.

The Indian smartphone industry looks fertile with new brands entering the market and making space with the existing ones. With budget phones a big hit with the educated middle class, more and more brands are jostling for space in the segment. At the same time, more expensive models are also gaining popularity. Market researchers predict that it isn't too difficult for India to become the leading handset market in the years to come. The government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies.

**Business Segment-Infrastructure**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. India is expected to become the third largest construction market globally by 2022.

India is witnessing significant interest from international investors in infrastructure space. Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The infrastructure sector has become the biggest focus area for the Government of India. Government of India along with the governments of respective States has taken several initiatives to encourage development in this sector.

## OPPORTUNITIES

**Telecom Products**

The strong and rapid growth of the smartphone market has been made possible by several liberal policies of the Indian government, along with huge consumer demand. The telecom industry today is among the top five employment opportunity generators in India, creating over four million direct and indirect jobs over the next few years, according to data released by Randstad India. Increase in smartphone sales and internet usage along with the government's efforts to increase the penetration of technology in rural regions have made this possible.

With more than another half a billion to be added by 2020, the sheer scale of the market is attracting domestic and foreign players like and in the recent past the industry has witnessed huge inclination of mobile handsets manufacturers to manufacture phones in India. Low cost production due to cheap resource, proximity to markets and the huge market potential are the drivers to this inclination.

The number of telephone subscribers in India increased to 1,169.44 million at the end of April 2020. The overall tele-density in India stood at 86.66 at the end of April 2020 – urban tele-density was 140.06 and rural tele-density was 58.58 in this period.

In April, 2020, the Ministry of Electronics and Information Technology launched Production-Linked Incentive Scheme ("PLI") for electronics sector to become second largest mobile manufacturing country. The PLI Scheme offers a production linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components. The Scheme would tremendously boost the electronics manufacturing landscape and establish India at the global level in electronics sector. The Scheme shall extend an incentive of 4% to 6% on incremental sales (over base year) of goods manufactured in India and covered under the target segments, to eligible companies, for a period of five years subsequent to the base year. The mobile manufacturing industry is very positive about the move and this scheme will help meet the targets under NPE 2019 (National Policy on Electronics 2019). This will certainly lead to companies moving their supply chains to India. This will not only spur manufacturing but will make India an export-led global manufacturing hub for mobile phones.

### Infrastructure

Infrastructure sector is a key driver for the Indian economy because infrastructure is directly proportional to the development and growth of the country. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. Some of the steps taken are:

- India plans to spend US$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country.
- The Government of India has given a massive push to the infrastructure sector by allocating Rs 4.56 lakh crore (US$ 63.20 billion) for the sector.

As a continuation of National Infrastructure Pipeline and Budget 2021 initiatives, the Government will push investments in infrastructure sectors such as power, real estate and housing, railways, roads, petrochemicals and renewable energy. India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

## THREATS

### Telecom Products

The mobile phone industry has become increasingly larger from last few years as a result of more affordable cellular phones as well as lower service costs. Companies are competing in an advance technology and communication sector in which success attracts customers to buy their products and services. The market is very competitive because they offer the same products and services, but has different physical attributes to the phones and different costs, which buyers have choices to choose from. Companies want to provide the best products and services to attract buyers by lowering cost and improving products, which makes the mobile phone industry very competitive. Following are the main factors of competitive rivalry:

- Mobile Phone Cost: Customers wants better services and products at a lower cost.
- Bundle functions into just one Mobile Phone: For example Video Calling, e-mail, text messaging, internet etc.
- New technology improvement: For example high quality front and back camera phones, better display.

With Economic activities on downturn due to COVID-19, we do see challenges in short term in Enterprise business, which would grapple with fewer orders as the market have shrunk. Your company would see an impact on the mobile trading business as we continue to see work from home adoption growing with office expansion going slow or on hold. However, we do see continues growth in Mobile Manufacturing and Trading Business due to launch of various promotional schemes by Government of India to promote manufacturing of electronic products in India.

The other challenges that influence the business performance are:

**i. Excessive competition**

A look back at the last few years shows home-grown smartphone brands losing their dominance to a gradual Chinese onslaught. Evidently, the competition in the industry is expected to intensify further with the entry of new players, both domestic as well as foreign players. Chinese vendors Xiaomi, Oppo and Vivo, Realme have gained more than 56% market share in India and they are continuously expanding their presence both online as well as offline.

**ii. Technology and Innovations**

Technology and innovation are advanced every year making the industry even more competitive. Mobile phone companies that design and make evolutionary upgrades are emerging into the market to be more competitive. A company cannot manufacture or sell the same product for decades, they need to bring constant changes for the newness of their product and also make it better and cheaper.

**iii. E-Commerce**

With the accelerating growth of e-commerce in India, the business of distribution business is facing a lot of turbulence, which is a big challenge for the industry to be combated.

**iv. Market Risks**

We are subject to market risks from changes in interest and foreign currency exchange rates. In managing exposure to these fluctuations, we may engage in various hedging transactions that have been authorized according to documented internal policies and procedures.

**Infrastructure (Construction and Renting)**

Infrastructure projects are associated with various types of risks:

**i. Environmental risks**

Environmental risks include natural disasters, weather, and seasonal implications. These risks are commonly overlooked when people are unfamiliar with local conditions. If you are going to be working on a project in a new city, you need to become familiar with that region's weather patterns. If you prepare for possible weather risks, you are much more likely to avoid potential delays and losses.

**ii. Technical Risks**

Technical risks include anything that restricts you from creating the product that your customer wants. This can include uncertainty of resources and availability of materials, inadequate site investigation, or incomplete design. These risks can commonly occur when there are changes in project scope and requirements, and if there are design errors or omissions.

**iii. Demand fluctuation due to COVID-19**

Pre-Covid 19, the focus of investment in commercial property witnessed an exponential rise. With the current situation, there is a big change in the consumer behaviour and they have postponed their plans to invest in real estate.

**iv. Approval from Government Departments**

Construction activity and the process of obtaining requisite approvals from the government also slowed down in the beginning of March, in line with growing concerns of the impact of COVID-19. New completions were recorded a fall of approximately 40% year over year from levels observed in Q1 2019 and representing the second largest dip witnessed in new completions in the last five years.

**SEGMENT WISE PERFORMANCE**

- **Telecom Products**

  As far as the mobile category is concerned, the mobile market has managed to stay away from the slowdown that the rest of the market has been experiencing which is primarily because of the technology innovation.

  The organized retail of Mobile Handsets is growing rapidly in line with the increase in market share of smart phones as customers prefer to buy smart phones from organized retail stores which offer better buying experience and understanding the functions of a smart phone. Also, the Company is moving forward with its prime focus on widening its distribution services by bringing different world class organisation under its distribution network & also trade in mobile accessories as well. Company's revenue in Telecom Products contributed Rs. 30,025 lacs towards the total revenue of the Company.

  During the financial year 2019-20, Optiemus was continuously involved in analysing the market trends and searching for business opportunities in the market. We are continuously focusing on introducing new innovative products at competitive prices to maintain better customer experience and on gaining smartphone market share while growing feature phone volumes in the coming years. The Company has also entered into various agreement with e-commerce companies for increase in sale of Mobile phones and other related products through online trading.

- **Infrastructure (Construction and Renting)**

  The Company's performance has been consistent in this segment, where its total revenue from leasing business for the F.Y. 2019-20 was Rs. 3,581 Lacs. We can see this segment is expected to grow keeping in pace with the Indian Government's move to develop the Infrastructure and involving the private participation for the same.

**BUSINESS OUTLOOK**

The Indian mobile industry is the fastest growing in the world and India continues to add more mobile connections every month than any other country in the world. The telecom boom in the country provides great opportunity to handset manufacturers and the hottest segment for these manufacturers is the entry level segment. Mobile has become increasingly pervasive and indispensable, with consumers the world over enthusiastically embracing its potential. For mobile we have 1000 million-plus users, unlike many other markets, mobile is becoming the dominant device for voice, for value-added services, and increasingly for mobile Internet also.

By 2022, the smartphone data consumption will increase by five time in India - which proves the dominance of smartphones as the communications hub for social media, video consumption, communications, and business applications, as well as traditional voice. India is already a base for worldwide quality manufacturing of mobile phones. The sale of mobile handset has increased enormously, the inflow of FDI provided in roads for many companies which started their production in India.

**RISK AND CONCERNS**

The primary risk facing the company in the coming year would be due to effects of COVID-19 Pandemic.

The outbreak of the Pandemic during March, 2020 has resulted in unprecedented crisis across the world and the world economy is expected to take a big hit. Large-scale quarantines, travel restrictions, and social-distancing measures is driving a sharp fall in consumer and business spending producing a recession situation across various world economies. The global economic impact is severe, approaching the global financial crisis of 2008–09.

India will be also no exception and the country wide lockdown for 40 days beginning 24$^{th}$ March to 3$^{rd}$ May 2020 at National level will severely impact Indian Businesses with reduced demand or loss of business.

Further, the Company's operations have been affected with drop in revenues and delays in collection from customers. The Company expects this trend to continue unless the situations attain normalcy.

Demand suffers as consumers cut spending throughout the year. In the most affected sectors, the number of corporate layoffs and bankruptcies rises throughout 2020, feeding a self-reinforcing downward spiral.

Further, the Company is continuously reviewing the evolving situation in the light of COVID-19 and playing a responsible role in minimising the adverse impact of the pandemic on its businesses and the stakeholders' interests. Adapting to the 'new normal' of conducting business, your Company realigned the work priorities by placing highest importance on risk controls and collections.

**<u>Other risk categories involved can be discussed as follows:</u>**

1. **Technology Risks**

   **Comment:** The modern business world marches to the beat of technology's drum and has done so for many years. As the internet and e-mail matured in the 1990's, companies began to adapt and take up the technology. Given the importance of technology and its impact on corporates, it is vital that organisations place technology risk management at the top of corporate agenda.

   **Mitigation:** The Company has in place sound and robust technology risk management framework.

The board of directors and senior management is directly responsible to ensure effective internal controls and risk management systems to achieve security and reliability. Standardised IT Policies, standards and procedures are in place to manage technology risk and safeguard information systems.

2. **Political Instability and Government Relations**

**Comment:** The Company operates in India. Sometimes Industrial situations are affected by political instability, civil unrest and other social tensions resulting in regime uncertainties; hence, the risk of not enjoying Government support. Such conditions tend to affect the overall business climate, especially the telecom sector, which requires stable socio-economic conditions and policy stability.

**Mitigation:** As a responsible corporate citizen, the Company engages proactively with key stakeholders in the societies in which it operates, and continuously assesses the impact of the changing political scenario. The Company works hand in hand with other telecom operators in jointly representing the case for policy stability. It does its best to contribute to the socio-economic growth of the countries in which it operates through high quality services to its customers, improved connectivity, providing direct and indirect employment, and contributions to the exchequer.

3. **Economic Uncertainties**

**Comment:** The Company's strategy is to focus on the growth opportunities in the emerging and developing markets related to distribution and online retailing. These markets are characterised by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. Since the Company has borrowing, and many loans are carrying floating interest terms, it is exposed to market risks, which impact its earnings, cash flow and balance sheet.

**Mitigation:** As a big player in telecom sector, the Company has diversified its risks and opportunities across markets including online trading. Through a variety of services it has also spread its portfolio. The Company follows a prudent risk management policy, including hedging mechanisms to protect its cash flow. A prudent cash management policy ensures that surplus cash is up-streamed regularly to minimise the risks of blockages at times of capital controls. Finally, the Company adopts a pricing strategy that is based on twin principles of profitability and affordability, which ensures that it protects margins at times of inflation, and market shares at times of market contraction.

4. **Weaknesses in Infrastructure**

**Comment:** Several regions, particularly rural and the hinterland, are handicapped by poor quality infrastructure, such as lack of proper roads, transport, power supply, housing, labour availability, banking and security, among others. These could result in gaps, such as energy unavailability, fuel shortages, fuel theft, asset misappropriation and cash theft, among others, thereby impacting quality of its services.

**Mitigation:** The Company's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements.

5. **Adverse Regulatory or Taxation Developments Including Risks Related to Tax Positions**

**Comment:** Despite huge improvements, the regulatory environment in India continues to be challenging. Regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. Any adverse regulatory changes, changes in taxation and policies may affect the profitability outlook of the Company. India's telecom sector is also a highly taxed sector with high revenue share-based license fees and spectrum charges, service taxes and corporate tax.

**Mitigation:** The Company has always stood for a fair, transparent and non-discriminatory Government policy on telecom regulation with regard to its business activities involving distribution and online trading. It has represented to the Government that sustainable regulatory regimes will lead to healthy growth of the telecom sector, leading to higher investments and modernisation, which in turn unleashes a growth cycle once again for all the players involved in the telecom sector.

**Risk Management Framework**

Company has a defined self-governed risk policy and risk management frame work for all units, functional departments and project sites. This helps in identifying, assessing and mitigating the risk that could impact the Company's performance and achievement of its business objectives. The risks are reviewed on-going basis by various process owners across the organization. The risk assessment is carried out by the Management Audit and Risk Assessment Department and a risk note is prepared and presented to the Audit Committee and a risk assessment procedure is presented to the Board of Directors annually.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Optiemus has well established risk management policies and procedures to identify and assess risks across its business units and operations. The Board reviews the adequacy and effectiveness of the internal control from time to time. The Board, in consultation with the internal Auditors and audit committee monitors and controls the major financial risk exposures. The Company's philosophy towards internal controls is based on the principle of healthy growth with a proactive approach to risk management.

The Audit Committee reviews the effectiveness of the internal control system, and also invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company's code of conduct requires compliance with law and Company policy, and also covers matters, such as financial integrity, avoiding conflicts of interest, work place behaviour, dealings with external parties and responsibilities to the community.

The Company, on a regular basis, stores and maintains all the relevant data and information as a back up to avoid any possible risk of losing important business data. A qualified and independent audit committee of the Board comprising of all independent directors of the Company reviews the internal audit reports, adequacy of internal controls and risk management framework on quarterly basis.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI). Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgements used therein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner of the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

The Company's financial performance is given as below:

i. **Revenues and operating expenses**

In FY 2020, the Company earned total revenues of Rs. 34,430 Lacs. The total expenditure stood at Rs. 41,908 Lacs. The net loss recorded by the Company was Rs. 6,866 Lacs.

ii. **Operating profit before finance charges, depreciation and amortization and exceptional items (EBITDA).**

The Company's loss before finance charges, depreciation and amortization and exceptional items during the financial year 2019-20 was Rs. 4,047 Lacs.

iii. **Depreciation and amortisation**

The Depreciation and amortisation charges during the financial year was Rs. 1,042 Lacs.

**iv. Profit before/ after tax**

The loss before tax was Rs. 7,479 Lacs and the net loss after tax and adjustments was Rs. 6,866 Lacs.

**Detail of Key Financial Ratios**

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Debtors Turnover Ratio | 1.94 | 2.16 |
| Inventory Turnover Ratio | 14.59 | 13.20 |
| Interest Coverage Ratio | (2.13) | 1.06 |
| Current Ratio | 2.93 | 3.07 |
| Debt Equity Ratio | 0.88 | 0.72 |
| Operating Profit Margin (%) | (21.38) | (9.46) |
| Net Profit Margin (%) | (21.72) | 0.41 |
| Return on Net Worth (%) | (25.91) | 0.66 |

Due to entrance of new market players in telecom industry, the sale of the company decreased to an unpredicted level. About 56% market share is taken by Chinese vendors Xiaomi, Oppo and Vivo, Realme which shook up the India's Telecom market at large.

During the financial year, Operating Profit Margin was decreased from (9.46%) to (21.38%) due to upheaval position of Telecom Industry.

As the Operating Margin decreased during the financial year, hence, Net Profit Margin and Return on Net worth also decreased.

**HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

***'Humankind is the Greatest Resource'***

At Optiemus, people are at the core of its business strategy. The Company's endeavour has always been to build an organisation where its people are always engaged and empowered to do their best. The Company's culture is focused on customer-centricity collaborative team work, result orientation, entrepreneurial mindset and developing people. The Company's HR strategy also aims to create a future ready pool of talent across all levels.

FY 2019-20 saw a host of initiatives around talent management and development to identify and accelerate the Company's high-potential employees, as well as building the right set of capabilities for all businesses. Efforts towards developing functional capabilities across the organization continued, with the review of the Company's current skill levels and development of functional academies to build next-generation functional and domain capabilities.

Owing to the competitiveness and diversity of Indian markets, the Company strives to ensure adequate succession planning of its leadership talent pool. It is increasingly grooming and hiring talent locally and across the country. This has helped the Company's businesses keep their ears close to the ground and progressively increase their business performance. In line with the Company's focus on employee empowerment, it also designed new 'Ways of Working' to deliver high operational excellence and governance.

The Company recognizes and appreciates the contribution of all its employees in its growth path. Our Company strives to retain talent by facilitating career growth through job enrichment and empowerment, as it believes that the pool of the human resource is the biggest asset of the organization. Your Company maintains a cordial relationship with its employees through a constructive work environment in support of productive gains.

## ENVIRONMENT, HEALTH AND SAFETY (EHS)

As a responsible organization in the trading sector, Environment, Health and Safety (EHS) remains a focus area in the business for Optiemus. The EHS benchmarks and rules are strictly followed across all the Company processes. Health and safety concerns of the employees are addressed with comprehensive measures and the initiatives expand beyond the Company facilities to cover the communities around the locations. For maintaining an efficient workspace and to continue sustainable growth, the Company is implementing the suggested measures.

During the outbreak of COVID-19 and after the resumption/opening of stores/offices, the Company took adequate measures for the health and safety of employees and workers. The Company undertook preventive measures like social distancing, temperature testing, provision of masks and sanitization facilities to all workers. The employees who are attending offices during the outbreak have been updated on social distancing and other safety norms.

## CAUTIONARY STATEMENT

The statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are forward–looking statements within the meaning of applicable laws and regulations and which the management believes are true to the best of its knowledge at the time of preparation. Actual results may differ substantially or materially from such expectations whether expressed or implied and hence, the Company and the management shall not be held liable for any loss, which may arise as a result of any action taken based on the information contained herein. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In today's scenario, with all structural shifts happening in the regulatory environment, customer preference and business models, a Company can survive and sustain only by incorporating best governance practices in its way of doing business. Your Company has set an objective of making it as a preferred service provider by enhancing the quality of its offerings as a part of its growth strategy it believes in adopting sustainable 'best practices' that are followed in the area of Corporate Governance across various geographies. Your Company believes that good corporate governance goes beyond good management of the Company; it includes furthering and protecting the interests of all its stakeholders including the shareholders, employees, suppliers, customers, etc. It also includes taking steps to fulfil the needs of the society where the Company is operating. Our business operations are directed and controlled by best governance practices.

Optiemus firmly believes that Corporate Governance is a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfils the public trust. At Optiemus, it is not just a compliance with laws and ethical standards instead it is important business investment which is not only necessary to preserve your Company's reputation but also crucial for obtaining and retaining the business.

The Company has always strived to promote Good Governance practices which ensure that:

- A competent management team at the helm of affairs and employees have a stable environment and
- Board is strong enough with good combination of Executive and Non-Executive Directors, including Independent Directors, who represent the interest of all stakeholders.

Independent directors are appointed not merely to fulfil the listing requirements but for their diverse skills and experience and their role is to provide strategic direction, guidance with constructive support to management.

Your Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. The Corporate Governance guidelines are in compliance with the requirements of Listing Regulations. In its pursuit of excellence towards corporate governance, Company has adopted the Whistle Blower Policy, Code of Conduct for its Directors and Employees, Code of Conduct for Prevention of Insider Trading and Good Corporate Disclosure Practices.

Further, the detailed report on implementation of Corporate Governance is set out herein below:

## 2. BOARD OF DIRECTORS

The culture of a Company is strongly influenced by the quality of governance and leadership demonstrated by the Board of Directors. Diversity in the Board equals diversity in ideas. The Company has a high profile Board with varied management expertise. In keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of Executive, Non-Executive Directors and Independent Directors to maintain the independence of the Board.

### i. Composition

Listing Regulations mandate that for a Company with an Executive chairman, at least one-half of the board should be independent directors; the Company has an optimum combination of Executive & Non-Executive Directors and one Woman Director. On 31$^{st}$ March 2020, the Board of the Company comprised of 7 directors, of whom one is executive director and chairman of the Board, four are Non-Executive Independent and two are Non-Executive Non-Independent.

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 requires that if the chairman of a listed Company is Executive Director, then atleast one half of the Board of the Company should consist of Independent Directors, Since your Company has Executive Director as Chairman, as shown in Table-1, the provision of having half of the Board as Independent Directors is met at Optiemus.

Also, none of the independent Directors has any pecuniary relationship with the Company except entitlement to sitting fees for attending Board/Committee Meetings of the company.

The requisite information as per the requirements of Regulation 17 of the Listing Regulations for the period ended 31st March 2020 is provided in following Table 1:

**TABLE 1**

| Name of Director & DIN | Category | Designation | Attendance Particulars | | | Number of Directorships in companies* | Committees Position in Indian Companies** | |
|---|---|---|---|---|---|---|---|---|
| | | | Board Meetings held during FY 2019-20 | Board Meetings attended during FY 2019-20 | Last AGM | | Member | Chairman |
| Ashok Gupta 00277434 | Promoter & Executive Director | Executive Chairman | 7 | 6 | Yes | 3 | 1 | - |
| Renu Gupta 00030849 | Non Executive Non- Independent Director | Director | 7 | 5 | No | 3 | - | - |
| Neetesh Gupta 00030782 | Non-Executive Non- Independent Director | Director | 7 | 4 | No | 4 | 2 | - |
| Gautam Kanjilal 03034033 | Non-Executive Independent Director | Director | 7 | 7 | No | 5 | 2 | 3 |
| Tejendra Pal Singh Josen 02485388 | Non-Executive Independent Director | Director | 7 | 7 | Yes | 1 | - | 1 |
| Charan Singh Gupta 06744568 | Non-Executive Independent Director | Director | 7 | 7 | No | 1 | 1 | - |
| Naresh Kumar Jain 01281538 | Non-Executive Independent Director | Director | 7 | 7 | No | 3 | 2 | 1 |

** Includes directorship in Optiemus Infracom Limited and exclude directorship in Private Companies, Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013.*

*** For the purpose of considering the limit of Committee memberships and chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered including Membership & Chairmanship held in Optiemus Infracom Limited.*

*# Mr. Hardip Singh resigned from the position of Whole-time Director of the Company w.e.f. 5th September, 2019, therefore, during his tenure of directorship 5 Board Meetings were held and he attended all the meetings.*

**Notes:**

(i) *No Director of the Company holds directorship in excess of the limit specified in sub section (1) of Section 165 and Regulation 17A of the Listing Regulations.*

(ii) *None of the Directors of the Company is a member in more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a Director. Disclosures in this regard have been made by the Directors for the current year.*

**ii. Names of the Listed Entities where the person is a Director and the category of Directorship as on 31st March, 2020**

| Sr. No. | Name of Director | Name of Listed Entity in which Director | Category of Directorship |
|---|---|---|---|
| 1. | Ashok Gupta | Optiemus Infracom Limited | Whole-time Director |
| 2. | Renu Gupta | Optiemus Infracom Limited<br>Skyweb Infotech Limited | Non-Executive Director<br>Non-Executive Director |
| 3. | Neetesh Gupta | Optiemus Infracom Limited<br>Skyweb Infotech Limited | Non-Executive Director<br>Non-Executive Director |
| 4. | Gautam Kanjilal | Optiemus Infracom Limited<br>Shalimar Paints Limited<br>Jindal Stainless Limited | Independent Director<br>Independent Director<br>Nominee Director |
| 5. | Tejendra Pal Singh Josen | Optiemus Infracom Limited | Independent Director |
| 6. | Charan Singh Gupta | Optiemus Infracom Limited | Independent Director |
| 7. | Naresh Kumar Jain | Optiemus Infracom Limited<br>Paisalo Digital Limited | Independent Director<br>Independent Director |

**iii. Details of Board Meetings held during the year**

During the financial year 2019-20, The Board met Seven (7) times. (See Table 2)

**TABLE 2**

| Date of the Board Meeting | Maximum gap permitted between two consecutive meetings | Board Strength | No. of Directors Present |
|---|---|---|---|
| April 24, 2019 | 120 days | 8 | 6 |
| June 06, 2019 | | 8 | 8 |
| August 05, 2019 | | 8 | 8 |
| August 13, 2019 | | 8 | 8 |
| August 30, 2019 | | 8 | 8 |
| November 14, 2019 | | 7 | 5 |
| February 12, 2020 | | 7 | 5 |

### iv. Information available to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to working of the Company, especially those that require deliberation at the highest level. The Board is given presentations covering Finance, Sales, marketing, major segments and operations of the Company, overview of the business operations of major subsidiary companies, global business environment, all business areas of the Company including business opportunities, business strategy and risk management practices before taking on record the quarterly/annual financial results of the Company. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, new investments, compliance with statutory/regulatory requirements and major accounting provisions are considered by the Board. Minutes of the Board Meetings/ Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings. Further to this all the information relevant to a Company as required under listing regulations is also made available to the Board.

**Disclosure of relationship between Directors Inter se**

None of the Directors are related to each other except Mr. Ashok Gupta, Executive Chairman, Mrs. Renu Gupta, Non-Executive Director and Mr. Neetesh Gupta, Non-Executive Director of the Company, wherein, Mrs. Renu Gupta is wife of Mr. Ashok Gupta and Mr. Neetesh Gupta is son of Mr. Ashok Gupta and Mrs. Renu Gupta.

### v. Web link where details of familiarization programmes imparted to Independent Directors is disclosed

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The details of Familiarization Programmes imparted by the Company to Independent Directors are given on the website of the Company under the web link https://www.optiemus.com/investors.html .

### vi. Skills/ Expertise/ competence of the Board of Directors

The Board of the Company comprises of eminent personalities and leaders in their respective fields. These members bring in the required skills, competence and expertise to the Board. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee considers, inter alia, key qualifications, skills, expertise and competencies, whilst recommending to the Board the candidature for appointment of a Director.

The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013. In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

Optiemus Board's combined skill has the following attributes:

- Effective management and leadership skills
- Knowledge and experience in telecommunication sector
- Experience in developing and implementing strategies to grow market share
- Experience in maintaining board and management accountability and observe good corporate governance.

**vii. Confirmation regarding Independent Directors**

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2020-21, the Board hereby certify that all the Independent Directors appointed by the Company fulfills the conditions specified in listing regulations and are independent of the management.

## 3. REMUNERATION OF DIRECTORS

**i. Remuneration Policy**

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The detailed Remuneration Policy is placed on Company's website under the web link https://www.optiemus.com/investors.html. Extract of Policy determining appointment, remuneration and evaluation criteria is also annexed with Directors' Report forming part of Annual Report.

**ii. Pecuniary transactions with Non-Executive Directors**

During the year under review, there were no pecuniary relationship or transactions with any Non-Executive Director of the Company.

Non- Executive Directors are paid only sitting fees for attending each Board and Committee meetings. Further, no Commission is being paid to any of the Non-Executive Director of the Company.

**iii. Criteria of making payments to Non-Executive Directors**

Non-Executive Directors of the Company are paid only sitting fees for attending Board/ Committee meetings, The Remuneration Policy of the Company, *inter alia*, disclosing detailed criteria of making payments to Non-Executive Directors of the Company is placed on Company's website under the web link https://www.optiemus.com/investors.html.

**iv. Remuneration of Directors**

**a)** The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors. The remuneration policy is aimed at attracting and retaining high caliber talent.

Remuneration of Executive Directors is decided based upon their qualification, experience, and contribution at the respective positions in the past and expected future benefits to the company and is consistent with the existing industry practice. Executive Directors are entitled for the remuneration as follows:

(i) Salary and commission as per the limits prescribed under the Companies Act, 2013.

(ii) Revised from time to time depending upon the performance of the Company.

(iii) No Sitting Fees is being paid to them.

Details of the remuneration paid to Executive and Non-Executive Directors and their shareholding in the company for the year ended March 31, 2020 are as follows:

**(Amount In INR)**

| Name of the Director(s) | Mr. Ashok Gupta | Mr. Hardip Singh* | Mrs. Renu Gupta | Mr. Neetesh Gupta | Mr. Gautam Kanjilal | Mr. Tejendra pal Singh Josen | Mr. Charan Singh Gupta | Mr. Naresh Kumar Jain |
|---|---|---|---|---|---|---|---|---|
| Designation | Executive Chairman | Whole Time Director | Non-Executive Director | Non-Executive Director | Independent Director | Independent Director | Independent Director | Independent Director |
| Basic Salary | — | 8,18,917 | — | — | — | — | — | — |
| House Rent Allowance | — | 4,09,458 | — | — | — | — | — | — |
| Conveyance Allowance | — | 8,267 | — | — | — | — | — | — |
| City Compensatory Allowance | — | 4,00,158 | — | — | — | — | — | — |
| Child Education Allowance | — | 1,033 | — | — | — | — | — | — |
| Perquisites | — | 1,44,671 | — | — | — | — | — | — |
| Commission | — | — | — | — | — | — | — | — |
| Pension | — | — | — | — | — | — | — | — |
| Others (Provident Fund ) | — | — | — | — | — | — | — | — |
| Performance Incentive | — | — | — | — | — | — | — | — |
| Sitting Fees | — | — | — | - | 4,60,000 | 4,80,000 | 4,90,000 | 5,00,000 |
| **Total** | — | **17,82,504** | — | - | **4,60,000** | **4,80,000** | **4,90,000** | **554,000** |
| **Shareholding & percentage to total paid up shares** | 5,754,894 6.71% | Nil | 6,981,111 8.14% | 5,214,607 6.08% | 2,850 0.00% | Nil | Nil | Nil |

** Mr. Hardip Singh resigned from the position of Whole-time Director with effect from September 05, 2019. The salary of Rs. 17,82,504/- was paid to him till September 05, 2019.*

During the year, Mr. Ashok Gupta, Executive Chairman (Whole-time Director) of the Company decided to forgo his salary for the financial year 2019-20 due to cash crunch issue, hence, the remuneration was paid only to Mr. Hardip Singh, erstwhile Whole-time Director for the period commencing from April 01, 2019 till September 05, 2019.

**b) Service contracts, notice period, severance fees**

The appointment of the executive directors is governed by resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate service contract is not entered into by the Company with executive directors. No notice period or severance fee is payable to any Director. The statutory provisions will however apply.

**c) Stock option details**

During the year under review, no stock option was granted to any director of the Company.

## 4. BOARD COMMITTEES

As on 31st March, 2020, the Board had Six (6) Board Level Committees. (See table 3)

**TABLE 3**

| Committee | Position |
|---|---|
| **Audit Committee** | Mr. Gautam Kanjilal, Chairman (Independent, Non-Executive) |
| | Mr. Charan Singh Gupta, Member (Independent, Non-Executive) |
| | Mr. Naresh Kumar Jain, Member (Independent, Non-Executive) |

| Committee | Position |
|---|---|
| Stakeholders Relationship Committee | Mr. Tejendra Pal Singh Josen, Chairman (Independent, Non-Executive) |
| | Mr. Ashok Gupta, Member (Non Independent, Executive) |
| | Mr. Neetesh Gupta, Member (Non Independent, Non-Executive) |
| CSR Committee | Mr. Naresh Kumar Jain, Chairman (Independent, Non-Executive) |
| | Mr. Gautam Kanjilal (Independent, Non-Executive) |
| | Mr. Neetesh Gupta (Non Independent, Non-Executive) |
| Nomination & Remuneration Committee | Mr. Tejendra Pal Singh Josen, Chairman (Independent, Non-Executive) |
| | Mr. Naresh Kumar Jain, Member (Independent, Non-Executive) |
| | Mr. Charan Singh Gupta, Member (Independent, Non-Executive) |
| Internal Complaint Committee | Mrs. Ragini Bhandari, Presiding Officer |
| | Mr. Vikas Chandra, Member |
| | Mr. Amit Mahajan, Member |
| | Mrs. Kanika Rani, Member |
| | Mrs. Neha Gupta, External Expert/Member |
| | Mr. Y.K. Gupta, External Expert/Co-Opted Member |
| Operations and Administration Committee | Mr. Ashok Gupta, Chairman (Non Independent, Executive) |
| | Mr. Neetesh Gupta, Member (Non Independent, Non-Executive) |
| | Mrs. Renu Gupta, Member (Non Independent, Non-Executive) |

The Board is responsible for the constituting, assigning, co-opting and fixing of terms of service for committee members of various committees of the Company. The Chairman of the Board, in consultation with the Company Secretary of the Company and the Committee's Chairman, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the Board for approval. The quorum for meetings is either two members or one-third of the members of the committees, whichever is higher. In the case of all the above committees of Optiemus Infracom Limited, two members constitute the quorum subject to the specific provisions laid down in the Listing Regulations & Companies Act, 2013.

**i. Audit Committee**

**A. Brief description of terms of Reference**

The composition of Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The terms of the reference of Audit Committee include inter alia the following:

1. to oversight the Company's financial reporting process and the disclosures of its financial information to ensure that financial statements are correct, sufficient and credible;
2. to recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. to approve payment to statutory auditors for any other services rendered by the statutory auditors;

4. to review, with the management, the annual financial statements & Auditors report thereon before submission to the board for approval, with particular reference to:
   a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   b) changes, if any, in accounting policies and practices and reasons for the same;
   c) major accounting entries involving estimates based on the exercise of judgement by management;
   d) significant adjustments made in the financial statements arising out of audit findings;
   e) compliance with listing and other legal requirements relating to financial statements
   f) disclosure of any related party transactions;
   g) modified opinion(s) in the draft audit report;
5. to review with the management, the quarterly/annual financial statements and auditor's report thereon before submission to the board for approval;
6. to review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. to review and monitor the Auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. to review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. to review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. to discuss with internal auditors of any significant findings and follow up there on;
15. to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. to discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the Vigil (Whistle Blower) Mechanism;
19. to approve appointment of Chief Financial Officer (the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. to carry out any other function as is mentioned in the terms of reference of the Audit Committee;

21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances /investments existing as on the date of coming into force of this provision;

22. The audit committee shall mandatorily review the following information:

    a. management discussion and analysis of financial condition and results of operations;

    b. statement of significant related party transactions (as defined by the audit committee), submitted by management;

    c. management letters / letters of internal control weaknesses issued by the statutory auditors;

    d. internal audit reports relating to internal control weaknesses;

    e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

    f. statement of deviations:

        i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)

        ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**B. Composition, Meetings & Attendance of the Committee**

The Audit Committee of the Company has been constituted as per the requirements of Listing Regulations. The composition of the Audit Committee is given in **Table 3 above**.

Mr. Vikas Chandra, Company Secretary of the Company acts as Secretary of the Committee.

The Audit Committee met five (5) times during the year i.e. on April 24, 2019, June 06, 2019, August 13, 2019, November 14, 2019 and February 12, 2020. The gap between two meetings did not exceed 120 days. The attendance particulars for the said meetings held during the year are as under:

| Name of Director | Category | No of Meetings held during the tenure of chairman/member | No of Meetings Attended |
|---|---|---|---|
| Mr. Gautam Kanjilal | Chairman *(Independent & Non Executive Director)* | 5 | 5 |
| Mr. Charan Singh Gupta | Member *(Independent & Non Executive Director)* | 5 | 5 |
| Mr. Naresh Kumar Jain | Member *(Independent & Non Executive Director)* | 5 | 5 |

**Internal Auditors**

The Company has appointed an Internal Auditor to review the internal controls system of the Company and to report thereon. The reports of the Internal Auditor are reviewed by the Audit Committee every quarter. The audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the statutory auditors and the Audit Committee. The planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations.

**ii. Nomination and Remuneration Committee:**

The composition of the Nomination and Remuneration Committee is given in **Table 3** above.

During the year under review, the Committee met four (4) times on April 24, 2019, August 05, 2019, August 13, 2019 and February 12, 2020.

**A. Terms of Reference:**

1. Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. The Committee will make recommendations to the Board regarding the size and composition of the Board and develop and recommend to the Board the Criteria (such as independence, experience relevant to the needs of the company, leadership qualities, diversity and ability to the represent the shareholders) for the selection of the individuals to be considered as candidates for election to the Board.
3. The Committee will establish, monitor and recommend the purpose, structure and operations of the various Committees of the Board, and qualifications and criteria on membership on each Committee of the Board, and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the Committees.
4. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration for the directors, key managerial personnel and other employees (referred as 'Nomination and Remuneration Policy').
5. Committee shall, while formulating the 'Nomination and Remuneration Policy, ensure that—
   a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
   b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
   c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals; and
   d) Nomination and Remuneration policy shall be disclosed in the Board's Report.
6. Annual review of the salary, bonus and other compensation plans of the CEO, CFO and Senior Management team of the Company.
7. Review and recommend to the Board, the salary, bonus and compensation plans for all the executive directors of the Company.
8. Framing suitable policies and systems to ensure that there is no violation, by an employee or Company of any applicable laws in India or overseas, including:
   - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time; or
   - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003 as amended from time to time.
9. Administer the implementation and award of stock options under the stock option plans of the Company.

11. Recommend to the Board of Directors of the Company on any other employment incentives as the committee deems it appropriate in the best interests of the Company.
13. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the Company's Articles of Association, or directive of the Board.
14. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
15. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively. The Board of Directors as a whole shall also evaluate the performance of the Committee.
16. The Committee shall recommend to the Board, all remuneration, in whatever form, payable to senior management.
17. The Committee shall carry out such other functions as may be required by any law for the time being in force.

This Policy is placed on website of the Company under the web link https://www.optiemus.com/investors.html and also *annexed* to Directors' Report.

**B. Attendance particulars of members are as follows:**

| S. No. | Name of Director | Category | No of meetings held | No. of meetings attended |
|---|---|---|---|---|
| 1 | Mr. Tejendra Pal Singh Josen | Chairman *(Independent & Non-Executive Director)* | 4 | 4 |
| 2 | Mr. Charan Singh Gupta | Member *(Independent & Non-Executive Director)* | 4 | 4 |
| 3 | Mr. Naresh Kumar Jain | Member *(Independent & Non-Executive Director)* | 4 | 4 |

**C. Performance evaluation criteria for Independent Directors**

Performance of all directors including Independent Directors are carried out in a manner as specified in Nomination and Remuneration Policy and also briefly described in Directors' Report forming part of Annual Report.

**iii. Stakeholders Relationship Committee**

**A. Terms of Reference**

The terms of the reference of Stakeholders Relationship Committee include *inter alia* the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

5. The Committee shall carry out such other functions as may be required by any law for the time being in force.

**B. Composition, Meetings and Attendance**

The composition of the Stakeholders Relationship Committee is given in **Table 3** above.

Mr. Vikas Chandra, Company Secretary of the Company acts as Secretary of the Committee.

During the year under review, Committee met Nine (9) times.

Attendance particulars of members are as follows:

| S. No. | Name of Director | Category | No of meetings held during the tenure of chairman/member | No. of meetings attended |
|---|---|---|---|---|
| 1 | Mr. Tejendra Pal Singh Josen | Chairman *(Independent & Non-Executive Director)* | 9 | 9 |
| 2 | Mr. Ashok Gupta | Member *(Non-Independent & Executive Director)* | 9 | 9 |
| 3 | Mr. Neetesh Gupta | Member *(Non Independent & Executive Director)* | 3 | 3 |

**C. Status of Investor complaints received by the Company during the year is as follows:**

| Particulars | Pending as on April 1, 2019 | Received during the Year | Disposed during the Year | Complaint not solved to the satisfaction of shareholder | Pending as on March 31, 2020 |
|---|---|---|---|---|---|
| No of Complaints | Nil | 1 | 1 | Nil | Nil |

- Apart From above mentioned committees, pursuant to the requirement of Companies Act, 2013, Company has also constituted other Committees. The details & composition is given in **Table 3.**

**D. Compliance Officer**

Mr. Vikas Chandra, Company Secretary is the designated Compliance Officer of the Company. The Compliance Officer can be contacted on info@optiemus.com and cs.vikas@optiemus.com.

## 5. GENERAL BODY MEETINGS

**A. Annual General Meetings**

Location and time of the last 3 Annual General Meetings are as mentioned hereunder:

| AGM | Day, Date & time | Venue | Subject Matter of the Special Resolutions so passed |
|---|---|---|---|
| 24th AGM | Friday, December 08, 2017 at 11:00 A.M. | Ghalib Institute, Seminar Hall, Aiwan-e-Ghalib Marg, Mata Sundri Lane, ITO, New Delhi-110 002 | 1. Approval of the scheme of Arrangement for amalgamation of MPS Telecom Private Limited ("Transferor Company-1") and Oneworld Teleservices Private Limited ("Transferor Company-2") with Optiemus Infracom Limited ("Transferee Company") and with |

| AGM | Day, Date & time | Venue | Subject Matter of the Special Resolutions so passed |
|---|---|---|---|
| | | | their respective shareholders and creditors under Section 233 of the Companies Act, 2013;<br>2. Approval for waiver of the recovery of remuneration of Mr. Ashok Gupta (DIN: 00277434), Executive Chairman of the company;<br>3. Approval for waiver of the recovery of remuneration of Mr. Hardip Singh (DIN: 01071395), Whole Time Director of the company; and<br>4. Approval for waiver of the recovery of remuneration of Mr. Ravinder Zutshi (DIN: 00520290), erstwhile Managing Director of the company. |
| 25th AGM | Friday, September 28, 2018 at 11:00 A.M. | Ghalib Institute, Seminar Hall, Aiwan-e-Ghalib Marg, Mata Sundri Lane, ITO, New Delhi-110 002 | 1. Re-appointment of Mr. Gautam Kanjilal (DIN: 03034033) as an Independent Director;<br>2. Re-appointment of Mr. Tejendra Pal Singh Josen (DIN: 02485388) as an Independent Director; and<br>3. Re-appointment of Mr. Charan Singh Gupta (DIN: 06744568) as an Independent Director. |
| 26th AGM | Saturday, September 28, 2019 at 10:30 A.M. | Ghalib Institute, Seminar Hall, Aiwan-e-Ghalib Marg, Mata Sundri Lane, ITO, New Delhi-110 002 | 1. Approval for waiver of recovery of excess remuneration paid to Mr. Ashok Gupta (DIN: 00277434), Whole Time Director (designated as Executive Chairman of the Company) during the FY 2018-19;<br>2. Approval for waiver of recovery of excess remuneration paid to Mr. Hardip Singh (DIN: 01071395), Whole Time Director of the Company during the FY 2018-19;<br>3. Re-appointment of Mr. Ashok Gupta (DIN: 00277434) as a Whole-Time Director, designated as Executive Chairman;<br>4. Approval for increase in limit of Inter-corporate loans, Investments, Guarantee or security and acquisition;<br>5. Approval to give loans, make investments, provide guarantees or securities under Section 185 of Companies Act, 2013. |

**B. Extra-Ordinary General Meetings**

No Extra Ordinary General Meeting was held during the financial year 2019-20.

**C. Details of Special Resolution passed through Postal Ballot during last year**

During the financial year 2019-20, approval of shareholders for waiver of recovery of excess remuneration paid to Mr. Ashok Gupta, Executive Chairman, Mr. Hardip Singh, Whole-time Director and Mr. Ravinder Zutshi, erstwhile Managing Director of the company during the financial year 2016-17 was obtained through Postal Ballot.

**Procedure for Postal Ballot:**

The Postal Ballot Notice was sent to the Members, whose names appear in the Register of Members / List of Beneficial Owners as on cut-off date i.e. August 02, 2019. The Postal Ballot Notice was sent to Members in electronic form at the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For Members whose email IDs were not registered, physical copies of the Postal Ballot Notice was sent by permitted mode along with a postage-prepaid self-addressed envelope.

In addition to voting through physical Postal Ballot Form, e-voting facility was also provided by the Company to the Shareholders to cast their votes on the Resolutions as specified in the Postal Ballot Notice.

The voting by the Shareholders on the Resolution was commenced on August 10, 2019, at 09.00 A.M (IST) and ended on at September 08, 2019 at 5.00 P.M (IST) (both days inclusive).

Mr. Sumit Kumar (Membership No. FCS – 7714 & CP No. – 8072), Proprietor of M/s. S.K. Batra & Associates, Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. He submitted his Report on September 09, 2019 to the Company.

On September 09, 2019, the result of voting through Postal Ballot was declared and submitted to the Stock Exchange. Simultaneously Results were posted on the website of the Company and the Special Resolutions were passed with requisite majority and such Special Resolutions are deemed to have been passed on the last date of voting through postal ballot / e-voting i.e., September 08, 2019.

**D. Detail of Special Resolution proposed to be conducted through Postal Ballot and procedure for Postal Ballot**

Currently, there is no proposal to pass any special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

## 6. COMMUNICATION TO SHAREHOLDERS

The quarterly un-audited results and yearly audited are published in prominent daily newspapers, viz. Business Standard having nationwide circulation. Also, Bombay Stock Exchange & National Stock Exchange maintain separate online portal for electronic submission of information by listed companies. Various communications such as notices, press releases and the regular quarterly, half-yearly and annual compliances and disclosures are filed electronically on online portal, which are available for the general public on website www.bseindia.com & www.nseindia.com.

Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the Company's website www.optiemus.com.

The Company has also provided an option to the shareholders to register their e-mail to receive electronic communications. E-Communication Registration Form has been enclosed along with the notice in this regard.

Also, the Company has designated an e-mail id exclusively for investor service: info@optiemus.com.

## 7. GENERAL SHAREHOLDER INFORMATION (As on 31st March, 2020)

### (i) 27th Annual General Meeting

| | |
|---|---|
| **Day** | Wednesday |
| **Date** | September 30, 2020 |
| **Time** | 02:00 P.M. |
| **Venue** | Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)<br>Company's Registered Office i.e. K-20, 2nd Floor, Lajpat Nagar-II, New Delhi-110024, will be considered as Venue for the purpose of this Annual General Meeting. |

### (ii) Financial Year : 1st April, 2020 to 31st March, 2021

Tentative Calendar for adoption of Financial Results (Audited/Un-audited) in FY 2020-21 (subject to change):

| | |
|---|---|
| For the quarter ending 30th June, 2020 | Upto 14th September, 2020 |
| For the quarter & half year ending 30th September, 2020 | Upto 14th November, 2020 |
| For the quarter ending 31st December, 2020 | Upto 14th February, 2021 |
| For the quarter & year ending 31st March, 2021 | Upto 30th May, 2021 |

### (iii) Book Closure Dates

Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive).

### (iv) Dividend Payment Date

No dividend is proposed by the Board of Directors for the financial year 2019-20.

### (v) Listing on Stock Exchanges

The Shares of the Company are listed on the following Stock Exchanges:

| Name of Exchange and Address | Contact details | Scrip Code/ Symbol |
|---|---|---|
| BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 | Telephone: 022-22721233/4<br>Website: www.bseindia.com | 530135 |
| The National Stock Exchange of India Ltd. (NSE)<br>Exchange Plaza, C-1 Block G<br>Bandra Kurla Complex, Bandra (E)<br>Mumbai – 400 051 | Telephone:022-26598100-8114<br>Website: www.nseindia.com | OPTIEMUS |

*Annual Listing fees for the year 2019-20, as applicable, have been paid to the Stock Exchanges.*

### (vi) Demat ISIN No. - INE350C01017

### (vii) Stock Market Price Data

The Monthly High and Low quotation of Company's equity shares traded on BSE & NSE are as under:

**(Amount in INR)**

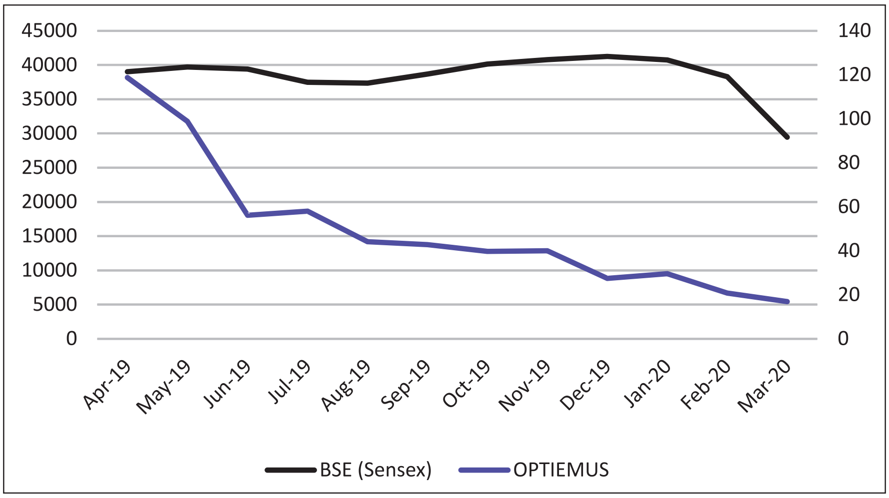
| MONTH(S) | Bombay Stock Exchange Company Code: 530135 | | National Stock Exchange Company Code: OPTIEMUS | |
|---|---|---|---|---|
| | **HIGH** | **LOW** | **HIGH** | **LOW** |
| April, 2019 | 127.40 | 93.90 | 127.90 | 93.05 |
| May, 2019 | 123.85 | 93.40 | 123.90 | 93.40 |
| June, 2019 | 105.90 | 47.00 | 106.50 | 46.60 |
| July, 2019 | 66.90 | 55.20 | 67.20 | 55.25 |
| August, 2019 | 61.85 | 42.05 | 61.95 | 39.55 |
| September, 2019 | 58.05 | 42.85 | 57.95 | 42.50 |
| October, 2019 | 44.70 | 28.60 | 43.50 | 28.20 |
| November, 2019 | 50.70 | 37.00 | 50.40 | 36.85 |
| December, 2019 | 41.90 | 25.15 | 41.00 | 25.85 |
| January, 2020 | 34.00 | 27.50 | 33.90 | 26.55 |
| February, 2020 | 30.70 | 20.00 | 30.60 | 20.50 |
| March, 2020 | 21.40 | 15.70 | 21.65 | 14.60 |

**Share price performance in comparison to BSE Sensex and NSE Nifty:**

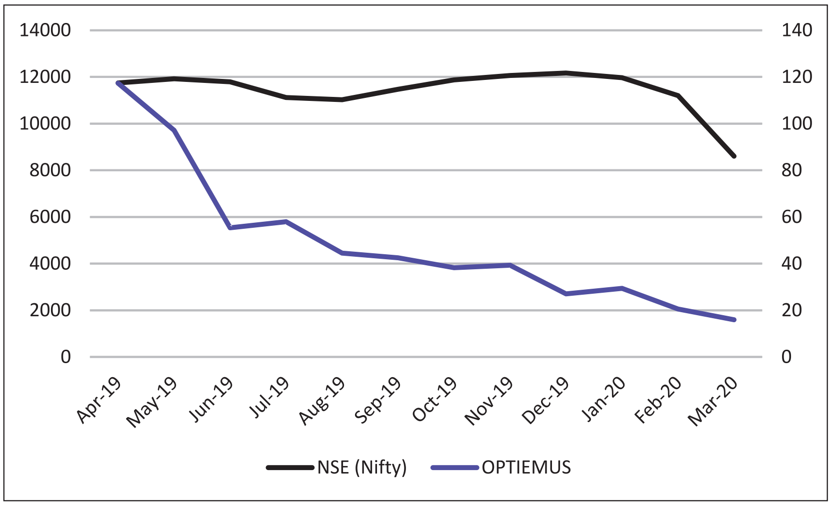
**(Amount in INR)**

| MONTH(S) (As on end of last trading day of the month) | SHARE PRICES COMPARISION | | | |
|---|---|---|---|---|
| | **Optiemus** | **BSE (Sensex)** | **Optiemus** | **NSE (Nifty)** |
| April, 2019 | 118.75 | 39031.55 | 117.30 | 11748.15 |
| May, 2019 | 98.80 | 39714.20 | 97.15 | 11922.80 |
| June, 2019 | 56.10 | 39394.64 | 55.35 | 11788.85 |
| July, 2019 | 58.05 | 37481.12 | 57.90 | 11118.00 |
| August, 2019 | 44.20 | 37332.79 | 44.50 | 11023.25 |
| September, 2019 | 42.85 | 38667.33 | 42.50 | 11474.45 |
| October, 2019 | 39.70 | 40129.05 | 38.20 | 11877.45 |
| November, 2019 | 40.00 | 40793.81 | 39.30 | 12056.05 |
| December, 2019 | 27.40 | 41253.74 | 27.03 | 12168.45 |
| January, 2020 | 29.60 | 40723.49 | 29.45 | 11962.10 |
| February, 2020 | 20.80 | 38297.29 | 20.60 | 11201.75 |
| March, 2020 | 16.95 | 29468.49 | 15.95 | 8597.75 |

**(viii) Share Performance Chart on BSE Sensex**




**(ix) Share Performance Chart on NSE Nifty**




**(x) In case the securities are suspended from trading, the directors report shall explain the reason thereof**

Not Applicable

**(xi) Registrar and Share Transfer Agents**

The Company has appointed M/s Beetal Financial and Computer Services (P) Limited having its office at Beetal House, 3rd Floor, 99, Madangir, New Delhi-110 062 as Registrar and Transfer Agent for physical transfer, demat segment and related work.

**(xii) Share Transfer System**

Company has in place a Stakeholders Relationship Committee with three Directors, with Independent Chairman. Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

Applications for transmission/ transposition/ consolidation/ issue of duplicate share certificates/

sub-division/demat and other related requests in accordance with Listing Regulations and SEBI (Depositories and Participants) Regulations, 2018 of shares held in physical form are received at the office of the Registrar and Share Transfer Agent of company M/s Beetal Financial and Computer Services (P) Ltd, who processes the same and send to the Company's Stakeholders Relationship Committee for its approval.

In terms of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 transfer of securities were to be carried out in dematerialized form only w.e.f. April 01, 2019.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him and submitted to Stock Exchange.

Audit Report for reconciliation of the share capital of the Company is also obtained from Practicing Company Secretary and submitted to Stock Exchange on quarterly basis as per the provisions of SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015.

**(xiii) Distribution of Shareholding as on 31st March 2020:**

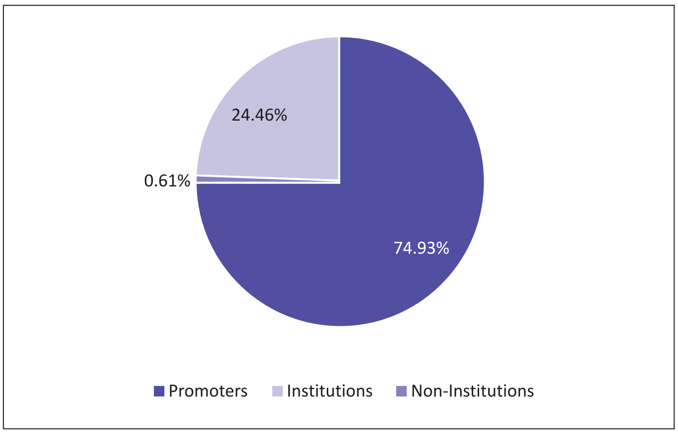
| Shareholding of nominal value | Share Holders | | Shares | | |
|---|---|---|---|---|---|
| **Rs.** | **Number** | **% to total** | **Number** | **Amount in Rs.** | **% to total** |
| Upto 5,000 | 2788 | 73.95 | 443891 | 4438910 | 0.5173 |
| 5,001 - 10,000 | 388 | 10.29 | 320313 | 3203130 | 0.3733 |
| 10,001 - 20,000 | 216 | 5.72 | 337043 | 3370430 | 0.3928 |
| 20,001 - 30,000 | 97 | 2.57 | 248195 | 2481950 | 0.2892 |
| 30,001 - 40,000 | 41 | 1.08 | 148361 | 1483610 | 0.1729 |
| 40,001 - 50,000 | 35 | 0.92 | 161635 | 1616350 | 0.1884 |
| 50,001 - 1,00,000 | 67 | 1.77 | 483738 | 4837380 | 0.5637 |
| 1,00,001 & Above | 138 | 3.66 | 83671015 | 836710150 | 97.5025 |
| **Total** | **3770** | **100.00** | **85814191** | **858141910** | **100.0000** |

**(xiv) Shareholding Pattern as on 31st March, 2020**

| Category | Number of Shares Held | Percentage of Shareholding (%) |
|---|---|---|
| **Promoters** | 6,43,00,541 | 74.93 |
| **Institutions** | | |
| Bank/Financial Institution, Foreign Portfolio Investors | 5,20,078 | 0.61 |
| **Non-Institutions** | | |
| Individuals | 74,01,056 | 8.62 |
| Body Corporate | 126,21,489 | 14.71 |
| Others* | 9,71,027 | 1.13 |
| **Total** | **8,58,14,191** | **100.00** |

* *includes Clearing Members, NRI and HUF.*

**Shareholding Pattern as on 31st March, 2020 depicted by way of pie chart as follows:**




**(xv) Dematerialization of Shares and Liquidity**

About 98.86% of the Equity Shares of the Company are in dematerialized form as on 31st March 2020. The Company's Shares are compulsorily traded in dematerialization form. The Equity Shares of the Company are actively traded on BSE and NSE. Security Code No. with NSDL and CDSL is - ISIN-INE350C01017.

**(xvi) Outstanding GDRs / ADRs / Warrants or Convertible Instruments, conversion date and likely impact on equity**

Not Applicable

**(xvii) Commodity price risk or foreign exchange risk and hedging activities**

The Company has in place Risk Management Policy in order to mitigate commodity price risk and foreign exchange risk. Pursuant to this policy natural hedge is maintained and when required forward contracts / cover are also used to cover these exposures.

**xviii) Plant Locations**

Not Applicable

**(xix) Address for Correspondence**

The Shareholders may address their communications/ suggestions/ grievances/ queries to the Registrar & Transfer Agent of the Company and query relating to the Annual report to the Company at respective addresses mentioned in Table 4:

**Table 4**

| Company Address | Registrar & transfer Agent Address |
|---|---|
| **Mr. Vikas Chandra**<br>Company Secretary &<br>Compliance Officer<br>Optiemus Infracom Limited<br>Plot no. 2A, First Floor, Wing A,<br>Sector-126, Noida-201301, U.P. | Beetal Financial and Computer Services (P) Limited<br>Beetal House, 3rd Floor, 99, Madangir,<br>New Delhi -110 062 |
| Telephone: 0120-672 1900<br>Fax: 0120-6721999 | Telephone: 011-299 61281/82/83<br>Fax: 011-2996 1284 |
| E-mail: cs.vikas@optiemus.com | E-mail: beetal@beetalfinancial.com |

The Company has its website www.optiemus.com. The website provides detailed information about the Company, its products, locations of its branch offices and various distribution sales offices etc. The quarterly results, shareholding pattern, Annual Reports and other disclosure/information as required to be updated on the website as per Listing Regulations are updated on the website of the Company.

## 8. OTHER DISCLOSURES

### A. Related Party Transactions

During the year 2019-20, the Company has entered into material related party transactions (exceeds 10% of the annual consolidated turnover of last audited financial statements) as per the provisions of Listing Regulations with one of the related party viz. Optiemus Electronics Limited, subsidiary company in the ordinary course of business and on arm's length basis for which shareholders' approval is required. The matter is proposed in the notice of ensuing Annual General Meeting for obtaining the approval of shareholders.

All related party transactions are provided to the Board and Audit Committee, and the interested Directors neither participate in the discussion, nor do they vote on such matters, when such matters come up for approval. Transactions with the related parties during the financial year 2019-20 are disclosed in the financial statements forming part of the Annual Report.

Policy on dealing with related party transactions is disclosed at Company's website at https://www.optiemus.com/investors.html .

### B. Details of Non-Compliance

Penalty of Rs. 40,000/- was imposed by BSE and NSE for delayed filing of Financial Results of the Company for period ended 31st March, 2019. Wherein, as per Listing Regulation 33, for the last quarter, the Company has to submit, within 60 days from the end of financial year, the Audited Financial Results for the entire financial year along with Audited Financial Results in respect of last quarter along with Auditors Report, however, due to lack of quorum the scheduled Board Meeting dated 30th May, 2019 was adjourned to 6th June, 2019, as a result, the financial results could not submitted within prescribed time and caused inadvertent delay.

Apart from above, no penalties/strictures were imposed on the Company by the stock exchanges or SEBI or any statutory authority in any matters related to the capital markets during the last three years.

### C. Vigil Mechanism/Whistle Blower Policy

The Company has a formal Vigil Mechanism/whistle blower policy for its employees to report their concerns about unethical behaviour or violation of code of conduct or ethics policy. The Vigil Mechanism/whistle blower policy is also available on the website of the Company as well. No personnel of the Company are denied access to the chairman of the Audit Committee.

### D. Details of Compliance with Mandatory Requirements & Adoption of Non-Mandatory Requirements

Company has fully complied with the mandatory requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with and adopted the following non-mandatory/discretionary requirements as provided in Part E of Schedule II of the Listing Regulations:

**(1) Reporting of Internal Auditor**

The Internal Auditors reports to the CFO and has direct access to the Audit Committee.

(2) **Modified opinion(s) in Audit Report**

The Financial Statements of the Company are Unmodified.

**E. Material Subsidiary**

As on 31st March, 2020, the Company has 4 subsidiaries out of which M/s Optiemus Electronics Limited is a material subsidiary, where a material subsidiary means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The policy for determining 'material' subsidiaries is available on the website of the Company under the web link https://www.optiemus.com/investors.html.

**F. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

**G. Certificate from a company secretary in practice**

None of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report as ***'Annexure-A'***.

**H. Details where the Board had not accepted any recommendation of any committee of the board which is mandatorily required along with reasons thereof**

The Board accepted the recommendations of its Committees, wherever made, during the financial year.

**I. Detail of fees paid to Statutory Auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors during FY 2019-20 and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

| Type of Service | Amount (In Lakh) |
|---|---|
| Audit Fees | 5.00 |
| Certification Fees | 0.50 |
| **Total** | **5.50** |

**J. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to provide and promote a safe and healthy work environment for all its employees. An Anti-Sexual Harassment Policy which is in line with the statutory requirements is in place. An Internal Compliant Committee has been set up to redress the complaints received regarding sexual harassment.

Detail of complaints received during the year is as follows:

| Number of complaints filed during the financial year | Number of complaints disposed of during the financial year | Number of complaints pending as on end of the financial year |
|---|---|---|
| Nil | Nil | Nil |

**K.** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause (b) to (i) of Sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**L. CEO/CFO Certificate**

The certificate required under Listing Regulations duly signed by the CEO and CFO was placed before the Board and the same is annexed as ***'Annexure-B'.***

**M. Code of Conduct**

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same has been posted on the website of the Company i.e. https://www.optiemus.com/investors.html.

All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2020.

A declaration to this effect, duly signed by Whole-time Director, is annexed and forms part of this report as ***'Annexure-C'***

**N. Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account**

Not Applicable

**O. Management Discussion And Analysis Report**

The Management Discussion and Analysis report forms part of this Annual Report.

**P. Risk Management**

The risk assessment and minimization procedures are in place and the Board is informed about the business risks and the steps taken to mitigate the same.

**Q. Directors Appointment/Reappointment**

Profile of Directors who are to be appointed/re-appointed along with the Directorship details is provided in the Notice of the 27th Annual General Meeting of the Company.

**R. Code for Fair Disclosure and Code of Conduct for prohibition of Insider Trading**

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practices and Procedures for Fair disclosure of unpublished price sensitive information and Code of Conduct to regulate, monitor and report insider trading in equity shares of the Company by its designated persons and their immediate relatives.

The above code of Conducts are available on the website of the Company under the web link https://www.optiemus.com/investors.html.

**S. Orderly succession to Board and Senior Management**

The Board of the Company has satisfied itself that the plans are in place for orderly succession for appointments to the Board and to the Senior Management.

**T. Review of legal Compliance Reports**

During the year, the Board periodically reviewed the Compliance reports with respect to various laws applicable to the Company as prepared and placed before it by the management.

**U. Additional Information regarding Independent Directors**

The details of Familiarization Programmes imparted by the Company to Independent Directors are given on the website of the Company under web link https://optiemus.com/corporategovernance.html.

Terms & Conditions of Appointment of Independent Directors is given on the website of the Company under web link https://www.optiemus.com/investors.html .

**V. Nomination**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the share transfer agent of the Company upon such request. Nomination facility for shares held in electronic form is also available with depository participant as per the bye-laws and business rules applicable to NSDL and CDSL.

**W. Updation of PAN/Bank Account Detail**

Pursuant to SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, all the listed Companies are directed to record the PAN and BANK ACCOUNT details of all shareholders holding shares in physical mode through their Registrar and Share Transfer Agent ("RTA"). Accordingly, the Company has initiated steps and has sent initial letter and reminder letters along with KYC forms through its RTA to its shareholders holding shares in physical mode for registering their PAN and Bank Account details (including joint holders, if any) in previous financial year. The shareholders, *who haven't updated*, are requested to utilize this opportunity for updating PAN and/or Bank details with the RTA.

For and on behalf of the Board of Directors
**Optiemus Infracom Limited**

**Date : August 29, 2020**
**Place : Noida (U.P.)**

**Ashok Gupta**
**Executive Chairman**

# ANNEXURE-A
# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
**Optiemus Infracom Limited**
K-20, Second Floor, Lajpat Nagar Part-II,
New Delhi-110024

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Optiemus Infracom Limited having registered office at K-20, Second Floor, Lajpat Nagar Part-II (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the financial year ended on 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.K. Batra & Associates**
**Company Secretaries**

**Date: August 21, 2020**
**Place: New Delhi**

**Sumit Kumar**
**CP No.:8072**

# ANNEXURE-B
# EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
**Optiemus Infracom Limited**

We, the undersigned, in our respective capacities as Whole Time Director and Chief Financial Officer of the Company to the best of our knowledge and belief certify that:

A. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and based on our knowledge and belief, we state that:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

   1. significant changes, if any, in the internal control over financial reporting during the year;

   2. significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

   3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | | |
|---|---|---|
| | **Ashok Gupta** | **Parveen Sharma** |
| **Date : July 30, 2020** | **Whole Time Director** | **Chief Financial Officer** |
| **Place: Noida (U.P)** | **DIN: 00277434** | **PAN:ATWPS6301D** |

# ANNEXURE-C

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct as adopted is available on the Company's website viz. www.optiemus.com.

It is further certified that the Directors and Senior Management Personnel have affirmed their compliance with the Code for the year ended 31st March, 2020.

For and on behalf of the Board of Directors
**For Optiemus Infracom Limited**

**Date : July 30, 2020**
**Place : Noida (U.P.)**

**Ashok Gupta**
**Executive Chairman**

# INDEPENDENT AUDITORS' REPORT

**TO**

**THE MEMBERS OF OPTIEMUS INFRACOM LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Optiemus Infracom Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter | Auditor's response |
|---|---|---|
| 1. | **Assessment of Carrying Value of Investment in Subsidiaries:-**<br>1. Optiemus Infracom (Singapore) Pte Ltd<br>2. FineMS Electronics Private Limited<br>3. Optiemus Electronics Limited<br>4. Troosol Enterprises Private Limited<br>**Assessment of Carrying Value of Investment in Associates:-**<br>1. Teleecare Network India Private Limited<br>(Refer to Note 2.2.8 and 5(a) in the standalone financial statements)<br>The carrying value of the investment in above mentioned subsidiaries and associates are Rs. 1,182.55 lakhs and Rs. 5,145.16 lakhs respectively as at March 31, 2020 which represents approximately 11.50% of the total assets of the Company. These investments are carried at cost less accumulated impairment losses, if any. The Company reviews the carrying values of these investments at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying amount of investments. For the assessment of carrying value of investment in these subsidiaries and associates, the Management estimates recoverable value based on discounted cash flows forecast, requiring judgements in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate. Changes in these assumptions could lead to an impairment to the carrying value of these investments. We have considered this to be a key audit matter as the investments balance is significant to the balance sheet and significant management judgement is involved in calculation of recoverable amount for the purpose of assessment of the appropriateness of the carrying amount. | **Our procedures included the following :**<br>• To assess the key assumptions of valuation used, in particular those relating to discount rates, cash flow forecasts and terminal growth rates applied:<br>- Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data. Performed sensitivity analysis by using the terminal growth rates and discount rates as provided by the auditors' valuation experts.<br>- Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business.<br>• We understood the management process for assessment of carrying values of investments and also evaluated the design and tested the operating effectiveness of the Company's internal controls surrounding such assessment. Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting. Based on the above procedures performed, we noted that the management's assessment of the carrying value of the investments in subsidiaries is reasonable. |

| S. No. | Key Audit Matter | Auditor's response |
|---|---|---|
| 2. | **Revenue recognition**<br>Revenue recognition is significant audit risk across all units within the Company. Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers". | Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br>• We evaluated the design of internal controls relating to revenue recognition.<br>• We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection.<br>• We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents.<br>• We have performed cut-off procedures for sample of revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115. |
| 3. | **Carrying value of trade receivables**<br>The Company is required to regularly assess the recoverability of its trade receivables. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates.<br>This is a key audit matter as significant judgement is involved to establish the provision matrix. | We evaluated management's assumption and judgement involved in estimating recoverability. We evaluated management's continuous assessment of the assumptions used in the impairment assessment which includes the historical default rates and business environment in which the entity operates. We assessed the disclosures made in the financial statements. |
| 4. | **Carrying value of loans and advances given**<br>The Company has given loans and advances to various parties. The Company is required to regularly assess the recoverability of its loans given. | Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br>• We evaluated management's assumption and judgment involved in estimating recoverability.<br>• We have obtained balance confirmations from parties.<br>• We assessed the disclosures made in the financial statements. |

**Emphasis Matter**

1. Due to government-imposed shutdowns and due to unavailability of the client personnel it was not possible for us to observe physical verification of inventory as on 31st March 2020 or thereafter. However, the Company has conducted physical verification of inventory and no material discrepancy was observed. Our opinion is not modified in respect of this matter.
2. We have not received some of the balance confirmations pertaining to debtors, creditors, loans and advances. We have been informed that due to government-imposed shutdowns and due to unavailability of the client personnel it was not possible for many parties to provide balance confirmations. We have obtained reasonable assurance by performing other audit procedures. Our opinion is not modified in respect of this matter.
3. As disclosed in note 6, due to the discontinuation of operations in relation to Blackberry Division, the Company has made provision for impairment on intangible assets i.e., Blackberry softwares and written of advances given for the development of blackberry softwares with their carrying amounts of Rs. 1,36,72,500 and Rs. 1,61,15,002, respectively. Our opinion is not modified in respect of this matter.
4. As disclosed in note 33, the company had entered into agreement with Blackberry Limited for providing licensing and software services w.e.f. July 1, 2017. Under the said agreement, the Company is required to pay a minimum guarantee royalty fee against which the company has received a demand of USD 4.29 million till 31st March 2020 out of which only USD 1.5 million paid. However, the management has disputed the payment of royalty on account of delay in launch of Blackberry handsets due to the fault on part of Blackberry and out of USD 4.29 million, USD 0.83 million has been recognized royalty expense till 31st March 2020. The balance amount is under dispute and has not been recognized as expense during the period. Our opinion is not modified in respect of this matter.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Mukesh Raj & Co.**
Chartered Accountants
Firm's Reg.No: 016693N

Mukesh Goel
Partner
M.No. 094837
UDIN: 20094837AAAADR4035

Place: Noida (U.P.)
Date: 30.07.2020

# ANNEXURE "A"

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Optiemus Infracom Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **OPTIEMUS INFRACOM LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mukesh Raj & Co.**
Chartered Accountants
Firm's Reg.No: 016693N

Mukesh Goel
Partner
M.No. 094837

Place: Noida (U.P.)
Date: 30.07.2020

# ANNEXURE "B"

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Optiemus Infracom Limited of even date)**

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

*(b) The Company doesn't have a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is not reasonable having regard to the size of the Company and the nature of its assets.*

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Investment properties in the standalone financial statements, the lease agreements are in the name of the Company.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According the information and explanations given to us, *the Company has granted unsecured loans* to bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.

vi. We have broadly reviewed the accounts and records maintained by the company pursuant to the companies (cost records and audit) Rules read with companies (cost records and audit) amendment rules, 2014 specified by central government under section 148 of the act, and we are of the opinion that prima facie the prescribed records have been maintained.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities except there have been delay in this case.

*Professional tax amounting to R.s 1,02,875 was in arrears as at March 31 2020 for a period more than six months from the date they become payable.*

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable other than disclosed above.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

| Disputes with Authority | Financial year | 31-Mar-20 |
|---|---|---|
| Sales Tax Haryana | 2010-11 | 15,75,527 |
| Sales Tax Haryana | 2013-14 | 20,41,060 |
| Sales Tax Haryana | 2014-15 | 5,09,015 |
| Sales Tax Haryana | 2015-16 | 7,74,600 |
| Sales Tax Bihar | 2012-13 | 9,74,896 |
| Sales Tax Bihar | 2013-14 | 7,45,550 |
| Sales Tax Uttar Pradesh | 2011-12 | 25,17,693 |
| Sales Tax Uttar Pradesh | 2013-14 | 44,51,143 |
| Sales Tax West Bengal | 2012-13 | 1,78,31,391 |
| Sales Tax Karnataka | 2011-12 | 31,11,619 |
| Sales Tax Karnataka | 2012-13 | 52,99,162 |
| Sales Tax Karnataka | 2013-14 | 36,77,850 |
| Sales Tax Karnataka | 2014-15 | 23,15,219 |
| Sales Tax Karnataka | 2014-15 | 2,90,063 |
| Sales Tax Gujarat | 2013-14 | 41,44,564 |
| Sales Tax Gujarat | 2014-15 | 1,85,36,738 |
| Sales Tax Tamil Nadu | 2013-14 | 2,88,617 |
| Sales Tax Tamil Nadu | 2014-15 | 18,22,986 |
| Sales Tax Madhya Pradesh | 2015-16 | 53,00,483 |
| Income Tax - u/s 220(2) | 2010-11 | 7,926 |
| Income Tax - u/s 220(2) | 2011-12 | 86,670 |
| Income Tax - u/s 143(3) | 2016-17 | 79,94,447 |
| Income Tax - u/s 143(1a) | 2017-18 | 3,18,24,480 |
| TDS demands | Prior years | 4,17,881 |
| TDS demands | 2019-20 | 2,04,345 |
| TDS demands (MPS) | Prior years | 36,681 |

viii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given to us by the management, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any debenture holders.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Mukesh Raj & Co.**
Chartered Accountants
Firm's Reg.No: 016693N

Mukesh Goel
Partner
M.No. 094837

Place: Noida (U.P.)
Date: 30.07.2020

# BALANCE SHEET AS AT 31st MARCH, 2020

(INR in Lacs)

| | Notes | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 (a) | 1,127 | 1,572 |
| Other Intangible assets | 3 (b) | 7 | 358 |
| Investment properties | 4 | 11,751 | 12,001 |
| Financial assets | 5 | | |
| Investments | 5 (a) | 6,691 | 7,174 |
| Loans | 5 (b) | 852 | 1,018 |
| Other financial assets | 5 (c) | 14 | 677 |
| Deferred tax assets (net) | 6 | 1,792 | 1,181 |
| Other non-current assets | 7 | 3,289 | 3,411 |
| | | 25,523 | 27,391 |
| **Current assets** | | | |
| Inventories | 8 | 420 | 3,584 |
| Financial assets | 9 | | |
| Investments | 9 (a) | 25 | 75 |
| Trade receivables | 9 (b) | 16,486 | 18,723 |
| Cash and cash equivalents | 9 (c) | 640 | 1,654 |
| Bank balances other than cash and cash equivalents | 9 (d) | 1,919 | 1,573 |
| Loans | 9 (e) | 5,627 | 5,530 |
| Other financial assets | 9 (f) | 207 | 25 |
| Current tax assets (net) | | 564 | 495 |
| Other current assets | 10 | 3,635 | 5,415 |
| | | 29,524 | 37,073 |
| **Total assets** | | **55,047** | **64,465** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 11 | 8,581 | 8,581 |
| Other equity | | 17,918 | 24,763 |
| **Total equity** | | **26,500** | **33,344** |
| **Non-current liabilities** | | | |
| Financial liabilities | 12 | | |
| Borrowings | 12 (a) | 17,896 | 19,002 |
| Other financial liabilities | 12 (b) | 509 | 456 |
| Provisions | 13 | 53 | 61 |
| | | 18,458 | 19,519 |
| **Current liabilities** | | | |
| Financial liabilities | 14 | | |
| Borrowings | 14 (a) | 3,893 | 4,107 |
| Trade payables | 14 (b) | 4,363 | 5,469 |
| Other financial liabilities | 14 (c) | 1,522 | 1,248 |
| Other current liabilities | 15 | 312 | 777 |
| | | 10,090 | 11,602 |
| **Total liabilities** | | **28,548** | **31,121** |
| **Total equity and liabilities** | | **55,047** | **64,465** |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**For and on behalf of the Board of Directors of Optiemus Infracom Limited**

**Mukesh Goel**
Partner
Membership No.: 094837

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

Place: Noida (U.P.)
Date: 30.07.2020

# PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

**INR in Lacs except Earning Per Share**

| | Notes | For the year ended 31-Mar-20 | For the year ended 31-Mar-19 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Income** | | | |
| Revenue from operations | 16 | 34,131 | 40,107 |
| Other income | 17 | 299 | 5,316 |
| | | 34,430 | 45,423 |
| **Expenses** | | - | - |
| Purchase of traded goods | | 26,054 | 34,985 |
| Changes in inventories of stock-in-trade | 18 | 3,164 | (2,199) |
| Employee benefits expense | 19 | 710 | 1,590 |
| Finance costs | 20 | 2,390 | 2,949 |
| Depreciation, amortization and impairment expense | 21 | 1,042 | 1,076 |
| Other expenses | 22 | 8,549 | 6,835 |
| **Total expenses** | | 41,908 | 45,235 |
| **Profit/(loss) before exceptional item and tax** | | **(7,479)** | **187** |
| **Tax expense:** | | | |
| Current tax | | - | 233 |
| Adjustment of tax relating to earlier periods | | (2) | (26) |
| Deferred tax credit | 6 | (611) | (241) |
| | | (613) | (34) |
| **Profit for the year** | | **(6,866)** | **222** |
| **Other comprehensive income not to be reclassified to profit or loss in subsequent periods:** | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | 22 | 16 |
| Income tax effect | 6 | - | (5) |
| **Net other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | **22** | **11** |
| **Total comprehensive income for the year** | | **(6,845)** | **233** |
| **Earnings per share** | | | |
| Basic and diluted earnings per share | 23 | (7.98) | 0.27 |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**Mukesh Goel**
Partner
Membership No.: 094837

Place: Noida (U.P.)
Date: 30.07.2020

**For and on behalf of the Board of Directors of Optiemus Infracom Limited**

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

# CASH FLOWS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Operating activities** | | |
| Profit before tax | (7,479) | 187 |
| *Adjustments to reconcile profit before tax to net cash flows:* | | |
| Depreciation of property, plant and equipment | 439 | 659 |
| Depreciation of Investment Properties | 251 | 274 |
| Amortisation of intangible assets | 215 | 142 |
| Impairment of intangible assets | 137 | - |
| Bad debts and advances written off | 918 | 153 |
| Provision for doubtful loans | 651 | 270 |
| Provision for doubtful deposits | 80 | 40 |
| Provision for doubtful duties recoverable expense | - | 73 |
| Provision for doubtful debtors | 3,535 | 698 |
| Provision of Gratuity made | (8) | 38 |
| Amount of Gratuity paid | - | (19) |
| Lease equilization rent booked | 23 | (197) |
| Investments written off | 481 | 1,332 |
| Finance costs (including fair value change in financial instruments) | 2,390 | 2,949 |
| IndAS effect on rent income | (46) | (46) |
| Profit on Relinquishment of rights in property | - | (183) |
| Foreign exchange gain/ loss | 85 | (320) |
| Fair value gain on remaining investments after loss of control in subsidiaries | - | (1,667) |
| Profit on disposal of property, plant and equipment | (6) | (0) |
| Excess liabilities written back | (131) | (2,607) |
| Interest income | (155) | (533) |
| Bad debts recovered | (3) | - |
| Fair value gain on financial instruments at fair value through profit or loss | (3) | (5) |
| | **1,372** | **1,238** |
| *Working capital adjustments:* | | |
| (Increase)/ Decrease in trade and other receivables and prepayments | (499) | (826) |
| (Increase)/Decrease in inventories | 3,164 | (2,199) |
| Increase in trade and other payables and provision | (1,206) | 5,120 |
| | **2,831** | **3,333** |
| Income tax paid | (67) | (1,240) |
| **Net cash flow from operating activities** | **2,764** | **2,093** |
| **Investing actvities** | | |
| Purchase of property, plant and equipment and intangible assets | (4) | (372) |
| Proceeds from sale of property, plant and equipment | 16 | 3 |
| Purchase of investments | (5) | (1) |
| Proceeds from sale of investments - long term | 61 | - |
| Proceeds from fixed deposits with original maturities more than 3 months (net) | 316 | (45) |
| Repayment of loans received / (loans given) | (662) | 823 |
| Proceeds from Relinquishment of rights in property | - | 183 |
| Interest received | 159 | 529 |
| **Net cash flows used in investing activities** | (119) | **1,121** |
| **Financing activities** | | |
| Proceeds from / (repayment) of term loans | (1,106) | (1,275) |
| Proceeds from / (repayment) of short-term borrowings (net) | (215) | (309) |
| Finance costs paid | (2,338) | (2,901) |
| **Net cash flows from/(used in) financing activities** | (3,659) | **(4,485)** |
| **Net increase in cash and cash equivalents** | (1,013) | **(1,271)** |
| Cash and cash equivalents acquired on amalgamation | | |
| Cash and cash equivalents at the beginning of the year | 1,654 | 2,925 |
| **Cash and cash equivalents at year end** | **640** | **1,654** |
| **Components of cash and cash equivalents** | | |
| Balances with banks in current accounts | 639 | 1,649 |
| Cash on hand | 1 | 5 |
| | **640** | **1,654** |

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**Mukesh Goel**
Partner
Membership No.: 094837

Place: Noida (U.P.)
Date: 30.07.2020

**For and on behalf of the Board of Directors of Optiemus Infracom Limited**

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

**For the year ended 31st March, 2020** **INR in Lacs**

| | Share capital | | Other equity - Reserves and surplus | | Total |
|---|---|---|---|---|---|
| | No. of shares | Amount | General reserve | Retained earnings | |
| As at 1st April 2019 | 85,814,191 | 8,581 | 261 | 24,502 | 24,763 |
| Profit for the year | - | - | - | (6,866) | (6,866) |
| Other comprehensive income | - | - | - | 22 | 22 |
| Total comprehensive income | - | - | - | (6,845) | (6,845) |
| **As at 31 March 2020** | **85,814,191** | **8,581** | **261** | **17,657** | **17,918** |

**For the year ended 31st March, 2019** **INR in Lacs**

| | Share capital | | Other equity - Reserves and surplus | | Total |
|---|---|---|---|---|---|
| | No. of shares | Amount | General reserve | Retained earnings | |
| As at 1 April 2018 | 85,814,191 | 8,581 | 261 | 24,269 | 24,530 |
| Profit for the year | - | - | - | 222 | 222 |
| Other comprehensive income | - | - | - | 11 | 11 |
| Total comprehensive income | - | - | - | 233 | 233 |
| **As at 31 March 2019** | **85,814,191** | **8,581** | **261** | **24,502** | **24,763** |

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**Mukesh Goel**
Partner
Membership No.: 094837

Place: Noida (U.P.)
Date: 30.07.2020

**For and on behalf of the Board of Directors of**
**Optiemus Infracom Limited**

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

# NOTES FORMING PART OF THE FINANCIAL STATEMENT

## 1. CORPORATE INFORMATION

Optiemus Infracom Limited (“the Company”) is a public company incorporated on 17.06.1993; equity shares of the company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is primarily engaged in the trading of mobile handset and mobile accessories and renting of Immovable property, etc. The company is a public limited company incorporated and domiciled in India and has its registered office at New Delhi.

These financial statements are authorized for issue in accordance with a resolution of the directors on 30th July, 2020.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules 2015, read with Section 133 of Companies Act, 2013.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### 2.2 Summary of Significant Accounting Policies

### 2.2.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS recognition and measurement principles and, in particular, making the critical accounting judgements require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances or obtaining new information or more experience may result in revised estimates, and actual results could differ from those estimates.

### 2.2.2 Classification of Assets and Liabilities as Current or Non-Current

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position on the basis of realization of assets.

An asset is classified as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.2.3 Business combination and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- 'Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### 2.2.4 Revenue Recognition

The Company derives revenues primarily from sale of mobile handsets and mobile accessories, and rental of immoveable properties.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.Refer note 2.2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method (‘POC method’) of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

***Use of significant judgements in revenue recognition***

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is

being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

### 2.2.5 Property, Plant and Equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes all related costs directly attributable to the acquisition or construction of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately using written down value method.

Major improvements, which add to productive capacity or extend the life of an asset, are capitalized, while repairs and maintenance are expensed as incurred. Where a property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items. The depreciation expense is recognized in the statement of profit or loss in the expense category consistent with the function of the property, plant and equipment.

Property, plant and equipment under construction is recorded as capital work- in-progress until it is ready for its intended use; thereafter it is transferred to the related class of property, plant and equipment and depreciated over its estimated useful life. Interest incurred during construction is capitalized if the borrowing cost is directly attributable to the construction.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to property, plant and equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.

### 2.2.6 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the statement of profit or loss when it is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

### 2.2.7 Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU)'s fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

**2.2.8 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, fair value through OCI or at amortized cost as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Company has the following financial assets in its statement of financial position

- Investments
- Cash
- Bank Balances
- Trade Receivables
- Loans

**Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as described below:

**Financial assets at FVTPL or FVTOCI**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance income (positive net changes in fair value) or finance costs (negative net changes in fair value) in the statement of profit or loss.The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

**Financial assets at amortised cost**

This category is the most relevant to the Company. All Trade and Other Receivables, Loans and Advances fall under this category. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either the Company has transferred substantially all the risks and rewards of the asset or transferred control of the asset.

**Impairment of Financial Assets**

The objective of the company in recognising the impairment allowance is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking.

Credit Losses are the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Expected Credit Losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Company recognises a loss allowance for expected credit losses on a financial asset that is measured at amortized cost at each reporting date, at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. When making the assessment, the company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The

Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if it is determined to have low credit risk at the reporting date.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. For Trade receivables the company always measure the loss allowance at an amount equal to lifetime expected credit losses.

Evidence of impairment may include indications that the debtors or a company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money; and the reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the gross carrying amount using the effective rate of interest unless the financial instrument is credit-impaired in which case the interest income is recognised on reduced carrying amount. The interest income is recorded as part of finance revenue in the statement of profit or loss.

Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

**ii. Financial Liabilities**

The Company has the following financial liabilities in its statement of financial position

- Borrowings
- Trade payables
- Other Financial Liabilities

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as follows:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

'Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held-for-trading are recognised in the statement of profit or loss.Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS109 are satisfied. The Company has not designated any financial liabilities as at fair value through profit or loss.

**Financial liabilities at amortised cost**

This is the category most relevant to the Company. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to notes payable, short-term loans and overdrafts.

**iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**iv. Fair Value of Financial Instruments**

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial instruments are not materially different at the reporting date.

**2.2.9 Cash and Bank Balances**

Cash and Bank Balances in the statement of financial position comprise cash at banks and on hand and fixed deposits with banks, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with original maturity of less than 3 months, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.2.10 Leases**

*Company as a lessee*

**Policy applicable before April 1, 2019**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Policy applicable after April 1, 2019**

The Group has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of- use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments; The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases mainly comprise land and buildings and Plant and equipment. The Company leases land and buildings for warehouse facilities. The Company also has leases for equipment.

*Company as lessor*

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**2.2.11 Borrowing Cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

**2.2.12 Provisions**

General Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**2.2.13 Employee Benefits**

Employee benefits are all forms of consideration given by the company in exchange for service rendered by employees. Employee benefits include: short-term employee benefits, post-employment benefits and other long-term employee benefits

**Short Term Employee Benefits**

When an employee has rendered service to the company during an accounting period, the company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid and as an expense. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**Defined Contribution Plan**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service during the year, the company recognises the contribution payable to a defined contribution plan in exchange for that service as a liability (accrued expense) and as an expense.

**Defined Benefit Plan**

Defined benefit plans are those plans that provide guaranteed benefits to certain categories of employees, either by way of contractual obligations or through a collective agreement.

The company operates unfunded defined benefit plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each fiscal year end. The obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Current service cost, which is the increase of the present value of the defined benefit obligation resulting from the employee service in the current period, is recorded as an expense as part of cost of sales and selling, general and administrative expenses in the statement of profit and loss. The interest cost, which is the change during the period in the defined benefit liability that arises from the passage of time, is recognized as part of financing costs in the statement of profit and loss.

**2.2.14 Foreign Currencies**

The Company's financial statements are presented in Indian Rupees (INR), which is also the company's functional currency. Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

**2.2.15 Income Tax**

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred Tax Expense or Income arises due to temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Temporary differences may be either taxable temporary differences, which are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled or deductible temporary differences, which are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax liability is recognised for all taxable temporary differences.

**2.2.16 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i. **Raw materials and Stores and spares**: cost includes cost of purchase and other costs incurred in bringing the inventories to their presentlocation and condition. Cost is determined on first in, first out basis.

ii. **Finished goods and work in progress**: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost isdetermined on first in, first out basis.

iii. **Traded goods**: cost includes cost of purchase and other costs incurred in bringing the inventories to their presentlocation and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completionand the estimated costs necessary to make the sale.

**2.2.17 Segment Reporting**

**Identification of segments**

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products/services.The Company operates in two geographical segments: Domestic and International markets.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**2.2.18 Earnings per share**

Basic earnings per share are 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 shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.2.19 Contingent Liabilities**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 3(a). PROPERTY, PLANT AND EQUIPMENT

INR in Lacs

| | Furniture and fittings | Electrical fittings | Plant and machinery | Office equipment | Computers | Motor vehicles | Total |
|---|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | | |
| At 1st April 2018 | 4,897 | 2,194 | 2,494 | 289 | 4,508 | 838 | 15,219 |
| Additions | - | - | - | 5 | 4 | - | 9 |
| Disposals | - | - | 49 | - | - | 26 | 76 |
| **At 31st March 2019** | **4,897** | **2,194** | **2,444** | **294** | **4,512** | **811** | **15,153** |
| Additions | - | - | - | - | 4 | - | 4 |
| Disposals | - | 1 | - | - | 10 | 120 | 131 |
| **At 31st March 2020** | **4,897** | **2,193** | **2,444** | **294** | **4,507** | **691** | **15,026** |
| **Depreciation and impairment** | | | | | | | |
| At 1st April 2018 | 3,982 | 1,791 | 1,816 | 275 | 4,380 | 750 | 12,995 |
| Deprecation charge for the year | 301 | 133 | 158 | 7 | 28 | 32 | 659 |
| Disposals | - | - | 47 | - | - | 26 | 73 |
| **At 31st March 2019** | **4,283** | **1,924** | **1,927** | **282** | **4,409** | **756** | **13,581** |
| Deprecation charge for the year | 202 | 89 | 119 | 3 | 10 | 16 | 439 |
| Disposals | - | 1 | - | - | 9 | 111 | 121 |
| **At 31st March 2020** | **4,485** | **2,012** | **2,046** | **285** | **4,409** | **661** | **13,899** |
| **Net book value** | | | | | | | |
| At 31st March 2020 | 412 | 181 | 399 | 8 | 97 | 30 | 1,127 |
| At 31st March 2019 | 614 | 270 | 518 | 12 | 104 | 55 | 1,572 |
| At 1st April 2018 | 915 | 403 | 677 | 13 | 128 | 88 | 2,224 |

## 3(b). INTANGIBLE ASSETS

INR in Lacs

| | Computer Software | Total |
|---|---|---|
| **Cost or valuation** | | |
| At 1st April 2018 | 303 | 303 |
| Additions | 363 | 363 |
| **At 31st March 2019** | 666 | 666 |
| Additions | | |
| **At 31st March 2020** | 666 | 666 |
| **Depreciation and impairment** | | |
| At 1st April 2018 | 165 | 165 |
| Deprecation charge for the year | 142 | 142 |
| **At 31st March 2019** | 307 | 307 |
| Deprecation charge for the year | 215 | 215 |
| Impairment for the year* | 137 | 137 |
| **At 31st March 2020** | 659 | 659 |
| **Net book value** | | |
| At 31st March 2020 | 7 | 7 |
| At 31st March 2019 | 358 | 358 |
| At 31st March 2018 | 138 | 138 |

* Impairment is done in respect of softwares of Blackberry handsets which are no longer operational. Therefore the carrying amount of softwares of Rs. 1,36,72,500 is impaired.

## 4. INVESTMENT PROPERTIES

INR in Lacs

| | Land | Building and infrastructure | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| At 31st March 2018 | 8,301 | 5,835 | 14,136 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 1st April 2019 | **8,301** | **5,835** | **14,136** |
| Additions | - | - | - |
| Disposals | - | - | - |
| **At 31st March 2020** | **8,301** | **5,835** | **14,136** |
| **Depreciation and impairment** | | | |
| At 31st March 2018 | - | 1,861 | 1,861 |
| Deprecation charge for the year | - | 274 | 274 |
| At 1st April 2019 | **-** | **2,135** | **2,135** |
| Deprecation charge for the year | - | 251 | 251 |
| **At 31st March 2020** | **-** | **2,386** | **2,386** |
| **Net book value** | | | |
| **At 31st March 2020** | **8,301** | **3,450** | **11,751** |
| **At 31st March 2019** | **8,301** | **3,700** | **12,001** |
| At 31st March 2018 | 8,301 | 3,974 | 12,275 |
| **Amount recognised in statement of profit and loss for investment property** | | | |
| Rental Income derived from investment property | | | |
| For the year ended 2020 | - | 3,577 | 3,577 |
| For the year ended 2019 | - | 3,577 | 3,577 |
| Expenses in relation to investment property | | | |
| For the year ended 2020 | - | 480 | 480 |
| For the year ended 2019 | - | 531 | 531 |

## 5. NON-CURRENT FINANCIAL ASSETS

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Investments** | | |
| **Investments at cost (fully paid)** | | |
| **Investment in equity instruments** | | |
| **Subsidiaries** | | |
| **Optiemus Infracom (Singapore) Pte Ltd** | | |
| 1 (31 March 2019: 1) Equity shares of 1 Singapore Dollar | - | - |
| 5,000 (31 March 2019: 5,000) Ordinary shares @1 SGD | - | - |
| 22,86,000 (31 March 2019: 22,86,000) Ordinary shares @1 USD | 67 | 67 |
| Net of provision for dimunition in value of Rs. 12,72,08,386 | | |

## 5. NON-CURRENT FINANCIAL ASSETS *(CONTD.)*

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Optiemus Electronics Limited** | | |
| 1,11,00,000 (31 March 2019: 1,11,00,000) Equity Shares of Rs. 10 each fully paid up | 1,110 | 1,110 |
| **Troosal enterprises Pvt. Ltd.** | | |
| 6,000 (31 March 2019: 6,000) Equity shares of Rs. 10 each fully paid up | 1 | 1 |
| **Optiaux Technologies Pvt. Ltd.** | | |
| 50,000 (31 March 2019: Nil) Equity shares of Rs. 10 each fully paid up | 5 | - |
| **Investments at fair value through profit or loss** | | |
| **Investment in equity instruments** | | |
| **Teleecare Network India Private Limited** | | |
| 1,59,34,200 (31 March 2019: 1,59,34,200) Equity shares of Rs. 10 each fully paid up | 5,145 | 5,145 |
| **Ilumi Solution Inc** | | |
| 9,66,620 (31 March 2019: 9,66,620) Equity shares of US$ 0.00001 each fully paid up | - | 479 |
| Net of provision for dimunition in value of Rs. 4,78,83,750 (2019 - Nil) | - | - |
| **Travancore Marketing Pvt Ltd** | | |
| 11,000 (31 March 2019: 11,000) Equity shares of Rs. 10 each fully paid up | - | - |
| *Quoted equity instruments* | | |
| **Investment in equity instruments** | | |
| **Anant Raj Ltd** | | |
| Nil (31 March 2019: 3,001) Equity shares of Rs. 2 each fully paid up | - | 1 |
| Net of provision for dimunition in value of Rs. Nil (2019 - 9,16,304) | - | - |
| **Arvind Remedies Ltd** | | |
| 10,000 (31 March 2019: 10,000) Equity Shares of Rs. 10 each fully paid up | - | - |
| Net of provision for dimunition in value of Rs. 5,15,830 (2019 - 5,15,830) | - | - |
| **GTL Infrastructure Ltd** | | |
| 2,000 (31 March 2019: 2,000) Equity shares of Rs. 10 each fully paid up | - | - |
| Net of provision for dimunition in value of Rs. 56,294 (2019 - 54,574) | - | - |
| **IKF Technologies Ltd** | | |
| 2,20,000 (31 March 2019: 2,20,000) Equity shares of Rs. 1 each fully paid up | 1 | 1 |
| Net of provision for dimunition in value of Rs. 33,82,410 (2019 - 33,82,410) | - | - |
| **JSW Steels Ltd** | | |
| Nil (31 March 2019: 300) Equity shares of Rs. 10 each fully paid up | - | 1 |
| **Cybele Industries Ltd** | | |
| 25,000 (31 March 2019: 25,000) Equity Shares of Rs. 10 each fully paid up | 1 | 3 |
| Net of provision for dimunition in value of Rs. 9,62,692 (2019 - 7,77,692) | - | - |

## 5. NON-CURRENT FINANCIAL ASSETS *(CONTD.)*

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Investment in partnership firm** | | |
| WIN Technologies | 361 | 366 |
| | **6,691** | **7,174** |
| Aggregate amount of quoted investments and market value thereof | 2 | 6 |
| Aggregate amount of unquoted investments | 6,689 | 7,168 |
| Aggregate amount of impairment in value of investments | 1,860 | 1,388 |
| **(b) Loans** | | |
| **Unsecured, considered good** | | |
| Loans given | | |
| Considered good | 36 | 76 |
| Considered doubtful | 40 | - |
| | 76 | 76 |
| Less: provision for doubtful loans | (40) | - |
| | 36 | 76 |
| Security deposits | | |
| Considered good | 816 | 942 |
| Considered doubtful | 119 | 40 |
| | 935 | 981 |
| Less: provision for doubtful deposits | (119) | (40) |
| | **852** | **1,018** |
| **(c) Other financial assets** | | |
| Deposit with maturity for more than 12 months | 14 | 677 |
| | **14** | **677** |

## 6. INCOME TAXES

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

**Profit or loss section**

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Current tax:** | | |
| Current income tax charge | (2) | 207 |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (611) | (241) |
| **Income tax expense reported in the statement of profit or loss** | **(613)** | **(34)** |
| **OCI section** | | |
| Net loss/(gain) on remeasurements of defined benefit plans | - | (5) |
| **Income tax charged to OCI** | **-** | **(5)** |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2020:

**INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Accounting profit before tax | (7,479) | 187 |
| **At India's statutory income tax rate of 25.168% (31 March 2019: 34.608%)** | **(1,882)** | **65** |
| Adjustments in respect of current income tax of previous years | (2) | (26) |
| Effect of change in tax rate | 283 | - |
| Non-deductible expenses and losses | 201 | 38 |
| Others | 788 | (10) |
| | **(613)** | **66** |
| **Income tax expense reported in the statement of profit and loss** | **(613)** | **(34)** |

**Deferred tax expense/(income):** **INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Accelerated depreciation for tax purposes | (191) | (25) |
| Expendiure charged to the statement of profit or loss in the current year but allowed for tax purposes on payment basis | (7) | 11 |
| Others | 809 | 256 |
| **Deferred tax expense/(income)** | 611 | 241 |

**Deferred tax asset:** **INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting | 669 | 860 |
| Provision for diminution in the value of investments | 414 | 309 |
| Increase in the value of Telecare shares | (371) | (371) |
| Provision for doubtful debts | 1,066 | 362 |
| Impact of other expendiure charged to the statement of profit or loss in the current year but allowed for tax purposes on payment basis | 13 | 20 |
| Deffered tax asset on loss | | |
| | **1,792** | **1,181** |

**Reconciliation of deferred tax assets (net):** **INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Opening balance as of 1 April** | 1,151 | 915 |
| Tax income/(expense) during the period recognised in profit or loss | 611 | 241 |
| Tax income/(expense) during the period recognised in OCI | - | (5) |
| **Closing balance as at 31 March** | **1,762** | **1,151** |

## 7. OTHER NON-CURRENT ASSETS

**INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Capital advances | 3,289 | 3,411 |
| | **3,289** | **3,411** |

## 8. INVENTORIES

**INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Traded goods | 420 | 3,584 |
| | **420** | **3,584** |

## 9. CURRENT FINANCIAL ASSETS

**INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Investments** | | |
| **SBI Infrastructure Fund** | | |
| Nil (31 March 2019: 20,000) Units of Rs 10 each | - | 3 |
| **SBI One India Fund** | | |
| 1,33,700 (31 March 2019: 1,33,700) Units of Rs 10 each | 25 | 22 |
| **SBI One India Fund** | - | 51 |
| Nil (31 March 2019: 48,545) Units of Rs 10 each | | |
| | **25** | **75** |
| **(b) Trade receivables** | | |
| Unsecured, considered good | 16,486 | 18,723 |
| Considered doubtful | 4,237 | 702 |
| | 20,724 | 19,425 |
| Less: provision for doubtful debts | (4,237) | (702) |
| | **16,486** | **18,723** |
| **(c) Cash and cash equivalents** | | |
| Balances with banks in current accounts | 639 | 1,649 |
| Cash on hand | 1 | 5 |
| | **640** | **1,654** |

## 9. CURRENT FINANCIAL ASSETS *(CONTD.)*

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(d) Bank balances other than cash and cash equivalents** | | |
| Deposits with maturity of less than 12 months | 1,522 | 805 |
| Margin money deposits | 397 | 767 |
| | **1,919** | **1,573** |
| **(e) Loans** | | |
| **Unsecured, considered good** | | |
| Security deposits | 101 | 41 |
| **Loans given** | | |
| Considered good | 5,526 | 5,489 |
| Considered doubtful | 880 | 270 |
| | 6,407 | 5,759 |
| Less: provision for doubtful loans | (880) | (270) |
| | **5,627** | **5,530** |
| **(f) Other financial assets** | | |
| Interest receivable on deposits | 13 | 18 |
| Claims receivable | 60 | 7 |
| Other recoverables | 134 | - |
| | **207** | **25** |

## 10. OTHER CURRENT ASSETS

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Advances to suppliers of goods or services | 1,873 | 2,284 |
| Lease equalisation reserve | 737 | 760 |
| Advances to staff | 39 | 40 |
| Taxes and duties recoverable | - | - |
| Considered good | 479 | 1,622 |
| Considered doubtful | - | 73 |
| | 479 | 1,695 |
| Less: Provision for doubtful advances | - | (73) |
| | 479 | 1,622 |
| Prepaid expenses | 507 | 709 |
| | **3,635** | **5,415** |

## 11. EQUITY SHARE CAPITAL

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Authorised shares** | | |
| 85,98,00,000 (31 March, 2019: 85,98,00,000) equity shares of INR 10 each | 12,898 | 12,898 |
| **Issued, subscribed and fully paid-up shares** | | |
| 8,58,14,191 (31 March, 2019: 8,58,14,191) equity shares of INR 10 each | 8,581 | 8,581 |
| | 8,581 | 8,581 |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

*Equity shares*

| | As at 31-Mar-20 | | As at 31-Mar-19 | |
|---|---|---|---|---|
| | No. | INR in Lacs | No. | INR in Lacs |
| At the beginning of the period | 85,814,191 | 8,581 | 85,814,191 | 8,581 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 85,814,191 | 8,581 | 85,814,191 | 8,581 |

**(b) Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company**

| Name of the shareholder | As at 31-Mar-20 | | As at 31-Mar-19 | |
|---|---|---|---|---|
| | No. | % holding | No. | % holding |
| **Equity shares of Rs. 10 each fully paid** | | | | |
| GRA Enterprises Pvt Ltd | 38,738,500 | 45% | 38,738,500 | 45% |
| Mr. Ashok Gupta | 5,754,894 | 7% | 5,754,894 | 7% |
| Mrs. Renu Gupta | 6,981,111 | 8% | 6,981,111 | 8% |
| Mr. Deepesh Gupta | 5,365,029 | 6% | 5,365,029 | 6% |
| Mr. Neetesh Gupta | 5,214,607 | 6% | 5,214,607 | 6% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownerships of shares.

## 12. NON-CURRENT FINANCIAL LIABILITIES

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Borrowings** | | |
| Term loans from banks (secured) | 18,542 | 19,314 |
| Loans from other parties (unsecured) | 450 | 460 |
| | **18,992** | **19,774** |
| Less: current maturities of long-term borrowings | 1,096 | 772 |
| | **17,896** | **19,002** |
| **Note:** | | |
| 1. Term loans from Indusind bank of Rs. 185.41 lacs carries interest rate of 8% p.a. and is secured by first pari passu charge on future rent receivables from property located at Noida and first pari passu charge on land and building located at Noida. The loans are repayable in 102 monthly installments (not equal), from the date of loan, viz., 30 September, 2016. | | |
| **(b) Other Financial Liabilities** | | |
| Security deposits received | 509 | 456 |
| | 509 | 456 |

## 13. NON-CURRENT PROVISIONS

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 53 | 61 |
| | **53** | **61** |

## 14. CURRENT FINANCIAL LIABILITIES

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Borrowings** | | |
| Loans repayable on demand from banks | 2,060 | 2,184 |
| Bills discounted from banks | 1,833 | 1,924 |
| | **3,893** | **4,107** |
| **Note:** | | |
| 1. Loans repayable and bill discounted from banks are secured by first pari passu charge on current assets of the Company, first charge on fixed assets (except assets exclusively charged to other lenders), equitable mortgage of properties of Mrs. Renu Gupta. | | |
| **(b) Trade payables*** | 4,363 | 5,469 |
| *Includes amount due to related parties (refer Note 27) | | |

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(c) Other financial liabilities** | | |
| Current maturities of long-term borrowings | 1,096 | 772 |
| Retention Money received | 1 | 1 |
| Security deposits received | 134 | 134 |
| Other expenses payable | 292 | 342 |
| | **1,522** | **1,248** |

## 15. OTHER CURRENT LIABILITIES

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Advances from customers | 166 | 544 |
| Advance against property | 25 | - |
| Taxes and other statutory dues payable | 6 | 71 |
| Rent advance received | 115 | 162 |
| | **312** | **777** |

## 16. REVENUE FROM OPERATIONS

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Sale of products | 30,025 | 36,029 |
| Rental income | 3,581 | 3,583 |
| Other operating income | 525 | 495 |
| | **34,131** | **40,107** |

## 17. OTHER INCOME

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Interest income | 155 | 533 |
| Foreign exchange gain | - | 320 |
| Excess liabilities written back | 131 | 2,607 |
| Bad debts recovered | 3 | - |
| Fair value gain on financial instruments at fair value through profit or loss | 3 | 5 |
| Fair value gain on remaining investments after loss of control in subsidiaries | - | 1,667 |
| Profit on Relinquishment of rights in property | - | 183 |
| Profit from sale of property, plant and equipments | 6 | - |
| | **299** | **5,316** |

## 18. CHANGES IN INVENTORIES OF STOCK-IN-TRADE

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Inventories of stock-in-trade at the beginning of the year | 3,584 | 1,385 |
| Less: Inventories of stock-in-trade at the end of the year | (420) | (3,584) |
| | **3,164** | **(2,199)** |

## 19. EMPLOYEE BENEFITS EXPENSE

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Salaries and bonus | 641 | 1,351 |
| Director remuneration expenses | 18 | 136 |
| Gratuity expense | 14 | 21 |
| Contribution to provident and other funds | 19 | 48 |
| Staff welfare expenses | 19 | 35 |
| | **710** | **1,590** |

## 20. FINANCE COSTS

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Unwinding of discount | 53 | 47 |
| Other borrowing costs | 614 | 1,227 |
| Interest on term loans | 1,724 | 1,675 |
| | **2,390** | **2,949** |

## 21. DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Depreciation on tangible assets | 439 | 659 |
| Depreciation on investment properties | 251 | 274 |
| Amortisation of intangible assets | 215 | 142 |
| Impairment of Intangible assets (refer note 33) | 137 | - |
| | **1,042** | **1,076** |

## 22. OTHER EXPENSES

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| **Direct expenses** | | |
| Clearing and forwarding charges | 55 | 67 |
| Customs and other duties | 378 | 524 |
| Scheme and claim expenses | 300 | 599 |
| Freight inward | 172 | 225 |
| Consumables | 2 | 1 |

## 22. OTHER EXPENSES *(CONTD.)*

**INR in Lacs**

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| **Others** | | |
| Business promotion expenses | 27 | 371 |
| Product testing expenses | 345 | 26 |
| ISD expenses | - | 49 |
| Incentive and commision expenses | 10 | 33 |
| Rent expenses | 52 | 104 |
| Communication expenses | 19 | 32 |
| Power and fuel expenses | 373 | 377 |
| Travelling and conveyance expenses | 70 | 185 |
| Insurance premium expenses | 58 | 68 |
| Rates and taxes expenses | 29 | 43 |
| Directors sitting fee | 19 | 24 |
| Foreign Exchange loss | 85 | - |
| Bad debts and advances written off | 918 | 153 |
| Provision for doubtful loans | 651 | 270 |
| Provision for diminution invalue of Investments or values written off | 481 | 1,332 |
| Provision for doubtful deposits | 80 | 40 |
| Provision for doubtful duties recoverable expense | - | 73 |
| Provision for doubtful debtors | 3,535 | 698 |
| Legal and professional expenses | 214 | 305 |
| Freight and cartage outward expenses | 62 | 66 |
| Licence fees and patent expenses | 267 | 630 |
| Printing and stationery expenses | 11 | 13 |
| Repair and maintenance expenses | 256 | 301 |
| Computer repairs and maintenace | 11 | 52 |
| Security guard expenses | 34 | 35 |
| Housekeeping and other office maintenance expenses | 7 | 9 |
| Warranty Expenses | 11 | 111 |
| Payment to auditors (refer note below) | 5 | 5 |
| Donations | 1 | 1 |
| Festival Expenses | 1 | 2 |
| Annual listing fees | 5 | 7 |
| Miscellaneous expenses | 7 | 4 |
| | **8,549** | **6,835** |

***Payment to auditor** **INR in Lacs**

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| As auditor: | | |
| Audit fee | 5 | 5 |
| Certification fee | 1 | 1 |
| | **6** | **6** |

## 23. EARNINGS PER SHARE

**INR in Lacs**

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Profit attributable to equity holders of the parent | (6,845) | 233 |
| Weighted average number of equity shares | 858 | 858 |

## 24. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

### Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same is explained in Note 2.2.15

### Useful life of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event if it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best esitmates. Contingent liabilities are not recognised in financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 26.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Carrying value and approximate fair values of financial instruments are same.

**Revenue recognition**

The Company uses the percentage-of-completion method in accounting for its fixed price contracts. The use of percentage-of-completion method required the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting period. The policy for the same is explained in Note 2.2.4.

## 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

**Market risk**

The Company is exposed to foreign exchange risk through its sales and services outside India, and purchases and services from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against these currencies.

The foreign currency risks from financial instruments as of March 31, 2020 were as follows :

| Particulars | Currency | Amount in foreign currency | Amount in INR in lacs |
|---|---|---|---|
| Trade Payable | USD | 3,418,928 | 2,577 |
| Advance from customer | USD | 2,155 | 2 |
| Export Receivable | USD | 58,707 | 44 |
| Advance given to vendor | USD | 111,667 | 84 |
| Prepaid Expenses | USD | 678,555 | 512 |

The foreign currency risks from financial instruments as of March 31, 2019 were as follows :

| Particulars | Currency | Amount in foreign currency | Amount in INR in lacs |
|---|---|---|---|
| Trade Payable | USD | 3,600,508 | 2,491 |
| Advance from customer | USD | 2,155 | 1 |
| Export Receivable | USD | 128,587 | 89 |
| Advance given to vendor | USD | 293,430 | 203 |
| Prepaid Expenses | USD | 840,966 | 582 |

**Quantitative information of foreign exchange instruments outstanding as at the balance sheet date**

The foreign currency risks from financial instruments as of March 31, 2020 were as follows :

| The foreign currency forward contracts | Currency | Amount in foreign currency | Amount in INR in lacs |
|---|---|---|---|
| As on 31st March 2020 | USD | Nil | Nil |
| As on 31st March 2019 | USD | Nil | Nil |

**Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from unsecured trade receivables amounting to Rs. 18,725 lacs, and Rs. 18,723 lacs as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located primarily in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings. Investments primarily include investment in deposits with banks.

**Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

## 26. POST EMPLOYMENT BENEFIT PLANS: GRATUITY

The Company has a funded defined benefit gratuity plan.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Defined benefit obligation** | | |
| Balance as at beginning of the year | 94 | 130 |
| Current service cost | 9 | 14 |
| Interest cost | 7 | 10 |
| Benefits paid | (17) | (42) |
| Remeasurement (gains)/losses in other comprehensive income | (22) | (18) |
| **Balance as at end of the year** | **71** | **94** |

Reconciliation of the opening and closing balances of the fair value of plan assets

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Fair value of plan assets** | | |
| Balance as at beginning of the year | 33 | 72 |
| Expected return on plan assets | 2 | 6 |
| Actuarial gains and losses | (1) | (1) |
| Benefits paid | (17) | (42) |
| Balance as at end of the year | 18 | 33 |

The above mentioned plan assets are entirely represented by funds invested with LIC.

Total expense recognised in profit or loss

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| Current service cost | 9 | 14 |
| Interest cost | 7 | 10 |
| Expected return on plan assets | (2) | (6) |
| | 14 | 18 |

Total amount recognised in other comprehensive income

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| Experience losses/(gains) - obligations | (22) | (18) |
| Gains from change in demographic assumptions | - | - |
| Losses from change in financial assumptions | - | - |
| **Remeasurements on Liability** | (22) | (18) |
| Return on plan assets, excluding interest income | 1 | 1 |
| Remeasurements on plan assets | 1 | 1 |
| Net remeasurements recognised in OCI | (22) | (16) |

**Due to its defined benefit plans, the Group is exposed to the following significant risks:**

**Changes in bond yields -** A decrease in bond yields will increase plan liability.

**Salary risk -** The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Principal actuarial assumptions used as at the end of the reporting period

| | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Discount rates | 7.00% | 7.75% |
| Expected rates of return on any plan assets | 7.00% | 7.75% |
| Expected rates of salary increase | 6.00% | 6.00% |
| Employee turnover | | |
| Upto 30 years | 5% | 5% |
| From 31 to 44 years | 5% | 5% |
| Above 44 years | 5% | 5% |
| Retirement age | 60 | 60 |

**Sensitivity Analysis of the defined benefit obligation**

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **a) Impact of the change in discount rate** | | |
| **Present value of obligation at the end of the period** | **71** | **94** |
| Impact due to increase of 1 % | 65 | 87 |
| Impact due to decrease of 1 % | 78 | 103 |
| **b) Impact of the change in salary increase** | | |
| **Present value of obligation at the end of the period** | **71** | **94** |
| Impact due to increase of 1 % | 78 | 103 |
| Impact due to decrease of 1 % | 65 | 87 |

## 27. DETAILS OF DUES TO MCIRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006.

There are no micro, small and medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 28. COMMITMENTS AND CONTINGENCIES

**a. Leases**

**Operating lease commitments — Company as lessee**

Company's significant leasing arrangements are in respect of operating leases for premises (office, warehouses etc.). The group has entered into agreements to take certain land and buildings on operating leases for warehousing activities from third parties during the year. These leasing arrangements which are not non-cancellable, range between 3 years and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The lease rent of Rs. 52 lacs (31 March 2019: Rs. 104 lacs) on such lease is included in Rent.

**Operating lease commitments – Company as lessor**

Company has also given certain land and building on operating lease to a third party. The lease arrangement was for 9 years and remained for a period of next 2.5 years. The rental of Rs. 3,581 lacs (2018-19 - Rs. 3583 lacs) on such lease is included in other operating revenue.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| Within one year | Nil | Nil |
| After one year but not more than five years | Nil | Nil |
| More than five years | Nil | Nil |

**b. Contingent liabilities**

| Nature | Financial year | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|---|
| Sales Tax, Orissa | 2008-09 | - | 2 |
| Sales Tax Delhi | 2008-09 | - | 75 |
| Sales Tax Haryana | 2006-07 | - | 16 |
| Sales Tax Haryana | 2010-11 | 16 | 16 |
| Sales Tax Haryana | 2013-14 | 20 | 20 |
| Sales Tax Haryana | 2014-15 | 5 | 5 |
| Sales Tax Haryana | 2015-16 | 8 | - |
| Sales Tax Assam | 2007-08 | - | 9 |
| Sales Tax Bihar | 2011-12 | - | 29 |
| Sales Tax Bihar | 2012-13 | 10 | 10 |
| Sales Tax Bihar | 2013-14 | 7 | 7 |
| Sales Tax Uttar Pradesh | 2011-12 | 25 | 25 |
| Sales Tax Uttar Pradesh | 2013-14 | 45 | - |
| Sales Tax West Bengal | 2012-13 | 178 | 178 |
| Sales Tax Karnataka | 2011-12 | 31 | 31 |
| Sales Tax Karnataka | 2012-13 | 53 | 53 |
| Sales Tax Karnataka | 2013-14 | 37 | - |
| Sales Tax Karnataka | 2014-15 | 23 | - |
| Sales Tax Gujarat | 2013-14 | 41 | 41 |
| Sales Tax Gujarat | 2014-15 | 185 | - |
| Sales Tax Uttar Pradesh | 2013-14 | - | 45 |
| Sales Tax Rajasthan | 2015-16 | - | 198 |
| Sales Tax Rajasthan | 2016-17 | - | 50 |
| Sales Tax Kerala | 2016-17 | - | 1 |
| Sales Tax Madhya Pradesh | 2015-16 | - | 53 |
| Sales Tax Tamilnadu | 2013-14 | 3 | - |
| Sales Tax Tamilnadu | 2014-15 | 18 | - |
| Income Tax - U/s 143(3) | 2016-17 | 80 | - |
| Income Tax - U/s 143(1) (a) | 2017-18 | 318 | - |
| Income Tax - u/s 220(2) | 2011-12 | - | - |
| Income Tax - u/s 220(2) | 2012-13 | - | 1 |
| TDS demand | | 4 | 4 |
| TDS demand-MPS | | - | - |

**c. Corporate Guarantee** **INR in lacs**

| Guarantee given on behalf of | Guarantee given to | Purpose | 31-Mar-20 | 31-Mar-19 |
|---|---|---|---|---|
| Optiemus Electronics Limited | Indusind Bank | For purchasing of Plant and machinary and working capital | 2,200 | 2,200 |
| Outstanding as on 31st March-2020 is Rs. 748 lacs | | | | |
| GDN Enterprises Private Limited | Indusind Bank | Working Capital | 3,600 | 3,600 |
| Outstanding as on 31st March-2020 is Rs. 3,075 lacs | | | | |
| MPS Telecom Retail Pvt. Ltd. | Indusind Bank | Working Capital | 6,000 | 6,000 |
| Outstanding as on 31st March-2020 is Rs. 2,414 lacs | | | | |

## 29. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

**Related parties where control exists**

Subsidiaries : Optiemus Electronics Limited
: Optiemus Infracom ( Singapore) Pte Ltd
: FineMs Electronics Private Limited
: Troosal Enterprises Pvt. Ltd.
: Optiaux Technologies Private Limited

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same is explained in Note 2.2.15

Enterprises owned or significantly influenced by key management personnel or their relatives : GRA Enterprises Pvt. Ltd.
: Fidelity Logistic Limited
: Insat Exports Pvt. Ltd.
: Besmarty Marketplace Pvt Ltd
: WIN Technology
: Teleecare Networks India Private Limited
: MPS Telecom Retail Private Limited
: International Value Retail Pvt Ltd
: GDN Enterprises Pvt Ltd

**Key Management Personnel**

| Name | Position | Nature of Transaction | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|---|---|
| Ashok Gutpa | Director | Director Remuneration | - | 90 |
| Hardip Singh* | Director | Director Remuneration | 18 | 42 |
| Vikas Chandra | Company Secretary | Remuneration | 20 | 22 |
| Parveen Sharma | Chief Financial Officer | Remuneration | 37 | - |

***Resigned during the year.**

**Subsidaries/ Associate Co.**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Transactions during the year** | | |
| **Sales of goods (Excluding GST)** | | |
| Optiemus Electronics Limited | 652 | 2508 |
| Teleecare Network India Pvt Ltd | 1309 | 10812 |
| MPS Telecom Retail Pvt Ltd | 185 | 905 |
| International Value Retail Pvt Ltd | 3667 | 4573 |

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Transactions during the year** | | |
| **Rental income** | | |
| Teleecare Network India Pvt Ltd | 115 | 81 |
| International Value Retail Pvt Ltd | 18 | 2 |
| **Other income** | | |
| GDN Enterprises Pvt Ltd | 10 | 53 |
| **Reimbursement of electricity expenses** | | |
| Teleecare Network India Pvt Ltd | 3 | 6 |
| Internatinoal Value Retail Pvt. Ltd. | 4 | - |
| **Purchases of goods (Excluding GST )** | | |
| GDN Enterprises Pvt Ltd | 535 | 9777 |
| MPS Telecom Retail Pvt Ltd | 3 | 18 |
| Optiemus Electronics Limited | 14186 | 4677 |
| Teleecare Network India Pvt Ltd | 66 | 186 |
| **Purchase of Fixed Asset** | | |
| Optiemus Electronics Limited | 3 | - |
| **Expenses** | | |
| Teleecare Network India Pvt Ltd | 13 | 82 |
| GDN Enterprises Pvt.Ltd. | - | - |
| Optiemus Electronics Limited | 11 | 1 |
| **Interest Paid on Unsecured loan** | | |
| Insat Exports Pvt. Ltd. | 3 | - |
| **Loans given to the related party** | | |
| Troosol Enterprises Pvt. Ltd. | 107 | 57 |
| **Loan Repaid by the Party** | | |
| Telemax Links India Pvt. Ltd. | 35 | - |

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Balances outstanding as on 31/03/2020** | | |
| **Trade receivables** | | |
| MPS Telecom Retail Pvt Ltd | - | 280 |
| Teleecare Network India Pvt Ltd | 10703 | 8952 |
| International Value Retail Pvt Ltd | 1750 | 1791 |
| GDN Enterprises Pvt Ltd | 611 | - |
| Optiemus Electronics Limited | - | 613 |
| **Trade payables** | | |
| Optiemus Electronics Limited | 1231 | - |
| GDN Enterprises Pvt Ltd | - | 2070 |
| **Loans given** | | |
| FineMS Electronics Pvt Ltd | 96 | 96 |
| Telemax Links India Pvt Ltd | 67 | 102 |
| International Value Retail Pvt Ltd | 675 | 675 |
| Troosol Enterprises Pvt. Ltd. | 164 | 57 |

## 30. FAIR VALUE MEASUREMENTS

**a. Break-up of Financial instruments carried at Fair value through profit or loss**

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Financial assets** | | |
| Investments | 6,691 | 7,174 |
| | **6,691** | **7,174** |

**b. Break-up of Financial instruments carried at amortised costs**

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Financial assets** | | |
| Investments | 25 | 75 |
| Loans | 5,627 | 5,530 |
| Trade receivables | 16,486 | 18,723 |
| Cash and cash equivalents | 640 | 1,654 |
| Bank balances other than cash and cash equivalents | 1,919 | 1,573 |
| Other financial assets | 21 | 25 |
| | **24,718** | **27,580** |
| **Financial liabilities** | | |
| Borrowings | 3,893 | 4,107 |
| Trade payables | 4,363 | 5,469 |
| Other financial liabilities | 1,522 | 1,705 |
| | **9,778** | **11,280** |

Carrying value and approximate fair values of financial instruments are same.

## 31. BUSINESS SEGMENT

The Company has identified business segments. Business segments are primarily Mobile & Mobile Accessories and Renting of Immovable Property. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed Assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

### Business segments

Year ended 31 March 2020

| Particulars | Telecommunications-Mobile Handset and Accessories | | Renting Income | | Total | |
|---|---|---|---|---|---|---|
| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
| **Revenue** | | | | | | |
| External sales | 30,550 | 36,524 | 3,581 | 3,583 | 34,131 | 40,107 |
| **Total revenue** | **30,550** | **36,524** | **3,581** | **3,583** | **34,131** | **40,107** |
| **Segment Results - Profit** | **(7,873)** | **(4,506)** | **2,485** | **2,326** | **(5,388)** | **-2,180** |
| Unallocated expenses | | | | | - | - |
| **Operating profit** | | | | | **(5,388)** | (2,180) |
| Finance costs | | | | | (2,390) | (2,948) |
| Other income | | | | | 299 | 5,316 |
| **Profit Before Tax** | | | | | (7,479) | **188** |
| Current Tax | | | | | - | (207) |
| Deferred Tax credit/ (charge) | | | | | 611 | 241 |
| **Net Profit after tax** | | | | | (6,868) | **222** |
| Segment assets | 41,070 | 48,936 | 13,978 | 15,529 | 55,048 | 64,465 |
| Unallocated corporate assets | - | - | - | - | | |
| **Total Assets** | **41,070** | **48,936** | **13,978** | **15,529** | **55,048** | **64,465** |
| Segment liabilities | 9,296 | 11,164 | 19,252 | 19,957 | 28,548 | 31,121 |
| Unallocated corporate liabilities | - | - | - | - | | |
| **Total Liabilities** | **9,296** | **11,164** | **19,252** | **19,957** | **28,548** | **31,121** |

## 32. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 (COVID-19)

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations in some of the Company's manufacturing and depot locations got temporarily disrupted. The Company derives revenue from sale of mobile handsets and mobile accessories, and rental of immovable properties.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**33.** The Company had entered into agreement with Blackberry Limited for providing licensing and software services w.e.f. July 1, 2017. Under the said agreement, the Company is required to pay a minimum guarantee royalty fee against which the company has received a demand of USD 4.29 million till 31st March 2020 out of which only USD 1.5 million paid. However, the management has disputed the payment of royalty on account of delay in launch of Blackberry handsets due to the fault on part of Blackberry and out of USD 4.29 million, USD 0.83 million has recognized royalty expense till 31st March 2020. The balance amount is under dispute and has not been recognized as expense during the period.

**34.** Due to the discontinuation of operations in relation to Blackberry Division, the Company has made provision for impairment on intangible assets i.e., Blackberry softwares and written of advances given for the development of blackberry softwares with their carrying amounts of Rs. 1,36,72,500 and Rs. 1,61,15,002, respectively.

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**Mukesh Goel**
Partner
Membership No.: 094837

Place: Noida (U.P.)
Date: 30.07.2020

**For and on behalf of the Board of Directors of**
**Optiemus Infracom Limited**

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

# CONSOLIDATED INDEPENDENT AUDITORS' REPORT

**TO**

**THE MEMBERS OF OPTIEMUS INFRACOM LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated financial statements of Optiemus Infracom Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matter

1. Due to government-imposed shutdowns and due to unavailability of the client personnel it was not possible for us to observe physical verification of inventory as on 31st March 2020 or thereafter. However, the Group has conducted physical verification of inventory and no material discrepancy was observed. Our opinion is not modified in respect of this matter.
2. We have not received some of the balance confirmations pertaining to debtors, creditors, loans and advances. We have been informed that due to government-imposed shutdowns and due to unavailability of the client personnel it was not possible for many parties to provide balance confirmations. We have obtained reasonable assurance by performing other audit procedures. Our opinion is not modified in respect of this matter.
3. As disclosed in note 6, due to the discontinuation of operations in relation to Blackberry Division, the Group has made provision for impairment on intangible assets i.e., Blackberry softwares and written of advances given for the development of blackberry softwares with their carrying amounts of Rs. 1,36,72,500 and Rs. 1,61,15,002, respectively. Our opinion is not modified in respect of this matter.
4. As disclosed in note 36, the company had entered into agreement with Blackberry Limited for providing

licensing and software services w.e.f. July 1, 2017. Under the said agreement, the Company is required to pay a minimum guarantee royalty fee against which the company has received a demand of USD 4.29 million till 31st March 2020 out of which only USD 1.5 million paid. However, the management has disputed the payment of royalty on account of delay in launch of Blackberry handsets due to the fault on part of Blackberry and out of USD 4.29 million, USD 0.83 million has been recognized royalty expense till 31st March 2020. The balance amount is under dispute and has not been recognized as expense during the period. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S.No. | Key Audit Matter | Auditor's response |
|---|---|---|
| 1. | **Assessment of Carrying Value of Investment in Associates:-**<br>1. Teleecare Network India Private Limited<br>(Refer to Note 2.2.9 and 5(a) in the consolidated financial statements)<br>The carrying value of the investment in above mentioned associate is Rs. 3,489 lakhs as at March 31, 2020 which represents approximately 6% of the total assets of the Group. These investments are carried at cost less accumulated impairment losses, if any. The Group reviews the carrying values of these investments at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying amount of investments. For the assessment of carrying value of investment in these associates, the Management estimates recoverable value based on discounted cash flows forecast, requiring judgements in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate. Changes in these assumptions could lead to an impairment to the carrying value of these investments. We have considered this to be a key audit matter as the investments balance is significant to the balance sheet and significant management judgement is involved in calculation of recoverable amount for the purpose of assessment of the appropriateness of the carrying amount. | **Our procedures included the following :**<br>• To assess the key assumptions of valuation used, in particular those relating to discount rates, cash flow forecasts and terminal growth rates applied:<br>- Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar group and other relevant external data. Performed sensitivity analysis by using the terminal growth rates and discount rates as provided by the auditors' valuation experts.<br>- Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business.<br>• We understood the management process for assessment of carrying values of investments and also evaluated the design and tested the operating effectiveness of the Group's internal controls surrounding such assessment. Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting. Based on the above procedures performed, we noted that the management's assessment of the carrying value of the investments in associates is reasonable. |

| S.No. | Key Audit Matter | Auditor's response |
|---|---|---|
| 2. | **Revenue recognition**<br>Revenue recognition is significant audit risk across all units within the Group. Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers". | Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br>• We evaluated the design of internal controls relating to revenue recognition.<br>• We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection.<br>• We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents.<br>• We have performed cut-off procedures for sample of revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115. |
| 3. | **Carrying value of trade receivables**<br>The Group is required to regularly assess the recoverability of its trade receivables. The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Group uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates.<br>This is a key audit matter as significant judgement is involved to establish the provision matrix. | We evaluated management's assumption and judgement involved in estimating recoverability. We evaluated management's continuous assessment of the assumptions used in the impairment assessment which includes the historical default rates and business environment in which the entity operates. We assessed the disclosures made in the financial statements. |
| 4. | **Carrying value of loans and advances given**<br>The Group has given loans and advances to various parties. The Group is required to regularly assess the recoverability of its loans given. | Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br>• We evaluated management's assumption and judgment involved in estimating recoverability.<br>• We have obtained balance confirmations from parties.<br>• We assessed the disclosures made in the financial statements. |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance Sheet, the consolidated Statement of Profit and Loss including consolidated other Comprehensive Income, consolidated statement of Changes in Equity and the consolidated statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors of the Holding company and its subsidiaries incorporated in India and the reports of the statutory auditors of the subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the with reference to these Consolidated Financial Statements of the Holding Company and its subsidiaries, associate, refer to our separate Report in “Annexure A” which is based on the auditor’s reports of the Holding Company and its subsidiary companies incorporated in India.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, its subsidiaries and associate to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statement disclosed the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. The Holding Company, its subsidiaries and associate is not required to transfer any amount to the Investor Education and Protection Fund.

**For Mukesh Raj & Co.**
Chartered Accountants
Firm’s Reg.No: 016693N

**Mukesh Goel**
Partner
M.No. 094837

Place: Noida (U.P.)
Date: 30.07.2020

# "Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Optiemus Infracom Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **OPTIEMUS INFRACOM LIMITED** ("the Holding Company") which includes its subsidiaries and associate as of March 31, 2020, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group, its subsidiary companies and associate, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mukesh Raj & Co.**
Chartered Accountants
Firm's Reg.No: 016693N

**Mukesh Goel**
Partner
M.No. 094837

Place: Noida (U.P.)
Date: 30.07.2020

# CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

(INR in Lacs)

| | Notes | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 2,871 | 3,477 |
| Capital work-in-progress | | 204 | 100 |
| Other Intangible assets | 4 | 19 | 392 |
| Goodwill | | 47 | 47 |
| Investment properties | 5 | 11,751 | 12,001 |
| Financial assets | 6 | | |
| Investments | 6 (a) | 3,491 | 5,543 |
| Loans | 6 (b) | 904 | 1,105 |
| Other financial assets | 6 (c) | 119 | 743 |
| Deferred tax assets (net) | 7 | 2,207 | 1,609 |
| Other non-current assets | 8 | 3,289 | 3,411 |
| | | 24,901 | 28,428 |
| **Current assets** | | | |
| Inventories | 9 | 817 | 6,118 |
| Financial assets | 10 | | |
| Investments | 10 (a) | 25 | 75 |
| Trade receivables | 10 (b) | 19,209 | 34,815 |
| Cash and cash equivalents | 10 (c) | 670 | 1,707 |
| Bank balances other than cash and cash equivalents | 10 (d) | 1,919 | 1,573 |
| Loans | 10 (e) | 5,369 | 5,436 |
| Other financial assets | 10 (f) | 207 | 26 |
| Current tax assets (net) | | 589 | 508 |
| Other current assets | 11 | 3,821 | 6,823 |
| | | 32,627 | 57,081 |
| **Total assets** | | **57,527** | **85,509** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 12 | 8,581 | 8,581 |
| Other equity | | 14,988 | 23,543 |
| **Total equity** | | **23,569** | **32,124** |
| Non controlling interests | | (90) | 3 |
| **Non-current liabilities** | | | |
| Financial liabilities | 13 | | |
| Borrowings | 13 (a) | 17,982 | 19,986 |
| Other financial liabilities | 13 (b) | 509 | 456 |
| Provisions | 14 | 53 | 106 |
| | | 18,453 | 20,551 |
| **Current liabilities** | | | |
| Financial liabilities | 15 | | |
| Borrowings | 15 (a) | 4,677 | 4,883 |
| Trade payables | 15 (b) | 8,576 | 22,886 |
| Other financial liabilities | 15 (c) | 1,837 | 2,488 |
| Other current liabilities | 16 | 413 | 2,574 |
| Provisions | 17 | 3 | - |
| Current tax liabilities (net) | 18 | - | 3 |
| | | 15,505 | 32,834 |
| **Total liabilities** | | **33,958** | **53,385** |
| **Total equity and liabilities** | | **57,527** | **85,509** |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**Mukesh Goel**
Partner
Membership No.: 094837

Place: Noida (U.P.)
Date: 30.07.2020

**For and on behalf of the Board of Directors of Optiemus Infracom Limited**

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

# CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

**INR in Lacs except Earning Per Share**

| | Notes | For the year ended 31-Mar-20 | For the year ended 31-Mar-19 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Income** | | | |
| Revenue from operations | 19 | 37,285 | 119,598 |
| Other income | 20 | 1,090 | 6,312 |
| | | 38,374 | 125,910 |
| **Expenses** | | | |
| Cost of raw material consumed | 21 | 15,385 | 82,613 |
| Purchase of traded goods | | 11,495 | 19,416 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 22 | 4,576 | 4,466 |
| Employee benefits expense | 23 | 1,420 | 5,750 |
| Finance costs | 24 | 2,524 | 4,236 |
| Depreciation and amortization expense | 25 | 1,257 | 1,720 |
| Other expenses | 26 | 9,233 | 11,530 |
| **Total expenses** | | 45,890 | 129,731 |
| **Profit/(loss) before share of (profit)/loss of an associate, and tax from continuing operations** | | **(7,516)** | **(3,822)** |
| Share of (profit)/loss of an associate | | (1,569) | (86) |
| **Profit/(loss) before tax** | | **(9,085)** | **(3,909)** |
| Tax expense: | | | |
| Current tax | | - | 233 |
| Adjustment of tax relating to earlier periods | | (2) | (121) |
| Deferred tax credit | 6 | (598) | 121 |
| | | (600) | 233 |
| **Profit/(loss) before tax from continuing operations** | | **(8,485)** | **(4,141)** |
| **Discontinued operations** | | | |
| Profit/(loss) before tax for the year from discontinued operations | | - | (1,799) |
| Tax income/ (expense) of discontinued operations | | - | - |
| **Profit/ (loss) for the year from discontinued operations** | | - | (1,799) |
| **Profit for the year** | | **(8,485)** | **(5,940)** |
| **Other comprehensive income not to be reclassified to profit or loss in subsequent periods:** | | | |
| Revaluation of Investments | | - | (338) |
| Re-measurement gains/ (losses) on defined benefit plans | | 67 | 99 |
| Income tax effect | 6 | - | (5) |
| **Net other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | **67** | **(244)** |
| **Total comprehensive income for the year** | | **(8,418)** | **(6,184)** |
| **Earnings per share** | | | |
| Basic and diluted earnings per share | 27 | (9.81) | (7.21) |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**Mukesh Goel**
Partner
Membership No.: 094837

Place: Noida (U.P.)
Date: 30.07.2020

**For and on behalf of the Board of Directors of Optiemus Infracom Limited**

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

# CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

**INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Operating activities** | | |
| Profit before tax | (7,516) | (5,951) |
| *Adjustments to reconcile profit before tax to net cash flows:* | | |
| Depreciation and amortization expense | 1,257 | 1,720 |
| Bad debts and advances written off | 783 | 153 |
| Provision for doubtful loans | 651 | - |
| Provision for doubtful deposits | 80 | - |
| Provision for doubtful duties recoverable expense | 135 | - |
| Provision for doubtful debtors | 3,535 | 1,081 |
| Provision of Gratuity made | (51) | - |
| Payment of Gratuity | - | (48) |
| Payment of Gratuity | - | (92) |
| Decrease in Goodwill | - | 4,135 |
| Lease equilization rent booked | 23 | - |
| Provision for diminution in value of Investments or investments written off | 481 | - |
| Finance costs (including fair value change in financial instruments) | 2,524 | 4,236 |
| Profit on Relinquishment of rights in property | - | (217) |
| Foreign exchange translation reserve | 17 | 6 |
| Foreign exchange gain/ loss | 568 | - |
| Fair value gain on financial instruments at fair value through profit or loss | (3) | (4) |
| Loss/(Profit) from sale of property, plant and equipments | (6) | (1) |
| Share of loss of non-controlling interests | (94) | (3,413) |
| Effect of decrease in contolling interest in subsidiary | - | 11,130 |
| Profit from sale of investments | - | - |
| Excess liabilities written back | (913) | (2,899) |
| Interest income | (160) | (1,162) |
| Bad debts recovered | (3) | - |
| | **1,308** | **8,672** |
| *Working capital adjustments:* | | |
| Increase in trade and other receivables and prepayments | 14,606 | (10,496) |
| Increase in inventories | 5,301 | 9,536 |
| Increase in trade, other payables and provisions | (16,777) | 775 |
| | **4,438** | **8,487** |
| Income tax paid | (82) | (1,157) |
| **Net cash flow from operating activities** | **4,356** | **7,331** |
| **Investing actvities** | | |
| Proceeds from sale of property, plant and equipment | 15 | 1,393 |
| Purchase of fixed assets including CWIP and capital advances | (139) | (661) |
| Payment for purchase of investments | - | (4,702) |
| Proceeds from sale of investments | 56 | 217 |
| Loans given / Loan repayment received | (463) | 6,055 |
| Proceeds from/(Investments in) fixed deposits with original maturities more than 3 months | (346) | 2,199 |
| Interest received (finance income) | 164 | 1,162 |
| **Net cash flows used in investing activities** | **(712)** | **5,663** |
| **Financing activities** | | |
| Proceeds from long-term borrowings (net) | (2,004) | (4,332) |
| Proceeds from short-term borrowings (net) | (206) | (9,104) |
| Borrowing costs paid | (2,471) | (4,236) |
| **Net cash flows from/(used in) financing activities** | **(4,681)** | **(17,672)** |
| **Net increase in cash and cash equivalents** | **(1,037)** | **(4,678)** |
| Cash and cash equivalents at the beginning of the year | 1,707 | 6,385 |
| Cash and cash equivalents acquired on acquisition of subisidiary | - | |
| **Cash and cash equivalents at year end** | **670** | **1,707** |
| **Components of cash and cash equivalents** | | |
| Balances with banks in current accounts | 669 | 1,700 |
| Cash on hand | 1 | 7 |
| | **670** | **1,707** |

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**For and on behalf of the Board of Directors of Optiemus Infracom Limited**

**Mukesh Goel**
Partner
Membership No.: 094837

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

Place: Noida (U.P.)
Date: 30.07.2020

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

**For the year ended 31st March, 2020** **INR in Lacs**

| | Reserves and surplus | | | Items of OCI | | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| | General reserve | Capital Reserve | Retained earnings | FVTOCI | Foreign currency Translation reserve | | | |
| As at 1 April 2019 | 261 | 3,562 | 11,201 | 20 | 111 | 15,155 | (456) | 14,699 |
| Profit for the year | - | - | (8,485) | - | 6 | (8,480) | (3,413) | (11,892) |
| Other comprehensive income | - | - | - | 67 | - | 66 | - | 66 |
| Effect of decrease in contolling interest in subsidiary | - | - | (206) | - | - | (206) | 3,872 | 3,666 |
| Acquisition of subsidiaries | - | - | (17) | - | - | (17) | - | (17) |
| **As at 31 March 2020** | **261** | **3,562** | **2,493** | **87** | **117** | **6,519** | **3** | **6,522** |

**For the year ended 31st March, 2019** **INR in Lacs**

| | Reserves and surplus | | | Items of OCI | | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| | General reserve | Capital Reserve | Retained earnings | FVTOCI | Foreign currency Translation reserve | | | |
| As at 1 April 2018 | 261 | 3,562 | 16,712 | 27 | 122 | 20,684 | 304 | 20,988 |
| Profit for the year | - | - | (5,511) | - | (11) | (5,523) | (428) | (5,951) |
| Other comprehensive income | - | - | - | (7) | - | (7) | - | (7) |
| Acquisition of subsidiaries | - | - | - | - | - | - | (332) | (332) |
| During the year on consolidation | - | - | - | - | - | - | - | - |
| **As at 31 March 2019** | **261** | **3,562** | **11,201** | **20** | **111** | **15,155** | **(456)** | **14,699** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

## 1. CORPORATE INFORMATION

The Group is primarily engaged in the trading of mobile handset and mobile accessories and renting of Immovable property, etc.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

Group consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Holding Company, its controlled subsidiaries and associate as disclosed in Note 33. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subisidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the group companies are consolidated on a line by line basis and intra group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Holding company, are excluded.

### 2.2 Summary of Significant Accounting Policies

### 2.2.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS recognition and measurement principles and, in particular, making the critical accounting judgments require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances or obtaining new information or more experience may result in revised estimates, and actual results could differ from those estimates.

### 2.2.2 Classification of Assets and Liabilities as Current or Non-Current

The Group presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position on the basis of realization of assets.

An asset is classified as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.2.3 Business combination and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment (please refer note 2.3).

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**2.2.4 Investment in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**2.2.5 Revenue Recognition**

The Group derives revenues primarily from sale of mobile handsets and mobile accessories, and rental of immoveable properties.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.Refer note 2.2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Group for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

***Use of significant judgements in revenue recognition***

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate

use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

**2.2.6 Property, Plant and Equipment**

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes all related costs directly attributable to the acquisition or construction of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately using written down vaue method.

Major improvements, which add to productive capacity or extend the life of an asset, are capitalized, while repairs and maintenance are expensed as incurred. Where a property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items. The depreciation expense is recognized in the statement of profit or loss in the expense category consistent with the function of the property, plant and equipment.

Property, plant and equipment under construction is recorded as capital work- in-progress until it is ready for its intended use; thereafter it is transferred to the related class of property, plant and equipment and depreciated over its estimated useful life. Interest incurred during construction is capitalized if the borrowing cost is directly attributable to the construction.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to property, plant and equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.

**2.2.7 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the statement of profit or loss when it is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

**2.2.8 Impairment of Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU)'s fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

**2.2.9 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***i. Financial assets***

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, fair value through OCI or at amortized cost as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Group has the following financial assets in its statement of financial position

- Investments
- Cash
- Bank Balances
- Trade Receivables
- Loans

**Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as described below:

**Financial assets at FVTPL or FVTOCI**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance income (positive net changes in fair value) or finance costs (negative net changes in fair value) in the statement of profit or loss.The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

**Financial assets at amortised cost**

This category is the most relevant to the Group. All Trade and Other Receivables, Loans and Advances fall under this category. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and eitherthe Group has transferred substantially all the risks and rewards of the asset or transferred control of the asset.

**Impairment of Financial Assets**

The objective of the Group in recognising the impairment allowance is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking.

Credit Losses are the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (ie all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Expected Credit Losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group recognises a loss allowance for expected credit losses on a financial asset that is measured at amortized cost at each reporting date, at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if it is determined to have low credit risk at the reporting date.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. For Trade receivables the Group always measure the loss allowance at an amount equal to lifetime expected credit losses.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The Group measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money; and the reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the gross carrying amount using the effective rate of interest unless the financial instrument is credit-impaired in which case the interest income is recognised on reduced carrying amount. The interest income is recorded as part of finance revenue in the statement of profit or loss.

Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

**ii. Financial Liabilities**

The Group has the following financial liabilities in its statement of financial position

- Borrowings
- Trade payables
- Other Financial Liabilities

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as follows:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held-for-trading are recognised in the statement of profit or loss.Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS109 are satisfied. The Group has not designated any financial liabilities as at fair value through profit or loss.

**Financial liabilities at amortised cost**

This is the category most relevant to the Group. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to notes payable, short-term loans and overdrafts.

**iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**iv. Fair Value of Financial Instruments**

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial instruments are not materially different at the reporting date.

**2.2.10 Cash and Bank Balances**

Cash and Bank Balances in the statement of financial position comprise cash at banks and on hand and fixed deposits with banks, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with original maturity of less than 3 months, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**2.2.11 Leases**

*Group as a lessee*

**Policy applicable before April 1, 2019**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Policy applicable after April 1, 2019**

The Group has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of- use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments; The lease liability is measured at amortised cost using the effective interest method.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Group's leases mainly comprise land and buildings and Plant and equipment. The Group leases land and buildings for warehouse facilities. The Group also has leases for equipment.

*Group as lessor*

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**2.2.12 Borrowing Cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

**2.2.13 Provisions**

General Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**2.2.14 Employee Benefits**

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. Employee benefits include: short-term employee benefits, post-employment benefits and other long-term employee benefits

**Short Term Employee Benefits**

When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid and as an expense. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**Defined Contribution Plan**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service during the year, the Group recognises the contribution payable to a defined contribution plan in exchange for that service as a liability (accrued expense) and as an expense.

**Defined Benefit Plan**

Defined benefit plans are those plans that provide guaranteed benefits to certain categories of employees, either by way of contractual obligations or through a collective agreement.

The Group operates unfunded defined benefit plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each fiscal year end. The obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Current service cost, which is the increase of the present value of the defined benefit obligation resulting from the employee service in the current period, is recorded as an expense as part of cost of sales and selling, general and administrative expenses in the statement of profit and loss. The interest cost, which is the change during the period in the defined benefit liability that arises from the passage of time, is recognized as part of financing costs in the statement of profit and loss.

**2.2.15 Foreign Currencies**

The Group's financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

**Foreign operations**

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

**2.2.16 Income Tax**

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred Tax Expense or Income arises due to temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Temporary differences may be either taxable temporary differences, which are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled or deductible temporary differences, which are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax liability is recognised for all taxable temporary differences.

**2.2.17 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i. **Raw materials and Stores and spares**: cost includes cost of purchase and other costs incurred in bringing the inventories to their presentlocation and condition. Cost is determined on first in, first out basis.

ii. **Finished goods and work in progress**: cost includes cost of direct materials and labour and a proportion ofmanufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost isdetermined on first in, first out basis.

iii. **Traded goods**: cost includes cost of purchase and other costs incurred in bringing the inventories to their presentlocation and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completionand the estimated costs necessary to make the sale.

**2.2.18 Segment Reporting**

**Identification of segments**

The Group's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products/services. The Group operates in two geographical segments: Domestic and International markets.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

**2.2.19 Earnings per share**

Basic earnings per share are 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 shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.2.20 Contingent Liabilities**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 3. PROPERTY, PLANT AND EQUIPMENT

INR in Lacs

| | Land | Building | Furniture and Fittings | Electrical Fittings | Plant & Machinery | Office Equip-ment | Comp-uters | Motor Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | | | | |
| At 31 March 2018 | 28 | 989 | 6,295 | 2,194 | 4,808 | 1,759 | 5,330 | 1,044 | 22,447 |
| Acquisition of Subsidaries | - | - | - | - | 5 | - | - | - | 5 |
| Additions | - | - | 35 | - | 124 | 21 | 8 | - | 188 |
| Disposals | - | - | - | - | (59) | - | - | (26) | (86) |
| Deletion of Subsidaries | - | (903) | (890) | - | (729) | (1,486) | (505) | (206) | (4,720) |
| **At 31 March 2019** | **28** | **85** | **5,440** | **2,194** | **4,148** | **294** | **4,834** | **811** | **17,834** |
| Additions | - | - | - | - | 55 | - | 5 | - | 60 |
| Disposals | - | - | 2 | 1 | 22 | - | 95 | 120 | 240 |
| **At 31 March 2020** | **28** | **85** | **5,437** | **2,193** | **4,181** | **294** | **4,744** | **691** | **17,655** |
| **Depreciation and impairment** | | | | | | | | | |
| At 1 April 2018 | - | 740 | 4,637 | 1,791 | 2,433 | 1,214 | 5,013 | 880 | 16,709 |
| Acquisition of Subsidaries | - | - | - | - | 2 | - | - | - | 2 |
| Deprecation charge for the year | - | 22 | 396 | 142 | 387 | 111 | 136 | 55 | 1,249 |
| Disposals | - | - | - | - | (48) | - | - | (26) | (74) |
| Deletion of Subsidaries | - | (710) | (607) | (8) | (540) | (1,043) | (466) | (154) | (3,528) |
| **At 31 March 2019** | **-** | **52** | **4,425** | **1,924** | **2,235** | **282** | **4,683** | **756** | **14,357** |
| Deprecation charge for the year | - | 3 | 253 | 89 | 234 | 4 | 34 | 16 | 633 |
| Disposals | - | - | 1 | 1 | 3 | - | 90 | 111 | 206 |
| **At 31 March 2020** | **-** | **55** | **4,678** | **2,012** | **2,465** | **286** | **4,627** | **661** | **14,784** |
| **Net book value** | | | | | | | | | |
| At 31 March 2019 | 28 | 30 | 760 | 181 | 1,716 | 8 | 117 | 30 | 2,871 |
| At 31 March 2018 | 28 | 33 | 1,014 | 270 | 1,914 | 12 | 151 | 55 | 3,477 |

## 4. INTANGIBLE ASSETS

INR in Lacs

| | Computer Software | Trade Mark | Total |
|---|---|---|---|
| **Cost or valuation** | | | |
| **At 1 April 2018** | 687 | 400 | 1,087 |
| Additions | 370 | - | 370 |
| Disposal | 270 | 400 | 670 |
| **At 31 March 2019** | 787 | - | 787 |
| Additions | - | - | - |
| Deletion of Subsideries | - | - | - |
| **At 31 March 2020** | 787 | - | 787 |
| **Depreciation and impairment** | | | |
| **At 1 April 2018** | 441 | 236 | 677 |
| Deprecation charge for the year | 198 | - | 198 |
| Disposal | 243 | 236 | 480 |
| **At 31 March 2019** | 395 | - | 395 |
| Deprecation charge for the year | 237 | - | 237 |
| Impairment for the year* | 137 | - | 137 |

## 4. INTANGIBLE ASSETS *(CONTD.)*

INR in Lacs

| | Computer Software | Trade Mark | Total |
|---|---|---|---|
| **At 31 March 2020** | 769 | - | 769 |
| **Net book value** | | | |
| At 31 March 2019 | 19 | - | 19 |
| At 31 March 2018 | 392 | - | 392 |

## 5. INVESTMENT PROPERTIES

INR in Lacs

| | Land | Building and Infrastructure | Total |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2018 | 8,301 | 5,835 | 14,136 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **At 31 March 2019** | **8,301** | **5,835** | **14,136** |
| Additions | - | - | - |
| Disposals | - | - | |
| **At 31 March 2020** | **8,301** | **5,835** | **14,136** |
| **Depreciation and impairment** | | | |
| At 1 April 2018 | - | 1,861 | 1,861 |
| Deprecation charge for the year | - | 274 | 274 |
| Disposals | - | - | - |
| **At 31 March 2019** | **-** | **2,135** | **2,135** |
| Deprecation charge for the year | - | 251 | 251 |
| Disposals | - | - | - |
| **At 31 March 2020** | **-** | **2,386** | **2,386** |
| **Net book value** | | | |
| At 31 March 2019 | 8,301 | 3,450 | 11,751 |
| At 31 March 2018 | 8,301 | 3,700 | 12,001 |

## 6. NON-CURRENT FINANCIAL ASSETS

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Investments** | | |
| **Investments at fair value through profit or loss** | | |
| **Investment in equity instruments** | | |
| **Associates** | | |
| **Teleecare Network India Private Limited** | | |
| 57,17,600 (31 March 2019: 57,17,600) Equity shares of Rs. 10 each fully paid up | 5,145 | 5,145 |
| Less: Loss on share of associates | (1,656) | (87) |
| | 3,489 | 5,058 |

## 6. NON-CURRENT FINANCIAL ASSETS *(CONTD.)*

INR in Lacs

| | | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|---|
| | **Others** | | |
| | *Unquoted equity instruments* | | |
| | **Ilumi Solution Inc** | | |
| | 9,66,620 (31 March 2019: 9,66,620) Equity shares of US$ 0.00001 each fully paid up | - | 479 |
| | **Travancore Marketing Pvt Ltd** | | |
| | 11,000 (31 March 2019: 11,000) Equity shares of Rs. 10 each fully paid up | - | - |
| | *Quoted equity instruments* | | |
| | **Investment in equity instruments** | | |
| | **Anant Raj Ltd** | | |
| | NIL (31 March 2019: 3,001) Equity shares of Rs. 2 each fully paid up | - | 1 |
| | **Arvind Remedies Ltd** | | |
| | 10,000 (31 March 2019: 10,000) Equity Shares of Rs. 10 each fully paid up | 0.47 | 0.47 |
| | **GTL Infrastructure Ltd** | | |
| | 2,000 (31 March 2019: 2,000) Equity shares of Rs. 10 each fully paid up | 0.01 | 0.02 |
| | **IKF Technologies Ltd** | | |
| | 2,20,000 (31 March 2019: 2,20,000) Equity shares of Rs. 1 each fully paid up | 0.59 | 0.59 |
| | **JSW Steels Ltd** | | |
| | NIL (31 March 2019: 300) Equity shares of Rs. 10 each fully paid up | - | 0.88 |
| | **Cybele Industries Ltd** | | |
| | 25,000 (31 March 2019: 25,000) Equity shares of Rs. 10 each fully paid up | 1.27 | 3 |
| | | **3,491** | **5,543** |
| | Aggregate amount of quoted investments and market value thereof | 2 | 6 |
| | Aggregate amount of unquoted investments | 3,489 | 5,537 |
| | Aggregate amount of impairment in value of investments | 1,381 | 1,388 |
| **(b)** | **Loans** | | |
| | **Unsecured, considered good** | | |
| | Loans given | | |
| | Considered good | 88 | 128 |
| | Considered doubtful | 40 | - |
| | Security deposits | | |
| | Considered good | 816 | 977 |
| | Considered doubtful | 119 | - |
| | | 1,063 | 1,105 |
| | Less: provision for doubtful loans and deposits | (159) | - |
| | | **904** | **1,105** |
| **(c)** | **Other financial assets** | | |
| | Security deposits | 34 | - |
| | Term deposits with remaining maturity of more than 12 months | 83 | 738 |
| | Interest receivable on margin money deposits | 2 | 4 |
| | | **119** | **743** |

## 7. INCOME TAXES

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

**Profit or loss section** **INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Current tax:** | | |
| Current income tax charge | (2) | 112 |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (598) | 121 |
| **Income tax expense reported in the statement of profit or loss** | **(600)** | **233** |
| **OCI section** | | |
| Net loss/(gain) on remeasurements of defined benefit plans | - | (5) |
| **Income tax charged to OCI** | **-** | **(5)** |

**Deferred tax asset:** **INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting | 604 | 1,703 |
| Provision for diminution in the value of investments | 414 | 20 |
| Increase in the value of Telecare | (371) | - |
| Provision for doubtful debts and advances | 1,066 | 25 |
| Impact of expendiure charged to the statement of profit or loss in the current year but allowed for tax purposes on payment basis | 25 | 25 |
| Unabsorbed depreciation | 456 | - |
| Others | 3 | 23 |
| Unutilised tax credits | 23 | (66) |
| | **2,220** | **1,730** |

**Reconciliation of deferred tax assets (net):** **INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Opening balance as of 1 April** | 1,001 | 873 |
| Acquisition of subsidiary | - | 249 |
| Tax income/(expense) during the period recognised in profit or loss | 598 | (121) |
| **Closing balance as at 31 March** | 1,600 | 1,001 |

## 8. OTHER NON-CURRENT ASSETS

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Security deposits | - | - |
| Capital advances | 3,289 | 3,411 |
| | **3,289** | **3,411** |

## 9. INVENTORIES

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Raw material | 381 | 1,106 |
| Work-in-progress | 7 | 219 |
| Finished goods | 10 | 1,209 |
| Traded goods | 420 | 3,584 |
| | **817** | **6,118** |

## 10. CURRENT FINANCIAL ASSETS

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Investments** | | |
| **Investments at fair value through profit or loss** | | |
| *Unquoted equity instruments* | | |
| **Investments in Mutual funds** | | |
| **SBI Infrastructure Fund** | | |
| Nil (31 March 2019: 20,000) Units | - | 3 |
| **SBI One India Fund** | | |
| 1,33,700 (31 March 2019: 1,82,245) Units | 25 | 72 |
| | **25** | **75** |
| **(b) Trade receivables** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 19,209 | 34,815 |
| Considered doubtful | 4,237 | 702 |
| | 23,447 | 35,517 |
| Less: provision for doubtful debts | (4,237) | (702) |
| | **19,209** | **34,815** |
| **(c) Cash and cash equivalents** | | |
| Balances with banks in current accounts | 669 | 1,701 |
| Cash on hand | 1 | 7 |
| | **670** | **1,707** |

## 10. CURRENT FINANCIAL ASSETS *(CONTD.)*

**INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(d) Bank balances other than cash and cash equivalents** | | |
| Deposits with original maturity of more than 3 months but less than 12 months | 1,523 | 806 |
| Margin money deposits | 397 | 767 |
| | **1,919** | **1,573** |
| **(e) Loans** | | |
| **Unsecured, considered good** | | |
| Security deposits | | |
| Considered good | 103 | 43 |
| Considered doubtful | - | 40 |
| **Loans given** | | |
| Considered good | 5,266 | 5,392 |
| Considered doubtful | 880 | 270 |
| | 6,249 | 5,744 |
| Less: provision for doubtful debts | (880) | (310) |
| | **5,472** | **5,518** |
| **(f) Other financial assets** | | |
| Interest receivable on deposits | 13 | 18 |
| Claims receivable | 60 | 7 |
| Other recoverables | 134 | - |
| | **207** | **26** |

## 11. OTHER CURRENT ASSETS

**INR in Lacs**

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Advances to suppliers of goods or services | 1,907 | 2,684 |
| Taxes recoverable | | |
| Considered good | 629 | 2,622 |
| Considered doubtful | 135 | 73 |
| | 763 | 2,695 |
| Less: provision for doubtful balances | (135) | (73) |
| | 629 | 2,622 |
| Advances to staff | 39 | 40 |
| Lease equalisation reserve | 737 | 760 |
| Prepaid expenses | 510 | 717 |
| | **3,821** | **6,823** |

## 12. EQUITY SHARE CAPITAL

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Authorised shares** | | |
| 12,89,80,000 (31 March, 2019: 12,89,80,000) equity shares of INR 10 each | 12,898 | 12,898 |
| **Issued, subscribed and fully paid-up shares** | | |
| 8,58,14,191 (31 March, 2019: 8,58,14,191) equity shares of INR 10 each | 8,581 | 8,581 |
| | 8,581 | 8,581 |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

*Equity shares*

| | As at 31-Mar-20 | | As at 31-Mar-19 | |
|---|---|---|---|---|
| | No. | INR in Lacs | No. | INR in Lacs |
| At the beginning of the period | 85,814,191 | 8,581 | 85,814,191 | 8,581 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 85,814,191 | 8,581 | 85,814,191 | 8,581 |

**(b) Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company**

| Name of the shareholder | As at 31-Mar-20 | | As at 31-Mar-19 | |
|---|---|---|---|---|
| | No. | % holding | No. | % holding |
| **Equity shares of Rs. 10 each fully paid** | | | | |
| GRA Enterprises Pvt Ltd | 38,738,500 | 45% | 38,738,500 | 45% |
| Mr. Ashok Gupta | 5,754,894 | 7% | 5,754,894 | 7% |
| Mr. Renu Gupta | 6,981,111 | 8% | 6,981,111 | 8% |
| Mr. Deepesh Gupta | 5,365,029 | 6% | 5,365,029 | 6% |
| Mr. Neetesh Gupta | 5,214,607 | 6% | 5,214,607 | 6% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownerships of shares.

## 13. NON-CURRENT FINANCIAL LIABILITIES

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Borrowings** | | |
| Term loans from banks (secured) | 18,590 | 19,362 |
| Term loans from NBFCs (secured) | 50 | 729 |
| Loans from other parties (unsecured) | 536 | 1,346 |
| | **19,176** | **21,437** |
| Less: current maturities of long-term borrowings | 1,194 | 1,451 |
| | **17,982** | **19,986** |
| **Note:** | | |
| 1. Term loans from Indusind bank of Rs. 185.41 lacs carries interest rate of 8% p.a. and is secured by first pari passu charge on future rent receivables from property located at Noida and first pari passu charge on land and building located at Noida. The loans are repayable in 102 installment, from the date of loan, viz., 30 September, 2016. | | |
| **(b) Other Financial Liabilities** | | |
| Security deposits received | 509 | 456 |
| | **509** | **456** |

## 14. NON-CURRENT PROVISION

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 53 | 85 |
| Compensated absence | - | 22 |
| | **53** | **106** |

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Revenue received in advance | - | - |
| | **-** | **-** |

## 15. CURRENT FINANCIAL LIABILITIES

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **(a) Borrowings** | | |
| **Loans repayable on demand** | | |
| from banks (secured) | 2,767 | 2,825 |
| from NBFCs (secured) | - | - |
| from others (unsecured) | 77 | 134 |
| **Bills discounted** | | |
| From banks | 740 | 1,208 |
| From others | 1,184 | 1,060 |
| | **4,768** | **5,227** |
| **Note:** | | |
| 1. Loans repayable and bill discounted from banks are secured by first pari passu charge on current assets of the Company, first charge on fixed assets (except assets exclusively charged to other lenders), equitable mortgage of properties of Mrs. Renu Gupta. | | |
| 2. Moreover, Bills discounted from others have been secured by guarantees of Mr. Ashok Gupta, Director and GRA Enterprises Private Limited and security deposit of Rs. 250 lacs. | | |
| **(b) Trade payables*** | 9,194 | 22,886 |
| | **9,194** | **22,886** |
| *Includes amount due to related parties (refer Note 35) | | |
| **(c) Other financial liabilities** | | |
| Current maturities of long-term debt | 1,194 | 1,451 |
| Interest accrued but not due | - | - |
| Retention Money received | 1 | 1 |
| Security deposits received | 134 | 134 |
| Other expenses payable | 509 | 902 |
| | **1,837** | **2,488** |

## 16. OTHER CURRENT LIABILITIES

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Advances from customers | 250 | 2,282 |
| Advance against property | 25 | - |
| Deferred rent expense | - | - |
| Taxes and statutory dues payable | 22 | 131 |
| Advance against sale of investments | - | - |
| Rent advance received | 115 | 162 |
| | **413** | **2,574** |

## 17. CURRENT PROVISIONS

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 3 | - |
| | **3** | **-** |

## 18. CURRENT TAX LIABILITIES (NET)

INR in Lacs

| | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| Current tax Liability | - | 3 |
| | **-** | **3** |

## 19. REVENUE FROM OPERATIONS

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Sale of products | 32,685 | 115,028 |
| Job work income | 493 | 331 |
| Rental income | 3,581 | 3,583 |
| Other operating income | 525 | 655 |
| | **37,285** | **119,598** |

## 20. OTHER INCOME

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Interest income | 160 | 1,162 |
| Foreign exchange gain | - | 348 |
| Bad debts recovered | 3 | - |
| Excess liabilities or provisions written back | 913 | 2,899 |
| Fair value gain on financial instruments at fair value through profit or loss | 3 | 4 |
| Fair value gain on remaining investments after loss of control in subsidiaries | - | 1,667 |
| Profit on Relinquishment of rights in property | - | 217 |
| Profit from sale of property, plant and equipments | 6 | 1 |
| Profit from sale of investments | - | - |
| Miscellaneous income | 4 | 12 |
| | **1,090** | **6,312** |

## 21. COST OF RAW MATERIAL CONSUMED

**INR in Lacs**

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Inventories of raw material at the beginning of the year | 1,083 | 1,005 |
| Purchases during the year | 14,659 | 82,690 |
| Inventories of raw material at the end of the year | (357) | (1,083) |
| | **15,385** | **82,613** |

## 22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

**INR in Lacs**

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Inventories of WIP at the beginning of the year | 219 | 202 |
| Inventories of finished goods at the beginning of the year | 1,209 | 2,167 |
| Inventories of stock-in-trade at the beginning of the year | 3,584 | 9,598 |
| | 5,012 | 11,967 |
| Inventories of WIP at the end of the year | (7) | (219) |
| Inventories of finished goods at the end of the year | (10) | (1,209) |
| Inventories of stock-in-trade at the end of the year | (420) | (6,073) |
| | (437) | (7,501) |
| **(Increase)/Decrease in inventories** | **4,576** | **4,466** |

## 23. EMPLOYEE BENEFITS EXPENSE

**INR in Lacs**

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Salaries, wages and bonus | 960 | 5,064 |
| Contractor Employee’s Expenses | 326 | - |
| Director remuneration expenses | 20 | 233 |
| Gratuity expense | 16 | 92 |
| Contribution to provident and other funds | 34 | 101 |
| Staff welfare expenses | 63 | 261 |
| | **1,420** | **5,750** |

## 24. FINANCE COSTS

**INR in Lacs**

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Unwinding of discount | 53 | 47 |
| Interest expense | 1,858 | 2,728 |
| Other borrowing costs | 614 | 1,461 |
| | **2,524** | **4,236** |

## 25. DEPRECIATION AND AMORTIZATION EXPENSE

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Depreciation on tangible assets | 884 | 1,523 |
| Amortisation of intangible assets | 237 | 198 |
| Impairment of intangible assets | | |
| | **1,121** | **1,720** |

## 26. OTHER EXPENSES

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| **Direct expenses** | | |
| Freight inward | 172 | 482 |
| Scheme and claim expenses | 123 | 1,576 |
| Clearing and forwarding expenses | 55 | 136 |
| Customs and other duties | 378 | 2,305 |
| Labour charges | - | 340 |
| Consumable expenses | 2 | 4 |
| Technical fee | - | - |
| Packaging expenses | - | 33 |
| Warranty expenses | - | 228 |
| Apprentice salary | - | 15 |
| **Others** | | |
| Business development and promotion expenses | 43 | 419 |
| Product testing expenses | 351 | 43 |
| ISD expenses | - | 49 |
| Incentive and commission expenses | 10 | 237 |
| Rent expenses | 176 | 525 |
| Communication expenses | 22 | 67 |
| Power and fuel expenses | 441 | 576 |
| Travelling and conveyance expenses | 73 | 357 |
| Insurance premium expenses | 79 | 174 |
| Rates and taxes expenses | 31 | 114 |
| Directors sitting fee | 19 | 24 |
| Foreign Exchange loss | 568 | 4 |
| Bad debts and advances written off | 783 | 153 |
| Investments written off | 2 | - |
| Provision for diminution in value of investments | 479 | - |
| Prior Period Exp | - | 21 |
| Provision for doubtful loans | 651 | 270 |
| Provision for doubtful deposits | 80 | 40 |
| Provision for doubtful duties recoverable expense | 135 | 73 |

## 26. OTHER EXPENSES *(CONTD.)*

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Provision for doubtful debtors | 3,535 | 698 |
| Legal and professional expenses | 243 | 622 |
| Freight and cartage outward expenses | 64 | 283 |
| Licence fees and patent expenses | 267 | 637 |
| Printing and stationery expenses | 12 | 23 |
| Repair and maintenance expenses | | |
| Building | 258 | 365 |
| Plant & Machinery | 15 | 55 |
| Others | 10 | 21 |
| Computer repairs and maintenace | 11 | 55 |
| Clearing and forwarding expenses (export) | - | 18 |
| Security guard expenses | 74 | 191 |
| Housekeeping and other office maintenance expenses | 28 | 85 |
| Warranty Expenses | 11 | 111 |
| Loss on sale of property, plant and equipment | - | - |
| Recruitment expenses | - | - |
| Royalty | - | 40 |
| Payment to auditors (refer note below) | 10 | 21 |
| CSR Expenditure | - | - |
| Donations | 1 | 2 |
| Festival Expenses | 1 | 2 |
| Bank charges | 1 | 1 |
| Annual listing fees | 5 | 7 |
| Miscellaneous expenses | 16 | 36 |
| | **9,233** | **11,530** |

***Payment to auditor**

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| As auditor: | | |
| Audit fee | 9 | 9 |
| Tax audit fee | 1 | 1 |
| | **10** | **10** |

## 27. EARNINGS PER SHARE

INR in Lacs

| | Year ended 31-Mar-20 | Year ended 31-Mar-19 |
|---|---|---|
| Profit attributable to equity holders of the parent | (8,418) | (6,208) |
| Weighted average number of equity shares | 85,814,191 | 85,814,191 |
| Basic and diluted earnings per share | (9.81) | (7.23) |

## 28. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

### Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same is explained in Note 2.2.16

### Useful life of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event if it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best esitmates. Contingent liabilities are not recognised in financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 31.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Carrying value and approximate fair values of financial instruments are same.

**Revenue recognition**

The Company uses the percentage-of-completion method in accounting for its fixed price contracts. The use of percentage-of-completion method required the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting period.

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

**Market risk**

The Company is exposed to foreign exchange risk through its sales and services outside India, and purchases and services from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against these currencies.

The foreign currency risks from financial instruments as of March 31, 2020 were as follows :

| Particulars | Currency | Amount in foreign currency | Amount in INR in lacs |
|---|---|---|---|
| Trade Payable | USD | 6,232,022 | 4,696 |
| Advance from customer | USD | 2,155 | 2 |
| Export Receivable | USD | 58,707 | 44 |
| Advance given to vendor | USD | 117,747 | 89 |
| Advance given to vendor | EUR | - | - |
| Prepaid Expenses | USD | 678,555 | 512 |

The foreign currency risks from financial instruments as of March 31, 2019 were as follows :

| Particulars | Currency | Amount in foreign currency | Amount in INR in lacs |
|---|---|---|---|
| Trade Payable | USD | 22,024,250 | 15,234 |
| Advance from customer | USD | 2,155 | 1 |
| Export Receivable | USD | 128,587 | 89 |
| Advance given to vendor | USD | 418,841 | 290 |
| Advance given to vendor | EUR | 9600 | 7 |
| Prepaid Expenses | USD | 840,966 | 582 |

**Quantitative information of foreign exchange instruments outstanding as at the balance sheet date**

The foreign currency risks from financial instruments were as follows :

| The foreign currency forward contracts | Currency | Amount in foreign currency | Amount in INR in lacs |
|---|---|---|---|
| As on 31st March 2020 | USD | - | - |
| As on 31st March 2019 | USD | - | - |

**Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Trade receivables are typically unsecured and are derived from revenue earned from customers located primarily in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings. Investments primarily include investment in deposits with banks.

**Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

## 30. POST EMPLOYMENT BENEFIT PLANS: GRATUITY

The Company has a funded defined benefit gratuity plan.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Defined benefit obligation** | | |
| Balance as at beginning of the year | 118 | 309 |
| Current service cost | 10 | 24 |
| Interest cost | 8 | 12 |
| Past Interest cost | - | - |
| Benefits paid | (17) | (42) |
| Remeasurement (gains)/losses in other comprehensive income | (46) | (33) |
| Business combinations | - | (151) |
| **Balance as at end of the year** | **74** | **118** |

Reconciliation of the opening and closing balances of the fair value of plan assets

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Fair value of plan assets** | | |
| Balance as at beginning of the year | 33 | 79 |
| Expected return on plan assets | 2 | 6 |
| Actuarial gains and losses | (1) | (1) |
| Benefits paid | (17) | (42) |
| Business combinations | - | (7) |
| Balance as at end of the year | **18** | **33** |

The above mentioned plan assets are entirely represented by funds invested with LIC.

Total expense recognised in profit or loss

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| Current service cost | 10 | 24 |
| Past service cost | - | - |
| Interest cost | 8 | 12 |
| Expected return on plan assets | (2) | (6) |
| | 16 | 30 |

Total amount recognised in other comprehensive income

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| Experience losses/(gains) | (67) | (99) |
| Losses from change in financial assumptions | - | - |
| **Remeasurements on Liability** | (67) | (99) |
| Return on plan assets, excluding interest income | 1 | 1 |
| Remeasurements on plan assets | 1 | 1 |
| Net remeasurements recognised in OCI | (66) | (98) |

**Due to its defined benefit plans, the Group is exposed to the following significant risks:**

**Changes in bond yields -** A decrease in bond yields will increase plan liability.

**Salary risk -** The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Principal actuarial assumptions used as at the end of the reporting period

| | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Discount rates | 7.00% to 7.75% | 7.00% to 7.75% |
| Expected rates of return on any plan assets | 7.75% | 7.75% |
| Expected rates of salary increase | 5.00% to 6.00% | 5.00% to 6.00% |
| Retirement age | 60 years | 60 years |
| Mortality rate | IALM 2006-08 Ultimate | IALM 2006-08 Ultimate |

**Sensitivity Analysis of the defined benefit obligation**

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **a) Impact of the change in discount rate** | | |
| **Present value of obligation at the end of the period** | **71** | **94** |
| Impact due to increase of 1 % | 65 | 87 |
| Impact due to decrease of 1% | 78 | 103 |
| **b) Impact of the change in salary increase** | | |
| **Present value of obligation at the end of the period** | **71** | **94** |
| Impact due to increase of 1 % | 78 | 103 |
| Impact due to decrease of 1 % | 65 | 87 |

## 31. GROUP INFORMATION

**Information about subsidiaries**

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

| Name | Place of Incorporation and Principal Activity | % equity interest | |
|---|---|---|---|
| | | **31-Mar-20** | **31-Mar-19** |
| FineMS Electronics Private Limited | India - Manufacturing of mobile phones | 60% | 60% |
| Optiemus Electronics Limited | India - Manufacturing of mobile phones | 80% | 80% |
| Optiemus Infracom (Singapore) Pte Ltd | Trading of mobile phones | 100% | 100% |
| Troosol Enterprises Private Limited | Booking of Hotels rooms through online portal | 60% | 60% |
| Teleecare Network India Private Limited* | Trading of mobile phones | 46% | 46% |

* Teleecare Network India Private Limited is ceased to be subsidiary w.e.f. 22.03.2019, as equity interest reduced from 54% to 46%. Since then, Teleecare Network India Private Limited and its subsidiaries have becom associate.

## 32. COMMITMENTS AND CONTINGENCIES

**a. Leases**

**Operating lease commitments — Group as lessor**

The Company has entered into operating leases on immovable properties, with lease terms between one and five years. The Company has the option, under some of its leases, to lease the assets for additional terms of one to five years.

Company has also given certain land and building on operating lease to a third party. The lease arrangement was for 9 years and remained for a period of next 2.5 years. The rental of Rs.3,577 lacs (2018-19 - Rs. 3,583 lacs) on such lease is included in rental income.

Future minimum rentals payable under non-cancellable operating leases is NIL.

**Operating lease commitments — Group as lessee**

Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, warehouses etc.). The group has entered into agreements to take certain land and buildings on operating leases for warehousing activities from third parties during the year. These leasing arrangements which are not non-cancellable, range between 3 years and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The lease rent of Rs. lacs (31 March 2019: Rs. 176 lacs) on such lease is included in Rent.

Future minimum rentals payable under non-cancellable operating leases are as follows:

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| Within one year | - | 124 |
| After one year but not more than five years | - | 561 |
| More than five years | - | 158 |
| | - | 843 |

**b. Contingent liabilities**

| Nature | Financial year | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|---|
| Sales Tax, Orissa | 2008-09 | - | 2 |
| Sales Tax Delhi | 2008-09 | - | 75 |
| Sales Tax Haryana | 2006-07 | - | 16 |
| Sales Tax Haryana | 2010-11 | 16 | 16 |
| Sales Tax Haryana | 2013-14 | 20 | 20 |
| Sales Tax Haryana | 2014-15 | 5 | 5 |
| Sales Tax Haryana | 2015-16 | 8 | - |
| Sales Tax Assam | 2007-08 | - | 9 |
| Sales Tax Bihar | 2011-12 | - | 29 |
| Sales Tax Bihar | 2012-13 | 10 | 10 |
| Sales Tax Bihar | 2013-14 | 7 | 7 |
| Sales Tax Uttar Pradesh | 2011-12 | 25 | 25 |
| Sales Tax Uttar Pradesh | 2013-14 | 45 | - |
| Sales Tax West Bengal | 2012-13 | 178 | 178 |
| Sales Tax Karnataka | 2011-12 | 31 | 31 |
| Sales Tax Karnataka | 2012-13 | 53 | 53 |
| Sales Tax Karnataka | 2013-14 | 37 | - |
| Sales Tax Karnataka | 2014-15 | 23 | - |
| Sales Tax Gujarat | 2013-14 | 41 | 41 |
| Sales Tax Gujarat | 2014-15 | 185 | - |
| Sales Tax Uttar Pradesh | 2013-14 | - | 45 |
| Sales Tax Rajasthan | 2015-16 | - | 198 |
| Sales Tax Rajasthan | 2016-17 | - | 50 |
| Sales Tax Kerala | 2016-17 | - | 1 |
| Sales Tax Madhya Pradesh | 2015-16 | - | 53 |
| Sales Tax Tamilnadu | 2013-14 | 3 | - |
| Sales Tax Tamilnadu | 2014-15 | 18 | - |
| Income Tax - U/s 143(3) | 2016-17 | 80 | - |
| Income Tax - U/s 143(1) (a) | 2017-18 | 318 | - |
| Income Tax - u/s 220(2) | 2011-12 | - | - |
| Income Tax - u/s 220(2) | 2012-13 | - | 1 |
| TDS demand | | 4 | 4 |
| TDS demand-MPS | | - | - |
| **Total** | | **1,109** | **870** |

c. **Corporate Guarantee** **INR in lacs**

| Guarantee given on behalf of | Guarantee given to | Purpose | 31-Mar-20 | 31-Mar-19 |
|---|---|---|---|---|
| GDN Enterprises Private Limited | Indusind Bank | Working Capital | 3,600 | 3,600 |
| MPS Telecom Retail Pvt. Ltd. | Indusind Bank | Working Capital | 6,000 | 6,000 |
| | | | 9,600 | 11,800 |

## 33. FAIR VALUE MEASUREMENTS

a. **Break-up of Financial instruments carried at Fair value through profit or loss**

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Financial assets** | | |
| Investments | 3,516 | 5,618 |
| | **3,516** | **5,618** |

b. **Break-up of Financial instruments carried at amortised costs**

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Financial assets** | | |
| Loans | 5,369 | 5,436 |
| Trade receivables | 19,209 | 34,815 |
| Cash and cash equivalents | 670 | 1,707 |
| Bank balances other than cash and cash equivalents | 1,919 | 1,573 |
| Other financial assets | 207 | 26 |
| | **27,375** | **43,556** |
| **Financial liabilities** | | |
| Borrowings | 4,677 | 4,883 |
| Trade payables | 8,576 | 22,886 |
| Other financial liabilities | 1,837 | 2,488 |
| | **15,090** | **30,256** |

Carrying value and approximate fair values of financial instruments are same.

## 34. SEGMENT REPORTING

The group has identified business segments. Business segments are primarily Manufacturing of Mobile & Mobile Accessories and Renting of Immovable Property. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed Assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

The group organized its operations as four major businesses, each reportable segment is as follows:

1. Trading of goods
2. Rental income
3. Manufacturing
4. Retail chain stores (discountinued operation)

| Particulars | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Segment Revenue** | | |
| a) Trading of Mobile Handset and Accessories | 30,858 | 36,100 |
| b) Renting Income | 3,581 | 3,583 |
| c) Manufacturing Business | 17,684 | 92,125 |
| d) others | - | - |
| **Total** | **52,123** | **131,808** |
| Less: Inter Segment Revenue | (14,838) | (12,210) |
| **Net Sales/Income From Operations** | **37,285** | **119,598** |
| **Segment Results** | | |
| **Profit before Interest & Tax** | | |
| a) Trading of Mobile Handset and Accessories | (9,254) | (7,259) |
| b) Renting | 2,485 | 2,326 |
| c) Manufacturing Business | (882) | (1,051) |
| d) others | - | - |
| **TOTAL** | **(7,651)** | **(5,984)** |

| Particulars | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Less:** | | |
| (a) Interest | 2,524 | 4,236 |
| (b) Other un-allocable expenditure net off un-allocable income & other comprehensive income | (1,090) | (6,312) |
| **Total Profit before Tax** | **(9,085)** | **(3,908)** |
| **Profit from Discontinuing operation** | | |
| a) Mobile Retail Store chain | - | (1,799) |
| **Total Profit before Tax** | **(9,085)** | **(5,707)** |

| Segment Assets | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| a) Trading of Mobile Handset and Accessories | 41,395 | 49,437 |
| b) Renting Income | 13,978 | 15,529 |
| c) Manufacturing Business | 6,799 | 22,738 |
| Less: Inter segment | (4,644) | (2,195) |
| **Other unallocated assets** | - | - |
| **Total Segment Assets** | **57,529** | **85,510** |
| **Segment Liabilities** | | |
| a) Trading of Mobile Handset and Accessories | 9,722 | 11,612 |
| b) Renting Income | 19,252 | 19,957 |
| c) Manufacturing Business | 6,566 | 22,523 |
| d) Retail chain stores | - | - |
| e) others | - | - |
| Less: Inter segment | (1,582) | (709) |
| Other unallocated liabilities | - | - |
| **Total Segment Liabilities** | **33,958** | **53,383** |

## 35. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

**Related parties where control exists**

Subsidiaries
: Optiemus Electronics Limited
: Optiemus Infracom ( Singapore) Pte Ltd
: FineMs Electronics Private Limited
: Optiaux Technologies Private Limited
: Troosal Enterprises Pvt. Ltd.

Enterprises owned or significantly influenced by key management personnel or their relatives
: GRA Enterprises Pvt. Ltd.
: Fidelity Logistic Limited
: Insat Exports Pvt. Ltd.
: Besmarty Marketplace Pvt Ltd
: Teleecare Networks India Private Limited
: WIN Technology
: MPS Telecom Retail Private Limited
: International Value Retail Pvt Ltd
: GDN Enterprises Pvt Ltd
: Teleecare Networks (BD) Private Limited
: Telemax Links India Pvt Ltd

**Key management personnel**

| Name | Position | Nature of Transaction | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|---|---|
| Ashok Gupta | Director | Director Remuneration | - | 90 |
| Hardip Singh | Director | Director Remuneration | 42 | 74 |
| Ravinder Zutshi | Director | Director Remuneration | - | - |
| Vikas Chandra | Company Secretary | Remuneration | 22 | 23 |
| Anoop Singhal* | Chief Financial Officer | Remuneration | 51 | 54 |
| Parveen Sharma* | Chief Financial Officer | Remuneration | - | - |
| Deepesh Gupta | Director of MPS Telecom Pvt Ltd | Director Remuneration | 4 | 48 |
| Shailendra Sancheti | Chief Financial Officer of Optiemus Electronics Ltd. | Remuneration | 53 | 54 |
| Mr. Neetesh Gupta | Director of Teleecare Network India Pvt. Ltd | Director Remuneration | 23 | 90 |
| Mr. Mukesh Gupta | Director of Teleecare Network India Pvt. Ltd | Director Remuneration | 44 | 66 |
| Mr. Ramneek Gupta | Relative of Director of Teleecare Network India Pvt. Ltd | Remuneration | 18 | 18 |
| Deepesh Gupta** | Director of Teleecare Network India Pvt. Ltd | Remuneration | 39 | - |

* Mr. Parveen Sharma appointed as Chief Financial Officer of Optiemus Infracom Ltd. in place of Mr. Anoop Singhal w.e.f. 24th April 2019.

** Mr. Deepesh Gupta appointed as Director of Teleecare Network India Pvt. Ltd. w.e.f. 24th May 2019.

**Subsidaries/ Associate Co.**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Transactions during the year** | | |
| **Sales of goods (excluding sales tax)** | | |
| Teleecare Network India Pvt Ltd | 1,309 | 149 |
| MPS Telecom Retail Pvt. Ltd. | 185 | - |
| International Value Retial Pvt. Ltd. | 3,667 | - |
| GDN Enterprises Pvt Ltd | - | 3 |
| **Rental income** | | |
| Teleecare Network India Pvt Ltd | 115 | - |
| International Value Retail Pvt Ltd | 18 | |

| | 31-Mar-20 INR in Lacs | 31-Mar-19 INR in Lacs |
|---|---|---|
| **Other income** | | |
| GDN Enterprises Pvt Ltd | 10 | 2 |
| Teleecare Network India Pvt. Ltd. | - | 70 |
| **Interest Income** | | |
| Deepesh Gupta | - | 85 |
| Mukesh Gupta | - | 54 |
| **Profit on Relinquishment of rights in property** | | |
| Ashok Gupta | - | 183 |
| **Reimbursement of electricity expenses** | | |
| Teleecare Network India Pvt Ltd | 3 | - |
| GDN Enterprises Pvt. Ltd. | 4 | |
| **Purchases of goods** | | |
| GDN Enterprises Pvt Ltd | 535 | 75 |
| Teleecare Network India Pvt Ltd | 66 | - |
| International Value Retail Pvt. Ltd. | 5 | - |
| MPS Telecom Private Limited | 3 | - |
| **Expenses** | | |
| Teleecare Network India Pvt Ltd | 13 | 7 |
| GDN Enterprises Pvt. Ltd. | - | - |
| **Loans repaid by the related party** | | |
| Telemax Links India Pvt. Ltd. | 35 | - |
| GRA Enterprises Pvt. Ltd. | - | 172 |
| **Security deposits given** | | |
| Fidelity Logistic Limited | - | (10) |
| **Advance to Creditors** | | |
| Mukesh Gupta | - | (285) |
| Deepesh Gupta | - | (373) |
| **Balances outstanding as at year end** | | |
| **Trade receivables** | | |
| Teleecare Network India Pvt Ltd | 10,703 | 8,952 |
| International Value Retail Pvt Ltd | 1,750 | - |
| GDN Enterprises Pvt. Ltd. | 611 | - |
| **Trade payables** | | |
| Fidelity Logistic Limited | - | 3 |
| GDN Enterprises Pvt Ltd | - | 2,070 |
| **Loans given** | | |
| Jaisalmer Estates Pvt Ltd | - | 136 |
| FineMS Electronics Pvt Ltd | 96 | 96 |
| Telemax Links India Pvt Ltd | 67 | 102 |
| Hardip Singh | - | 33 |
| International Value Retail Pvt Ltd | 675 | - |

**36.** The Company had entered into agreement with Blackberry Limited for providing licensing and software services w.e.f. July 1, 2017. Under the said agreement, the Company is required to pay a minimum guarantee royalty fee against which the company has received a demand of USD 4.29 million till 31st March 2019 out of which only USD 1.5 million paid. However, the management has disputed the payment of royalty on account of delay in launch of Blackberry handsets due to the fault on part of Blackberry and out of USD 4.29 million, USD 0.72 million has recognized royalty expense till 31st March 2019. The balance amount is under dispute and has not been recognized as expense during the period.

**37. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 (COVID-19)**

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations in some of the Company's manufacturing and depot locations got temporarily disrupted. The Company derives revenue from sale of mobile handsets and mobile accessories, and rental of immovable properties.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date

**For Mukesh Raj & Co.**
Chartered Accountants
Firm Registration No. : 016693N

**Mukesh Goel**
Partner
Membership No.: 094837

Place: Noida (U.P.)
Date: 30.07.2020

**For and on behalf of the Board of Directors of**
**Optiemus Infracom Limited**

**Ashok Gupta**
**Executive Chairman**
DIN: 00277434

**Neetesh Gupta**
**Director**
DIN : 00030782

**Parveen Sharma**
**Chief Financial Officer**
PAN: ATWPS6301D

**Vikas Chandra**
**Company Secretary**
PAN: AFGPC4820F

# NOTICE

**NOTICE** is hereby given that the 27th Annual General Meeting of the Members of **OPTIEMUS INFRACOM LIMITED** will be held on Wednesday, the 30th Day of September, 2020 at 02:00 P.M. IST through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at K-20, IInd Floor, Lajpat Nagar-II, New Delhi-110024.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Neetesh Gupta (DIN: 00030782), who retires by rotation, and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **To re-appoint Mr. Naresh Kumar Jain (DIN: 01281538) as an Independent Director**

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

   **"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors and provisions of Sections 149, 150,152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Naresh Kumar Jain (DIN: 01281538), who was appointed as an Independent Director and holds office of Independent Director up to 27th October, 2020 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years effective from 28th October, 2020 to 27th October, 2025.**"**

4. **To ratify/approve material Related Party Transactions**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force) and the Company's policy on Related Party Transaction(s), consent of the members of the Company be and is hereby accorded to confirm, ratify and approve all the existing material contacts/ arrangements/ transactions/ agreements entered into by the Company (including any modifications, alterations, amendments or renewal thereto) during the financial year 2019-20, in the ordinary course of business and on arm's length basis with Optiemus Electronics Limited ("OEL"), subsidiary company, being a 'Related Party' within the meaning of the Companies Act, 2013 and the Listing Regulations, as more particularly enumerated in the explanatory statement to the Notice.

   **RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to above resolution and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings etc. as may be necessary, proper or expedient for the purpose of giving effect to the above resolution.**"**

5. **To approve Related Party Transactions**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors to enter into contract(s)/ arrangement (s)/ transaction(s)/agreement(s) (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force) with Optiemus Electronics Limited, Teleecare Network India Private Limited and International Value Retail Private Limited, Related Parties within the meaning of the Companies Act, 2013 and the Listing Regulations, on such terms and conditions as may be mutually agreed upon, upto the below mentioned maximum amount, from the financial year 2020-21 and onwards provided, however the contract(s)/ arrangement(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business:

| Sr. No. | Name of Related Party | Nature of Relationship | Nature of Transactions | Maximum Value of contract/arrangement/ transactions (Per Annum) w.e.f. 1st April, 2020 |
|---|---|---|---|---|
| 1. | Optiemus Electronics Limited | Subsidiary Company | Sale, purchase or supply of any goods or material | Rs. 1,000/- Crore |
| 2. | Teleecare Network India Private Limited | Associate Company | Sale, purchase or supply of any goods or material | Rs. 500/- Crore |
| 3. | International Value Retail Private Limited | Related Party influenced by Directors or Key Managerial Personnel | Sale, purchase or supply of any goods or material | Rs. 500/- Crore |

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to sign and execute necessary documents and papers as may be required in this regard and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalise any documents and writings in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

**By order of the Board**
**For Optiemus Infracom Limited**

**Date: August 29, 2020**
**Place: Noida (U.P.)**

**Vikas Chandra**
**Company Secretary & Compliance Officer**

**NOTES:**

1. In view of the continuing restrictions on the movement of people at several places in the country and due to outbreak of COVID-19, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 05, 2020 read with Circular dated April 08, 2020, April 13, 2020 and June 15, 2020 (collectively referred to as "MCA Circulars"), permitted holding of Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM.

2. **Dispatch of Annual Report and Notice of AGM through electronic mode:**

   In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories as on cut-off date (28.08.2020). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.optiemus.com under Investor Portal Section, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business as set out in the Notice under Item No. 3 to 5 to be transacted at the AGM is annexed hereto.

4. In respect of Item No. 2 & 3 a statement giving additional information on the Directors appointment/re-appointment is annexed hereto as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings.

5. At the 24th AGM held on 8th December, 2017, the Members approved the appointment of M/s. Mukesh Raj & Co., Chartered Accountants (Firm Registration No. 016693N), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of 29th AGM, subject to ratification of their appointment by members at every AGM. The requirement to place the matter relating to ratification of their appointment, by members at every AGM has been removed by the Companies (Amendment) Act, 2017 with effect from 7thMay, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at this AGM.

6. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

7. Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Scrutinizer a certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer at their e-mail skbatrapcs@gmail.com with a copy marked to www.evotingindia.com.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

9. Members desiring any information on the accounts at the AGM are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
10. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to cs.vikas@optiemus.com.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrar & Share Transfer Agent, M/s Beetal Financial and Computer Services Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders attending the AGM, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company being maintained by RTA will be entitled to vote.
13. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive).
14. Members are requested to update immediately, any change in their address to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s Beetal Financial and Computer Services Private Limited ("Beetal") at Beetal House, 3rd Floor, 99, Madangir, New Delhi – 110062, in case shares are held in physical form so that change could be effected in the Register of Members before closure.
15. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication(s) including Annual Report, Notices and Circulars etc. from the Company electronically. *'E-Communication Registration Form'* is enclosed with the Notice. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any, to the Registrar and Transfer Agent M/s Beetal Financial and Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, New Delhi – 110062 and / or to their respective depository participants if the shares are held in electronic form.
16. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company's Registrar and Share Transfer Agent.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
18. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, securities of Listed Companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.
19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be

transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL. The detailed instructions for e-voting and joining the AGM through VC/OAVM are annexed to this notice.

20. The E-voting shall commence on Sunday, 27th September, 2020 at 9:00 A.M. IST and shall remain open till Tuesday, 29th September, 2020 at 5:00 P.M. IST. Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

21. The Board has appointed Mr. Sumit Kumar, Practicing Company Secretary (M. No.: 7714, COP No.: 8072), as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

22. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.optiemus.com and on the website of CDSL immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The results shall also be forwarded to the Stock Exchanges where the shares of Company are listed.

23. The recorded transcript of the ensuing AGM to be held on 30th September, 2020, shall also be made available on the website of the Company under Investor Relation Section, as soon as possible after the meeting is over.

24. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

25. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 which will be made available on request to the Registrar and Share Transfer Agent of the Company.

26. Investor Grievance Redressal: The Company has designated an exclusive e-mail Id i.e. *info@optiemus.com* to enable investors to register their complaints/requests, if any.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

**Item No. 3**

Mr. Naresh Kumar Jain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on October 28, 2015 as Non-Executive Independent Director. As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. The first term of Mr. Jain as an Independent Director of the Company is going to expire on 27th October, 2020.

Based upon the recommendation of Nomination and Remuneration Committee and Board of Directors and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jain, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director of the Company, not liable to retire by rotation, for second term of five consecutive years from from October 28, 2020.

Mr. Naresh Kumar Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") and has given his consent to act as an Independent Director.

The Company has also received a declaration from Mr. Jain that he meets the criteria of Independence as prescribed under Section 149 of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, in the opinion of the Board, Mr. Naresh Kumar Jain fulfils the conditions for his appointment as an Independent Director as specified in the Act, the Rules thereunder and SEBI Listing Regulations. Mr. Jain is independent of the management and possesses appropriate skills, experience and knowledge.

Brief Profile and particulars of Mr. Naresh Kumar Jain is given below:

Mr. Naresh Kumar Jain is a science graduate and has completed his law degree from Delhi University in 1974. He is a fellow member of the Institute of Company Secretaries of India and an honorary fellow member of The Institute of Certified Public Secretaries – Kenya. He has an experience of more than 46 years in the field of Legal Compliances, Legal Management, Secretarial Functions, Statutory Compliances, Listing and Corporate Governance which includes more than 35 years of managerial experience in senior positions. He retired as the Secretary and CEO of The Institute of Company Secretaries of India. Under his leadership, the Institute recorded an outstanding growth and development on all fronts.

Mr. Jain has attended a week long Board Leadership Programme, South Asia, organised by Global Corporate Governance Forum, IFC, World Bank Group in Washington, DC and was a faculty in "Train the Trainer-Corporate Governance Board Leadership Programme" organised by Global Corporate Governance Forum, IFC, World Bank Group, Washington, DC in Mumbai and New Delhi.

He is a widely travelled and has addressed various national and international seminars, conferences and workshops on diverse issues including Corporate Governance organised by OECD, GCGF, INSOL International, Indo-UK Task Force on Corporate Affairs, ICGN, IFCS, CSIA, Cass Business School, London, CMDA, etc. He has also authored several articles which have been published in various national economic newspapers, journals and professional magazines. He has been a member of various high powered committees and groups of apex industry associations, government and regulatory bodies, academic institutions, international associations including the Ministry of Corporate Affairs, Planning Commission, SEBI, National Foundation for Corporate Governance, IGONU, IFCS, CSIA, etc. Presently he is a member of ASSOCHAM National Council for Corporate Affairs & CSR, a Partner of Global FinServe LLP, an Independent Director and a regular faculty in seminars/conferences/ workshops organised by ASSOCHAM, IOD, IICA, ICSI, ICAI, ICWAI etc.

Mr. Jain is presently a Corporate Advisor and Trainer for Board leadership teams on diverse subjects with focus on Corporate Governance, Board's roles, responsibilities and liabilities, corporate compliance management, Sustainability etc.

In the opinion of the Board, Mr. Jain fulfils the conditions specified under the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 for his re-appointment as a Non-Executive Independent Director of the Company. Copy of the draft letter for appointment of Mr. Jain as a Non-Executive Independent Director setting out terms and conditions would be available for inspection without any fee by the Members at the Corporate Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto the date of AGM of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jain as an Independent Director. Accordingly, the Board recommends Special Resolution in relation to re-appointment of Mr. Jain as an Independent Director for another term of five consecutive years with effect from October 28, 2020 to October 27, 2025, for the approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Naresh Kumar Jain and his relatives.

Additional details regarding profile of Mr. Jain is given in **Annexure-1** to this Notice.

The Board recommends the Special Resolution set out at item no. 3 of the Notice for approval of the members.

**Item No. 4**

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into with a related party individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

The Company has entered into sale/purchase transactions as given below in the ordinary course of business and at arm's length basis with Optiemus Electronics Limited ("OEL") which is a 'Related Party' as per the provisions of Companies Act, 2013.

Members may please note that based on the criteria as mentioned above in the Listing Regulations, transactions with OEL is "Material" and therefore, requires approval of the shareholders by way of Ordinary Resolution.

Based upon the recommendation of Audit Committee, the Board of Directors in its meeting dated 30th July, 2020 accorded its approval to propose the said matter before the shareholders for obtaining their approval.

| S. No. | Particulars | Description |
|---|---|---|
| 1. | Name of the related party | Optiemus Electronics Limited |
| 2. | Name of the director or key managerial personnel who is related, if any | Mr. Ashok Gupta and Mr. Neetesh Gupta |

| S. No. | Particulars | Description |
|---|---|---|
| 3. | Nature of Relationship | Subsidiary Company<br>Mr. Ashok Gupta, Mr. Neetesh Gupta and Mr. Gautam Kanjilal are common directors in Optiemus Infracom Limited and Optiemus Electronics Limited.<br>Mrs. Renu Gupta, being relative of Mr. Ashok Gupta and Mr. Neetesh Gupta may be considered as indirectly interested. |
| 4. | Nature, material terms and particulars of the contract or arrangements | Sale, Purchase or Supply of goods or material in the ordinary course of business and on arm's length basis. |
| 5. | Transactions Value | Rs. 14,838 Lakhs |
| 6. | Period of transaction | Financial Year 2019-20 |

Regulation 23 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the Related parties shall abstain from voting on such resolutions, therefore, none of the related party will vote on the Resolution No. 4 of the Notice.

Mr. Ashok Gupta, Mr. Neetesh Gupta, and Gautam Kanjilal are common Directors in both the Companies and Mrs. Renu Gupta, being relative of Mr. Ashok Gupta and Mr. Neetesh Gupta may also be deemed to be interested or concerned in the resolution specified in Item No. 4 of the Notice. Except them no other Director and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the ordinary resolution as set out at Item No. 4 of the Notice for the approval of members.

**Item No. 5**

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into with a related party individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The Company in its ordinary course of business and/or on arm's length basis sources mobile phone and allied products from different mobile phone and related products/accessories manufacturer and traders in India and outside India. Given that Optiemus Electronics Limited ("OEL") is a manufacturer and trader of mobile phones and Teleecare Network India Private Limited ("Teleecare") and International Value Retail Private Limited ("IVR") are whole sale and retail trader of mobile phone and allied products at large scale, the Company also purchases products from these companies and has existing contracts/arrangements with these companies. The purchase of products/material from these companies is dependent on the requirement of the Company for its business from time to time.

The Company envisages that the transaction(s) entered/to be entered into with OEL, Teleecare and IVR whether individually and/or in aggregate would exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company during the financial year 2020-21.

OEL, Teleecare and IVR falls under the category of a related party of the Company in terms of the provisions of the Companies Act, 2013 and Listing Regulations. Thus, the Company, requires approval of the shareholders through an ordinary resolution for entering into contract(s)/ arrangement (s)/ transaction(s) with OEL, Teleecare and IVR.

Approval of the Members is sought to authorise the Board for entering into contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with the aforesaid parties subject to the limits mentioned in the table below.

The relevant information is as follows:

| S. No. | Particulars | Description | | |
|---|---|---|---|---|
| 1. | Name of the related party | **Optiemus Electronics Limited** | **Teleecare Network India Private Limited** | **International Value Retail Private Limited** |
| 2. | Name of the director or key managerial personnel who is related, if any | Mr. Ashok Gupta, Mr. Neetesh Gupta and Mrs. Renu Gupta | Mr. Ashok Gupta, Mr. Neetesh Gupta and Mrs. Renu Gupta | Mr. Ashok Gupta, Mr. Neetesh Gupta and Mrs. Renu Gupta |
| 3. | Nature of Relationship | Subsidiary Company<br>Mr. Ashok Gupta and Mr. Neetesh Gupta are common directors in both companies.<br>Mrs. Renu Gupta, being relative of Mr. Ashok Gupta and Mr. Neetesh Gupta may be deemed as indirectly interested.<br>Mr. Gautam Kanjilal is Independent Director in both companies and not falling under the definition of related party. | Associate Company<br>Mr. Ashok Gupta, Mr. Neetesh Gupta and Mrs. Renu Gupta are common directors and shareholders in both companies. | Group Company over which control exist<br>Mr. Neetesh Gupta is director in both Companies.<br>Mr. Ashok Gupta and Mrs. Renu Gupta, being relative of Mr. Neetesh Gupta may be deemed as indirectly interested. |
| 4. | Nature, material terms and particulars of the contract or arrangements | Purchase of goods/ material by the Company from and the sale of Company's product(s) to these companies are dependent on the requirement of the Company from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm's lengths basis and in the ordinary course of Company's business. | Purchase of goods/ material by the Company from and the sale of Company's product(s) to these companies are dependent on the requirement of the Company from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm's lengths basis and in the ordinary course of Company's business. | Purchase of goods/ material by the Company from and the sale of Company's product(s) to these companies are dependent on the requirement of the Company from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm's lengths basis and in the ordinary course of Company's business. |
| 5. | Monetary Value/ Maximum Value of Transaction per annum | Rs. 1,000 Crore | Rs. 500 Crore | Rs. 500 Crore |
| 6. | Any advance paid or received for the arrangement, If any. | As per industry norms, and uses. | As per industry norms, and uses. | As per industry norms, and uses. |
| 7. | Period of transactions | Financial Year 2020-21 and onwards | Financial Year 2020-21 and onwards | Financial Year 2020-21 and onwards |

All related parties shall abstain from voting on the resolution set out at Item No. 5 of the Notice as per the provisions of Listing Regulations.

Except Mr. Ashok Gupta, Mr. Neetesh Gupta, Mrs. Renu Gupta, being common directors and members and their relatives to the extent of their shareholding interest, if any, in the Company, no other Director and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the ordinary resolution as set out at Item No. 5 of this Notice for the approval of members.

**By order of the Board**
**For Optiemus Infracom Limited**

**Date: August 29, 2020**
**Place: Noida (U.P.)**

**Vikas Chandra**
**Company Secretary & Compliance Officer**

**Annexure – 1**

## ANNEXURE TO ITEMS 2 AND 3 OF THE NOTICE

### Profile of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting

(In pursuance of Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Secretarial Standard – 2 on General Meetings)

| Name of Director | Mr. Neetesh Gupta | Mr. Naresh Kumar Jain |
|---|---|---|
| **DIN** | 00030782 | 01281538 |
| **Age** | 35 Years | 67 Years |
| **Qualifications** | Master's Degree in Business Management | Bachelor in Science, Bachelor in Law, Fellow Company Secretary |
| **Experience (including expertise in specific functional area) / Brief resume** | Mr. Neetesh Gupta holds Master's Degree in Business Management from Nottingham University, England and has rich experience in telecommunication sector. He is also serving as director in various group companies. His entrepreneurship abilities landed him into being Promoter and director of the Company with a vision to take this Company to new heights.<br>He is also a member of Stakeholders Relationship Committee and Operations and Administration Committee of the Company. | Mr. Naresh Kumar Jain is a science graduate and has completed his law degree from Delhi University in 1974. He is a fellow member of the Institute of Company Secretaries of India and an honorary fellow member of The Institute of Certified Public Secretaries – Kenya. He has an industry experience of more than 46 years in the areas of Legal Compliances, Legal Management, Secretarial Functions, Statutory Compliances, Listing and Corporate Governance, which includes more than 35 years of managerial experience in senior positions. He is well-versed with the provisions of Companies Act, SEBI Regulations, FEMA, NBFC and other statutory laws. |
| **Date of first appointment on the Board** | October 12, 2018 | October 28, 2015 |
| **Terms and conditions of re-appointment** | On existing terms & conditions | On existing terms & conditions |
| **Details of last drawn remuneration and proposed remuneration (excluding sitting fees paid to non-executive directors)** | Nil | Nil |
| **Shareholding in the Company as on 31st March, 2020** | 52,14,607 equity shares of Rs. 10/- each | NIL |
| **Directorships held in other Companies as on 31st March, 2020** | 1. Techtube Media Works Private Limited<br>2. Fidelity Logistic Limited (Formerly Pinewood Agencies Limited)<br>3. Teleecare Network (India) Private Limited<br>4. Skyweb Infotech Limited<br>5. GDN Enterprises Private Limited<br>6. MPS Telecom Retail Private Limited<br>7. International Value Retail Private Limited<br>8. Optiemus Electronics Limited<br>9. Easycom Network Private Limited<br>10. Besmarty Technologies Private Limited (Formerly Besmarty Marketplace Private Limited) | 1. Paisalo Digital Limited<br>2. Model Economic Township Limited |

| Name of Director | Mr. Neetesh Gupta | Mr. Naresh Kumar Jain |
|---|---|---|
| | 11. Optiemus Telematics Private Limited<br>12. Optiaux Technologies Private Limited<br>13. Convenient Retail Private Limited<br>(Formerly Eftdo Electronics Private Limited) | |
| **Chairman/ Member of the Committees of the Board across all other public Companies of which he is a Director as on 31st March, 2020** | Skyweb Infotech Limited<br>- Audit Committee (Member)<br>- Nomination and Remuneration Committee (Member)<br>Optiemus Electronics Limited<br>- Operations and Administration Committee (Member) | Paisalo Digital Limited<br>- Stakeholders Relationship Committee (Chairman)<br><br>Model Economic Township Limited<br>- Nomination and Remuneration Committee (Member)<br>- Audit Committee (Member) |
| **Inter-se relationships between Directors** | Mr. Neetesh Gupta is son of Mr. Ashok Gupta (Whole-time Director & Executive Chairman) and Mrs. Renu Gupta (Non-Executive Director). No relationship exist with any other Directors/ KMP | None |
| **No. of Board Meetings attended during the Financial year 2019-20** | 4 out of 7 | 7 out of 7 |

## INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM

**The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on Sunday, 27th September, 2020 at 9:00 A.M. IST and ends on Tuesday, 29th September, 2020 at 5:00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Wednesday, 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| | **For Shareholders holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Optiemus Infracom Limited on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to the RTA e-mail id beetal@beetalfinancial.com and beetalrta@gmail.com.

2. For Demat shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to RTA e-mail id beetal@beetalfinancial.com and beetalrta@gmail.com.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The Members can join the AGM in the VC/OAVM mode 30 (Thirty) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

3. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at **https://www.evotingindia.com** under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at the email id of the Company info@optiemus.com and cs.vikas@optiemus.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at info@optiemus.com and cs.vikas@optiemus.com. These queries will be replied to by the company suitably by e-mail.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**Note for Non – Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the e-mail address viz; skbatrapcs@gmail.com and info@optiemus.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

  If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

  All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(xix) Mr. Sumit Kumar, Practicing Company Secretary, having their office at 3393, 1st Floor, South Patel Nagar, Adjacent Jaypee Siddharth Hotel (Membership No. 7714) has been appointed as the Scrutinizer to scrutinize the E-Voting process in a fair and transparent manner.

(xx) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the results of the voting forthwith.

(xxi) The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company www.optiemus.com and on the website of CDSL www.evotingindia.com and shall simultaneously be forwarded to the concerned Stock Exchanges. The results of the voting along with the consolidated Scrutinizer's report will also be displayed at the Notice Board at the Registered Office of the Company.

# E-COMMUNICATION REGISTRATION FORM

I agree to receive all communication from the Company in electronic mode. Please register my Email-id in your records for sending communication through e-mail as per the details given below:

Folio No. : ____________________________________________
(For shares held in physical mode)

DP ID : ____________________________________________

Client ID : ____________________________________________

Name of First Registered Holder : ____________________________________________

Registered Address : ____________________________________________

____________________________________________

____________________________________________

Email ID of the First Registered Holder
(in capital letters) : ____________________________________________

**Date: ...........................** **Signature of the First Registered Shareholder ..................................**

**Important Notes:**

1. On registration, all the communication will be sent to the Registered Email-id.
2. Members are requested to keep informed as and when there is any change in their email addresses to their Depository Participant(s) in case the shares are held in Demat Mode and to the RTA of the Company or at the Registered Office of the Company in case the shares are held in physical mode.

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