



24TH | ANNUAL REPORT
2016-17

OPTIEMUS INFRACOM LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ashok Gupta, Executive Chairman
Hardip Singh, Whole Time Director
Renu Gupta, Non-Executive Director
Tejendra Pal Singh Josen, Independent Director
Gautam Kanjilal, Independent Director
Charan Singh Gupta, Independent Director
Naresh Kumar Jain, Independent Director

KEY MANAGERIAL PERSONNEL

Hardip Singh, Whole Time Director
Vikas Chandra, Company Secretary & Compliance Officer
Anoop Singhal, Chief Financial Officer

AUDITORS

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

REGISTERED OFFICE

K-20, 2nd Floor, Lajpat Nagar - Part-2,
New Delhi-110 024
Ph. No.: 011-2984 0906, Fax: 011-2984 0908
Website: www.optiemus.com
E-mail: info@optiemus.com
CIN: L64200DL1993PLC054086

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada HarsukhdasMandir,
New Delhi- 110 062
Phone: +91-11-2996 1281/82/83
Fax: +91-11-2996 1284
Email: beetal@beetalfinancial.com

BANKERS

Indusind Bank Limited
Tata Capital Financial Services Limited

CORPORATE OFFICE

Plot No. 2A, First Floor, Wing A,
Sector-126, Noida-201301 (U.P.)
Ph. No. : 0120-6721900

COMMITTEES OF BOARD

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

LISTED AT

BSE
NSE

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CHAIRMAN'S MESSAGE

Dear Fellow Members,

It gives me immense pleasure to welcome you all to the 24th Annual General Meeting of your Company, another eventful year has passed by and I am happy to share my thoughts with you yet again on our performance and prospects.

It was yet another difficult year for the global economy, characterized by low growth and geopolitical uncertainties. In this challenging business environment your Company delivered a resilient performance in 2016-17.

In order to strengthen its roots in the telecom sector your Company entered into a major handset distribution partnership with the global software leader, Blackberry Limited to distribute and promote blackberry/s devices, later this year the Company also succeeded in bagging the exclusive licensing agreement for production of Blackberry-branded android mobile handsets in India, Sri Lanka, Nepal & Bangladesh.

Further, to streamline its business operations and increase operational efficiency, the board entered into a Scheme of Amalgamation with two of its wholly owned subsidiaries thereby accelerating growth, expansion and development.

With new explorations and expanded vision your Company is constantly working towards enhancing value for its shareholders hoping to do better in coming years.

Finally, I would like totake this opportunity to acknowledge the dedication and commitment of our board members, employees and other associates whose commitment and hard work helped deliver another successful year. I would also like to thank you our Shareholders for your continued support.

Thank You

Ashok Gupta
Executive Chairman

DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present the 24th Annual Report on the Business and operations of the Company along with the Audited Accounts for the financial year ended 31st March, 2017.

1. FINANCIAL SYNOPSIS:

Key aspects of Financial Performance of the Company for the year ended March 31, 2017 are tabulated below, inter-alia, 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.

(₹ in Lacs)

| Particulars | Standalone | | Consolidated | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended on 31.03.2017 | Year ended on 31.03.2016 | Year ended on 31.03.2017 | Year ended on 31.03.2016 |
| Total Revenue | 109,160 | 191,955 | 158,984 | 193,137 |
| Total Expenses | 107,807 | 189,154 | 157,878 | 190,850 |
| Profit before Exceptional & Extraordinary Items and Tax | 1,353 | 2,801 | 1,106 | 2,287 |
| Exceptional Items | - | - | - | - |
| Profit Before Tax | 1,353 | 2,801 | 1,106 | 2,287 |
| Tax Expense: | | | | |
| (1) Current Tax | 601 | 1,330 | 629 | 1,330 |
| (2) Deferred Tax | (239) | (325) | (193) | (325) |
| (3) Taxation Adjustment of previous year (net) | 3 | (12) | (20) | (12) |
| Minority Interest | - | - | (10) | - |
| Profit After Tax | 988 | 1,808 | 680 | 1,294 |
| Earnings per equity share | 1.15 | 2.11 | 0.79 | 1.51 |

2. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

In the financial year 2016-17, your Company continued its growth momentum on key parameters, despite sluggish growth/downturn witnessed by industry across country. Detailed information on state of affairs of the Companies is given in Management Discussion and Analysis Report forming part of this report.

3. TRANSFER TO RESERVES

The Company is not mandatorily required to transfer its surplus to the General Reserve as no dividend has been proposed for the year 2016-17. Hence, current year profit has been proposed to be retained in the Profit and Loss Account.

4. DIVIDEND

The Board is of the opinion that the Company should utilize its funds towards the operations to accelerate the growth rate. Accordingly the Board does not recommend any dividend payment for the year 2016-17.

5. DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of the provisions of section 73 of the Companies Act, 2013.

6. MATERIAL ORGANIZATIONAL CHANGES

Licensing Agreement with Blackberry

Being highly competitive, the telecom Industry is undergoing rapid changes due to the pace of developments in technology and innovation in business models. Moving in the same direction, Optiemus has very recently joined hands with Canada based Mobile brand “Blackberry”. Having signed an Exclusive licensing agreement with Blackberry, Optiemus has qualified itself to design, sell, promote and provide customer support service for blackberry mobile devices in India, Sri Lanka, Nepal & Bangladesh. Blackberry Limited will provide its unparalleled software and security solution, which will give Optiemus a new platform to keep the innovation alive in this world’s fastest growing smartphone market and create an affluence for its shareholders.

Ongoing Corporate Restructuring

With a view to offer a strong financial structure to the stakeholders of the Company, achieving better cash flows and to maintain lean organizational structure and better administrative control it is intended to merge two of your Company’s subsidiaries, viz, M/s MPS Telecom Private Limited & M/s Oneworld Teleservices Private Limited. Draft Scheme of Amalgamation has also been proposed in the notice of the AGM for approval of Members. Disclosures like Scheme of Amalgamation, Financials of Transferor Companies and other relevant information is annexed to notice.

Direct Listing of Equity shares on NSE

in order to provide enhanced liquidity to the shareholders of the Company, your Company applied to National Stock Exchange of India (NSE) for listing of its equity shares on NSE under Direct listing route and approval for the same was granted on August 4, 2017 and the equity shares of the Company were listed and admitted for dealings on the exchange w.e.f. August 8, 2017. Hence, the Company is now listed on NSE as well along with BSE.

7. EXTRACT OF ANNUAL RETURN

The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013, in the prescribed Form MGT-9 is annexed to this Report as Annexure -1.

8. NUMBER OF MEETINGS OF THE BOARD

There were 14 (fourteen) meetings of the Board held during the year. The Maximum gap between the two meetings did not exceed 120 days. Detailed information on Board Meetings is given in Corporate Governance Report.

9. 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 judgments 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.

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

Details of Investments and loans given falling under the provisions of section 186 of the Companies Act, 2013 are given under Note No. 12 & 14 of the notes to standalone financial statements. The Company has given corporate guarantee to one of its subsidiary, namely, M/s Optiemos Electronics Limited against a loan of ₹ 22 crores from Indusind Bank.

11. RISK MANAGEMENT FRAMEWORK

Given the diversified scale of operations, your Company has put in place a framework and adopted an enterprise risk management policy. The Company had in place a Risk Management Committee to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and in order to timely assess & thereafter minimize the risk involved. The details of the Risk Management framework are provided as a part of Management Discussion and Analysis report.

12. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company approved a policy on CSR which is also hosted on Company's website under web link <http://www.optiemos.com/policies>.

The detailed report on CSR is attached as Annexure-2 to this report.

13. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM

Section 177(9) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called, 'Whistle Blower Policy' for 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 web link <http://www.optiemus.com/policies>.

14. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with section 152(6) of the Companies Act, 2013, the period of office of at least two-third 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. Ashok Gupta retires from the Board by rotation and being eligible, offers himself for re-appointment. The information as required to be disclosed under SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and Secretarial Standards in case of re-appointment of the director is provided in the Notice of the ensuing annual general meeting which forms part of this Annual report.

Declaration by Independent Directors

The Company has received Certificate of Independence from all Independent Directors, inter-alia, pursuant to Section 149 of the Companies Act, 2013, confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company.

Inter-se relationship of Directors

Ms. Renu Gupta, Non-Executive Director is a relative of Mr. Ashok Gupta, Executive Chairman of the Company. No other Directors are related to each other. Also, there were no pecuniary transactions or relationship of the Non-Executive Directors vis-à-vis the company.

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.

Board Evaluation

The Companies Act, 2013 and the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 requires the Annual report to disclose 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 <http://www.optiemus.com/policies> 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, its Committees and Directors during the year under review.
- The report on performance evaluation of Non Independent Directors so arrived at was then noted and discussed by the Nomination and Remuneration Committee and that of Individual Directors and committees Board at their respective meetings.

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.

Familiarizing 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, for which Periodic familiarization programmes are conducted for the directors about the business operations, new avenues, industry overview, threats, opportunities and challenges in respective verticals.

15. 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 provided in the Annexure -3 forming part of the Annual Report.

16. AUDITORS

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, M/s RMA & Associates, Chartered Accountants (registration number: 000978N) were appointed by the shareholders at the 21st annual general meeting to hold office until the conclusion of the 25th annual general meeting, subject to ratification by shareholders at each annual general meeting. However, they resigned from the office of Statutory Auditors of the Company w.e.f. December 13, 2016, due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Act.

Accordingly, The Audit Committee and the Board of Directors in their respective meetings recommended to appoint M/s Mukesh Raj & Co. Chartered Accountants (Firm Registration No. 016693N), as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. RMA & Associates. Consequently, in the process of Postal Ballot conducted by the Company (through postal ballot notice dated February 14, 2017), the shareholders, by passing Ordinary resolution, approved the appointment of M/s Mukesh Raj & Co. to be appointed as Statutory Auditors of the Company to hold office upto the conclusion of ensuing Annual General Meeting.

In terms of section 139 of the Companies Act, 2013, since a Statutory Auditor has to be appointed for a period of five years at a time, subject to ratification by shareholders at every Annual General meeting, your Company proposed to appoint M/s Mukesh Raj & Co. (firm registration no. 016693N) as the

Statutory Auditors of your Company for a term of 5 years commencing from the conclusion of the ensuing Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2022. The Company has received written consent and confirmation from M/s Mukesh Raj & Co. to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Act, and rules framed thereunder and that they satisfy the criteria provided there. Also, the Statutory Auditors have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and that they hold a valid certificate issued by the Peer Review Board of ICAI.

Accordingly, Ordinary Resolution is proposed for the consideration and approval of members in the notice forming part hereto.

The statutory audit report submitted by M/s Mukesh Raj & Co. for FY 2016-17 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditors. 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.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made hereunder, the Company appointed M/s S K Batra & Associates, Company Secretaries in Practice (Membership number: 7714, C.P. No. 8072), to undertake the secretarial audit of the Company. Secretarial Audit Report for the financial year 2016-17 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 is as follows:

| Adverse Remark | Company Reply |
|--|---|
| <p><i>Managerial Remuneration has been paid in excess of the limits prescribed in section 197 of the companies Act 2013 read with Schedule V of the Act although the company is in the process of applying waiver from the Central government.</i></p> | <p>Major reform announced by Government to demonetize of two highest demonization notes created bearish momentum in near term adversely impacting all sectors and industries, Telecom Industry being one of them which resulted in low sales volume of mobile handset. resulting in low profits and inadequate profits. However, considering the contribution of Manegerial personnel, Company is already in process of applying waiver of access remuneration paid, and in this regard a special resolution seeking approval of shareholders for waiver of such excess remuneration paid has been proposed in the notice of the Annual General Meeting forming part of this report. Once approval of members is obtained, application to Central Government shall be made.</p> |

| Adverse Remark | Company Reply |
|---|--|
| <p><i>The Company has not expended on account of CSR (Corporate Social Responsibility) as per the provisions of section 135 of the Act. However in accordance with section 134(3)(o) of the Act the Company has disclosed all the relevant information about its CSR Policy and its implementation including the reasons of non-spending.</i></p> | <p>The Company could not spend requisite amount as no appropriate trust(s)/NGO for spending allocated amount could be found on the projects as were discussed and decided by the Committee and the Board. However, the Company shall create a provision of setting aside the unspent amount.</p> |

17. 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 Committee has been set up to redress 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 2016-17:

- No. of complaints received : Nil
- No. of complaints disposed off : N.A.

18. 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 equipments.

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, 2017 (Figures in Lacs) |
|---|---|
| Foreign Exchange Earnings (A)(Including deemed exports & sales through export houses) | 907 |
| Foreign Exchange Outgo (B) | 78,180 |
| Net Foreign Exchange Earnings (A-B) | (77,273) |

*The Figures are on receipt/payment basis.

19. SUBSIDIARIES

As on 31st March 2017, the Company has six unlisted subsidiaries, namely,

- i. Oneworld Teleservices Private Limited
- ii. Optiemus Electronics Limited
- iii. FineMS Electronics Private Limited
- iv. MPS Telecom Private Limited
- v. Optiemus Infracom (Singapore) Pte. Limited
- vi. Optiemus Metals & Mining Pte. Limited

Subsidiaries Added

During the year under purview, The Company acquired two subsidiaries, namely, M/s Fine MS Electronics Private Limited which is incorporated on 9th July, 2016 as a Joint venture between the Company and M/s SC Finetechnix Private Limited. FineMS is engaged in the business of manufacturing of Mobile and allied accessories. Optiemus holds 60% of the Equity Share Capital in the Company. Another Company which became wholly owned subsidiary of Optiemus is M/s MPS Telecom Private Limited. Currently MPS is engaged in the distribution business of HTC Branded Mobile Phones in India for General Trade (North, West & South). 100% equity shares of the Company were acquired for all-cash deal, with a view to merge MPS in Optiemus Infracom Limited in terms of Section 233 of the Companies Act, 2013 under fast track route.

Subsidiaries Sold/Liquidated

During the year, the Company divested its entire stake in M/s Kishore Exports India Private limited. Also, M/s Optiemus Infracom International Fze, Company incorporated in UAE as a wholly owned subsidiary of the Company got dissolved in the reporting period.

No associate Company was acquired or sold during the year.

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, which is forming part of this report.

The highlights of financial position and performance of its subsidiaries are given in the statement containing salient features of the financial statements of the said subsidiaries in Annexure -6 to this report.

In accordance with 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 website www.optiemos.com. Further the annual accounts of each of the said subsidiary companies of the Company have also been hosted on the website www.optiemos.com. Any shareholder who may be interested in obtaining a physical copy of the aforesaid documents may write to the Company Secretary. Further, please note that the said documents will be available for examination by the shareholders of the Company at its Registered & Corporate Office during business hours.

The Company has two material unlisted Companies namely M/s Optiemos Electronics Limited and M/s MPS Telecom Private Limited, where material subsidiary is defined in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to mean a *subsidiary, whose income or net worth exceeds twenty 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 <http://www.optiemos.com/policies>.

20. RELATED PARTY TRANSACTIONS

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. During the year under reference, However, there were certain transactions with the related parties of the Company executed in ordinary course of business at arm's length. The disclosure of such transactions as required under Companies Act, 2013 attached herewith as [Annexure-7](#). Further, Suitable disclosures as required under AS-18 have been made in Note 32 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 <http://www.optiemos.com/policies>

21. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

22. SHARE CAPITAL

The paid-up equity share capital as on 31 March, 2017 was Rs. 85.81 Crore.

There was no public issue, rights issue, bonus issue, preferential issue or redemption of shares etc. during the year. Also, The Company has not issued shares with differential voting rights or sweat equity shares. With regard to Stock Options, The Company has in its Extra-Ordinary General Meeting held on December 30, 2016, inter alia, obtained approval of the shareholders of the Company by way of Special Resolution for approval of 'Optiemos Employees Stock Option Scheme 2016', but the Company has not granted any stock Options during the year.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board reviews the adequacy and effectiveness of the internal finance controls from time to time. The Board, in consultation with the internal Auditors and risk management committee monitors and controls the major financial risk exposures.

24. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practices and have implemented all the stipulations prescribed.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Corporate Governance' has been included in this annual report, along with the reports on Management Discussion and Analysis.

25. ACKNOWLEDGEMENT

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

The directors also acknowledge the hard work, dedication and commitment 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**

Place : Noida (U.P.)
Date : November 11, 2017

Ashok Gupta
Executive Chairman

**ANNEXURE - 1
FORM NO. MGT 9**

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017
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 | OptiemosInfracom Limited |
| iv | Category/Sub-category of the Company | Company limited by shares |
| V | Address of the Registered office & contact details | Address: K-20, 2 nd Floor, Lajpat Nagar Part - 2, New Delhi-110024, Contact: 011-29840906 |
| Vi | Whether listed company | Yes |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Name: Beetal Financial & Computer Services (P) Ltd. Address: Beetal House, 3 rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062, Contact: 011-29961281-83 |

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 | 95% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

- a. Holding Company - NIL
b. Associate Company - NIL

| S. No. | Name | Address of the Company | CIN/Registration No. | % of Shares held | Applicable Section |
|---------------|---------------------------------------|--|-----------------------------|-------------------------|---------------------------|
| 1 | Oneworld Teleservices Private Limited | K-20, Second Floor, Lajpat Nagar - II, New Delhi - 110 024 | U64100DL2013PTC259070 | 100 | 2(87) |
| 2 | FineMS Electronics Private Limited | B-41, Phase-II Noida, Gautam Buddha Nagar, UP-201301 | U32100UP2016PTC084743 | 60 | 2(87) |
| 3 | Optiemos Electronics Limited | K-20, Second Floor, Lajpat Nagar, Part-2, New Delhi-110024 | U32300DL2016PLC290355 | 80.08 | 2(87) |

| S. No. | Name | Address of the Company | CIN/Registration No. | % of Shares held | Applicable Section |
|--------|---|--|-----------------------|------------------|--------------------|
| 4 | MPS Telecom Private Limited | Ground Floor, Plot No.1 & 2, Khasra No 382/2, Village Nasirpur, Post Office Palam. New Delhi- 110045 | U64200DL2013PTC254029 | 100 | 2(87) |
| 5 | Optiemos Infracom (Singapore) Pte Limited | 101 Cecil Street, # 11-10, Tong Eng Building, Singapore – 069533 | 201129975E | 100 | 2(87) |
| 6 | Optiemos Metal & Mining Pte. Limited* | 101 Cecil Street, # 11-10, Tong Eng Building, Singapore – 069533 | 201202387E | 100 | 2(87) |

*Optiemos Metal & Mining Pte. Ltd., Singapore is the step down subsidiary of the Company

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1-April-2016] | | | | No. of Shares held at the end of the year [As on 31-March-2017] | | | | % Change during the year |
|---|--|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 25562041 | 0 | 25562041 | 29.79 | 25562041 | 0 | 25562041 | 29.79 | |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 38738500 | 0 | 38738500 | 45.14 | 38738500 | 0 | 38738500 | 45.14 | |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(1) | 64300541 | 0 | 64300541 | 74.93 | 64300541 | 0 | 64300541 | 74.93 | |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Shareholding of Promoter (A = (A)(1)+(A)(2)) | 64300541 | 0 | 64300541 | 74.93 | 64300541 | 0 | 64300541 | 74.93 | |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1-April-2016] | | | | No. of Shares held at the end of the year [As on 31-March-2017] | | | | % Change during the year |
|--|--|----------------|-----------------|-------------------|---|----------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2. Non-Institutions | - | - | - | - | - | - | - | - | - |
| a) Bodies Corporate: | | | | | | | | | |
| i) Indian | 16574303 | 201100 | 16775403 | 19.55 | 15898155 | 201100 | 16099255 | 18.77 | (0.78) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹ 2 lakhs | 718097 | 947346 | 1665443 | 1.94 | 1112844 | 939045 | 2051889 | 2.39 | 0.45 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs | 2934323 | 81200 | 3015523 | 3.51 | 3141103 | 54100 | 3195203 | 3.72 | 0.21 |
| c) Others (specify) | | | | | | | | | |
| Clearing Member | 3143 | - | 3143 | 0.00 | 7827 | 0 | 7827 | 0.00 | - |
| HUF | 44322 | - | 44322 | 0.05 | 140870 | 0 | 140870 | 0.16 | 0.11 |
| NRI | 9816 | - | 9816 | 0.01 | 18606 | 0 | 18606 | 0.02 | 0.01 |
| Sub-total (B)(2):- | 20284004 | 1229646 | 21513650 | 25.07 | 20319405 | 1194245 | 21513650 | 25.07 | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 20284004 | 1229646 | 21513650 | 25.07 | 20319405 | 1194245 | 21513650 | 25.07 | - |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Grand Total (A+B+C) | 84584545 | 1229646 | 85814191 | 100 | 84619946 | 1194245 | 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 | Rekha Gupta | 1123200 | 1.31 | 0 | 1123200 | 1.31 | 0 | 0 |
| 2 | Mukesh Kumar Gupta | 1123200 | 1.31 | 0 | 1123200 | 1.31 | 0 | 0 |
| 3 | Neetesh Gupta | 5214607 | 6.08 | 0 | 5214607 | 6.08 | 0 | 0 |
| 4 | Deepesh Gupta | 5365029 | 6.25 | 0 | 5365029 | 6.25 | 0 | 0 |
| 5 | Ashok Gupta | 5754894 | 6.71 | 0 | 5754894 | 6.71 | 0 | 0 |
| 6 | Renu Gupta | 6981111 | 8.14 | 0 | 6981111 | 8.14 | 0 | 0 |
| 7 | GRA Enterprises Limited | 38738500 | 45.14 | 41.56 | 38738500 | 45.14 | 64.54 | 0 |
| | TOTAL SHAREHOLDING | 64300541 | 74.93 | - | 64300541 | 74.93 | - | - |

C) Change in Promoters' Shareholding

| S. No. | Shareholder's Name | 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 | <i>Dhiru Real Estates Private Limited</i> | | | | |
| | At the Beginning of the year | 3,090,000 | 3.60 | 3,090,000 | 3.60 |
| | Changes during the year | NIL | | | |
| | At the end of the year | 3,090,000 | 3.60 | 3,090,000 | 3.60 |
| 2 | <i>Harsimrat Investments Private Limited</i> | | | | |
| | At the Beginning of the year | 3,075,000 | 3.58 | 3,075,000 | 3.58 |
| | Changes during the year | NIL | | | |
| | At the end of the year | 3,075,000 | 3.58 | 3,075,000 | 3.58 |
| 3 | <i>Hayward Technologies Private Limited</i> | | | | |
| | At the Beginning of the year | 3,050,000 | 3.55 | 3,050,000 | 3.55 |

| 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 |
| | Changes during the year | | NIL | | | |
| | At the end of the year | | 3,050,000 | 3.55 | 3,050,000 | 3.55 |
| 4 | <i>Pataliputra International Limited</i> | | | | | |
| | At the Beginning of the year | | 3,000,000 | 3.49 | 3,000,000 | 3.49 |
| | Changes during the year | | NIL | | | |
| | At the end of the year | | 3,000,000 | 3.49 | 3,000,000 | 3.49 |
| 5 | <i>Cross Border Imports Private Limited</i> | | | | | |
| | At the Beginning of the year | | 3,005,050 | 3.50 | 3,005,050 | 3.50 |
| | Changes during the year | | | | | |
| | 04-November-2016 | Transfer | (590) | 0 | 3,004,460 | 3.50 |
| | 06-January-2017 | Transfer | (199,540) | (0.24) | 2,804,920 | 3.26 |
| | 13-January-2017 | Transfer | (184,746) | (0.21) | 2,620,174 | 3.05 |
| | 20-January-2017 | Transfer | (61,144) | (0.07) | 2,559,030 | 2.98 |
| | 27-January-2017 | Transfer | (8,470) | (0.01) | 2,550,560 | 2.97 |
| | 03-February-2017 | Transfer | (85,400) | (0.1) | 2,465,160 | 2.87 |
| | 10-February-2017 | Transfer | (19,560) | (0.03) | 2,445,600 | 2.84 |
| | 17-February-2017 | Transfer | 12,000 | 0.02 | 2,457,600 | 2.86 |
| | 10-March-2017 | Transfer | 5,001 | (0.00) | 2,462,601 | 2.86 |
| | 24-March-2017 | Transfer | 4,000 | 0.01 | 2,466,601 | 2.87 |
| | 31-March-2017 | Transfer | 2,000 | 0.00 | 2,468,601 | 2.87 |
| | At the end of the year | | 2,468,601 | 2.87 | 2,468,601 | 2.87 |
| 6 | <i>Vijay Kumar</i> | | | | | |
| | At the Beginning of the year | | 1,400,000 | 1.63 | 1,400,000 | 1.63 |
| | Changes during the year | | | | | |
| | 13-January-2017 | Transfer | (58,265) | (0.07) | 1,341,735 | 1.56 |
| | 20-January-2017 | Transfer | (26,695) | (0.03) | 1,315,040 | 1.53 |
| | 27-January-2017 | Transfer | (2,000) | (0.00) | 1,313,040 | 1.53 |
| | 03-February-2017 | Transfer | (112,900) | (0.14) | 1,200,140 | 1.39 |
| | 10-February-2017 | Transfer | (137,500) | (0.16) | 1,062,640 | 1.23 |
| | At the end of the year | | 1,062,640 | 1.23 | 1,062,640 | 1.23 |
| 7 | <i>Omkam Global Capital Private Limited</i> | | | | | |
| | At the Beginning of the year | | 850,000 | 0.99 | 850,000 | 0.99 |
| | Changes during the year | | NIL | | | |
| | At the end of the year | | 850,000 | 0.99 | 850,000 | 0.99 |
| 8 | <i>Sunita Singh</i> | | | | | |
| | At the Beginning of the year | | 850,000 | 0.99 | 850,000 | 0.99 |
| | Changes during the year | | NIL | | | |
| | At the end of the year | | 850,000 | 0.99 | 850,000 | 0.99 |
| 9 | <i>Rajiv Singh</i> | | | | | |
| | At the Beginning of the year | | 126,911 | 0.14 | 126,911 | 0.14 |

| 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 |
| | Changes during the year | | | | | |
| | 13-January-2017 | Transfer | 65,800 | 0.08 | 192,711 | 0.22 |
| | 20-January-2017 | Transfer | 83,789 | 0.10 | 276,500 | 0.32 |
| | 03-February-2017 | Transfer | 17,880 | 0.02 | 294,380 | 0.34 |
| | 10-February-2017 | Transfer | 15,720 | 0.02 | 310,100 | 0.36 |
| | At the end of the year | | 310,100 | 0.36 | 310,100 | 0.36 |
| 10 | Sunita Goyal | | | | | |
| | At the Beginning of the year | | 20,729 | 0.02 | 20,729 | 0.02 |
| | Changes during the year | | | | | |
| | 17-Mar-2017 | Transfer | 179,271 | 2.31 | 200,000 | 2.33 |
| | At the end of the year | | 200,000 | 2.33 | 200,000 | 2.33 |

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 | Hardip Singh – Whole Time Director | | | | | |
| | At the beginning of the year | | - | - | - | - |
| | Changes during the year | | NIL | | | |
| | At the end of the year | | - | - | - | - |
| 3 | Renu Gupta | | | | | |
| | 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 |
| 4 | Tejendra Pal Sigh Josen | | | | | |
| | At the beginning of the year | | - | - | - | - |
| | Changes during the year | | NIL | | | |
| | At the end of the year | | - | - | - | - |
| 5 | GautamKanjilal | | | | | |
| | 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 |
| 6 | Charan Singh Gupta | | | | | |
| | At the beginning of the year | | - | - | - | - |

| 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 | |
| | Changes during the year | NIL | | | | |
| | At the end of the year | - | - | - | - | |
| 7 | Naresh Kumar Jain | | | | | |
| | At the beginning of the year | - | - | - | - | |
| | Changes during the year | NIL | | | | |
| | At the end of the year | - | - | - | - | |
| 8 | Vikas Chandra | | | | | |
| | At the Beginning of the year | 82 | 00 | 82 | 00 | |
| | Changes during the year | | | | | |
| | 08-June-2016 | Transfer | 50 | 00 | 132 | 00 |
| | 13-June-2016 | Transfer | 50 | 00 | 182 | 00 |
| | 15-June-2016 | Transfer | 50 | 00 | 232 | 00 |
| | 16-June-2016 | Transfer | 25 | 00 | 257 | 00 |
| | 22-June-2016 | Transfer | (7) | 00 | 250 | 00 |
| | At the end of the year | 250 | 00 | 250 | 00 | |
| 9 | Anoop Singhal | | | | | |
| | At the beginning of the year | - | - | - | - | |
| | Changes during the year | NIL | | | | |
| | At the end of the year | - | - | - | - | |

F) INDEBTEDNESS

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

(₹ in lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | 17117 | 5569 | - | 22686 |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 17117 | 5569 | - | 22686 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 3425 | - | - | 3425 |
| * Reduction | | 390 | | 390 |
| Net Change | 3425 | (390) | | 3035 |
| Indebtedness at the end of the financial year | 20542 | 5179 | - | 25721 |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 20542 | 5179 | - | 25721 |

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

| S. No. | Particulars of Remuneration | Name of MD/WTD | | | Total Amount |
|--------|---|---|-----------------------|------------------------|----------------|
| | | Mr. Ravinder Zutshi | Mr. Ashok Gupta | Mr. Hardip Singh | |
| | | Managing Director (Ceased to be MD w.e.f. 30/09/2017) | Executive Chairman | Whole Time Director | |
| 1 | Gross salary: | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 96.66 | 90.00 | 58.12 | 244.78 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | 3.5 | 3.5 |
| | (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) | 96.66 | 90.00 | 61.62 | 248.28* |
| | Ceiling as per the Act | ₹ 183 lacs (being 10% of the net Profit of the Company Calculated as per Section 198 of Companies Act, 2013)*As the total remuneration has exceeded the overall limit of 10% of the net profit of FY 2016-17 due to inadequate profits, a resolution for waiver of excess remuneration paid in terms of section 197 of Companies Act, 2013 subject to the approval of Central Government is proposed in Notice of the forming part of this Annual Report. | | | |

B. Remuneration to other directors

| 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 | |
| 1 | Independent Directors | | | | | NA | |
| | Fee for attending board committee meetings | 306,000 | 304,000 | 330,000 | 338,000 | - | 1,278,000 |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (1) | - | - | - | - | - | - |

| 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 | |
| 2 | Other Non-Executive Directors | NA | NA | NA | NA | 0 | |
| | Fee for attending board committee meetings | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | Total (B)=(1+2) | 306,000 | 304,000 | 330,000 | 338,000 | - | 1,278,000 |
| | Total Managerial Remuneration | 306,000 | 304,000 | 330,000 | 338,000 | - | 1,278,000 |
| | Overall Ceiling as per the Act | - Only sitting fees is paid to Independent director which is not more than ₹ 1,00,000 as Per Section 196 & Rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) | | | | | |

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(₹ in lacs)

| S. No. | Particulars of Remuneration | Name of KMP | | | Total Amount |
|--------|---|--|----------------------------|----------------------------|--------------|
| | | Company Secretary Mr. Vikas Chandra | CFO *Mr. Parveen Sharma | CFO **Mr. Anoop Singhal | |
| 1 | Gross salary: | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 19.28 | 14.62 | 16.16 | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | 0.24 | |
| | (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) | 19.28 | 14.62 | 16.4 | 50.03 |

*Mr. Parveen Sharma served as Chief Financial Officer of the Company till 24/11/2016

**Mr. AnoopSinghal was appointed as Chief Financial Officer w.e.f. 24/11/2016

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - 2 ANNUAL REPORT FOR CSR ACTIVITIES

1. **Brief outline of Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes.**

The Corporate Social Responsibility (CSR) activities of Optiemus are guided by the vision and philosophy of its Chairman, Shri Ashok Gupta, who embodied the concept of Social Responsibility in business and laid the foundation for ethical, value-based and transparent functioning. Optiemus, thus, endeavors to take an unprecedented step of using business to serve society. Company strongly believes that 'common good was more important than individual gain'. Though the Company is remarkable player of the Telecom Industry, with high ranking in terms of various parameters, Optiemus believes that the true and full measure of growth, success and progress lies beyond Balance Sheets or Profit planning. Through its social & moral investments, Optiemus acknowledges the needs of communities for sustainable initiatives on addressing critical social, environmental and economic needs of the underprivileged communities of our nation

In accordance with the requirements of the Companies Act, 2013 ("the Act"), the Company's CSR programmes shall mainly focus on the following areas:

- **Promoting Education:** Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- **Social & Economic Welfare:** Contribution to the Prime Minister's relief fund or any other fund set up by the Central Government for socio-development and relief and welfare of the backward classes of the society & women.
- **Health and Sanitation:** Promoting health care and sanitation within the state

However, the Company may choose to undertake additional CSR Activities falling within the purview of Schedule VII of the Act, as may be amended from time to time, based on the recommendations of the CSR Committee and as may be approved by the Board of Directors.

CSR Policy:

A detailed CSR Policy was framed by the Company with approvals of the CSR Committee and Board taken on 30th May 2014. The Policy, inter alia, covers the following:

- Purpose
- Objective
- Policy Statement
- Powers & Responsibility of Committee
- Budget of CSR activities.
- Execution & Implementation of projects/programmes through CSR Committee.

CSR Policy gives an overview of the projects or programmes which are proposed to be undertaken by the Company in the coming years.

The CSR Policy is placed on website of the Company under the web link <http://www.optiemus.com/policies>

2. Composition of the CSR Committee

The Board constituted the CSR Committee consisting of the following Directors, namely-

| Name | Designation | Position |
|-----------------------|----------------------|-----------------|
| Mr. Naresh Kumar Jain | Independent Director | Chairman |
| Mr. Hardip Singh | Executive Director | Member |
| Mr. Gautam Kanjilal | Independent Director | Member |

3. Average net profit of the Company for last three financial years ₹ 4100 lacs.

4. Prescribed CSR expenditure (2% of the amount as in item No. 3 above): ₹ 82 lacs.

5. Details of CSR spent during the financial year:

Total Amount to be spent for the FY 2015-16 : ₹ 82 lacs

Amount Unspent : ₹ 82 lacs

6. Reason for not spending the 2% of the average net profit (INR) of the last three financial years on CSR activities:

The Company could not spend requisite amount as no appropriate trust(s)/NGO for spending allocated amount could be found on the projects as were discussed and decided by the Committee and the Board. However, the Company shall create a provision of setting aside the amount unspent for previous year.

7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

Ashok Gupta
Executive Chairman
DIN : 00277434

Sd/-

Naresh Kumar Jain
Chairman-CSR Committee
DIN: 01281538

Annexure-3

Disclosure on remuneration pursuant to Section 197 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, Chairman & Executive Director –1:34 Mr. Hardip Singh, 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 following Key Managerial Personnel during 2016-17: Mr. Ashok Gupta (Chairman & Executive Director) : Nil Mr. Hardip Singh (Whole Time Director) : Nil Mr. Parveen Sharma (Former Chief Financial Officer) : Nil (<i>Resigned during part of the year</i>) Mr. Anoop Singhal (Current Chief Financial Officer) : N.A. Mr. Vikas Chandra (Company Secretary) : 34% |
| Percentage increase in Median remuneration of employees in a financial year | Median Remuneration of Employees of the Company increased by 22.3% during the financial year 2016-17 |
| Number of permanent employees on rolls of the Company | The Company had 215 permanent employees on the rolls of the Company as on March 31, 2017 |
| 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 remuneration increase for Non Managerial Personnel of the Company during the financial year was 11.24% and the average remuneration increase for the said Managerial Personnel of the Company was Nil. |
| The Company affirms that the remuneration is as per the Remuneration Policy of the Company. | |

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 | KOH KWANG OK | ANOOP SINGHAL | JITENDRA SAMPAT | M.S ADARSH | SANJAY MIRAKHUR | ASHESH DWIVEDI | VIKAS CHANDRA | APURBA CHAKRABORTY | MOHAN MANDAWARA | SANJEEV GUPTA |
|--------------------------------|------------------------------|--|-------------------------|------------------------------|---|--|---|--|--|------------------------------|
| Designation | SENIOR CONSULTANT-PRODUCTION | CHIEF FINANCE OFFICER | GENERAL MANAGER - SALES | GENERAL MANAGER - SALES | ASSOCIATE VICE PRESIDENT - SALES | GENERAL MANAGER - SALES & OPERATIONS | COMPANY SECRETARY | SR. VICE PRESIDENT - SALES | GENERAL MANAGER - FOREX | SR. MANAGER - ACCOUNTS |
| Remuneration (CTC Per annum) | 10872000 | 6000000 | 3881364 | 3881364 | 3168000 | 3102864 | 2358000 | 2444304 | 1510980 | 1667580 |
| Nature of employment | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent |
| Qualification | B.S in Computer Science | B.Com. (H), Post Qualification course in ISA, CWA, C.A | B.Com, MBA in Marketing | B.Sc & M.Sc in Biochemistry | B.Com, PGDM in System Management, PGDM Marketing & Sales Management | B.Sc and M.Sc in Electronics & Instrumentation | B.Com, Member of ICSI, PG in Financial Management | B.Sc in Bio science with Electronics, PG in Public Administration, PGDM Marketing Management | BA (English), CMA, Certified associate of IIBM | B.Com in Accounts & Taxation |
| Experience | 34 Years | 24 years | 27 Years | 14 Years | 26 Years | 19 Years | 12 Years | 25 years | 27 Years | 19 years |
| Date of joining | 01-04-14 | 23-11-16 | 10-10-16 | 10-10-16 | 08-01-05 | 10-10-16 | 01-10-08 | 01-03-16 | 02-09-13 | 15-09-03 |
| Age | 56 | 50 | 45 | 39 | 52 | 44 | 37 | 49 | 62 | 48 |
| Last employment | Elentec India Pvt Ltd | Hero Cycles Ltd | Reliance JioInfocom Ltd | LG Electronics India Limited | Innova Telecom Pvt. Ltd. (ITPL) | Intex Technologies (India) Ltd. | Training with SKP & Co, Company Secretaries | Lighting Science India Pvt. Ltd./ LSG Energy Pvt. Ltd. | KGN Management Consultants | H.V. Equipments Pvt. Ltd. |
| Percentage of equity shares | Nil | Nil | Nil | Nil | Nil | Nil | 250 | Nil | Nil | Nil |
| Relation to Board of Directors | None | None | None | None | None | None | None | None | None | None |

Annexure 4

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members
Optiemus Infracom Limited

We have examined the compliance of conditions of Corporate Governance by **Optiemus Infracom Limited** for the year ended 31st March 2017, as stipulated in:

- Regulations 17 to 27 and Schedule V of the SEBI (Listing Obligations & Disclosure Requirement) 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.

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.

In our opinion and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Schedule V of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.

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

MukeshGoel
Partner
Membership Number: 094837

Date : November 11, 2017

**Annexure - 5
Form No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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

I 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"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on the verification of **Optiemus Infracom Limited** 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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:

I 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, 2017, 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 Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas 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, 1992;
 - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) SEBI (Issue and listing of Debt securities) Regulations, 2008 [**Not Applicable for the FY 2016-17**];
 - f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The SEBI (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable for the FY 2016-17**]; and
 - h) The SEBI (Buyback of Securities) Regulations, 1998 [**Not Applicable for the FY 2016-17**]
- vi) I 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 Agreement 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 following*:

- a) ***Managerial Remuneration has been paid in excess of the limits prescribed in section 197 of the companies Act 2013 read with Schedule V of the Act although the company is in the process of applying waiver from the Central government.***
- b) ***The Company has not expended on account of CSR (Corporate Social Responsibility) as per the provisions of section 135 of the Act. However in accordance with section 134(3)(o) of the Act the Company has disclosed all the relevant information about its CSR Policy and its implementation including the reasons of non-spending.***

I 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.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I 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.
- (v) Foreign technical collaborations

but during the financial year 2016-17 the Company has :

- (i) taken approval of grant of stock options to the employees; and
- (ii) taken approval for acquiring 100% controlling stake in MPS Telecom Private Limited & for that making an investment of 35 crores.

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

Sumit Kumar Batra
[Proprietor]
FCS no. 7714
C.P no. 8072

Date : 01/11/2017
Place : New Delhi

Annexure-A

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

OptiemosInfracom Limited

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 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. Where ever 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 Batra
[Proprietor]
FCS no. 7714
C.P no. 8072

Date : 01/11/2017
Place : New Delhi

Annexure - 6
Salient features of the financial statements of Subsidiaries for the year ended on 31st March 2017
Part "A": Subsidiaries

| S.No. | Particulars | 31 st March, 2017 | 31 st March, 2017 | 31 st March, 2017 | 31 st March, 2017 | 31 st March, 2017 | 31 st March, 2017 |
|-------|--|--|------------------------------|------------------------------------|--------------------------------------|----------------------------------|------------------------------|
| 1 | Name of Subsidiary Companies | One World Teleservices Private Limited | Optiemos Electronics Limited | FineMS Electronics Private Limited | OptiemosInfracom (Singapore) Pte Ltd | Optiemos Metals & Mining Pte Ltd | MPS Telecom Private Limited |
| 2 | Date since when subsidiary was acquired | 10.10.2013 | 29.01.2016 | 09.07.2016 | 05.10.2011 | 01.02.2012 | 29.03.2017 |
| 3 | Reporting period of the subsidiary concerned, if different from the holding Company's reporting period | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 4 | Reporting Currency | Rupees | Rupees | Rupees | USD | USD | Rupees |
| 5 | Exchange Rate | - | - | - | 64.786 | 64.786 | - |
| 6 | Share Capital | 100,000 | 1,38,600,000 | 10,000,000 | 2,290,020 | 1 | 350,000,000 |
| 7 | Reserves & Surplus | (70,643,586) | 7,385,605 | (13,061,015) | (1,987,126) | (1,431) | 356,814,654 |
| 8 | Total Assets | 12,139,496 | 2,149,688,754 | 25,122,551 | 324,573 | 1 | 3,200,350,663 |
| 9 | Total Liabilities | 82,683,081 | 2,003,703,149 | 28,183,566 | 21,679 | 1431 | 2,493,536,009 |
| 10 | Investment | - | - | - | 1 | - | - |
| 11 | Turnover | 28,899,355 | 6,807,952,610 | 1,931,335 | 750,302 | - | 7,504,544,534 |
| 12 | Profit before Taxation | (6,675,098) | 1,1038,605 | (12,140,245) | 81,109 | 1,992,150 | 26,399,100 |
| 13 | Provision for Taxation | - | - | - | - | - | - |
| 14 | Profit after Taxation | (6,695,869) | 7,385,605 | (13,061,015) | 77,409 | (4,683) | 18,329,418 |
| 15 | Proposed Dividend | NIL | NIL | NIL | NIL | NIL | NIL |
| 15 | % of Shareholding | 100 | 80 | 60 | 100 | 100 [#] | 100 |

*There is no such subsidiary which is yet to commence its Business

*Optiemos Infracom (FZE) Ltd, overseas subsidiary was liquidated during the year.

#Optiemos Metals & Mining Pte Limited is step down Subsidiary of Optiemos, being direct subsidiary of OptiemosInfracom(Singapore) Pte Ltd.

Part "B": Associates and Joint Ventures: N.A.

| For and on behalf of the Board of Optiemos Infracom Limited | | | |
|---|---|--|---|
| Ashok Gupta | Hardip Singh | Anoop Singhal | Vikas Chandra |
| Executive Chairman | Executive Director | Chief Financial Officer | Company Secretary |
| DIN : 00277434 | DIN: 01071395 | AARPS2443N | AFGPC4820F |
| Address: C5/15, Vasant Kunj, New Delhi- 110070 | Address: E-152, Sarita Vihar, New Delhi- 110044 | Address: A-110, Sec - 55 Noida U.P 201 301 | Address: UGF-2, Plot No. 129, Sector 4, Vaishali, Ghaziabad, 201010, UP |

**Annexure - 7
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 contracts or arrangement or transactions at arm's length basis:

| | | | | | | |
|--|---|---|---|--|--|---|
| Name(s) of the related party and nature of relationship | M/s Optiemos Electronics Limited Director of the Company is Director in other Company | M/s Teleecare Network India Private Limited Relative of a Director of the Company is Director in other Company | M/s GDN Enterprises Private Limited Relative of a Director of the Company is Director in other Company | M/s International value Retail Private Limited Relative of a Director of the Company is Director in other Company | M/s MPS Telecom Retail Private Limited Relative of a Director of the Company is Director in other Company | M/s MPS Telecom Private Limited Relative of a Director of the Company is Director in other Company |
| Nature of contracts/ arrangements/ transactions | Sale/ Purchase | Sale/ Purchase | Sale/ Purchase | Sale/ Purchase | Sale/ Purchase | Sale/ Purchase |
| Duration of the contracts / arrangements/ transactions | Not Defined | 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 | 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. | Earlier arrangement is continuing without any modification. No fresh Board Resolution passed. |
| Amount paid as advances, if any: | Nil | Nil | Nil | Nil | Nil | Nil |

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

Place : New Delhi
Date : November 11, 2017

Ashok Gupta
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

In order to understand the performance of your Company during FY 16-17 better, it is important to compare it with respect to the developments in Global and Domestic economic conditions.

INDIAN ECONOMY

Indian Economy witnessed two major developments, namely implementation of Goods & Service tax (GST) and demonetization of two highest denomination notes. Long term impact being positive, Industry faced near-term reaction pains on account of these reforms. India achieved a GDP growth rate of 7% that slowed down to 6.1% in the fourth quarter ending March, 2017 as a reaction of demonetization. Nonetheless, Indian economy is expected to remain resilient on the back of strong domestic demand.

Globally, economic growth generally stagnated during the year and economic outlook remains the uncertain, India has pioneered a host of bold new initiatives to address economic challenges. For instance, the country's flagship 'Skill India Initiative' seeks to equip growing young workforce with the skills needed to compete in today's rapidly changing work place.

Your Company's performance for the year 2016-17 has to be viewed in the context of aforesaid economic and market environment.

□ **Business Segment-Telecommunication Products**

Indian Telecom Network is the second-largest in the world after China, in terms of number of Telephone connections. While wireless voice and data services has continued to grow with some support from landline also, in facilitating high speed data services. The ever expanding demand for wireless services has propelled the telecom sector to mobilise considerable resources to create such ecosystem.

Telecommunication Manufacturing has emerged as one of the high growth sectors in India. The launch of "Make in India Program" has placed India on the world map as a manufacturing hub and given global recognition to Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020. Mobile production in India has already crossed the 100 million units mark and is set to touch 500 million in next two years.

Indian government has taken many positive steps and the industry is moving towards creating a domestic ecosystem for manufacturing smartphones to curb imports.

□ **Business Segment-Infrastructure**

The development of a country's infrastructure is vital to the growth of its sectors and the overall economy. The infrastructure sector primarily comprises of electricity, roads, telecommunications, railways, irrigation, ports and airports, oil and gas pipelines. The Government of India has significantly increased its infrastructure spending over the last 10 years and has also been proactively encouraging private sector investments to speed up development.

India is witnessing significant interest from international investors in infrastructure space. Government of India is taking every possible initiative to boost this sector.

OPPORTUNITIES

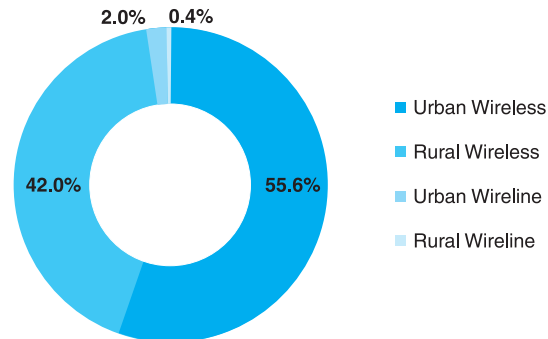
□ **Telecom Products**

The Indian mobile economy is growing rapidly, the country is the fourth largest app economy in the world. The liberal and reformist policies of the Government have been instrumental along with strong customer demand in the rapid growth in Indian Telecom Sector.

Wireless segment dominates the market

- India Telephone subscriber base has reached 1058.86 million
- Urban regions accounted for 57.6% share in overall telecom subscriptions while rural areas accounted for the remaining share

Composition of telephone subscribers (FY16)



Source: Telecom Regulatory Authority of India, Tech Sci Research

With more than 185 million connections as of now and 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 in-house production of mobile phones would boost the economy and help the GDP of the nation. Also, the net import/export ratio would improve drastically. The “Digital India” plan has mainly three vision areas; digital infrastructure, digital empowerment and government services on demand. And these visions can be fulfilled only by high penetration of mobile networks and low cost availability of handsets.

❑ 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 taking every possible initiative to boost this sector. Some of the steps taken are:

- Increased capital outlay and defence capital expenditure
- Affordable housing has been given infrastructure status
- Lock in period for long term capital gains on land and buildings has been reduced from three to two years
- Investments to improve basic urban infrastructure

THREATS

❑ Telecom Products

Regulatory and Economic Environment

The Telecommunications industry of India is one of the vast and leading industries in the world connecting different parts of the country through various modes like telephone, radio, television, satellite

and internet. It has grown tremendously during the past few years owing to unprecedented growth of wireless telephony. Like all businesses, it is exposed to certain risks and concerns some of which are discussed below.

Challenges

Our well planned capital investments, backed by a world class network, put us in a competitive position to meet the challenges in the telecom space. The other challenges that influence the business performance are:

i. Excessive competition

Another major concern that has come to the forefront in the recent past has been heightened competitive intensity in the industry that has correspondingly fuelled the price war between industry players. Evidently, the competition in the industry is expected to intensify further with the entry of new players, both domestic as well as foreign players

ii. 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.

iii. 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.

iv. Development and Innovations

Innovations form a big part of manufacturing industry and leaving it out in the strategy can lead to big problems. 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.

❑ Infrastructure (Construction and Renting)

Infrastructure projects are associated with various types of risks:

i. Land Acquisition

Land acquisition has been the single largest roadblock for the development of infrastructure, several projects have been stalled or delayed due to land acquisition issues.

ii. Delay in Regulatory and Environmental Clearances

There are various categories of approvals required across the project cycle at every stage from multiple layers of government at central, state, local level. In most cases, there is a lack of coordination between the different agencies which seriously affects the execution of projects.

1. 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 achieved a revenue of ₹ 102,373 lacs from Distribution of Mobile handsets.

Also, Optiemus has very recently joined hands with Canada based Mobile brand “Blackberry”. Having signed an Exclusive licensing agreement with Blackberry, Optiemus has qualified itself to design, sell, promote and provide customer support service for blackberry mobile devices in India, Sri Lanka, Nepal & Bangladesh. Blackberry Limited will provide its unparalleled software and security solution, which will give Optiemus a new platform to keep the innovation alive in the world’s fastest growing smartphone market and create an affluence for its shareholders.

❑ **Infrastructure (Construction And Renting)**

The Company’s performance has improved consistently in this segment, where its total revenue for the F.Y. 2016-17 was ₹ 3920 Lacs. Thus, we can see this segment growing keeping in pace with the Indian Government’s move to develop the Infrastructure and involving the private participation for the same.

2. 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. For mobile we have 840 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.

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.

3. RISK AND CONCERNS

Broadly risk categories involved can be discussed as follows:

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. Through the Company's CSR activities, it contributes to the country's social and economic development, especially in the field of education.

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: Several regulatory developments in India, have posed several challenges to the telecom sector. 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.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Optiemos 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.

5. 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 judgments used therein. The estimates and judgments 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 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 2017, the Company earned total revenues of ₹ 109,160 Lacs. The net profit after tax recorded by the Company was ₹ 989 Lacs. Our total expenditure stood at ₹ 107,806 Lacs.

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

The Company earned EBITDA of ₹ 7,202 Lacs

iii. Depreciation and amortisation

The Depreciation and amortisation charges were ₹ 1,657 Lacs.

iv. Profit before/ after tax

The profit before tax was ₹ 1,354 Lacs. The net profit after tax was ₹ 989 Lacs.

6. 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.

The year 2016-17 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.

7. CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from such expectations whether expressed or implied. 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.

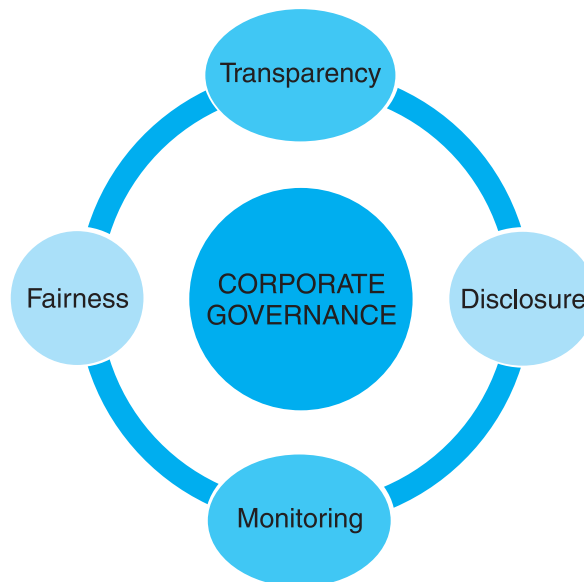
CORPORATE GOVERNANCE REPORT

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 and 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.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all.



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 requirement 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 31st March 2017, the Board of the Company consisted of seven directors, of whom two were executive, out of which one being the chairman of the Board, four were non-executive independent and one was non-executive and 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 from the company.

The requisite information as per the requirements of Regulation 17 of the Listing Regulations for the period ended 31st March 2017 is provided in following Table 1.

TABLE 1

| Name of Director & DIN | Category | Designation | Attendance Particulars | | | Number of Directorships* | Committees Position Indian Companies** | |
|--------------------------------------|--|---------------------|------------------------|-------------------------|----------|--------------------------|--|----------|
| | | | Board Meetings held | Board Meetings attended | Last AGM | | Member | Chairman |
| Ashok Gupta 00277434 | Promoter & Executive Director | Executive Chairman | 14 | 13 | No | 3 | 1 | - |
| Hardip Singh 01071395 | Executive Director | Whole-Time Director | 14 | 14 | Yes | 1 | 1 | - |
| Renu Gupta 00030849 | Non Executive Director Non-Independent Director | Director | 14 | 14 | No | 2 | - | - |
| Gautam Kanjilal 03034033 | Non-Executive Independent Director | Director | 14 | 12 | Yes | 4 | 2 | 2 |
| Tejendra Pal Singh Josen 02485388 | Non-Executive Independent Director | Director | 14 | 13 | Yes | 1 | - | 1 |
| Charan Singh Gupta 06744568 | Non-Executive Independent Director | Director | 14 | 13 | No | 1 | 1 | - |
| Naresh Kumar Jain 01281538 | Non-Executive Independent Director | Director | 14 | 13 | No | 2 | 2 | - |

*Includes Directorship in Optiemos Infracom Limited and excludes directorship in Private Companies, Foreign Companies, Companies registered under section 8 of the Companies Act, 2013 and alternate Directorships.

**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 Optiemos Infracom Limited.

Notes:

- (i) No Director of the Company holds directorship in excess of the limit specified in sub section (1) of section 165.
- (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. Details of Board Meetings Held During The Year

During the financial year ended 31st March 2017, The Board met fourteen (14) times. (See Table 2)

TABLE 2

| Date of the Board Meeting | Maximum gap permitted between two consecutive meetings | Board Strength | No. of Directors Present |
|----------------------------------|--|----------------|--------------------------|
| 3 rd May, 2016 | 120 days | 8 | 8 |
| 30 th May, 2016 | | 8 | 8 |
| 22 nd June, 2016 | | 8 | 7 |
| 12 th August, 2016 | | 8 | 7 |
| 2 nd September, 2016 | | 8 | 8 |
| 15 th September, 2016 | | 8 | 8 |
| 30 th September, 2016 | | 8 | 8 |
| 11 th November, 2016 | | 7 | 7 |
| 24 th November, 2016 | | 7 | 7 |
| 25 th November, 2016 | | 7 | 3 |
| 5 th December, 2016 | | 7 | 7 |
| 11 th January, 2017 | | 7 | 7 |
| 14 th February, 2017 | | 7 | 7 |
| 25 th March, 2017 | | 7 | 7 |

iii. 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.

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 <http://www.optiemus.com/policies>. Text of Policy is also annexed with this report as Annexure-C

ii. Pecuniary transactions with Non-Executive Directors

During the year under review, there were no pecuniary transactions with any non-executive Director of the Company.

The register of contracts is maintained by the Company under section 189 of the Companies Act, 2013. The register is signed by the Company Secretary of the Company.

iii. Criteria of making payments to Non-Executive Directors

Non Executive Directors of the Company are paid 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 annexed herewith.

iv. Remuneration of Executive Directors

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 not to exceed 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 Directors and there shareholding in the company for the year ended March 31, 2017 is as follows:

| Sl. No. | Name of Directors | Gross Salary (Amt. in Lacs) | Commission | Sitting Fees | Stock Options | Shareholding in the Company & % |
|---------|----------------------|-----------------------------|------------|--------------|---------------|---------------------------------|
| 1 | Mr. Ashok Gupta | 90.00 | Nil | Nil | Nil | 57,54,894 (6.71%) |
| 2 | Mr. Ravinder Zutshi* | 96.66 | Nil | Nil | Nil | Nil |
| 2 | Mr. Hardip Singh | 61.62 | Nil | Nil | Nil | Nil |

**Mr. Ravinder Zutshi resigned from the Board w.e.f. September 30, 2016*

During the year, the profit of the Company declined in comparison to previous years, due to which the total remuneration payable to Directors was exceeding the prescribed limits, to which considering the consistent contribution of the Directors, Board has proposed a resolution for approval of members for waiver of refund of excess remuneration paid to aforesaid directors.

Detailed reasons & disclosures are given in explanatory statement appended to Notice of the AGM forming part of this report.

v. Remuneration of Non-Executive Directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company.

Non- Executive Directors are entitled for 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.

The Company does not have material pecuniary relationship or transactions with its Non-Executive Directors, except with Mrs. Renu Gupta who is also one of the promoter of the Company.

Details of the remuneration paid to Non-Executive Directors and there shareholding in the company for the year ended March 31, 2017 is as follows:

| Sl. No. | Name of Directors | Sitting Fees (Amt in ₹) | Commission (Amt in ₹) | Shareholding in the Company |
|---------|------------------------------|-------------------------|-----------------------|-----------------------------|
| 1 | Mr. Gautam Kanjilal | 306,000 | Nil | 2850 Shares (0.0003%) |
| 2 | Mr. Tejendra Pal Singh Josen | 304,000 | Nil | Nil |
| 3 | Mr. Charan Singh Gupta | 330,000 | Nil | Nil |
| 4 | Mr. Naresh Kumar Jain | 338,000 | Nil | Nil |
| 5 | Mrs. Renu Gupta | Nil | Nil | 6,981,111 (8.14%) |

4. BOARD COMMITTEES

As on 31st March, 2017, the Board had Five (5) 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) |
| Stakeholder Relationship Committee | Mr. Tejendra Pal Singh Josen, Chairman (Independent, Non-Executive) |
| | Mr. Ashok Gupta, Member (Non Independent, Executive) |
| | Mr. Hardip Singh, Member (Non Independent, Executive) |
| CSR Committee | Mr. Naresh Kumar Jain, Chairman (Independent, Non-Executive) |
| | Mr. Hardip Singh (Non Independent, Executive) |
| | Mr. Gautam Kanjilal (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 | Ms. Upma Batra, Presiding Officer |
| | Ms. Renu Gupta, Member |
| | Mr. Vikas Chandra, Member |
| | Mr. Gautam Mullick, Member* |

**was appointed in place of Mr. N.N. Tikku vide Board resolution dated May 30, 2017.*

The Board is responsible for the constituting, assigning, co-opting and fixing of terms of service for committee members of various committees. The Chairman of the Board, in consultation with the Company Secretary of the Company and the Committee Chairman, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the full 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.

i. Audit Committee

A. Broad 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. With the applicability of Listing Regulations thereby replacing erstwhile Listing Agreement with Stock exchanges, The Board revised the terms of reference of this Committee to cover the matters specified for Audit Committee under Listing Regulations along with the Companies Act, 2013. The revised terms of the reference of Audit Committee include inter alia the following:

- **Powers of Audit Committee**
 - (i) To investigate any activity within its terms of reference.
 - (ii) To seek information from any employee.
 - (iii) To obtain outside legal or other professional advice.
 - (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- **Key responsibilities of Audit Committee**
 - a) 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;
 - b) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
 - c) To approve payment to statutory auditors for any other services rendered by the statutory auditors;
 - d) To review, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - 1. 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

2. Changes, if any, in accounting policies and practices and reasons for the same
 3. Major accounting entries involving estimates based on the exercise of judgment by management
 4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements
 6. Disclosure of any related party transactions
 7. Qualifications in the draft audit report
- e) To review and examine the quarterly/annual financial statements and auditor's report thereon before submission to the board for approval;
 - f) 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;
 - g) To review and monitor the Auditor's performance and independence and effectiveness of audit process;
 - h) approval or any subsequent modification of transactions of the listed entity with related parties;
 - i) scrutiny of inter-corporate loans and investments;
 - j) valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - k) evaluation of internal financial controls and risk management systems;
 - l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - m) 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;
 - n) To discuss with internal auditors any significant findings and follow up there on;
 - o) 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;
 - p) 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;
 - q) 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;
 - r) To review the functioning of the Vigil (Whistle Blower) mechanism

- s) To approve appointment of CFO (i.e., 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;
- t) To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- u) The audit committee shall mandatorily review the following information:
 1. management discussion And analysis of financial condition and results of operations;
 2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
 3. management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. internal audit reports relating to internal control weaknesses; and
 5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 6. 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 on 30th May, 2016, 12th August, 2016, 11th November, 2016, 14th February, 2017 and 25th February, 2017. The gap between two meetings did not exceed four months. 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 (<i>Independent & Non Executive Director</i>) | 5 | 5 |
| Mr. Charan Singh Gupta | Member (<i>Independent & Non Executive Director</i>) | 5 | 5 |
| Mr. Naresh Kumar Jain | Member (<i>Independent & Non Executive Director</i>) | 5 | 5 |

v Internal Auditors

The Company has In house Internal Auditor Team 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. 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. Stakeholder Relationship Committee

A. Terms of Reference

With the applicability of Listing Regulations thereby replacing erstwhile Listing Agreement with Stock exchanges, The Board revised the terms of reference of this Committee to cover the matters specified for Stakeholder Relationship Committee under Listing Regulations along with the Companies Act, 2013. The revised terms of the reference of Stakeholder Relationship Committee include inter alia the following:

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends

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 Seven (7) 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 (<i>Independent & Non-Executive Director</i>) | 7 | 7 |
| 2 | Mr. Ashok Gupta | Member (<i>Chairman & Executive Director</i>) | 7 | 7 |
| 3 | Mr. Hardip Singh | Member (<i>Non Independent & Executive Director</i>) | 7 | 7 |

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

| Particulars | Pending as on April 1, 2016 | Received during the Year | Disposed during the Year | Complaint not solved to the satisfaction of shareholder | Pending as on March 31, 2017 |
|------------------|-----------------------------|--------------------------|--------------------------|---|------------------------------|
| No of Complaints | Nil | 10 | 10 | Nil | Nil |

D. Compliance Officer

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

iii. 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 thrice during the financial year 2016-17.

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. Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board 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; and
 - 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.
 - 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, 1992 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.
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 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 <http://www.optiemus.com/policies> and also annexed to this report.

B. Attendance particulars of members are as follows:

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

C. Details of Remuneration paid to all Directors during the financial year ended 2016-17.

These details are provided in the extract of the Annual Return, annexed to the Directors Report in Form MGT-9 as required under the provisions of Section 92 of the Companies Act, 2013.

- 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.**

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 |
|----------------------|---|--|---|
| 21 st AGM | Tuesday, September 30, 2014 at 11:00 A.M. | Emerald Hotels, 112, Babar Road, Opp. W.T.C., Connaught Place, New Delhi-110 001 | Alteration of Articles of Association |
| 22 nd AGM | Wednesday, September 30, 2015 at 11:00 A.M. | Emerald Hotels, 112, Babar Road, Opp. W.T.C., Connaught Place, New Delhi-110 001 | None |
| 23 rd AGM | Friday, September 30, 2016 at 11:00 A.M. | Emerald Hotels, 112, Babar Road, Opp. W.T.C., Connaught Place, New Delhi-110 001 | None |

B. Extra-Ordinary General Meetings

Location and time of the Extraordinary General Meeting held during the financial year are as mentioned hereunder:

| Day, Date & time | Venue | Subject Matter of the Special Resolutions so passed |
|---|---|---|
| Friday, December 30, 2016 at 11:00 A.M. | Emerald Hotels, 112, Babar Road, Opp. W.T.C., Connaught Place, New Delhi-110001 | <ol style="list-style-type: none"> 1. Approval of Employees Stock Option Scheme, 2016 2. Approval of Grant of Stock Options to the Employees of Subsidiary Company(ies) under the scheme 3. Approval of Grant of Options to the Identified employees during any one year, equal to or exceeding 1% of issues capital of the Company at the time of grant of options. |

C. Postal Ballot

During the year under review, we have conducted one postal ballot in pursuance of Section 110 and other applicable provisions if any, of the Companies Act, 2013 (the "Act") read with the Companies (Management & Administration) Rules, 2014. The result of the postal ballot was declared on Saturday, March 25, 2017.

Mr. Sumit Batra, practicing Company Secretary & Proprietor, M/s S.K. Batra & Associates was appointed as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

The gist of the results is as follows:

| Date of Declaration of Results | Type of Resolution | Particulars of Resolutions passed | Total Valid Votes | Votes in favour | Votes Against |
|--------------------------------|---------------------|---|-------------------|-------------------|---------------|
| 25/03/2017 | Ordinary Resolution | Appointment of Statutory Auditors to fill Casual vacancy | 64,311,139 | 64,311,139 (100%) | 00% |
| | Special Resolution | Alteration of main object clause of the Memorandum of Association | 64,311,139 | 64,311,139 (100%) | 00% |

Procedure for Postal Ballot

| Serial No. | Procedure |
|------------|--|
| 1. | After obtaining consent to act as Scrutinizer the Board of Directors appoints Scrutinizer to conduct Postal Ballot process in true, fair and transparent manner. |
| 2. | Cut Off date is fixed for identifying shareholders entitled to receive notice of the postal ballot and/or to vote electronically through remote E-Voting. |
| 3. | Postal Ballot Notice along with explanatory statement and Postal Ballot form with instructions are dispatched to shareholders. Intimation of availability of E-Voting facility along with instructions of E-Voting was also attached with the notice. |
| 4. | Company advertises dispatch of postal ballot in one English Newspaper and one Vernacular language. |
| 5. | The postal ballot form duly completed and signed should be sent to the Scrutinizer appointed by the Company at the registered office of the Company on or before the close of the Business hours on specified date and Members desiring to exercise their votes by electronic mode to vote before close of business hours on the last day of e-voting. |
| 6. | The Scrutinizer submits his/her report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorised officer. The results are also displayed on the website of the Company, www.optiemos.com , besides being communicated to the Stock Exchanges, Depositories and the Registrar and Transfer Agent. |

7. DISCLOSURES

A. Material Subsidiary

The Company has 6 subsidiaries out of which M/s Optiemos Electronics Limited and M/s MPS Telecom Private Limited are material subsidiaries, where a material subsidiary means a subsidiary whose the net worth of each subsidiary exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the company during the previous financial year.

The Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions. This policy is available on the website under the web link <http://www.optiemos.com/policies>.

B. Disclosure of relationship between Directors Inter se

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

C. Related Party Transactions

During the year 2016-17, no materially significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives that may have a potential conflict with the interest of the Company. However, non-material related Party Transaction (as per SEBI Regulations) was entered into with one of the promoter of the Company M/s GRA Enterprises Private Limited for which in compliance with Companies Act & SEBI Regulations, omnibus approval was obtained from Audit Committee for acquiring equity of shares of M/s MPS Telecom Private Limited as a part of process for merging the same in your Company.

None of the Non-Executive Directors/ Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2017, and have given undertakings to that effect.

There are no material related party transactions that require approval of the shareholders. Register under Section 189 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable. Such 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 are disclosed in the financial statements forming part of the Annual Report.

D. Details of Non-Compliance

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.

E. 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 are denied access to the chairman of the Audit Committee.

F. Details of Compliance with Mandatory Requirements & Adoption of Non-Mandatory Requirements

Company has complied with the mandatory requirements as stipulated in Listing Regulations. Company has submitted the Quarterly compliance report to the stock exchanges within the prescribed time limit.

The Company has complied with and adopted the following non-mandatory requirements of the Listing Regulations:

(1) Training of board Members

Directors are fully briefed on all business related matters, risk assessment and new initiatives proposed by the Company.

(2) Shareholders Rights

As the Company's quarterly and half yearly results are published in compliance with Regulation 33 of the listing Regulations in leading English Newspaper and in Leading Hindi newspaper having circulation all over India, the same are not sent to each household of the shareholders.

(3) Audit Qualifications

There are no qualifications in the financial statements of the Company for the year 2016-17.

(4) Reporting of Internal Auditor

The Internal Auditors reports directly to the Audit Committee periodically.

G. Disclosure Of Accounting Treatment

The Company follows accounting standards notified by the Government of India and in preparation of its financial statements and the Company has not adopted a treatment different from that as prescribed therein.

H. Management Discussion And Analysis Report

The Management Discussion and Analysis report forms part of this annual report.

I. 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 A**'.

J. 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.

K. Shareholders

Profile of Directors who are to be appointed/re-appointed along with the Directorship details is provided in the Notice of the 24th Annual General Meeting of the Company.

L. Subsidiary Companies

The Listing Regulations defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

M/s Optiemus Electronics Limited & M/s MPS Telecom Private Limited became material subsidiary of the Company in FY 2016-17.

M. Compliances Regarding Insider Trading

Detailed guidelines in accordance with SEBI regulations in this regard are in place. These guidelines along with the various disclosures requirements under the regulations have helped in ensuring compliance with the requirements.

N. 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.

O. 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.

P. 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 <http://www.optiemus.com/corporate-governance> Terms & Conditions of Appointment of Independent Directors is given on the website of the Company under web link <http://www.optiemus.com/policies>.

8. COMMUNICATION TO SHAREHOLDERS

The quarterly un-audited results and yearly audited are published in prominent daily newspapers, viz. Business Standard having nationwide circulation.

Apart, Bombay Stock Exchange maintains 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. In addition, such disclosures and communications are also sent to the Bombay Stock Exchange as hard copies.

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 email- to receive electronic communications. E-Communication Registration Form has been enclosed along with the notice in this regard.

Your Company has designated an email-id exclusively for investor service: info@optiemus.com.

9. GENERAL SHAREHOLDER INFORMATION (As on 31st March 2017)

(i) 24th Annual General Meeting

| | |
|--------------|---|
| Day | Friday |
| Date | 08 th December, 2017 |
| Time | 11:00 A.M |
| Venue | Ghalib Institute, Seminar hall, Aiwana-E-Galib Marg, Mata Sundri Lane, ITO, New Delhi -110002 |

(ii) Financial Calendar (Tentative) : 1st April – 31st March

Tentative Calendar for Declaration of Financial Results (Audited/Un-audited) in FY 2017-18:

| | |
|--|--|
| For the Quarter Ending 30 th June 2017 | Upto 14 th September, 2017* |
| For the Quarter & Half Year Ending 30 th September 2017 | Upto 14 th December, 2017* |
| For the Quarter Ending 30 th December 2017 | Upto 14 th February, 2018 |
| For the Quarter & Year Ending 31 st March 2018 | Upto 30 th May, 2018 |

*Extension of 30 days has been granted by SEBI for adoption of Ind AS vide its circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

(iii) Book Closure Dates

Saturday, December 2, 2017 to Friday, December 8, 2017 (both days inclusive)

(iv) Dividend Payment Date

No dividend has been proposed by the Board of Directors for the financial year 2017-18.

(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 |
|--|--|-----------------------|
| Bombay Stock Exchange Limited PJ Towers, Dalal Street, Fort, Mumbai-400 001 | Telephone: 022-22721233/4 Website: www.bseindia.com | 530135 |
| National Stock Exchange Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 | Telephone:022-26598100-8114 Website: www.nseindia.com | OPTIEMUS |

Annual Listing fees for the year 2016-17, as applicable, have been paid to the Stock Exchange.

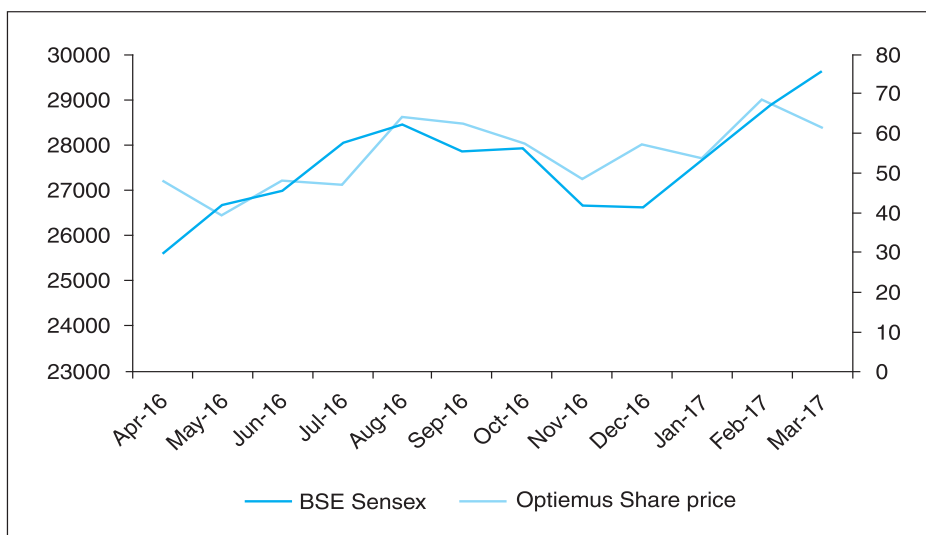
(vi) Demat ISIN No. - INE350C01017**(vii) Stock Market Price Data**

The Monthly High and Low quotation of Company's equity shares traded on BSE in Comparison to BSE index are as under:

| Month | Optiemos Share Price | | BSE Sensex | |
|--------------|----------------------|---------|------------|-----------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April'16 | 56.95 | 47.05 | 26,100.54 | 24,523.20 |
| May'16 | 51.80 | 38.10 | 26,837.20 | 25,057.93 |
| June'16 | 48.80 | 28.65 | 27,105.41 | 25,911.33 |
| July'16 | 53.15 | 38.50 | 28,240.20 | 27,034.14 |
| August'16 | 72.95 | 41.05 | 28,532.25 | 27,627.97 |
| September'16 | 75.40 | 48.50 | 29,077.28 | 27,716.78 |
| October'16 | 64.75 | 55.00 | 28,477.65 | 27,488.30 |

| | | | | |
|-------------|-------|-------|-----------|-----------|
| November'16 | 67.90 | 45.05 | 28,029.80 | 25,717.93 |
| December'16 | 57.05 | 45.55 | 26,803.76 | 25,753.74 |
| January'17 | 68.45 | 52.00 | 27,980.39 | 26,447.06 |
| February'17 | 77.50 | 52.50 | 29,065.31 | 27,590.10 |
| March'17 | 69.85 | 60.00 | 29,824.62 | 28,716.21 |

(viii) Share Performance Chart on BSE Sensex



(ix) 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 and demat segment.

(x) Share Transfer System

Company has in place a Stakeholder Relationship Committee with three Directors, Chairman being an Independent Director. Applications for transfer/ transmission/ transposition/ consolidation/ issue of duplicate share certificates/ sub-division/ remat/ demat and other related requests in accordance with Listing Regulations and SEBI (Depositories and Participants) Regulations 1996 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 Share Transfer Committee for its approval.

Share transfers received by the share transfer agent/Company are registered within the stipulated time period given under Listing Regulations.

Further, a certificates on half yearly basis confirming the due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations 1996 and a Secretarial Audit Report for reconciliation of the share capital of the Company obtained from Practicing Company Secretary have been submitted to Stock Exchanges in stipulated time.

(xi) Distribution of Shareholding as on 31st March 2017

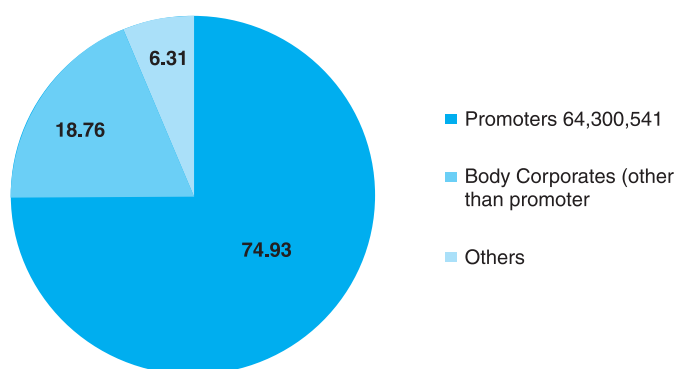
| Shareholding of nominal value | Share Holders | | Shares | | |
|-------------------------------|---------------|------------|-----------------|------------------|-------------|
| | ₹ | Number | % to total | Number | Amount in ₹ |
| Upto 5,000 | 2498 | 73.83 | 443015 | 4430150 | 0.5162 |
| 5,001 - 10,000 | 382 | 11.29 | 319510 | 3195100 | 0.3723 |
| 10,001 - 20,000 | 202 | 5.97 | 316750 | 3167500 | 0.3691 |
| 20,001 - 30,000 | 101 | 2.98 | 258285 | 2582850 | 0.3010 |
| 30,001 - 40,000 | 40 | 1.18 | 143212 | 1432120 | 0.1669 |
| 40,001 - 50,000 | 32 | 0.94 | 146606 | 1466060 | 0.1708 |
| 50,001 - 1,00,000 | 61 | 1.80 | 448466 | 4484660 | 0.5226 |
| 1,00,001 & Above | 67 | 1.98 | 83738347 | 837383470 | 97.5810 |
| Total | 3383 | 100 | 85814191 | 858141910 | 100 |

(xii) Shareholding Pattern as on 31st March, 2017

| Category | Number of Shares Held | Percentage of Shareholding (%) |
|--------------------------------------|-----------------------|--------------------------------|
| Promoters | 6,43,00,541 | 74.93 |
| Body Corporate (other than promoter) | 16,099,255 | 18.76 |
| Others* | 5,414,395 | 6.31 |
| Total | 8,58,14,191 | 100 |

* includes Individuals, Clearing Members, HUF & NRI's.

Shareholding Pattern as on 31st March, 2017 depicted by way of pie chart as follows:


(xiii) Dematerialization of Shares and Liquidity

About 98.6% of the Equity Shares of the Company are in dematerialized form as on 31st March 2017. The Company's Shares are compulsorily traded in dematerialization form. The Equity Shares of the Company are actively traded on Bombay Stock Exchange.

Relevant data for the average monthly turnover for the period starting from 1st April, 2016 till 31st March, 2017 are as follows:

| Period | BSE Limited | |
|------------------------|------------------|--------------------|
| | Volume (Qty) | Value (₹) |
| End of April, 2016 | 41,456 | 2,099,065 |
| End of May, 2016 | 88,703 | 3,914,775 |
| End of June, 2016 | 441,971 | 16,308,318 |
| End of July, 2016 | 370,269 | 16,437,229 |
| End of August, 2016 | 337,581 | 18,512,169 |
| End of September, 2016 | 615,867 | 38,828,057 |
| End of October, 2016 | 145,599 | 8,643,837 |
| End of November, 2016 | 165,380 | 9,492,492 |
| End of December, 2016 | 180,214 | 9,111,304 |
| End of January, 2017 | 1,022,323 | 62,785,883 |
| End of February, 2017 | 879,961 | 58,524,120 |
| End of March, 2017 | 182,824 | 11,596,491 |
| Total | 4,472,148 | 256,253,740 |

(xiv) Outstanding GDRs / ADRs / Warrants or Convertible Instruments, conversion date and likely impact on equity : N.A.

(xv) Plant Locations : Not Applicable

(xvi) 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.

(xvii) Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and Listing Regulations, every listed company is required to provide its members, a facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with (Central Depository Services Limited) CDSL, the authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Amendment Rules, 2015 as amended, Shareholders who are attending the meeting and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the amended Rules shall be Saturday, December 2, 2017 and the remote e-voting shall be open for a period of four (4) days, from Monday, December 4, 2017 at 9.00 A.M. IST till Thursday, December 7, 2017 5.00 P.M. IST. The Board has appointed M/s S.K Batra & Associates, Practicing Company Secretary as scrutinizer for the Remote e-voting process.

Detailed procedure is given in the Notice of the Twenty fourth annual general meeting and is also placed on the website of the Company, www.optiemus.com.

Shareholders may get in touch with the Company Secretary or Registrar and Share Transfer Agent of the Company for further assistance.

(xviii) 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 web-site of the Company i.e. <http://www.optiemus.com/policies>.

All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2017.

A declaration to this effect, duly signed by Group CEO, is annexed and forms part of this report as '**Annexure B**'

(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 |
|---|--|
| Company Secretary Optiemus Infracom Limited Plot no. 2A, First Floor, Sector-126, Noida-201301, U.P | Beetal Financial and Computer Services (P) Limited Beetal House, 3rd Floor, 99, Madangir, New Delhi -110 062 |
| Telephone: 0120-6726800 Fax: 0120-2727999 | Telephone: 011-29961281/82/83 Fax: 011-2996 1284 |
| Email: cs.vikas@optiemus.com | E-mail: beetal@beetalfinancial.com |

The Company has its website namely 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 are updated on the website of the Company.

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

Place : New Delhi
 Date : November 11, 2017

Sd/-
Ashok Gupta
 Executive Chairman

ANNEXURE-A 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, 2017 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 any 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.

Date: May 30, 2017
Place: Noida (U.P.)

Hardip Singh
Whole Time Director
DIN: 01071395

Anoop Singhal
Chief Financial Officer
PAN: AARPS2443N

ANNEXURE-B 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 have affirmed their compliance with the Code for the year ended 31st March, 2017.

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

**Place : Noida (U.P.)
Date : May 30, 2017**

**Sd/-
Ashok Gupta
Executive Chairman**

ANNEXURE C

NOMINATION & REMUNERATION POLICY

1. Introduction

The Board of Directors of Optiemus Infracom Ltd. (“the Company”) constituted the ‘Nomination and Remuneration Committee’ effective from May 30, 2014. The main purpose of the Nomination and Remuneration Committee is to evaluate and approve the Remuneration plans, policies and programmes for the directors and senior management of our Company.

This revised policy shall supersede the existing Nomination and Remuneration Policy with effect from April 01, 2016.

2. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of Listing Regulations. The key objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and other Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- iii. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance and achievement relating to the Company’s operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.
- vi. To devise a policy on Board diversity.

3. Definitions

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” means Directors of the Company.

“**Independent Director**” Means an Independent Director as defined under section 149(6) of the Companies Act, 2013 and under Regulation 16 of the SEBI (LODR) Regulations, 2015.

“**Key Managerial Personnel or KMP**” means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole-time director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and

“**Senior Management**” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

4. Role of Committee

4.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Compensation Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management Personnel.

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

i) Appointment criteria and qualifications:

a. Qualification & Expertise

- 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. Age Limit

- 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) Term of appointment:

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. | |

| Criteria for Evaluation | Sub Criteria for Evaluation | Rating |
|--|--|--------|
| | 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 90 and above - excellent, between 75 to 89 – Very good, between 60 to 74 – Good, between 35 to 59 – Satisfactory and Less than 35 – 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.

4.3 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 ₹ 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.

Notes:

The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require Central Government approval.

The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders.

The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a Managing Director and an Executive Chairman in the Company, the applicable limit is 1% of the net profit. Any payment exceeding 1%, would require the approval of the shareholders subject to the overall limit of 11%.

However, the Company in general meeting may, with the approval of the Central Government, authorize the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V.

5. Charter of the Nomination and Remuneration Committee:

5.1 Composition:

Composition of the Committee shall be three or more non-executive directors out of which not less than one-half shall be independent directors. The members of the Committee from among the Board shall be decided by the Board.

Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

5.2 Meetings:

The Committee shall meet at least once a year to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting.

Two members personally present shall comprise a quorum when all Committee members are unable to attend a meeting. The Committee may request that other Board members, or officers, or other employees of the company, or any other persons whose advice and counsel are sought by the Committee, to attend any meeting of the Committee to provide pertinent information.

Periodically, the Committee may meet in executive session separately without management and with its chosen independent consultants. Minutes will be kept of each meeting of the Committee.

5.3 Authority:

The Committee will have the authority:

1. To retain search firms to be used to identify appropriate director candidates or to retain other advisers, as deemed necessary and appropriate, to discharge the Committees duties and obligations.
2. To approve appropriate compensation at the company's expense for any search firms or other advisors engaged by the Committee for the purpose of carrying out its duties, and ordinary administrative expense of the Committee.

5.4 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. Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board 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; and
 - 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.
 - 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, 1992 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.
9. Administer the implementation and award of stock options under the stock option plans of the Company.
 10. 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.
 11. 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.
 12. 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.
 13. 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.
 14. The Committee shall carry out such other functions as may be required by any law for the time being in force.
 15. This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company at www.optiemus.com.

INDEPENDENT AUDITORS' REPORT

To

The Members

OPTIEMUS INFRACOM LIMITED

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of Optiemus Infracom Limited (“the Company”), which comprise the standalone Balance Sheet as at 31st March, 2017, the standalone Statement of Profit and Loss, the standalone Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Accounting Standards) amendment rules, 2016.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone financial statements that give a true and fair view in order

to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017,
- b) In case of Statement of Profit & Loss of the company for the year ended 31st March, 2017 of its Profit for the year,
- c) In case of Cash Flow Statement of cash flow of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, 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 the 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, these standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial control over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure B".
 - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The financial statement discloses the impact of pending litigation as referred to in note no. 33.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note 19 to the standalone financial statements as to the holdings of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the total holding and nature of total cash transactions, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

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

Mukesh Goel
Partner
M. No. : 094837
Place: Noida
Date: 30.05.2017

ANNEXURE “A”

To the Independent Auditors report on standalone financial statements of Optiemus Infracom Limited.

Referred to in paragraph 1 under the heading, “Report on Other Legal and Regulatory Requirements” of our report of even date:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets.
 - (b) The capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the planned programme during the year, fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noted on such verification.
 - (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) In our opinion, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
 - a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and /or receipts of interest have been regular as per stipulations.
 - c) There are no overdue amounts as at the year-end in respect of both principal and interest.
- (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 Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- (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 been informed by the company that the maintenance of cost record under section 148 (1) of the Act has not been prescribed by the Central Government.

(vii) In respect of statutory dues:

- (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, incometax, sales-tax, service tax, duty of customs, value added tax, cess and other material undisputed statutory dues were outstanding, as at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax and sales-tax on account of any dispute, are as follows:

| Name of Statute | Nature of Dues | Period to which the Amount relates (FY) | Forum where the Dispute is Pending | Amount In ₹ |
|--------------------|-------------------------------|---|--|-------------|
| Sales Tax, Orissa | Sales Tax, Interest & Penalty | 2008-2009 | Asst. Commissioner of sales tax Orissa | 187,538 |
| Sales Tax, Delhi | Sales Tax, Interest & Penalty | 2008-2009 | Asst. Commissioner of Trade & Taxes, Delhi, (objection by hearing Authority) | 74,95,704 |
| Sales Tax, Haryana | Sales Tax, Interest & Penalty | 2006-2007 | ETO-cum-Assessing Authority, Haryana | 16,31,864 |
| Sales Tax, Haryana | Sales Tax, Interest & Penalty | 2010-11 | Assessing Authority, Gurgaon Haryana | 15,75,527 |
| Sales Tax, Assam | Sales Tax, Interest & Penalty | 2007-08 | Superintendent of Taxes, Guwahati, Unit-D, Assam | 920,585 |
| Sales Tax, UP | Sales Tax, Interest & Penalty | 2011-12 | Deputy Commissioner of Comml. Tax, Ghaziabad. UP | 2517,693 |
| Sales Tax, WB | Sales Tax, Interest & Penalty | 2012-13 | Senior Joint Commissioner of Commercial Taxes, Behala Circle, Kolkatta, WB | 1,78,31,391 |
| Sales Tax, UP | Sales Tax, Interest & Penalty | 2013-14 | Deputy Commissioner of Comml. Tax, Ghaziabad. UP | 44,51,143 |
| Income Tax, 1961 | Income Tax (TDS) | 2013-14 and prior periods | Income tax department | 393,222 |

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone 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) According to the information and explanations given to us, no term loans have not been raised by the Company. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given by the management, transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the notes to the standalone financial statements where applicable, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable.
- (xvi) In our opinion and according to information and explanations provided to us, 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
Date : 30.05.2017

ANNEXURE “B”

Annexure “B” to the Independent Auditors report of even daeon Standalone Financial Statements of Optiemus Infracom Limited.

To the Members of Optiemus Infracom Limited

Report on the Internal Financial Controls 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 31st March, 2017 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 Company’s management 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 the 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 were 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 auditors’ judgment, including the assessment of the risks of material misstatement of the standalone 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 Company’s internal financial controls system over financial reporting.

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 standalone 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 standalone 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 the 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 standalone financial statements.

Inherent 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, 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 31st March, 2017, 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

Date: 30.05.2017

BALANCE SHEET AS AT 31st MARCH, 2017

(₹ in Lacs)

| | Notes | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------|--------------------------------------|--------------------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 8,581 | 8,581 |
| Reserves and surplus | 4 | 19,140 | 18,151 |
| | | 27,721 | 26,732 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 20,126 | 15,948 |
| Long-term provisions | 6 | 13 | 22 |
| | | 20,139 | 15,970 |
| Current liabilities | | | |
| Short-term borrowings | 7 | 5,595 | 6,738 |
| Trade payables | 8 | | |
| total outstanding dues of micro enterprises and small enterprises | | - | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 13,964 | 14,728 |
| Other current liabilities | 9 | 1,741 | 4,250 |
| Short-term provisions | 6 | 74 | 332 |
| | | 21,374 | 26,048 |
| | TOTAL | 69,234 | 68,750 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 15,611 | 17,243 |
| Intangible assets | 11 | 10 | 17 |
| Non-current investments | 12 | 7,651 | 3,976 |
| Deferred tax assets (net) | 13 | 872 | 633 |
| Long-term loans and advances | 14 | 4,341 | 1,344 |
| Other non-current assets | 15 | 332 | - |
| | | 28,817 | 23,213 |
| Current assets | | | |
| Current investments | 16 | 25 | 25 |
| Inventories | 17 | 2,496 | 941 |
| Trade receivables | 18 | 19,233 | 22,261 |
| Cash and bank balances | 19 | 9,640 | 11,242 |
| Short-term loans and advances | 14 | 8,921 | 10,927 |
| Other current assets | 15 | 102 | 141 |
| | | 40,417 | 45,537 |
| | TOTAL | 69,234 | 68,750 |

Summary of significant accounting policies

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

Date: 30/05/2017

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

Executive Chairman

DIN : 00277434

Anoop Singhal

Chief Financial Officer

PAN: AARPS2443N

Hardip Singh

Whole Time Director

DIN : 01071395

Vikas Chandra

Company Secretary

PAN: AFGPC4820F

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

| | Notes | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|---|-------|---|---|
| Income | | | |
| Revenue from operations | 20 | 106,293 | 191,005 |
| Other income | 21 | 2,867 | 950 |
| Total revenue (I) | | 109,160 | 191,955 |
| Expenses | | | |
| Purchase of traded goods | | 97,178 | 172,207 |
| (Increase)/ decrease in inventories of stock-in-trade | 22 | (1,555) | 3,309 |
| Direct expenses | 23 | 2,276 | 2,861 |
| Employee benefits expense | 24 | 1,514 | 1,960 |
| Finance costs | 25 | 4,192 | 4,276 |
| Depreciation and amortization expense | 26 | 1,657 | 2,334 |
| Other expenses | 27 | 2,443 | 2,207 |
| Share in loss from investment in partnership firm | | 102 | - |
| Total (II) | | 107,807 | 189,154 |
| Profit/(loss) before tax | | 1,353 | 2,801 |
| Tax expenses | | | |
| Current tax | | 601 | 1,330 |
| Deferred tax (credit) | | (239) | (325) |
| Adjustment of tax relating to earlier periods | | 3 | (12) |
| Total tax expense | | 365 | 993 |
| Profit/(loss) for the year | | 988 | 1,808 |
| Earnings per equity share | | | |
| [nominal value of share ₹ 10 | 28 | | |
| Basic | | 1.15 | 2.11 |
| Diluted | | 1.15 | 2.11 |
| Summary of significant accounting policies | | | |

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

Date: 30/05/2017

**For and on behalf of the Board of Directors of
Optiemus Infracom Limited**
Ashok Gupta
Executive Chairman

DIN : 00277434

Anoop Singhal
Chief Financial Officer

PAN: AARPS2443N

Hardip Singh
Whole Time Director

DIN : 01071395

Vikas Chandra
Company Secretary

PAN: AFGPC4820F

CASH FLOWS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

| | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 1,353 | 2,801 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/ amortization | 1,657 | 2,334 |
| Loss/ (profit) on sale of fixed assets | (2) | 25 |
| Provision for diminution in value of investments | - | 6 |
| Profit on sale of non-current investments | (83) | - |
| Investments written off | 189 | - |
| Bad debts written off | 129 | 2 |
| Excess liabilities written back | (16) | (94) |
| Interest expense | 4,192 | 4,276 |
| Interest (income) | (695) | (474) |
| Operating profit before working capital changes | 6,724 | 8,876 |
| Movements in working capital : | | |
| Increase/ (decrease) in trade payables, provisions and other liabilities | (913) | (17,045) |
| Decrease / (increase) in inventories | (1,555) | 3,309 |
| Decrease / (increase) in trade receivables | 2,899 | 18,230 |
| Decrease / (increase) in loans and advances | (985) | (634) |
| Decrease / (increase) in other assets | (314) | 1,186 |
| Cash generated from /(used in) operations | 5,856 | 13,922 |
| Direct taxes paid (net of refunds) | (870) | (1,224) |
| Net cash flow from/ (used in) operating activities (A) | 4,986 | 12,698 |
| Cash flows from investing activities | | |
| Purchase of fixed assets | (19) | (17) |
| Proceeds from sale of fixed assets | 3 | 22 |
| Proceeds of non-current investments | 936 | - |
| Proceeds from sale/maturity of current investments | (4,717) | (1,266) |
| Redemption/maturity of bank deposits (having original maturity of more than three months) | 876 | 2,393 |
| Interest received | 717 | 763 |
| Net cash flow from/ (used in) investing activities (B) | (2,204) | 1,895 |
| Cash flows from financing activities | | |
| Proceeds from long-term borrowings (net) | 1,827 | (2,887) |
| Repayment of short-term borrowings (net) | (1,143) | (5,120) |
| Interest paid | (4,192) | (4,276) |
| Net cash flow from/(used in) in financing activities (C) | (3,508) | (12,283) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (726) | 2,310 |
| Cash and cash equivalents at the beginning of the year | 6,789 | 4,479 |
| Cash and cash equivalents at the end of the year | 6,063 | 6,789 |
| Components of cash and cash equivalents | | |
| Cash on hand | 10 | 18 |
| Foreign currency in hand | 2 | 2 |
| Balances with banks: | | |
| in current accounts | 6,019 | 6,769 |
| in EEFC accounts | 32 | - |
| in deposits with original maturity of less than three months | - | - |
| Total cash and cash equivalents (note 19) | 6,063 | 6,789 |
| Summary of significant accounting policies | 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

Mukesh Goel
 Partner
 Membership No. : 094837

 Place: Noida
 Date: 30/05/2017

**For and on behalf of the Board of Directors of
Optiemos Infracom Limited**
Ashok Gupta
 Executive Chairman
 DIN : 00277434

Anoop Singhal
 Chief Financial Officer
 PAN: AARPS2443N

Hardip Singh
 Whole Time Director
 DIN : 01071395

Vikas Chandra
 Company Secretary
 PAN: AFGPC4820F

NOTES FORMING PART OF THE FINANCIAL STATEMENT

NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Operations

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. The company has its primary listing on the BSE Limited.

2. Basis of accounting and preparation of financial statement

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (GAAP) to comply in all material respects with the accounting standard as notified under section 133 of the Companies Act 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on accrual basis under the historical costs convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

NOTE : 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the difference between the actual results and the estimates are recognised the periods in which the results are materialise.

2.2 Inventories

Inventories are valued at the lower of cost (FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Costs included all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.3 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.4 Cash flow Statement

Cash flows are reported using the indirect method, where by Profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accrual of past or future cash receipts or payments. The cash flows from operating, investing and financial activities of the company are segregated based on the available information.

2.5 Depreciation on tangible fixed assets

Depreciation has been provided on the written down value method over the useful lives of assets as prescribed in schedule II of the Companies Act 2013.

Depreciation on additions to Fixed Assets is provided from the date of acquisition of the Asset. Depreciation on Assets sold/scrapped during the period is provided for up to date of sale/scrap as the case may be. The management estimates the useful lives for the other fixed assets as follows:

| | |
|-------------------|--------------|
| Building | 60 Years |
| Plant & Machinery | 15 Years |
| Furniture | 10 Years |
| Office Equipments | 5 Years |
| Computers | 3 Years |
| Vehicles | 10 / 8 Years |

2.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Sales are recognised, net of returns, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company.

Income from services

Revenue from service contracts are recognised pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Other Income

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividends

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date.

2.7 Tangible Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. However the expenses incurred on Fixed Assets which takes substantial time to bring the assets for its intended use are capitalised in Capital Work in Progress. Fixed Assets not exceeding ₹ 5,000/- is charged to the profit and loss account.

Borrowing costs relating to acquisition and fit outs of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for its intended use.

Fixed Assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance sheet.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets 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 and loss when the asset is derecognized

2.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and impairments losses, if any. The cost of intangible assets comprises its purchase price, including any imports duties and other taxes and any directly attributable expenditure on making the assets ready for its intended use and net of any trade discounts and rebates.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are 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 each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition 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 and loss when the asset is derecognized.

2.9 Foreign currency transactions

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

Exchange difference arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

2.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.11 Retirement and other Employee benefits

Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The provident fund contributions, as specified under the law, are paid to Employees State Insurance Fund (Defined Contribution Schemes), administered by the Central Government of India. The contribution paid during the year are charged to Profit and Loss account.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The Company makes annual contribution to Life Insurance Corporation of India. The Company accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

2.12 Borrowing Costs

Borrowing costs including processing fee that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.13 Segment reporting

The Company identifies primary segments based on the dominant sources, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit and loss amounts are evaluated regularly by the executive Management.

The accounting policies adopted for segment reporting are in line with the accounting of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segments.

Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segment on reasonable basis have been included under "Unallocated revenue/expenses/assets/liabilities.

2.14 Earning per share

Basic Earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (Including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares.

2.15 Income Taxes

Tax expense comprises current 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. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the

asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

2.16 Provisions

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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 any provision is presented in the statement of profit and loss net of any reimbursement.

2.17 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.18 Insurance claims

Insurance claims are accounted for on the basis of claim admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.19 Operating Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss

2.20 Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

NOTE: 3 SHARE CAPITAL

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Authorized shares 8,59,80,000 (31 March 2016: 8,59,80,000) equity shares of ₹ 10/- each | 8,598 | 8,598 |
| Issued, subscribed and fully paid-up shares 8,58,14,191 (31 March 2016: 8,58,14,191) equity shares of ₹ 10/- each fully paid up | 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 March 2017 | | As at 31 March 2016 | |
|---|---------------------|--------------|---------------------|--------------|
| | No. in lacs | ₹ Lacs | No. in lacs | ₹ Lacs |
| At the beginning of the period | 858 | 8,581 | 858 | 8,581 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 858 | 8,581 | 858 | 8,581 |

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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 March 2017 | | As at 31 March 2016 | |
|--|---------------------|--------|---------------------|--------|
| | No. in lacs | % | No. in lacs | % |
| <i>Equity shares of ₹ 10 each fully paid</i> | | | | |
| GRA Enterprises Pvt Ltd | 387 | 45.10% | 387 | 45.10% |
| Mr. Ashok Gupta | 58 | 6.76% | 58 | 6.76% |
| Ms. Renu Gupta | 70 | 8.16% | 70 | 8.16% |
| Mr. Deepesh Gupta | 54 | 6.29% | 54 | 6.29% |
| Mr. Neetesh Gupta | 52 | 6.06% | 52 | 6.06% |

NOTE: 4 RESERVES AND SURPLUS

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| General Reserve | 261 | 261 |
| Surplus/ (deficit) in the statement of profit and loss | | |
| Balance as per last financial statements | 17,890 | 16,082 |
| Profit for the year | 988 | 1,808 |
| Net surplus in the statement of profit and loss | 18,879 | 17,890 |
| Total reserves and surplus | 19,140 | 18,151 |

NOTE: 5 LONG-TERM BORROWINGS

| | Non-current portion | | Current maturities | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Secured | | | | |
| Term Loans from banks(refer note below) | 19,816 | 15,638 | 506 | 2,857 |
| Unsecured | | | | |
| Loans from others | 310 | 310 | - | - |
| | 20,126 | 15,948 | 506 | 2,857 |
| Amount disclosed under the head "Other current liabilities" (refer note 9) | - | - | 506 | 2,857 |
| | 20,126 | 15,948 | - | - |

Note:

- Vehicle loans from banks of ₹ 42 lacs (comprising various loans) carries interest rate of 9.25% to 10.50% p.a. and is secured by hypothecation of vehicles taken on loan. All vehicle loans have remaining maturity period of less than one year
- Term loans from Indusind bank of ₹ 20,280 lacs (comprising two loans) carries interest rate of 11% p.a. and is secured on future rent receivables from property located at Noida and on land and building located at Noida. The loans are repayable in 144 and 84 monthly installments (not equal), from the date of loan, viz., 30 September, 2016. Maturity profile of loans are given below:

| Maturity period | Amount |
|----------------------------|---------------|
| Within one year | 464 |
| Between one and five years | 3,577 |
| More than five years | 16,239 |
| | 20,280 |

NOTE: 6 PROVISIONS

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Provision for employee benefits | | | | |
| Provision for gratuity | 13 | 22 | 3 | - |
| Others | | | | |
| Provision for income tax | - | - | 71 | 332 |
| | 13 | 22 | 74 | 332 |

NOTE: 7 SHORT-TERM BORROWINGS

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Secured | | |
| Loans repayable on demand from banks | 726 | 1,479 |
| Bills discounted | | |
| From banks | 2,891 | 5,259 |
| From others | 1,978 | - |
| | 5,595 | 6,738 |

Note:

- 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.
- Bills discounted from others have been secured by guarantees of Mr. Ashok Gupta, Director and GRA Enterprises Private Limited and security deposit of ₹ 250 lacs.

NOTE: 8 TRADE PAYABLES

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 31st March, 2017. 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.

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| total outstanding dues of micro enterprises and small enterprises | - | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 13,964 | 14,728 |
| | 13,964 | 14,728 |

NOTE: 9 OTHER CURRENT LIABILITIES

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Current maturities of long-term borrowings | 506 | 2,857 |
| Advances from customers | 297 | 162 |
| Retention Money payable | 2 | 2 |
| Security deposits payable | 667 | 775 |
| Other expenses payable | 185 | 380 |
| Interest payable | 7 | - |
| Other payables | | |
| Provident Fund payable | 6 | 7 |
| Employee State Insurance payable | 1 | 1 |
| TDS payable | 37 | 34 |
| Sales tax payable | 33 | 32 |
| | 1,741 | 4,250 |

11 INTANGIBLE ASSETS

| | Software | Total |
|--|----------|-------|
| | 47 | 47 |
| | 10 | 10 |
| | - | - |
| | 57 | 57 |
| | 2 | 2 |
| | - | - |
| | 59 | 59 |
| | 32 | 32 |
| | 8 | 8 |
| | - | - |
| | 40 | 40 |
| | 9 | 9 |
| | - | - |
| | 49 | 49 |
| | | |
| | 10 | 10 |
| | 17 | 17 |

NOTE: 10 TANGIBLE ASSETS NOTE:

| | Land | Building & Infra structure | Furniture & Fittings | Electrical Fittings | Plant & Machinery | Office Equipment | Computers | Motor Vehicles | Total |
|---------------------------------|-------|----------------------------|----------------------|---------------------|-------------------|------------------|-----------|----------------|--------|
| Gross block | | | | | | | | | |
| As at 1 April 2015 | 8,301 | 5,790 | 4,848 | 2,194 | 2,702 | 221 | 4,330 | 871 | 29,257 |
| Additions during the year | - | - | - | - | - | 4 | 3 | - | 7 |
| Disposals during the year | - | - | - | - | 209 | - | - | - | 209 |
| As at 31 March 2016 | 8,301 | 5,790 | 4,848 | 2,194 | 2,493 | 225 | 4,333 | 871 | 29,055 |
| Additions during the year | - | - | 11 | - | - | 2 | 4 | - | 17 |
| Disposals during the year | - | - | - | - | - | - | 1 | 9 | 10 |
| As at 31 March 2017 | 8,301 | 5,790 | 4,859 | 2,194 | 2,493 | 227 | 4,336 | 862 | 29,062 |
| Accumulated Depreciation | | | | | | | | | |
| As at 1 April 2015 | - | 810 | 1,881 | 852 | 1,094 | 187 | 4,225 | 599 | 9,648 |
| Charge for the year | - | 371 | 979 | 444 | 388 | 20 | 16 | 108 | 2,326 |
| Disposals during the year | - | - | - | - | 162 | - | - | - | 162 |
| As at 31 March 2016 | - | 1,181 | 2,860 | 1,296 | 1,320 | 207 | 4,241 | 707 | 11,812 |
| Charge for the year | - | 333 | 657 | 297 | 284 | 9 | 6 | 62 | 1,648 |
| Disposals during the year | - | - | - | - | - | - | 1 | 8 | 9 |
| As at 31 March 2017 | - | 1,514 | 3,517 | 1,593 | 1,604 | 216 | 4,246 | 761 | 13,451 |
| Net block | | | | | | | | | |
| As at 31 March 2017 | 8,301 | 4,276 | 1,342 | 601 | 889 | 11 | 90 | 101 | 15,611 |
| As at 31 March 2016 | 8,301 | 4,609 | 1,988 | 898 | 1,173 | 18 | 92 | 164 | 17,243 |

NOTE: 12 NON-CURRENT INVESTMENTS

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Trade investments (valued at cost unless stated otherwise) | | |
| <i>Unquoted equity instruments</i> | | |
| Investment in subsidiaries | | |
| Optiemus Infracom (Singapore) Pte Ltd | | |
| 1 (31 March 2016: 1) Equity shares of 1 Singapore Dollar | - | - |
| 5,000 (31 March 2016: 5,000) Ordinary shares @1 SGD | 2 | 2 |
| 22,86,000 (31 March 2016: 22,86,000) Ordinary shares @1 USD) | 1,337 | 1,337 |
| Optiemus Infracom International FZE | | |
| Nil (31 March 2016: 1) Ordinary shares @ 10,00,000 AED | - | 189 |
| One World Teleservices Pvt Ltd | | |
| 10,000 (31 March 2016: 10,000) Equity Shares of ₹ 10 each fully paid up | 1 | 1 |
| Optiemus Electronics Limited | | |
| 1,11,00,000 (31 March 2016: 1,11,00,000) Equity Shares of ₹ 10 each fully paid up | 1,110 | 1,110 |
| Kishore Export India pvt ltd | | |
| Nil (31 March 2016: 8,50,540) Equity Shares of ₹ 10 each fully paid up | - | 853 |
| FineMS Electronics Private Limited | | |
| 6,00,000 (31 March 2016: Nil) Equity Shares of ₹ 10 each fully paid up | 60 | - |
| MPS Telecom Private Limited | | |
| 3,50,00,000 (31 March 2016: Nil) Equity Shares of ₹ 10 each fully paid up | 3,500 | - |
| Investment in equity instruments | | |
| Ilumi Solution Inc | | |
| 9,66,620 (31 March 2016: 9,66,620) Equity shares of US\$ 0.00001 each fully paid up | 479 | 479 |
| Travancore Marketing Pvt Ltd | | |
| 11,000 (31 March 2016: 11,000) Equity shares of ₹ 10 each fully paid up | - | - |
| Teleecare Network India Private Limited | | |
| 57,17,600 (31 March 2016: Nil) Equity shares of ₹ 10 each fully paid up | 1,143 | - |
| <i>Quoted equity instruments</i> | | |
| Investment in equity instruments | | |
| Anant Raj Ltd | | |
| 3,001 (31 March 2016: 3,001) Equity shares of ₹ 2 each fully paid up (At cost less provision for other than temporary diminution ₹ 9 lacs (31 March 2016: ₹ 9 lacs)) | 1 | 1 |
| Arvind Remedies Ltd | | |
| 10,000 (31 March 2016: 10,000) Equity Shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 5 lacs (31 March 2016: ₹ 5 lacs)) | - | - |
| GTL Infrastructure Ltd | | |
| 2,000 (31 March 2016: 2,000) Equity shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 1 (31 March 2016: ₹ 1)) | - | - |

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| IKF Technologies Ltd 2,20,000 (31 March 2016: 2,20,000) Equity shares of ₹ 1 each fully paid up (At cost less provision for other than temporary diminution ₹ 33 lacs (31 March 2016: ₹ 33 lacs)) | 2 | 2 |
| JSW Steels Ltd 300 (31 March 2016: 300) Equity shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 1 lacs (31 March 2016: ₹ 1 lacs)) | - | - |
| Cybele Industries Ltd 25000 Equity Shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 9 lacs (31 March 2016: ₹ 9 lacs)) | 2 | 2 |
| Investment in partnership firm WIN Technologies (At cost less share in loss of the firm ₹ 1,02 lacs (31 March 2016: ₹ Nil)) | 14 | - |
| | 7,651 | 3,976 |

In the capital of M/s WIN Technologies (partnership firm) as on 31.03.2017

| Name of the partners | % share | Capital in ₹ lacs |
|---|-------------|-------------------|
| Optiemus Infracom Limited | 90% | 14 |
| Mr. Ashok Gupta | 10% | (11) |
| Total | 100% | 3 |
| Aggregate amount of quoted investments (Market value: ₹ 7 lacs (31 March 2016: ₹ 5 lacs)) | 5 | 5 |
| Aggregate amount of unquoted investments | 7,632 | 3,971 |
| Aggregate provision for diminution in value of investments | 57 | 57 |

NOTE: 13 DEFERRED TAX ASSETS (NET)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Deferred tax assets | | |
| Fixed assets: Impact of difference between tax depreciation & depreciation/ amortization charged for the financial reporting | 822 | 660 |
| Provision for diminution in the value of investments | 20 | - |
| Provision for doubtful debts and advances | 24 | - |
| Provision for gratuity | 6 | - |
| | 872 | 660 |
| Deferred tax liabilities | | |
| Provision for gratuity | - | 27 |
| | - | 27 |
| | 872 | 633 |

NOTE: 14 LOANS AND ADVANCES

(₹ in Lacs)

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Unsecured, considered good, unless otherwise stated | | | | |
| Loans given | | | | |
| Considered good | 264 | 296 | 6,238 | 9,352 |
| Doubtful | - | - | 22 | - |
| Capital advances | 3,513 | - | - | - |
| Security deposits given | 564 | 1,048 | 482 | - |
| Advances recoverable in cash or in kind | - | - | 1,846 | 1,268 |
| Advances to Staff | - | - | 24 | 21 |
| Prepaid expenses | - | - | 39 | 63 |
| Income tax refund receivable | - | - | 32 | 27 |
| Balances with government authorities | - | - | 260 | 196 |
| Less: Provision for doubtful loans and advances | - | - | (22) | - |
| | 4,341 | 1,344 | 8,921 | 10,927 |

NOTE: 15 OTHER ASSETS

| | Non-current | | Current | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Claims receivable | - | - | 28 | 39 |
| Additional Custom Duty receivable | - | - | 27 | 33 |
| Lease equalisation | 332 | - | - | - |
| Interest receivable | - | - | 47 | 69 |
| | 332 | - | 102 | 141 |

NOTE: 16 CURRENT INVESTMENTS

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Trade investments (valued at cost unless stated otherwise) | | |
| <i>Unquoted equity instruments</i> | | |
| Investments in Mutual funds | | |
| SBI Infrastructure Fund | | |
| 20,000 (31 March 2016: 20,000) Units of ₹ 10 each | 2 | 2 |
| SBI One India Fund | | |
| 2,00,000 (31 March 2016: 2,00,000) Units of ₹ 10 each | 23 | 23 |
| | 25 | 25 |

**NOTE: 17 INVENTORIES
(VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)**

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--------------|--------------------------------------|--------------------------------------|
| Traded goods | 2,496 | 941 |
| | 2,496 | 941 |

NOTE: 18 TRADE RECEIVABLES

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 6,115 | 5,131 |
| Unsecured, Doubtful | - | - |
| | 6,115 | 5,131 |
| Provision for doubtful receivables | | |
| | 6,115 | 5,131 |
| Other receivables | | |
| Unsecured, considered good | 13,118 | 17,130 |
| Unsecured, Doubtful | - | - |
| | 13,118 | 17,130 |
| Provision for doubtful receivables | - | - |
| | 13,118 | 17,130 |
| | 19,233 | 22,261 |

NOTE: 19 CASH AND BANK BALANCES

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 10 | 18 |
| Foreign currency in hand | 2 | 2 |
| <i>Balances with banks:</i> | | |
| in current accounts | 6,019 | 6,769 |
| in EEFC accounts | 32 | - |
| in deposits with original maturity of less than three months | - | - |
| | 6,063 | 6,789 |
| Other bank balances | | |
| Deposits with original maturity for more than 12 months | - | - |
| Deposits with original maturity for more than 3 months but less than 12 months | 1,152 | 1,949 |
| Margin money deposit | 2,425 | 2,504 |
| | 3,577 | 4,453 |
| | 9,640 | 11,242 |

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the period 08 November, 2016 to 30 December, 2016:

| Particulars | SBNs ₹ Lacs | Other denomination notes ₹ Lacs | Total ₹ Lacs |
|--|----------------|--|-----------------|
| Closing cash in hand as on 08.11.2016 | 6.59 | 3.27 | 9.86 |
| (+) Withdrawal from Bank accounts | - | - | - |
| (+) Permitted receipts | - | 15.10 | 15.10 |
| (-) Permitted payments | - | 6.00 | 6.00 |
| (-) Amount deposited in banks | 6.59 | 0.97 | 7.56 |
| Closing cash in hand as on 30.12.2016 | - | 11.40 | 11.40 |

NOTE: 20 REVENUE FROM OPERATIONS

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|-------------------------|--|--|
| Sale of products | 101,061 | 185,277 |
| Rental income | 3,920 | 3,787 |
| Other operating incomes | 1,312 | 1,941 |
| | 106,293 | 191,005 |

NOTE: 21 OTHER INCOME

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Foreign exchange gain | 1,163 | 299 |
| Profit from sale of investments | 83 | - |
| Profit from sale of fixed assets | 2 | - |
| Excess liabilities written back | 16 | 94 |
| Interest income | 695 | 474 |
| Other non-operative income (includes prior period ₹ 427 lacs, 31 March 2016 - ₹ Nil) | 908 | 83 |
| | 2,867 | 950 |

NOTE: 22 (INCREASE)/ DECREASE IN INVENTORIES OF TRADED GOODS

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Inventories of traded goods at the end of the year | 2,496 | 941 |
| Inventories of traded goods at the beginning of the year | 941 | 4,250 |
| | (1,555) | 3,309 |

NOTE: 23 DIRECT EXPENSES

(₹ in Lacs)

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|----------------------------------|--|--|
| Freight inward | 114 | 126 |
| Scheme and claim expenses | 957 | 1,983 |
| Clearing and forwarding expenses | 74 | 39 |
| Custom duty | 1,113 | 642 |
| Octroi paid | 10 | 3 |
| Packing Expenses | 8 | 66 |
| Labour charges | - | 2 |
| | 2,276 | 2,861 |

NOTE: 24 EMPLOYEE BENEFITS EXPENSE

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|---|--|--|
| Salaries and bonus | 1,194 | 1,459 |
| Director remuneration expenses | 228 | 353 |
| Contribution to provident and other funds | 43 | 59 |
| Gratuity expense | - | 20 |
| Staff welfare expenses | 49 | 69 |
| | 1,514 | 1,960 |

NOTE: 25 FINANCE COSTS

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|------------------------|--|--|
| Interest on term loans | 3,391 | 2,327 |
| Interest on others | 7 | - |
| Other borrowing costs | 794 | 1,949 |
| | 4,192 | 4,276 |

NOTE: 26 DEPRECIATION AND AMORTIZATION EXPENSE

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|-----------------------------------|--|--|
| Depreciation of tangible assets | 1,648 | 2,326 |
| Amortization of intangible assets | 9 | 8 |
| | 1,657 | 2,334 |

NOTE: 27 OTHER EXPENSES

(₹ in Lacs)

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Business Promotion Expenses | 145 | 48 |
| Incentive and Commission | 129 | 179 |
| Rent expenses | 372 | 391 |
| Power and fuel expenses | 350 | 240 |
| Travelling and conveyance expenses | 185 | 321 |
| Insurance premium | 69 | 95 |
| Rates and taxes | 118 | 103 |
| Directors sitting fee | 15 | 11 |
| Communication costs | 35 | 49 |
| Balances written off | 129 | 2 |
| Provision for doubtful loans and advances | 22 | - |
| Legal and professional expenses | 251 | 197 |
| Freight outward | 48 | 90 |
| Printing and stationery | 16 | 24 |
| Repair & Maintenance | 294 | 257 |
| Computer Repairs & Maintenance | 11 | 8 |
| Security Guard Charges | 23 | 23 |
| Housekeeping and other office maintenance expenses | 17 | 21 |
| Loss on sale of Assets | - | 25 |
| Recruitment expenses | 3 | 6 |
| Investments written off | 189 | - |
| Loss on diminution of Investment | - | 6 |
| Payment to auditor (refer note below) | 6 | 8 |
| Donations | 5 | 19 |
| Festival Expenses | 1 | 76 |
| Annual Listing Fees | 5 | 4 |
| Miscellaneous expenses | 5 | 4 |
| | 2,443 | 2,207 |

Payment to auditor

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|-------------------|--|--|
| As auditor | | |
| Audit fee | 6 | 8 |
| | 6 | 8 |

NOTE: 28 EARNINGS PER SHARE

(₹ in Lacs)

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|---|--|--|
| Profit after tax | 988 | 1,808 |
| Weighted average number (in lacs) of equity shares in calculating EPS | | |
| Basic | 858 | 858 |
| Diluted | 858 | 858 |
| Earnings per share | | |
| Basic | 1.15 | 2.11 |
| Diluted | 1.15 | 2.11 |

NOTE: 29 POST-EMPLOYMENT BENEFIT PLANS

The company operates one defined plan, i.e., gratuity, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss
Net employee benefit expense recognized in the employee cost

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Current service cost | 18 | 21 |
| Interest cost on benefit obligation | 12 | - |
| Expected return on plan assets | (11) | (11) |
| Net actuarial(gain) / loss recognized in the year | (24) | (1) |
| Net benefit expense | (5) | 9 |
| Actual return on plan assets | | |

Balance sheet
Benefit asset/ liability

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Present value of defined benefit obligation | 105 | 164 |
| Fair value of plan assets | 89 | 142 |
| Plan asset / (liability) | (16) | (22) |

Changes in the present value of the defined benefit obligation are as follows:

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation | 164 | 166 |
| Current service cost | 18 | 21 |
| Interest cost | 12 | - |
| Benefits paid | (62) | (22) |
| Actuarial (gains) / losses on obligation | (27) | (2) |
| Closing defined benefit obligation | 105 | 163 |

Changes in the fair value of plan assets are as follows:

| | As on 31 st March 2017 | As on 31 st March 2016 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Opening fair value of plan assets | 142 | 127 |
| Expected return | 11 | 11 |
| Contributions by employer | 1 | 28 |
| Benefits paid | (62) | (22) |
| Actuarial gains / (losses) | (3) | (3) |
| Closing fair value of plan assets | 89 | 141 |

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--------------------------|--------------------------------------|--------------------------------------|
| Investments with insurer | 100% | 100% |

The principal assumptions used in determining gratuity obligations for the company's plans are shown below

| | As on 31 st March 2017 | As on 31 st March 2016 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Discount rate | 7.5% per annum | 7.5% per annum |
| Expected rate of return on assets | 7.5% per annum | 7.5% per annum |
| Employee turnover | 2% | 2% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Amounts for the current and previous four periods are as follows:

| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-15 ₹ Lacs | 31-Mar-14 ₹ Lacs |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| Defined benefit obligation | 105 | 163 | 166 | 161 |
| Plan assets | 89 | 141 | 127 | 52 |
| Surplus / (deficit) | (16) | (22) | (39) | (109) |

NOTE: 30 LEASES
Operating lease commitments – Company as lessee

Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, warehouses etc.). The group has entered into agreement to take certain land and building on operating lease for warehousing activities from a third party 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 ₹ 372 lacs (2015-16 ₹ 392 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 6 years. The rental of ₹ 3587 lacs (2015-16 - ₹ 3787 lacs) on such lease is included in other operating revenue.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Within one year | Nil | 1,857 |
| After one year but not more than five years | Nil | Nil |
| More than five years | Nil | Nil |

NOTE: 31 SEGMENT INFORMATION

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 2017

| Particulars | As at 31 March 2017 | | | As at 31 March 2016 | | |
|---------------------------------------|--|-------------------------------------|---------|--|-------------------------------------|---------|
| | Telecommu- nication Mobile Handset and Accessories | Renting of Immovable Property | Total | Telecommu- nication Mobile Handset and Accessories | Renting of Immovable Property | Total |
| Revenue | 102,373 | 3,920 | 106,293 | 186,514 | 3,787 | 190,301 |
| External sales | - | - | - | - | - | - |
| Inter segment sales | - | - | - | - | - | - |
| Total revenue | 102,373 | 3,920 | 106,293 | 186,514 | 3,787 | 190,301 |
| Results | | | | | | |
| Segment results | 289 | 2,389 | 2,678 | 4,405 | 2,019 | 6,424 |
| Unallocated Income net of expenses | | | 2,867 | | | - |

| Particulars | As at 31 March 2017 | | | As at 31 March 2016 | | |
|---|--|-------------------------------------|---------------|--|-------------------------------------|---------------|
| | Telecommu- nication Mobile Handset and Accessories | Renting of Immovable Property | Total | Telecommu- nication Mobile Handset and Accessories | Renting of Immovable Property | Total |
| Operating profit | | | 5,545 | | | 6,424 |
| Finance costs | | | (4,192) | | | (4,276) |
| Other income including finance income | | | - | | | 653 |
| Profit before tax | | | 1,353 | | | 2,801 |
| Income taxes | | | 365 | | | (993) |
| Net profit | | | 988 | | | 1,808 |
| Segment assets | 53,958 | 15,276 | 69,234 | 52,925 | 16,835 | 69,760 |
| Unallocated assets | | | | | | |
| Total assets | 53,958 | 15,276 | 69,234 | 52,925 | 16,835 | 69,760 |
| Segment liabilities | 20,434 | 21,079 | 41,513 | 23,782 | 19,246 | 43,028 |
| Unallocated liabilities | | | | | | |
| Total liabilities | 20,434 | 21,079 | 41,513 | 23,782 | 19,246 | 43,028 |

NOTE: 32 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists

Subsidiaries

- : Optiemos Electronics Limited
- : Optiemos Infracom (Singapore) Pte Ltd
- : One World TeleServices Private Limited
- : MPS Telecom Private Limited
- : FineMs Electronics Private Limited
- : Optiemos Metals & Mining Pte. Ltd.
- : WIN Technology

Related parties with whom transactions have taken place during the year

Enterprises owned or significantly influenced by
key management personnel or their relatives

- : Teleecare Networks India Private Limited
- : MPS Telecom Retail Private Limited
- : Fidelity Logistic Limited
- : International Value Retail Pvt Ltd
- : GDN Enterprises Pvt Ltd
- : GRA Enterprises Pvt. Ltd.
- : Insat Exports Pvt. Ltd.
- : Besmarty Marketplace Pvt Ltd

Key management personnel

| Name | Position | Nature of Transaction | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Ashok Gupta | Director | Director Remuneration | 90 | 180 |
| Hardip Singh | Director | Director Remuneration | 61 | 61 |
| Ravinder Zutshi* | Director | Director Remuneration | 97 | 112 |
| Vikas Chandra | Company Secretary | Remuneration | 19 | 14 |
| Anoop Singhal | Chief Financial Officer | Remuneration | 16 | - |
| Parveen Sharma** | Chief Financial Officer | Remuneration | 15 | 23 |

* Mr. Ravinder Zutshi has resigned from Directorship with effect from 30th September 2016

** Mr. Parveen Sharma has resigned from the post of Chief Financial Officer with effect from 24th November 2016

Subsidiaries/ 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 st March 2017 ₹ Lacs | 31 st March 2016 ₹ Lacs |
|--|---------------------------------------|---------------------------------------|
| Transactions during the year | | |
| Sales of goods (excluding sales tax) | | |
| Optiemos Electronics Limited | 17,765 | - |
| Teleecare Network India Pvt Ltd | 321 | 1,543 |
| MPS Telecom Retail Pvt Ltd | 8,117 | 1,069 |
| MPS Telecom Private Limited | 29,820 | 93,143 |
| International Value Retail Pvt Ltd | 5,488 | 8,077 |
| GDN Enterprises Pvt Ltd | 25,260 | 19,976 |
| Rental income (excluding service tax) | | |
| MPS Telecom Private Limited | 42 | - |
| Teleecare Network India Pvt Ltd | 42 | - |
| Reimbursement of electricity expenses | | |
| MPS Telecom Private Limited | 3 | - |
| Teleecare Network India Pvt Ltd | 3 | - |
| Purchases of goods | | |
| MPS Telecom Private Limited | 17 | - |
| Rental expense | | |
| Fidelity Logistic Limited | 35 | 28 |
| Transfer of fixed assets (capital work in progress) (excluding sales tax) | | |
| Teleecare Network India Pvt Ltd | 135 | - |
| Loans repaid by the related party | | |
| One World TeleServices Private Limited | 20 | - |

| | 31 st March 2017 ₹ Lacs | 31 st March 2016 ₹ Lacs |
|--|---------------------------------------|---------------------------------------|
| Loans given to the related party | | |
| One World TeleServices Private Limited | - | 136 |
| FineMS Electronics Pvt Ltd | 19 | - |
| Security deposits given | | |
| Fidelity Logistic Limited | 4 | 7 |
| Balances outstanding as at year end | | |
| Trade receivables | | |
| MPS Telecom Retail Pvt Ltd | 1,670 | 598 |
| MPS Telecom Private Limited | 893 | 7,514 |
| Teleecare Network India Pvt Ltd | 1,434 | 1,501 |
| International Value Retail Pvt Ltd | 815 | 611 |
| GDN Enterprises Pvt Ltd | - | 4,163 |
| Trade payables | | |
| Fidelity Logistic Limited | - | 2 |
| Advances recoverable in cash or in kind | | |
| Fidelity Logistic Limited | 210 | 210 |
| Advances from customers | | |
| GDN Enterprises Pvt Ltd | 57 | - |
| Optiemos Infracom (Singapore) Pte. Ltd. | 32 | - |
| Loans given | | |
| One World TeleServices Private Limited | 766 | 786 |
| FineMS Electronics Pvt Ltd | 19 | - |
| Capital advances | | |
| Besmarty Marketplace Pvt Ltd | 50 | 50 |
| Security deposits given | | |
| Fidelity Logistic Limited | 11 | 7 |

NOTE: 33 CONTINGENT LIABILITIES

| | 31 st March 2017 ₹ Lacs | 31 st March 2016 ₹ Lacs |
|--|---------------------------------------|---------------------------------------|
| a) TDS demand raised * | 4 | 7 |
| b) Sales Tax demands ** | 366 | 322 |
| c) Guarantees *** | 2,200 | - |
| d) Claims against the Company not acknowledged as debts **** | 17 | - |

*** TDS demands**

| Nature of Case | Amounts (₹ lacs) | Period to which the amount relates | Forum where dispute is pending |
|--|---------------------|--|-----------------------------------|
| Short payment of TDS and Interest thereon | 0.2 | 2013-14 | Income tax department |
| Short payment/ short deduction of TDS and Interest thereon | 3.7 | Prior Periods | Income tax department |

**** Sales Tax demands**

| Nature of Case | Amounts (₹ lacs) | Period to which the amount relates | Forum where dispute is pending |
|---|---------------------|--|--|
| Sales Tax Case for Entry tax on zero value Goods and interest / penalty | 2 | 2008-2009 | Asst. Commissioner of sales tax Orissa |
| Sales Tax Case for Tax, interest and penalty | 75 | 2008-2009 | Asst. Commissioner of Trade & Taxes, Delhi, (objection by hearing Authority) |
| Sales Tax Case | 16 | 2006-2007 | ETO-cum-Assessing Authority, Haryana |
| Sales Tax Case for Sales tax and interest thereon | 16 | 2010-11 | Assessing Authority, Gurgaon Haryana |
| Sales Tax Case for Sales tax and interest thereon | 9 | 2007-08 | Superintendent of Taxes, Guwahati, Unit-D, Assam |
| Sales Tax Case for VAT payable under section 28(2)(ii) | 25 | 2011-12 | Deputy Commissioner of Comml. Tax, Ghaziabad. UP |
| Sales Tax Case for VAT payable | 178 | 2012-13 | Senior Joint Commissioner of Commercial Taxes, Behala Circle, Kolkata, WB |
| Sales Tax Case for VAT payable | 45 | 2013-14 | Deputy Commissioner of Comml. Tax, Ghaziabad. UP |

*****Guarantees**

| Guarantee given on behalf of | Amounts (₹ lacs) | Guarantee give to Bank | Purpose |
|------------------------------|---------------------|---------------------------|---|
| Optiemos Electronics Limited | 2200 | Indusind Bank | For purchasing of Plant and machinery and working capital |

****** The claims against the company comprise:**

| Case name and description | Amounts (₹ lacs) | Period to which the amount relates | Forum where dispute is pending |
|--|---------------------|--|-----------------------------------|
| Dinesh Singh Solanki Vs. Optiemos Infracom Limited (disputed claims raised by client) | 9 | 2014-15 | Tis-Hazari Court, Delhi. |
| H.S. Kohli (Arma Building Technology) Vs. Optiemos Infracom Limited (disputed claims raised by vendor) | 8 | 2016-17 | Civil Court Saket, New Delhi |

NOTE: 34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Derivatives outstanding as at the reporting date

| Particulars | Purpose |
|---|--------------------------------|
| Forward contract to buy US\$ US\$ 3,04,09,657 (31 March 2017) US\$ Nil (31 March 2016) | Hedge of foreign currency loan |

(b) Particulars of unhedged foreign currency exposure as at the reporting date

| Particulars | Foreign Currency | 31-Mar-17 | | 31-Mar-16 | |
|---|------------------|----------------------------|------------|----------------------------|------------|
| | | Amount in Foreign Currency | Amount (₹) | Amount in Foreign Currency | Amount (₹) |
| Trade payables | USD | 212.41 | 13,772 | 211.22 | 14,011 |
| Trade receivables | USD | 3.18 | 206 | 0.59 | 40 |
| Advances to creditors | USD | 0.97 | 63 | 6.87 | 459 |
| Advances from customers | USD | 0.50 | 32 | - | - |
| Balances with banks in current accounts | USD | 0.50 | 32 | - | - |
| Cash in hand | USD | 0.03 | 2 | 0.03 | 2 |
| Cash in hand | CNY | 0.02 | - | 0.00 | 0 |
| Cash in hand | HKD | - | - | | |

NOTE: 35 VALUE OF IMPORTS CALCULATED ON CIF BASIS

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|---|-------------------------|-------------------------|
| Value of Imports (incl. High seas Purchase) | 78,180 | 113,857 |

NOTE: 36 VALUE OF EXPORTS

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|---|-------------------------|-------------------------|
| FOB Value of Export (incl. High seas sales) | 73,744 | 114,738 |

NOTE: 37 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|------------------------------------|-------------------------|-------------------------|
| Travelling and conveyance expenses | 5 | 15 |

NOTE: 38

Some of the Trade receivable, trade payables and loan & advances are subject to reconciliation.

NOTE: 39 PREVIOUS YEAR FIGURES

The company has reclassified previous year figures to conform to this year's classification.

NOTE: 40

Previous year audit was done by M/s RMA & Associates, Chartered Accountants.

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

Date: 30/05/2017

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

Ashok Gupta

Executive Chairman

DIN : 00277434

Anoop Singhal

Chief Financial Officer

PAN: AARPS2443N

Hardip Singh

Whole Time Director

DIN : 01071395

Vikas Chandra

Company Secretary

PAN: AFGPC4820F

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To
The Members of
Optiemus Infracom Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Optiemus Infracom Limited and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial control, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give true and

fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at March 31, 2017 and its consolidated profit/loss (financial performance) and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/ financial information of 6 (six) subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 54698 Lacs and net assets of ₹ 46719 lacs as at 31st March, 2017, total revenues of ₹ 69350 lacs and net cash outflows/(inflows) amounting to ₹ 691 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 the law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group Companies is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to adequacy of the internal financial control over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our report in “Annexure A”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the ‘Other matter’ paragraph:
- i. The consolidated financial statement discloses the impact of pending litigation on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017;
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in Note 19 to the consolidated financial statements as to the holdings of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 of the Group Entities as applicable. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by those entities as produced to us by the management of the respective Group entities.

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

Mukesh Goel
Partner
M. No. : 094837
Place: Noida
Date: 30.05.2017

“Annexure A” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of Optiemus Infracom Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Optiemus Infracom Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective 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 the 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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 consolidated financial statements.

Inherent 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, the Holding Company and its subsidiary companies, 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, 2017, 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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 4 (four) subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Mukesh Raj & Co.

Chartered Accountants

Firm's Reg. No. : 016693N

Mukesh Goel

Partner

M. No. : 094837

Place: Noida

Date: 30.05.2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

(₹ in Lacs)

| | Notes | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------|--------------------------------------|--------------------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 8,581 | 8,581 |
| Reserves and surplus | 4 | 20,604 | 16,151 |
| | | 29,185 | 24,732 |
| Minority interest | | | |
| | | 319 | 293 |
| Non-current liabilities | | | |
| Deferred tax liabilities (net) | | 46 | - |
| Long-term borrowings | 5 | 21,421 | 15,948 |
| Long-term provisions | 6 | 36 | 22 |
| | | 21,503 | 15,970 |
| Current liabilities | | | |
| Short-term borrowings | 7 | 11,431 | 6,738 |
| Trade payables | 8 | | |
| total outstanding dues of micro enterprises and small enterprises | | - | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 30,083 | 14,835 |
| Other current liabilities | 9 | 13,137 | 4,526 |
| Short-term provisions | 6 | 235 | 332 |
| | | 54,886 | 26,431 |
| | TOTAL | 105,893 | 67,426 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 17,972 | 17,428 |
| Intangible assets | 11 | 119 | 17 |
| Capital work-in-progress | | - | 382 |
| Goodwill on consolidation | | - | 698 |
| Non-current investments | 12 | 1,628 | 484 |
| Deferred tax assets (net) | 13 | 897 | 633 |
| Long-term loans and advances | 14 | 4,962 | 1,351 |
| Other non-current assets | 15 | 390 | - |
| | | 25,968 | 20,993 |
| Current assets | | | |
| Current investments | 16 | 25 | 25 |
| Inventories | 17 | 12,051 | 958 |
| Trade receivables | 18 | 28,653 | 22,411 |
| Cash and bank balances | 19 | 12,285 | 12,043 |
| Short-term loans and advances | 14 | 16,897 | 10,855 |
| Other current assets | 15 | 10,014 | 141 |
| | | 79,925 | 46,433 |
| | TOTAL | 105,893 | 67,426 |

Summary of significant accounting policies

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

Date: 30/05/2017

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

Executive Chairman

DIN : 00277434

Anoop Singhal

Chief Financial Officer

PAN: AARPS2443N

Hardip Singh

Whole Time Director

DIN : 01071395

Vikas Chandra

Company Secretary

PAN: AFGPC4820F

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

| | Notes | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|-------|---|---|
| Income | | | |
| Revenue from operations | 20 | 156,084 | 192,182 |
| Other income | 21 | 2,900 | 955 |
| Total revenue (I) | | 158,984 | 193,137 |
| Expenses | | | |
| Purchase of traded goods | | 98,446 | 172,507 |
| Cost of raw material and components consumed | | 48,402 | 503 |
| (Increase)/ decrease in inventories of stock-in-trade | 22 | (5,765) | 3,307 |
| Direct expenses | 23 | 3,564 | 2,888 |
| Employee benefits expense | 24 | 3,357 | 2,338 |
| Finance costs | 25 | 4,380 | 4,282 |
| Depreciation and amortization expense | 26 | 1,910 | 2,349 |
| Other expenses | 27 | 3,584 | 2,676 |
| Total (II) | | 157,878 | 190,850 |
| Profit/(loss) before tax | | 1,106 | 2,287 |
| Tax expenses | | | |
| Current tax | | 629 | 1,330 |
| Deferred tax (credit) | | (193) | (325) |
| Adjustment of tax relating to earlier periods | | (20) | (12) |
| Total tax expense | | 416 | 993 |
| Profit/(loss) for the year (before transfer of Minority Interest) | | 690 | 1,294 |
| Add: Share of (profit) transferred to Minority interest | | (10) | - |
| Profit/(loss) for the year (after transfer of Minority Interest) | | 680 | 1,294 |
| Earnings per equity share | | | |
| [nominal value of share ₹ 10 (31 March 2016: ₹ 10)] | 28 | | |
| Basic | | 0.79 | 1.51 |
| Diluted | | 0.79 | 1.51 |
| Summary of significant accounting policies | | | |

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

Date: 30/05/2017

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

Ashok Gupta

Executive Chairman

DIN : 00277434

Anoop Singhal

Chief Financial Officer

PAN: AARPS2443N

Hardip Singh

Whole Time Director

DIN : 01071395

Vikas Chandra

Company Secretary

PAN: AFGPC4820F

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lacs)

| | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 1,106 | 2,287 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/ amortization | 1,910 | 2,349 |
| Exchange fluctuation reserve | (9) | 57 |
| Loss/ (profit) on sale of fixed assets | (2) | 25 |
| Provision for diminution in value of investments | - | 6 |
| Profit on sale of non-current investments | (83) | - |
| Investments written off | 189 | - |
| Bad debts written off | 129 | 87 |
| Excess liabilities written back | (16) | (94) |
| Expenses related to prior period | - | (1,266) |
| Interest expense | 4,381 | 4,282 |
| Interest (income) | (705) | (474) |
| Operating profit before working capital changes | 6,900 | 7,259 |
| Movements in working capital : | | |
| Increase/ (decrease) in trade payables, provisions and other liabilities | 7,804 | (17,001) |
| Decrease / (increase) in inventories | (7,340) | 3,307 |
| Decrease / (increase) in trade receivables | (1,073) | 19,635 |
| Decrease / (increase) in loans and advances | (5,110) | (800) |
| Decrease / (increase) in other assets | (345) | 1,186 |
| Cash generated from / (used in) operations | 836 | 13,586 |
| Direct taxes paid (net of refunds) | (879) | (1,219) |
| Net cash flow from/ (used in) operating activities (A) | (43) | 12,367 |
| Cash flows from investing activities | | |
| Purchase of fixed assets | (1,919) | (399) |
| Proceeds from sale of fixed assets | 3 | 22 |
| Payments for investments | - | (156) |
| Acquisition of subsidiary, net of cash acquired | - | - |
| Proceeds from sale of subsidiary, net of cash given | 928 | - |
| Redemption/ maturity of bank deposits (having original maturity of more than three months) | 821 | 2,393 |
| Interest received | 722 | 763 |
| Net cash flow from/ (used in) investing activities (B) | 555 | 2,623 |
| Cash flows from financing activities | | |
| Proceeds from long-term borrowings (net) | 3,271 | (2,887) |
| Repayment of short-term borrowings (net) | (862) | (5,120) |
| Proceeds from issue of share capital | 40 | 276 |
| Interest paid | (4,381) | (4,282) |
| Net cash flow from/ (used in) in financing activities (C) | (1,932) | (12,013) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (1,420) | 2,977 |
| Cash and cash equivalents at the beginning of the year | 7,590 | 4,613 |
| Cash and cash equivalents at the acquisition date | 2,538 | - |
| Cash and cash equivalents at the end of the year | 8,708 | 7,590 |
| Components of cash and cash equivalents | | |
| Cash on hand | 16 | 21 |
| Foreign currency in hand | 2 | 3 |
| Balances with banks: | | |
| in current accounts | 6,473 | 7,566 |
| in EEFC accounts | 32 | - |
| in deposits with original maturity of less than three months | 2,185 | - |
| Total cash and cash equivalents (note 18) | 8,708 | 7,590 |
| Summary of significant accounting policies | 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

Mukesh Goel
 Partner
 Membership No. : 094837

 Place: Noida
 Date: 30/05/2017

**For and on behalf of the Board of Directors of
 Optiemus Infracom Limited**
Ashok Gupta
 Executive Chairman
 DIN : 00277434

Anoop Singhal
 Chief Financial Officer
 PAN: AARPS2443N

Hardip Singh
 Whole Time Director
 DIN : 01071395

Vikas Chandra
 Company Secretary
 PAN: AFGPC4820F

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT**NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES****1. Nature of Operations**

Optiemus Infracom Limited (“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. The company has its primary listing on the BSE Limited.

2. Basis of accounting and preparation of financial statement

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (GAAP) to comply in all material respects with the accounting standard as notified under section 133 of the Companies Act 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs. The consolidated financial statements have been prepared on accrual basis under the historical costs convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

NOTE : 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements represent consolidations of accounts of the company and its subsidiaries.

In the preparation of these Consolidated Financial Statement, investments in Subsidiary have been accounted for in accordance with Accounting Standard (AS) 21. The “Consolidated Financial Statements” and are prepared on the following basis:

- i) The Financial Statements of the company and its Subsidiaries are consolidated on a line-by-line basis by adding together the book values of the like items’ of assets, liabilities income and expenses after eliminating all intra-group balances and intra-group transactions and also unrealized profits or losses in accordance with Accounting Standard (AS)21. The items income and expenses are consolidated only for the period from which the companies became the company’s subsidiary.
- ii) The Consolidated Financial Statement are prepared using uniform accounting policies for like transactions or other events in similar circumstances and are presented, to the extent possible, in the manner as the Company’s separate financial statement.
- iii) The net assets and net income attributable to minority interest are shown separately in the Balance Sheet and statement of profit and loss respectively. The losses applicable to the minority interest in excess of the minority interest in the net assets of a subsidiary are adjusted against the majority interest. If such subsidiary subsequently reports profit, all such profits are allocated to the majority interest until the minority share of losses previously absorbed by the majority has been recovered.
- iii) The difference between the costs to the company of its investment in subsidiaries over its proportionate share in the equity of the investee company at the time of acquisition of share in the Subsidiaries is recognized in the consolidated financial statement as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on annual basis.

- iv) Entities considered in the consolidated financial statements is:

Details of subsidiaries

| Name of entity | Country of Incorporation | Holding as on 31 st March 2017 | Holding as on 31 st March 2016 |
|--|--------------------------|---|---|
| One world Teleservices Private Limited | India | 100% | 100% |
| Optiemos Electronics Limited | India | 80% | 80% |
| FinemsElectronics Private Limited | India | 60% | - |
| MPS Telecom Private limited | India | 100% | 100% |
| OptiemosInfracom (Singapore) Pte ltd | Singapore | 100% | 100% |
| Win Technology | India | 90% | - |

2.1. Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable.

Future results could differ due to these estimates and the difference between the actual results and the estimates are recognised the periods in which the results are materialise.

2.2. Inventories

Inventories are valued at the lower of cost (FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Costs included all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.3. Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.4. Cash flow Statement

Cash flows are reported using the indirect method, whereby Profit before extraordinary items and taxes adjusted for the effects of transactions of non-cash nature and any deferrals or accrual of past or future cash receipts or payments. The cash flows from operating, investing and financial activities of the company are segregated based on the available information.

2.5. Depreciation on tangible fixed assets

Depreciation has been provided on the written down value method over the useful lives of assets as prescribed in schedule II of the Companies Act 2013.

Depreciation on additions to Fixed Assets is provided from the date of acquisition of the Asset. Depreciation on Assets sold/scrapped during the period is provided for up to date of sale/scrap as the case may be. The management estimates the useful lives for the other fixed assets as follows:

| | |
|-------------------|--------------|
| Building | 60 Years |
| Plant & Machinery | 15 Years |
| Furniture | 10 Years |
| Office Equipments | 5 Years |
| Computers | 3 Years |
| Vehicles | 10 / 8 Years |

2.6. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Sales are recognised, net of returns, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. The company collects sales taxes, value added taxes (VAT) & Excise duty on behalf of the government and, therefore, these are not economic benefits flowing to the company.

Income from services

Revenue from service contracts are recognised pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Other Income

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividends

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date.

2.7. Tangible Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. However the expenses incurred on Fixed Assets which takes substantial time to bring the assets for its intended use are capitalised in Capital Work in Progress. Fixed Assets not exceeding ₹ 5,000/- is charged to the profit and loss account.

Borrowing costs relating to acquisition and fit outs of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for its intended use.

Fixed Assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance sheet.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets 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 and loss when the asset is derecognized.

2.8. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and impairments losses, if any. The cost of intangible assets comprises its purchase price, including any imports duties and other taxes and any directly attributable expenditure on making the assets ready for its intended use and net of any trade discounts and rebates.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are 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 each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition 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 and loss when the asset is derecognized.

2.9. Foreign currency transactions

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

Exchange difference arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or as expenses in the year in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

2.10. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is

acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.11. Retirement and other Employee benefits

Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The provident fund contributions, as specified under the law, are paid to Employees State Insurance Fund (Defined Contribution Schemes), administered by the Central Government of India. The contribution paid during the year are charged to Profit and Loss account.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The Company makes annual contribution to Life Insurance Corporation of India. The Company accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

2.12. Borrowing Costs

Borrowing costs including processing fee that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.13. Segment reporting

The Company identifies primary segments based on the dominant sources, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit and loss amounts are evaluated regularly by the executive Management.

The accounting policies adopted for segment reporting are in line with the accounting of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segments.

Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segment on reasonable basis have been included under "Unallocated revenue/ expenses/ assets/liabilities."

2.14. Earning per share

Basic Earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (Including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares, by the weighted average number of equity

shares considered for deriving basic earnings per share and the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares.

2.15. Income Taxes

Tax expense comprises current 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. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

2.16. Provisions

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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 any provision is presented in the statement of profit and loss net of any reimbursement.

2.17. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

2.18. Insurance claims

Insurance claims are accounted for on the basis of claim admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.19. Operating Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

2.20. Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

NOTE: 3 SHARE CAPITAL

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Authorized shares 8,59,80,000 (31 March 2016: 8,59,80,000) equity shares of ₹ 10/- each | 8,598 | 8,598 |
| Issued, subscribed and fully paid-up shares 8,58,14,191 (31 March 2016: 8,58,14,191) equity shares of ₹ 10/-each fully paid up | 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 March 2017 | | As at 31 March 2016 | |
|---|---------------------|--------------|---------------------|--------------|
| | No. in lacs | ₹ Lacs | No. in lacs | ₹ Lacs |
| At the beginning of the period | 858 | 8,581 | 858 | 8,581 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 858 | 8,581 | 858 | 8,581 |

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 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 March 2017 | | As at 31 March 2016 | |
|--|---------------------|--------|---------------------|--------|
| | No. in lacs | % | No. in lacs | % |
| <i>Equity shares of ₹ 10 each fully paid</i> | | | | |
| GRA Enterprises Pvt Ltd | 387 | 45.10% | 387 | 45.10% |
| Mr. Ashok Gupta | 58 | 6.76% | 58 | 6.76% |
| Ms. Renu Gupta | 70 | 8.16% | 70 | 8.16% |
| Mr. Deepesh Gupta | 54 | 6.29% | 54 | 6.29% |
| Mr. Neetesh Gupta | 52 | 6.06% | 52 | 6.06% |

NOTE: 4 RESERVES AND SURPLUS

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Capital reserve | | |
| Balance as per last financial statements | 3,385 | - |
| Add: During the year on consolidation | 417 | - |
| | 3,802 | - |
| Securities premium | | |
| Balance as per last financial statements | - | - |
| Exchange fluctuation reserve | | |
| Balance as per last financial statements | 150 | 93 |
| Add: During the year on consolidation | (9) | 57 |
| Less: Transferred to Profit and loss on disposal of subsidiary | (19) | - |
| | 122 | 150 |
| General Reserve | 261 | 261 |
| Surplus/ (deficit) in the statement of profit and loss | | |
| Balance as per last financial statements | 15,740 | 15,712 |
| Profit for the year | 680 | 1,294 |
| Expenses related to prior period | - | (1,266) |
| Net surplus in the statement of profit and loss | 16,420 | 15,740 |
| Total reserves and surplus | 20,604 | 16,151 |

NOTE: 5 LONG-TERM BORROWINGS

| | Non-current portion | | Current maturities | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Secured | | | | |
| Term Loans from banks (refer note below) | 20,961 | 15,638 | 826 | 2,857 |
| Unsecured | | | | |
| Loans from others | 460 | 310 | - | - |
| | 21,421 | 15,948 | 826 | 2,857 |
| Amount disclosed under the head "Other current liabilities" (refer note 9) | - | - | 826 | 2,857 |
| | 21,421 | 15,948 | - | - |

Note:

- Vehicle loans from banks of ₹ 63 lacs (comprising various loans) carries interest rate of 9.25% to 10.50% p.a. and is secured by hypothecation of vehicles taken on loan. All vehicle loans have remaining maturity period of less than one year
- Term loans from Indusind bank of ₹ 20,280 lacs (comprising two loans) carries interest rate of 11% 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 144 and 84 monthly installments (not equal), from the date of loan, viz., 30 September, 2016. Maturity profile of loans are given below:

| Maturity period | Amount |
|----------------------------|---------------|
| Within one year | 464 |
| Between one and five years | 3,577 |
| More than five years | 16,239 |
| | 20,280 |

3. Term loans from Indusind bank of ₹ 1444 lacs, secured against exclusive charge on the current and fixed assets of the company, and pledge over 30% Equity shares of the Company.

| Maturity period | Amount |
|----------------------------|--------------|
| Within one year | 300 |
| Between one and five years | 1,144 |
| More than five years | - |
| | 1,444 |

NOTE: 6 PROVISIONS

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Provision for employee benefits | | | | |
| Provision for gratuity | 24 | 22 | 27 | - |
| Provision for leave encashment | 12 | - | - | - |
| Others | | | | |
| Provision for excise duty | - | - | 35 | - |
| Provision for income tax | - | - | 173 | 332 |
| | 36 | 22 | 235 | 332 |

NOTE: 7 SHORT-TERM BORROWINGS

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Secured | | |
| Loans repayable on demand from banks | 6,435 | 1,479 |
| Bills discounted | | |
| From banks | 2,891 | 5,259 |
| From others | 1,978 | - |
| Unsecured loans | 127 | - |
| | 11,431 | 6,738 |

Note:

- Cash credit limit of ₹ 726 lacs and bill dicounted 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).
- Bills discounted from others have been secured by guarantees of Mr. Ashok Gupta, Director and GRA Enterprises Private Limited and security deposit of ₹ 250 lacs.
- Cash Credit limit of ₹ 701 lacs are secured against exclusive charge on the current and fixed assets of the company, and pledge over 30% Equity shares of the Company

4. Cash Credit limit of ₹ 5008 lacs are secured against exclusive charge on the current and fixed assets of the company.

NOTE: 8 TRADE PAYABLES

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 31st March, 2017. 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.

NOTE: 9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Current maturities of long-term borrowings | 826 | 2,857 |
| Advances from customers | 662 | 168 |
| Retention Money payable | 2 | 2 |
| Security deposits payable | 1,091 | 776 |
| Other expenses payable | 689 | 638 |
| Interest payable | 7 | - |
| Provision of customs duty receivable | 9,411 | - |
| Other payables | | |
| Provident Fund payable | 14 | 7 |
| Employee State Insurance payable | 2 | 1 |
| Professional tax payable | - | - |
| TDS payable | 45 | 42 |
| Sales tax payable | 354 | 35 |
| Service tax payable | 10 | - |
| Income tax payable | 23 | - |
| | 13,137 | 4,526 |

NOTE: 12 NON-CURRENT INVESTMENTS

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Trade investments (valued at cost unless stated otherwise) | | |
| <i>Unquoted equity instruments</i> | | |
| Investment in equity instruments | | |
| Ilumi Solution Inc | | |
| 9,66,620 (31 March 2016: 9,66,620) Equity shares of US\$ 0.00001 each fully paid up | 479 | 479 |
| Travancore Marketing Pvt Ltd | | |
| 11,000 (31 March 2016: 11,000) Equity shares of ₹ 10 each fully paid up | - | - |
| Teleecare Network India Private Limited | | |
| 57,17,600 (31 March 2016: Nil) Equity shares of ₹ 10 each fully paid up | 1,143 | - |
| <i>Quoted equity instruments</i> | | |
| Investment in equity instruments | | |
| Anant Raj Ltd | | |
| 3,001 (31 March 2016: 3,001) Equity shares of ₹ 2 each fully paid up (At cost less provision for other than temporary diminution ₹ 9 lacs (31 March 2016: ₹ 9 lacs)) | 1 | 1 |
| Arvind Remedies Ltd | | |
| 10,000 (31 March 2016: 10,000) Equity Shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 5 lacs (31 March 2016: ₹ 5 lacs)) | - | - |
| GTL Infrastructure Ltd | | |
| 2,000 (31 March 2016: 2,000) Equity shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 1 (31 March 2016: ₹ 1)) | - | - |
| IKF Technologies Ltd | | |
| 2,20,000 (31 March 2016: 2,20,000) Equity shares of ₹ 1 each fully paid up (At cost less provision for other than temporary diminution ₹ 33 lacs (31 March 2016: ₹ 33 lacs)) | 2 | 2 |
| JSW Steels Ltd | | |
| 300 (31 March 2016: 300) Equity shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 1 lacs (31 March 2016: ₹ 1 lacs)) | - | - |
| Cybele Industries Ltd | | |
| 25000 Equity Shares of ₹ 10 each fully paid up (At cost less provision for other than temporary diminution ₹ 9 lacs (31 March 2016: ₹ 9 lacs)) | 2 | 2 |
| | 1,628 | 484 |
| Aggregate amount of quoted investments (Market value: ₹ 7 lacs (31 March 2016: ₹ 5 lacs)) | 5 | 5 |
| Aggregate amount of unquoted investments | 1,622 | 479 |
| Aggregate provision for diminution in value of investments | 57 | 57 |

NOTE: 13 DEFERRED TAX

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Deferred tax assets (net) | | |
| Deferred tax assets | | |
| Fixed assets: Impact of difference between tax depreciation & depreciation/ amortization charged for the financial reporting | 847 | 660 |
| Provision for diminution in the value of investments | 20 | - |
| Provision for doubtful debts and advances | 24 | - |
| Provision for employee benefits | 6 | - |
| | 897 | 660 |
| Deferred tax liabilities | | |
| Provision for gratuity | - | 27 |
| | - | 27 |
| | 897 | 633 |
| Deferred tax liabilities (net) | | |
| Deferred tax liabilities | | |
| Provision for gratuity | 71 | - |
| Fixed assets: Impact of difference between tax depreciation & depreciation/ amortization charged for the financial reporting | 9 | - |
| | 80 | - |
| Deferred tax assets | | |
| Provision for employee benefits | 7 | - |
| Unabsorbed depreciation/loss | 27 | - |
| | 34 | - |
| | 46 | - |

NOTE: 14 LOANS AND ADVANCES

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Unsecured, considered good, unless otherwise stated | | | | |
| Loans given | | | | |
| Considered good | 827 | 296 | 5,655 | 8,566 |
| Doubtful | - | - | 22 | - |
| Capital advances | 3,513 | - | - | - |
| Security deposits given | 599 | 1,055 | 529 | 28 |
| Advances recoverable in cash or in kind | - | - | 8,996 | 1,951 |
| Advances to Staff | - | - | 24 | 21 |
| Prepaid expenses | - | - | 180 | 63 |
| Income tax refund receivable | - | - | 456 | 29 |
| MAT credit receivable | 23 | - | - | - |
| Balances with government authorities | - | - | 1,057 | 197 |
| Less: Provision for doubtful loans and advances | - | - | (22) | - |
| | 4,962 | 1,351 | 16,897 | 10,855 |

NOTE: 15 OTHER ASSETS

(₹ in Lacs)

| | Non-current | | Current | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs |
| Claims receivable | - | - | 523 | 39 |
| Additional Custom Duty receivable | - | - | 9,438 | 33 |
| Lease equalisation | 332 | - | - | - |
| Interest receivable | 3 | - | 53 | 69 |
| Non-current bank balances (refer note 19) | 55 | - | - | - |
| | 390 | - | 10,014 | 141 |

NOTE: 16 CURRENT INVESTMENTS

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Trade investments (valued at cost unless stated otherwise) | | |
| <i>Unquoted equity instruments</i> | | |
| Investments in Mutual funds | | |
| SBI Infrastructure Fund | | |
| 20,000 (31 March 2016: 20,000) Units of ₹ 10 each | 2 | 2 |
| SBI One India Fund | | |
| 2,00,000 (31 March 2016: 2,00,000) Units of ₹ 10 each | 23 | 23 |
| | 25 | 25 |

NOTE: 17 INVENTORIES
(VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--------------------|--------------------------------------|--------------------------------------|
| Traded goods | 8,815 | 958 |
| Raw Material stock | 1,471 | - |
| Work-in-progress | 439 | - |
| Finished Goods | 1,326 | - |
| | 12,051 | 958 |

NOTE: 18 TRADE RECEIVABLES

(₹ in Lacs)

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | (805) | 5,238 |
| Unsecured, Doubtful | - | - |
| | (805) | 5,238 |
| Provision for doubtful receivables | (805) | 5,238 |
| Other receivables | | |
| Unsecured, considered good | 29,458 | 17,173 |
| Unsecured, Doubtful | - | - |
| | 29,458 | 17,173 |
| Provision for doubtful receivables | - | - |
| | 29,458 | 17,173 |
| | 28,653 | 22,411 |

NOTE: 19 CASH AND BANK BALANCES

| | As on 31 st March 2017 | As on 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 16 | 21 |
| Foreign currency in hand | 2 | 3 |
| <i>Balances with banks:</i> | | |
| in current accounts | 6,473 | 7,566 |
| in EEFC accounts | 32 | - |
| in deposits with original maturity of less than three months | 2,185 | - |
| | 8,708 | 7,590 |
| Other bank balances | | |
| Deposits with original maturity for more than 12 months | 55 | - |
| Deposits with original maturity for more than 3 months but less than 12 months | 1,152 | 1,949 |
| Margin money deposit | 2,425 | 2,504 |
| | 3,632 | 4,453 |
| Amount disclosed under "Other non-current assets" (note 15) | 55 | - |
| | 12,285 | 12,043 |

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the period 08 November, 2016 to 30 December, 2016:

| Particulars | SBNs ₹ Lacs | Other denomination notes ₹ Lacs | Total ₹ Lacs |
|--|----------------|--|-----------------|
| Closing cash in hand as on 08.11.2016 | 8.89 | 8.08 | 16.97 |
| (+) Withdrawal from Bank accounts | - | 2.94 | 2.94 |
| (+) Permitted receipts | - | 17.87 | 17.87 |
| (-) Permitted payments | - | 11.27 | 11.27 |
| (-) Amount deposited in banks | 8.89 | 3.11 | 12.00 |
| Closing cash in hand as on 30.12.2016 | - | 14.51 | 14.51 |

NOTE: 20 REVENUE FROM OPERATIONS

(₹ in Lacs)

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|-------------------------|--|--|
| Sale of products | 150,841 | 186,454 |
| Rental income | 3,920 | 3,787 |
| Other operating incomes | 1,323 | 1,941 |
| | 156,084 | 192,182 |

NOTE: 21 OTHER INCOME

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Foreign exchange gain | 1,164 | 299 |
| Profit from sale of investments | 83 | - |
| Profit from sale of fixed assets | 2 | - |
| Excess liabilities written back | 16 | 94 |
| Interest income | 705 | 474 |
| Other non-operative income (includes prior period ₹ 427 lacs, 31 March 2016 - ₹ Nil) | 930 | 88 |
| | 2,900 | 955 |

NOTE: 22 COST OF RAW MATERIAL AND COMPONENTS CONSUMED

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Inventories at the beginning of the year | - | - |
| Add: Purchases | 49,976 | 503 |
| | 49,976 | 503 |
| Inventories of business acquired during the year | 80 | - |
| Inventories of traded goods at the end of the year | 1,654 | - |
| | 48,402 | 503 |

**NOTE: 22 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND TRADED GOODS**

(₹ in Lacs)

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Inventories of traded goods at the end of the year | 10,580 | 958 |
| Inventories of traded goods at the beginning of the year | 958 | 4,265 |
| Inventories of business acquired during the year | 3,857 | - |
| | (5,765) | 3,307 |

NOTE: 23 DIRECT EXPENSES

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|---------------------------------------|--|--|
| Excise Duty | 1,218 | - |
| Freight inward | 116 | 153 |
| Scheme and claim expenses | 971 | 1,983 |
| Clearing and forwarding expenses | 76 | 39 |
| Custom duty | 1,131 | 642 |
| Octroi paid | 11 | 3 |
| Packing and other consumable expenses | 35 | 66 |
| Labour charges | 6 | 2 |
| | 3,564 | 2,888 |

NOTE: 24 EMPLOYEE BENEFITS EXPENSE

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|---|--|--|
| Salaries and bonus | 2,799 | 1,812 |
| Director remuneration expenses | 228 | 357 |
| Contribution to provident and other funds | 89 | 69 |
| Gratuity expense | 10 | 20 |
| Staff welfare expenses | 231 | 80 |
| | 3,357 | 2,338 |

NOTE: 25 FINANCE COSTS

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|------------------------|--|--|
| Interest on term loans | 3,559 | 2,327 |
| Interest on others | 7 | - |
| Other borrowing costs | 814 | 1,955 |
| | 4,380 | 4,282 |

NOTE: 26 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lacs)

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|-----------------------------------|--|--|
| Depreciation of tangible assets | 1,870 | 2,341 |
| Amortization of intangible assets | 40 | 8 |
| | 1,910 | 2,349 |

NOTE: 27 OTHER EXPENSES

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Business Promotion Expenses | 153 | 54 |
| Incentive and Commission | 131 | 193 |
| Rent expenses | 528 | 402 |
| Power and fuel expenses | 469 | 240 |
| Travelling and conveyance expenses | 239 | 348 |
| Insurance premium | 96 | 97 |
| Rates and taxes | 169 | 103 |
| Manpower hiring charges | 12 | - |
| Directors sitting fee | 15 | 11 |
| Communication costs | 55 | 76 |
| Balances written off | 129 | 87 |
| Provision for doubtful loans and advances | 22 | - |
| Legal and professional expenses | 355 | 299 |
| Freight outward | 219 | 245 |
| Printing and stationery | 23 | 32 |
| Repair & Maintenance | - | - |
| Building | 325 | 260 |
| Plant & Machinery | 23 | - |
| Others | 13 | - |
| Computer Repairs & Maintenance | 18 | 8 |
| Security Guard Charges | 104 | 23 |
| Housekeeping and other office maintenance expenses | 87 | 24 |
| Loss on sale of Assets | - | 25 |
| Recruitment expenses | 3 | 6 |
| Investments written off | 189 | - |
| Loss on diminution of Investment | - | 6 |
| Payment to auditor (refer note below) | 15 | 9 |
| Foreign Exchange Fluctuation | 26 | - |
| Donations | 5 | 19 |
| Festival Expenses | 1 | 76 |
| Annual Listing Fees | 5 | 4 |
| Miscellaneous expenses | 155 | 29 |
| | 3,584 | 2,676 |

Payment to auditor

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|-------------------|--|--|
| As auditor | | |
| Audit fee | 15 | 9 |
| | 15 | 9 |

NOTE: 28 EARNINGS PER SHARE

| | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|--|
| Profit after tax | 680 | 1,294 |
| Weighted average number (in lacs) of equity shares in calculating EPS | | |
| Basic | 858 | 858 |
| Diluted | 858 | 858 |
| Earnings per share | | |
| Basic | 0.79 | 1.51 |
| Diluted | 0.79 | 1.51 |

NOTE: 29 POST-EMPLOYMENT BENEFIT PLANS

The company operates one defined plan, i.e., gratuity, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss
Net employee benefit expense recognized in the employee cost

| | Optiemos Infracom Limited | | Optiemos Electronics Limited | | MPS Telecom Private Limited | |
|--|------------------------------|-------------------------|---------------------------------|-------------------------|--------------------------------|-------------------------|
| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
| Current service cost | 18 | 21 | 10 | - | 10 | 13 |
| Interest cost on benefit obligation | 12 | - | - | - | 2 | 2 |
| Expected return on plan assets | (11) | (11) | - | - | - | - |
| Net actuarial(gain)/loss recognized in the year | (24) | (1) | - | - | (9) | (13) |
| Net benefit expense | (5) | 9 | 10 | - | 3 | 1 |

Actual return on plan assets

**Balance sheet
Benefit asset/ liability**

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Present value of defined benefit obligation | 105 | 164 | 10 | - | 24 | 21 |
| Fair value of plan assets | 89 | 142 | - | - | - | - |
| Plan asset / (liability) | (16) | (22) | (10) | - | (24) | (21) |

Changes in the present value of the defined benefit obligation are as follows:

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Opening defined benefit obligation | 164 | 166 | - | - | 21 | 20 |
| Current service cost | 18 | 21 | 10 | - | 10 | 13 |
| Interest cost | 12 | - | - | - | 2 | 2 |
| Benefits paid | (62) | (22) | - | - | - | - |
| Actuarial (gains) / losses on obligation | (27) | (2) | - | - | (9) | (13) |
| Closing defined benefit obligation | 105 | 164 | 10 | - | 24 | 21 |

Changes in the fair value of plan assets are as follows:

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Opening fair value of plan assets | 142 | 127 | - | - | - | - |
| Expected return | 11 | 11 | - | - | - | - |
| Contributions by employer | 1 | 28 | - | - | - | - |
| Benefits paid | (62) | (22) | - | - | - | - |
| Actuarial gains / (losses) | (3) | (3) | - | - | - | - |
| Closing fair value of plan assets | 89 | 141 | - | - | - | - |

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Investments with insurer | 100% | 100% | - | - | - | - |

The principal assumptions used in determining gratuity obligations for the company's plans are shown below

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Discount rate | 7.5% per annum | 7.5% per annum | 7.5% per annum | - | 8% per annum | 8% per annum |
| Expected rate of return on assets | 7.5% per annum | 7.5% per annum | - | - | - | - |
| Employee turnover | 2% | 2% | 2% | - | 2% | 2% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Amounts for the current and previous four periods are as follows:

| | 31-Mar-17 ₹ Lacs | 31-Mar-16 ₹ Lacs | 31-Mar-15 ₹ Lacs | 31-Mar-14 ₹ Lacs |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| Defined benefit obligation | 139 | 185 | 166 | 161 |
| Plan assets | 89 | 141 | 127 | 52 |
| Surplus / (deficit) | (50) | (44) | (39) | (109) |

NOTE: 30 LEASES

Operating lease commitments – Company as lessee

Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, warehouses etc.). The group has entered into agreement to take certain land and building on operating lease for warehousing activities from a third party 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 ₹ 528 lacs (2015-16 ₹ 402 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 6 years. The rental of ₹ 3587 lacs (2015-16 - ₹ 3787 lacs) on such lease is included in other operating revenue.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Within one year | Nil | 1,857 |
| After one year but not more than five years | Nil | Nil |
| More than five years | Nil | Nil |

Future minimum rentals payables under non-cancellable operating leases are as follows:

| | As on 31 st March 2017 | As on 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Within one year | 112 | Nil |
| After one year but not more than five years | 372 | Nil |
| More than five years | Nil | Nil |

NOTE: 31 SEGMENT INFORMATION

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

| Particulars | As at 31 March 2017 | | | As at 31 March 2016 | | |
|--|--|-------------------------------------|----------------|--|-------------------------------------|---------------|
| | Telecommu- nication Mobile Handset and Accessories | Renting of Immovable Property | Total | Telecommu- nication Mobile Handset and Accessories | Renting of Immovable Property | Total |
| Revenue | 152,164 | 3,920 | 156,084 | 188,395 | 3,787 | 192,182 |
| External sales | - | - | - | - | - | - |
| Inter segment sales | - | - | - | - | - | - |
| Total revenue | 152,164 | 3,920 | 156,084 | 188,395 | 3,787 | 192,182 |
| Results | | | | | | |
| Segment results | 197 | 2,389 | 2,586 | 4,405 | 2,019 | 5,614 |
| Unallocated Income net of expenses | | | 2,900 | | | 955 |
| Operating profit | | | 5,486 | | | 6,569 |
| Finance costs | | | (4,380) | | | (4,282) |
| Other income including finance income | | | - | | | - |
| Profit before tax | | | 1,106 | | | 2,287 |
| Income taxes | | | 416 | | | 993 |
| Net profit | | | 690 | | | 1,294 |
| Segment assets | 90,617 | 15,276 | 105,893 | 50,591 | 16,835 | 67,426 |
| Unallocated assets | | | | | | |
| Total assets | 90,617 | 15,276 | 105,893 | 50,591 | 16,835 | 67,426 |
| Segment liabilities | 55,310 | 21,079 | 76,389 | 23,155 | 19,246 | 42,401 |
| Unallocated liabilities | | | | | | |
| Total liabilities | 55,310 | 21,079 | 76,389 | 23,155 | 19,246 | 42,401 |

NOTE: 32 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists

Subsidiaries

- : Optimus Electronics Limited
- : Optimus Infracom (Singapore) Pte Ltd
- : One World TeleServices Private Limited
- : MPS Telecom Private Limited
- : FineMs Electronics Private Limited
- : Optimus Metals & Mining Pte. Ltd.
- : WIN Technology

Related parties with whom transactions have taken place during the year

| | |
|--|--------------------------------------|
| Enterprises owned or significantly influenced by | : Teleecare Network India Pvt Ltd |
| key management personnel or their relatives | : MPS Telecom Retail Pvt Ltd |
| | : Fidelity Logistic Limited |
| | : International Value Retail Pvt Ltd |
| | : GDN Enterprises Pvt Ltd |
| | : GRA Enterprises Pvt. Ltd. |
| | : Insat Exports Pvt. Ltd. |
| | : Besmarty Marketplace Pvt Ltd |

Key management personnel

| Name | Position | Nature of Transaction | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|---------------------|--------------------------------------|-----------------------|-------------------------|-------------------------|
| Ashok Gupta | Director | Director Remuneration | 90 | 180 |
| Hardip Singh | Director | Director Remuneration | 61 | 61 |
| Ravinder Zutshi | Director | Director Remuneration | 97 | 112 |
| Vikas Chandra | Company Secretary | Remuneration | 19 | 14 |
| Anoop Singhal | Chief Financial Officer | Remuneration | 16 | - |
| Parveen Sharma | Chief Financial Officer | Remuneration | 15 | 23 |
| Deepesh Gupta | Director of MPS Telecom Private Ltd | Director Remuneration | 48 | 9 |
| Deepesh Gupta | Director of MPS Telecom Private Ltd | Professional Fee | - | 8 |
| Shailendra Sancheti | Director of Optiemos Electronics Ltd | Director Remuneration | 42 | - |

Subsidiaries/ 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 st March 2017 ₹ Lacs | 31 st March 2016 ₹ Lacs |
|--|---------------------------------------|---------------------------------------|
| Transactions during the year | | |
| Sales of goods (excluding sales tax) | | |
| Teleecare Network India Pvt Ltd | 807 | 1,543 |
| MPS Telecom Retail Pvt Ltd | 8,117 | 1,069 |
| International Value Retail Pvt Ltd | 5,488 | 8,077 |
| GDN Enterprises Pvt Ltd | 37,380 | 19,976 |
| Rental income (excluding service tax) | | |
| Teleecare Network India Pvt Ltd | 42 | - |
| Reimbursement of electricity expenses | | |
| Teleecare Network India Pvt Ltd | 3 | - |

| | 31 st March 2017 ₹ Lacs | 31 st March 2016 ₹ Lacs |
|--|---------------------------------------|---------------------------------------|
| Purchases of goods / services | | |
| GDN Enterprises Pvt Ltd | 249 | |
| Teleecare Network India Pvt Ltd | 418 | |
| International Value Retail Pvt Ltd | 7 | |
| Rental expense | | |
| Fidelity Logistic Limited | 64 | 28 |
| Transfer of fixed assets (capital work in progress) (excluding sales tax) | | |
| Teleecare Network India Pvt Ltd | 135 | - |
| Security deposits given | | |
| Fidelity Logistic Limited | 4 | 7 |
| Balances outstanding as at year end | | |
| Trade receivables | | |
| MPS Telecom Retail Pvt Ltd | 1,670 | 598 |
| Teleecare Network India Pvt Ltd | 1,920 | 1,501 |
| International Value Retail Pvt Ltd | 815 | 611 |
| GDN Enterprises Pvt Ltd | 180 | 4,163 |
| Trade payables | | |
| Fidelity Logistic Limited | - | 2 |
| Teleecare Network India Pvt Ltd | 418 | |
| International Value Retail Pvt Ltd | 7 | |
| Advances recoverable in cash or in kind | | |
| Fidelity Logistic Limited | 210 | 210 |
| GDN Enterprises Pvt Ltd | 201 | - |
| Advances from customers | | |
| GDN Enterprises Pvt Ltd | 57 | - |
| Capital advances | | |
| Besmarty Marketplace Pvt Ltd | 50 | 50 |
| Security deposits given | | |
| Fidelity Logistic Limited | 11 | 7 |

NOTE: 33 CONTINGENT LIABILITIES

| | 31 st March 2017 ₹ Lacs | 31 st March 2016 ₹ Lacs |
|--|---------------------------------------|---------------------------------------|
| a) TDS demand raised * | 4 | 7 |
| b) Sales Tax demands ** | 366 | 322 |
| c) Guarantees *** | 2,200 | - |
| d) Claims against the Company not acknowledged as debts **** | 17 | - |

**** Sales Tax demands**

| Case name | Amounts (₹ lacs) | Period to which the amount relates | Forum where dispute is pending |
|---|---------------------|--|--|
| Sales Tax Case for Entry tax on zero value Goods and interest / penalty | 2 | 2008-2009 | Asst. Commissioner of sales tax Orissa |
| Sales Tax Case for Tax, interest and penalty | 75 | 2008-2009 | Asst. Commissioner of Trade & Taxes, Delhi, (objection by hearing Authority) |
| Sales Tax Case | 16 | 2006-2007 | ETO-cum-Assessing Authority, Haryana |
| Sales Tax Case for Sales tax and interest thereon | 16 | 2010-11 | Assessing Authority, Gurgaon Haryana |
| Sales Tax Case for Sales tax and interest thereon | 9 | 2007-08 | Superintendent of Taxes, Guwahati, Unit-D, Assam |
| Sales Tax Case for VAT payable under section 28(2)(ii) | 25 | 2011-12 | Deputy Commissioner of Comml. Tax, Ghaziabad. UP |
| Sales Tax Case for VAT payable | 178 | 2012-13 | Senior Joint Commissioner of Commercial Taxes, Behala Circle, Kolkatta, WB |
| Sales Tax Case for VAT payable | 45 | 2013-14 | Deputy Commissioner of Comml. Tax, Ghaziabad. UP |

*****Guarantees**

| Guarantee given on behalf of | Amounts (₹ lacs) | Guarantee give to Bank | Purpose |
|-------------------------------------|---------------------|---------------------------|-----------------------------|
| MPS Telecom Retails Private limited | 6000 | Indusind Bank | For working capital support |

****** The claims against the company comprise:**

| Case name and description | Amounts (Rs. lacs) | Period to which the amount relates | Forum where dispute is pending |
|---|-----------------------|--|-----------------------------------|
| Dinesh Singh Solanki Vs. Optiemos Infracom Limited | 10 | 2014-15 | Tis-Hazari Court, Delhi. |
| H.S. Kohli (Arma Building Technology) Vs. Optiemos Infracom Limited | 8 | 2016-17 | Civil Court Saket, New Delhi |

NOTE: 34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE
(a) Derivatives outstanding as at the reporting date

| Particulars | Purpose |
|---|--------------------------------|
| Forward contract to buy US\$ US\$ 3,25,72,578 (31 March 2017) US\$ Nil (31 March 2016) | Hedge of foreign currency loan |

(b) Particulars of unhedged foreign currency exposure as at the reporting date

| Particulars | Foreign Currency | 31-Mar-17 | | 31-Mar-16 | |
|---|------------------|----------------------------|------------|----------------------------|------------|
| | | Amount in Foreign Currency | Amount (₹) | Amount in Foreign Currency | Amount (₹) |
| Trade payables | USD | 248.89 | 16,137 | 211.22 | 14,011 |
| Trade receivables | USD | 46.86 | 3,024 | 0.59 | 40 |
| Advances to creditors | USD | 0.97 | 63 | 6.87 | 459 |
| Advances from customers | USD | 0.50 | 32 | - | - |
| Balances with banks in current accounts | USD | 0.50 | 32 | - | - |
| Cash in hand | USD | 0.03 | 2 | 0.03 | 2 |
| Cash in hand | CNY | 0.02 | - | 0.00 | 0 |
| Cash in hand | HKD | - | - | - | - |

NOTE: 35 VALUE OF IMPORTS CALCULATED ON CIF BASIS

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|---|-------------------------|-------------------------|
| Value of Imports (incl. High seas Purchase) | 113,685 | 113,857 |

NOTE: 36 VALUE OF EXPORTS

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|---|-------------------------|-------------------------|
| FOB Value of Export (incl. High seas sales) | 86,757 | 114,738 |

NOTE: 37 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|------------------------------------|-------------------------|-------------------------|
| Travelling and conveyance expenses | 5 | 15 |

NOTE: 38 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

| | 31 March 2017 ₹ Lacs | 31 March 2016 ₹ Lacs |
|--------------------------|-------------------------|-------------------------|
| Marketing Support Income | 200 | - |

NOTE: 39

Some of the Trade receivables, trade payables and loan & advances are subject to reconciliation.

NOTE: 40 PREVIOUS YEAR FIGURES

The company has reclassified previous year figures to conform to this year's classification.

NOTE: 41

Previous year audit was done by M/s RMA & Associates, Chartered Accountants.

As per our report of even date

For Mukesh Raj & Co.

Chartered Accountants

Firm registration number: 016693N

Mukesh Goel

Partner

Membership no.: 094837

Place: Noida

Date: 30/05/2017

**For and on behalf of the board of directors of
Optiemus Infracom Limited**

Ashok Gupta

Executive Chairman

DIN: 00277434

Anoop Singhal

Chief Financial Officer

PAN: AARPS2443N

Hardip Singh

Whole Time Director

DIN : 01071395

Vikas Chandra

Company Secretary

PAN: AFGPC4820F

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **OPTIEMUS INFRACOM LIMITED** will be held on Friday, the 8th Day of December, 2017 at 11:00 A.M. at Ghalib Institute, Seminar Hall, Aiwan-e-Ghalib Marg, Mata Sundri Lane, ITO, New Delhi-110 002 to transact the following business:

ORDINARY BUSINESS

1 Adoption of Financial Statements

- a. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and the Auditors thereon;
- b. The Audited consolidated financial statements of the Company for the financial year ended March 31, 2017, together with the reports of Auditors thereon.

2 Appointment of Director

To appoint a Director in place of Mr. Ashok Gupta (DIN:00277434), who retires by rotation, and being eligible, offers himself for re-appointment.

3 Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment and fixation of the remuneration for the Statutory Auditors of the Company as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to section 139 and other applicable provisions of Companies Act, 2013 and the rules made there under, the retiring auditors of the Company, M/s Mukesh Raj & Co., Chartered Accountants, (firm registration No. 016693N), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this annual general meeting for a period of five years, i.e. upto the conclusion of the 29th annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on a remuneration to be fixed by Board of Directors of the Company.”

SPECIAL BUSINESS

4 To consider and approve 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 their respective shareholders and creditors under Section 233 of the Companies Act, 2013.

In this regard, the Members of the Company are requested to consider and if thought fit, to pass with or without modification(s), if any, the following resolution to be passed by members with requisite value in term of Section 233(1)(b) of the Companies Act, 2013:

“RESOLVED THAT pursuant to the provisions of Section 233 and other applicable provisions of the Companies Act, 2013 including any statutory modifications, amendments, re-enactments thereof for the time being in force, applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 [**SEBI LODR Regulations**] the provisions of SEBI Notification No SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017 and Rule 25 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 (**“Rules”**), circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable and subject to the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from Registrar of Companies, NCT Delhi and Haryana, The Official Liquidator, Delhi, The Regional Director (being the authorities of Central Government delegated to the Regional Director), Northern Region, New Delhi, or such other competent authority as may be applicable, and the confirmations, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company (**“Board”**), the arrangement embodied in 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 their respective shareholders and creditors (**“Scheme”**), placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT Any of the Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Regional Director, Registrar of Companies, Official Liquidator, Income Tax department and the like having jurisdiction while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

5 To approve the waiver of the recovery of remuneration of Mr. Ashok Gupta (DIN: 00277434), Executive Chairman of the company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 197 and Schedule V of the Companies Act, 2013 (“the Act”) and Rules made there under to the extent applicable and subject to the approval of the Central Government, the approval of the members of the Company be and is hereby accorded to waive the recovery of excess managerial remuneration of ₹ 2,344,256/- (Rupes Twenty three lacs forty four thousand two hundred and fifty six only) paid from 1st April, 2016 to 31st March, 2017 to Mr. Ashok Gupta, Executive Chairman of the Company, due to inadequate profits during the financial year 2016-17.

RESOLVED FURTHER THAT the Company do make application to the Central Government for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Ashok Gupta, Executive Chairman of the company, as may be suggested or advised or directed by the Central Government and acceptable to Mr. Gupta.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Director or the Company Secretary be and is hereby severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize, appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto”.

6 To approve the waiver of the recovery of remuneration of Mr. Hardip Singh (DIN: 01071395), Whole Time Director of the company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 197 and Schedule V of the Companies Act, 2013 (“the Act”) and Rules made there under to the extent applicable and subject to the approval of the Central Government, the approval of the members of the Company be and is hereby accorded to waive the recovery of excess managerial remuneration of ₹ 1,605,138/- (Rupes sixteen lacs five thousand one hundred and thirty eight only) paid from 1st April, 2016 to 31st March, 2017 to Mr. Hardip Singh, Whole Time Director of the Company, due to inadequate profits during the financial year 2016-17.

RESOLVED FURTHER THAT the Company do make application to the Central Government for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Hardip Singh, Whole Time Director of the company, as may be suggested or advised or directed by the Central Government and acceptable to Mr. Singh.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Director of the Company Secretary be and is hereby Severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize,

appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto”.

7 To approve the waiver of the recovery of remuneration of Mr. Ravinder Zutshi (DIN: 00520290), erstwhile Managing Director of the company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 197 and Schedule V of the Companies Act, 2013 (“the Act”) and Rules made there under to the extent applicable and subject to the approval of the Central Government, the approval of the members of the Company be and is hereby accorded to waive the recovery of refundable managerial remuneration of ₹ 2,517,904/- (Rupees twenty five lacs seventeen thousand nine hundred and four only) paid from 1st April, 2016 to 30th September, 2016 to Mr. Ravinder Zutshi, erstwhile Managing Director of the Company, due to inadequate profits during the financial year 2016-17.

RESOLVED FURTHER THAT the Company do make application to the Central Government for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Ravinder Zutshi, as may be suggested or advised or directed by the Central Government and acceptable to Mr. Zutshi.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Director of the Company Secretary be and is hereby severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/ or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize, appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto”.

**By order of the Board
For Optiemos Infracom Limited**

**Sd/-
Vikas Chandra
Company Secretary**

Date : November 11, 2017
Place : Noida (U.P.)

NOTES:

1. 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. 4 - 7 to be transacted at the Annual General Meeting, is annexed hereto.
2. In respect to Item No. 2 a statement giving additional information on the Directors re-appointment is annexed hereto as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 on General Meetings.
3. **A member entitled to attend and vote is entitled to appoint proxy(ies) to attend and vote instead of himself and the proxy(ies) need not be a member of the Company. A blank Proxy Form is enclosed for use by members, if required. The Proxy Form in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed along with the revenue stamp affixed thereto, atleast 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder. Proxy-holder shall prove his identity at the time of attending the meeting. In case, when a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy stands automatically revoked.**
4. **In respect of item no. 4 pertaining to approval of scheme of amalgamation, Copies of the Scheme and of the Explanatory Statement, under Sections 233 and 102 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the**

enclosures, can be obtained free of charge or inspected at the registered office & Corporate Office of the Company from Monday to Friday from 09:30 AM to 05:30 P.M. upto the date of the AGM.

5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to Attend and vote on their behalf at the Meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time between 9:30 a.m. - 5:30 p.m. provided that not less than three days notice in writing is given to the Company.
7. 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.
8. Statutory Registers including but not limited to the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the venue of Annual General Meeting till the conclusion of AGM.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, December 2, 2017 to Friday, December 8, 2017 (both days inclusive).
10. 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.
11. In case any member is desirous to receive communication(s) from the Company in electronic form, they may register their email address by sending the '*E-Communication Registration Form*' (as annexed to the notice) duly filled and signed, to the RTA of the Company M/s Beetal Financial and Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, New Delhi – 110 062 or at the Corporate Office of the Company at Plot No. 2A, First Floor, Sector 126, Noida, U.P. – 201 301
12. **Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company providing e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice and all the businesses may be transacted through such voting. The separate facility for voting through polling paper shall be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The detailed instructions for e-voting are annexed to this notice.**
13. **The E-voting shall commence on Monday, December 4, 2017 at 9:00 A.M. IST and shall remain open till Thursday, December 7, 2017 5:00 P.M. IST.**
14. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting. Members/proxies should also bring the Attendance Slip as annexed to this Annual Report, duly filled which is to be handed over at the entrance to the venue. **No Attendance Sheets will be distributed at the meeting.**
15. Members desiring any information relating to the Annual Report of the Company can write to the Company Secretary at the registered office address or by sending an Email to info@optiemus.com, at least seven days before the date of the Annual General Meeting.
16. Documents referred to in the Notice and Explanatory Statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) during Business hours, up to the date of Annual general Meeting.
17. Members may note that the Notice of 24th Annual General Meeting and the Annual Report will be available on the Company's website www.optiemus.com and also on the website of the Stock Exchange at www.bseindia.com.
18. A Route map showing Directions to the venue of the 24th Annual General Meeting and nearby prominent landmark is given at the end of these notes.

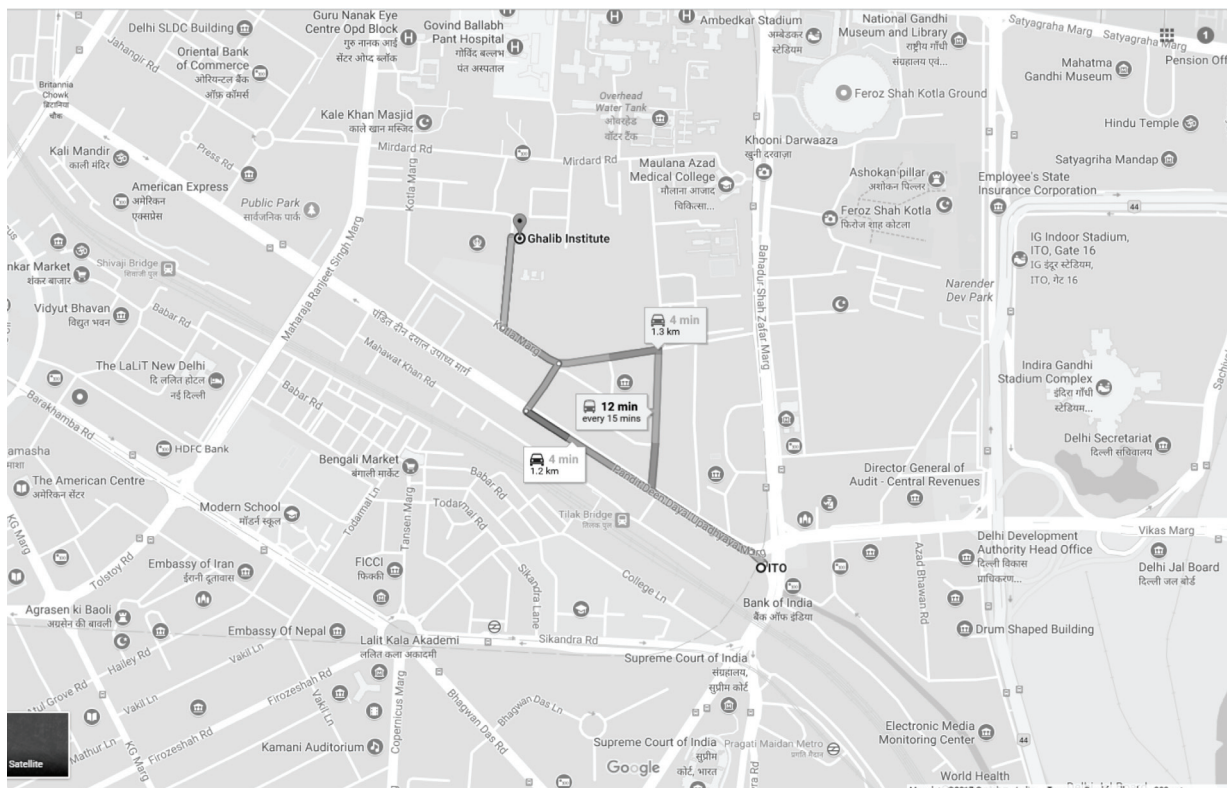
19. Members are requested to intimate immediately, any change in their address to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s Beetal Financial and Computer Services Private Limited ('Beetal') at Beetal House, 3rd Floor, 99, Madangir, New Delhi - 110 062 or at the Corporate Office of the Company at Plot No. 2A, First Floor, Sector 126, Noida, U.P. - 201 301
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or Beetal.
21. 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.

**By order of the Board
For Optiemus Infracom Limited**

**Sd/-
Vikas Chandra
Company Secretary**

Date : November 11, 2017
Place : Noida (U.P.)

ROUTE MAP FOR ANNUAL GENERAL MEETING



**Venue : Ghalib Institute, Seminar Hall, Aiwan-e-Ghalib Marg, Mata Sundri Lane, ITO,
New Delhi-110 002**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 4

To consider and approve 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 their respective shareholders and creditors under Section 233 of the Companies Act, 2013.

1. Words or terms used hereunder are as referred to under the Scheme of Arrangement for Amalgamation (hereinafter referred to as the “**Scheme**”), MPS Telecom Private Limited (“Transferor Company-1”) and Oneworld Teleservices Private Limited (“Transferor Company-2”) with Optiemus Infracom Limited (“Transferee Company”) under Section 233 of the Companies Act, 2013, read with Rule 25 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. The other definitions contained in the Scheme will also apply to this statement.
2. A copy of the Scheme setting out the terms and conditions is appended herewith. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval by the Creditors and the Regional Director having jurisdiction and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Creditors or the Regional Director or by any regulatory or other authorities while granting consents, approvals and permissions which may be agreed to by the Board of Directors of the Company.
3. The Scheme envisages the amalgamation of MPS Telecom Private Limited (“Transferor Company-1”) and Oneworld Teleservices Private Limited (“Transferor Company-2”) with Optiemus Infracom Limited (“Transferee Company”) under Section 233 of the Companies Act, 2013, read with Rule 25 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 with effect from the Appointed Date i.e. 1st April, 2017 and dissolution of Transferor Company-1 and Transferor Company-2, without winding up.
4. Background:
 - 4.1. **Details of the Transferor Company-1: MPS Telecom Private Limited**
 - a) Corporate Identification Number (CIN): U64200DL2013PTC254029
 - b) Date of Incorporation: June 17, 2013
 - c) Type of Company: Private Limited
 - d) Permanent Account Number (PAN) : AAICM6530C
 - e) Registered office: Ground Floor, Plot No.1 & 2, Khasra No. 382/2, Village Nasirpur, Post Office Palam, New Delhi - 110045
 - f) Email address: deepesh.g@mpsindia.net
 - g) The main objects of the Transferor Company -1 are as follows:

“To carry on the business of importers, exporters, buyers, sellers, distributors, traders, merchants, agents, brokers, commission agents, suppliers, wholesalers, franchisors, franchisees, retailers (either in partnership or on sole ownership basis), packers, movers, consignors, contractors, hirers, repairers, job workers, engineers, assemblers, makers, contract-manufacturers, manufacturers, service providers, designers, hirers, advisors, in all kinds of tele-communication goods, mobile instruments, telephone, instruments, hand-sets, i-pads, tablets, mobile phones, mobile phone accessories & attachments in all forms, sim cards, data cards, memory cards, all kind of electronic voice data and video communication system including EPABX systems, electronic exchanges, telex equipment’s, electronic telex, transmitter, tele printers, satellite radio communication systems, telephone equipment’s, receivers, repeaters, modems, multiplexes, de-multiplexers, facsimile systems, tele-text, video, text, tele-conferencing and video conferencing equipment’s, radio paging systems, all kind of telephone instruments, telephone dialers, cordless telephones, car telephones, walkies talkies-dicta-phone, inter-coms, telephone exchanges, rural automatic exchanges, electronic exchanges, coin collection boxes, payphones (public telephones), all types of communication equipment’s, tele-communication equipment’s, communication receiver set, communication transmitting set, security systems, communication cables, fiber optic cables and all accessories and similar articles and products and devices and their accessories, spares, stores, parts, components, assemblies and all kind of instruments,

apparatus, appliances and gadgets used for or in connection with any of the aforesaid items, in India or abroad."

- h) Name Change: The name of the Transferor Company No-1 has not been changed since incorporation.
- i) Object Change: The main objects of the Transferor Company No-1 as specified in its Memorandum of Association have not been changed since incorporation.
- j) Registered Office Change: The registered office of the Transferor Company – 1 at the time of incorporation was 702-A, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi 110 001. Subsequently, it was shifted to D-55, 1st & 2nd Floor, Okhla Industrial Area, Phase -1, Delhi – 110 020 in 2014 and then to Plot No.1, Khasra No.261, Kohinoor Enclave, Westend Marg, Saidulajaib, New Delhi – 110 030. Currently the registered office of the Company is situated at Ground Floor, Plot No.1 & 2, Khasra No 382/2, Village Nasirpur, Post Office Palam, New Delhi – 110 045.
- k) The authorized, issued, subscribed and paid up share capital of the Transferor Company-1 as on 1st April, 2017 is as follows:

| Particulars | Amount (in ₹) |
|--|-----------------|
| Authorized Share Capital 3,50,00,000 Equity Shares of ₹ 10/-each | 35,00,00,000.00 |
| Issued, Subscribed and Paid up Share Capital 3,50,00,000 Equity Shares of ₹ 10/-each fully paid up | 35,00,00,000.00 |

There was no change of Capital Structure of the Transferor Company -1 after the appointed date.

- l) Names of the promoters and Directors with their addresses:

| Name | Promoter/Designation | Address |
|-------------------------------|----------------------|--|
| Mr. Deepesh Gupta | Managing Director | C-5/15, Vasant Kunj, New Delhi-110 070 |
| Mr. Mukesh Kumar Gupta | Director | W-23/523A, Sanik Farm, Near Police Chowki, New Delhi-110 062 |
| M/s Optiemus Infracom Limited | Promoter | K-20, Second Floor, Lajpat Nagar – II, New Delhi – 110 024 |

- m) The pre – amalgamation shareholding details of Transferor Company-1 as on latest date November 11, 2017 is as follows:

| S. No | Name of Equity Share Holder | No. of Shares (₹ 10 each) | Nominal Value of Shares Held (In ₹) | Percentage (%) |
|-------|--|---------------------------|-------------------------------------|----------------|
| 1 | M/s Optiemus Infracom Limited | 34,999,999 | 349,999,990 | 99.99 |
| 2 | Ashok Gupta (Nominee of Optiemus Infracom Limited) | 1 | 10 | 0.01 |
| | TOTAL | 35,000,000 | 350,000,000 | 100 |

- n) The Transferor Company -1 is wholly owned subsidiary of Transferee Company hence, Transferee Company will not issue any share to the shareholders of Transferor Company -1 pursuant to amalgamation of Transferor Company -1 with Transferee Company.

4.2. Details of the Transferor Company-2: Oneworld Teleservices Private Limited

- a) Corporate Identification Number (CIN): U64100DL2013PTC259070
- b) Date of Incorporation: October 10, 2013
- c) Type of Company: Private Limited
- d) Permanent Account Number (PAN): AABCO9074A
- e) Registered office: K-20, 2nd Floor Lajpat Nagar-II New Delhi - 110024, India
- f) Email address: info@optiemus.com
- g) The main objects of the Transferor Company -2 are as follows:

“To provide in India or elsewhere the telecommunication services including but not limited to develop, import, export, buy, sell, distribute, stock, maintain, exchange, assemble all kind of telecommunication equipment’s, Sim cards, data cards, data connections.”

- h) Name Change: The name of the Transferor Company No-2 has not been changed since its incorporation.
- i) Object Change: The main objects of the Transferor Company No-2 as specified in its Memorandum of Association have not been changed since its incorporation.
- j) Registered Office Change: The registered office of the Transferor Company – 2 at the time of incorporation was Plot No.1, Khasra No.261, Kohinoor Enclave, Westend Marg, Saidulajab, New Delhi – 110 030 which was subsequently changed to D-12 B, First Floor, Chhattarpur Enclave, Near 100 FT Road, New Delhi – 110 074. At present, the registered office of the Company is situated at K-20, Second Floor, Lajpat Nagar – II, New Delhi – 110 024.
- k) The authorized, issued, subscribed and paid up share capital of the Transferor Company-2 as on 1st April, 2017 is as follows:

| Particulars | Amount (in ₹) |
|---|---------------|
| Authorized Share Capital | |
| 10,000 Equity Shares of ₹ 10/-each | 1,00,000.00 |
| 7,990,000 Preference Shares of ₹ 10/- each | 79,900,000.00 |
| Issued, Subscribed and Paid up Share Capital | |
| 10,000 Equity Shares of ₹ 10/-each fully paid up | 1,00,000.00 |

After the appointed date, the transferor Company – 2 issued and allotted 7,700,000 1% Preference Shares of ₹ 10/- each fully paid up on June 30, 2017 to M/s Optiemos Infracom Limited (Transferee Company). Post Allotment Shareholding Pattern as on June 30, 2017 is as follows:

| Particulars | Amount (in ₹) |
|---|----------------|
| Authorized Share Capital | |
| 10,000 Equity Shares of ₹ 10/-each | 1,00,000.00 |
| 79,90,000 1% Convertible Preference Shares of ₹10/- each | 7,99,00,000.00 |
| Issued, Subscribed and Paid up Share Capital | |
| 10,000 Equity Shares of ₹ 10/- each fully paid up | 1,00,000.00 |
| 7,700,000 1% Preference Shares of ₹ 10/- each fully paid up | 7,70,00,000.00 |

- l) Names of the promoters, Directors and KMP with their addresses:

| Name | Promoter/Designation | Address |
|-------------------------------|----------------------|---|
| Mrs. Renu Gupta | Director | C-5/15, Vasant Kunj, New Delhi-110070 |
| Mr. Ashok Gupta | Director | C-5/15, Vasant Kunj, New Delhi-110070 |
| M/s Optiemos Infracom Limited | Promoter | K-20, Second Floor, Lajpat Nagar – II, New Delhi – 110 024. |

- m. The pre – amalgamation shareholding details of Transferor Company-2 as on latest date November 11, 2017 is as follows:

| S. No | Name of Equity Share Holder | No. of Equity Shares(₹ 10/- each) | Nominal Value of Share held | Percentage of Equity Shares held (%) | No. of Preference Shares (₹ 10/- each) | Nominal Value of Share held | Percentage of preference shares held (%) |
|-------|--|-----------------------------------|-----------------------------|--------------------------------------|--|-----------------------------|--|
| 1 | Optiemos Infracom Limited | 9,999 | 99,990 | 99.99 | 7,700,000 | 77,000,000 | 100 |
| 2 | Ashok Gupta (Nominee of Optiemos Infracom Limited) | 1 | 10 | 0.01 | 0 | 0 | 0 |
| | TOTAL | 1 | 100,000 | 100 | 7,700,000 | 77,000,000 | 100 |

- n. The Transferor Company -2 is wholly owned subsidiary of Transferee Company hence, Transferee Company will not issue any share to the shareholders of Transferor Company -2 pursuant to amalgamation of Transferor Company -2 with Transferee Company.

4.3. Details of the Transferee Company: Optiemus Infracom Limited

- a) Corporate Identification Number (CIN): L64200DL1993PLC054086
 b) Date of Incorporation: June 17, 1993
 c) Type of Company: Public Limited
 d) Permanent Account Number (PAN): AAACA2031L
 e) Registered office:K-20, Second Floor, Lajpat Nagar-II, New Delhi – 110024
 f) Email address: info@optiemus.com
 g) The objects of the Transferee company are as follows:

“To Carry on the business in India and abroad, of rendering all kind of communication services including electronic mail, voice mail , video conferencing, paging service, trunk radio service, pay phone, cordless telephone service, cellular mobile telephone service and consultancy and of trading, export, import, buying, selling of and otherwise dealing in finished, semi-finished raw material of components and equipment’s, related and connected in whatsoever way the communication or alike industry by itself or in conjunction with and company, body corporate, person, statutory corporation, government and to combine with it/them any business or arrangement, for the purpose of upward or downward or horizontal integration by way of absolute of relative expansion and diversification.”

- h) Name Change: The name of the Transferee Company has not been changed during last 5(five) years.
 i) Object Change: The main objects of the Transferee Company as specified in its Memorandum of Association were altered on 25th March, 2017 by way of special resolution to insert a new sub clause in addition to the existing ones, as reproduced below:
“To carry on the business, directly or indirectly, of providing services in India and abroad of assurance, warranties, protection shields or any form of loss/damage prevention & mitigation services pertaining to all electronic and electrical gadgets, device or equipment including but not limited to consumer goods.”
 j) Registered Office Change: The registered office of the Transferee Company has not been changed in last five years.
 k) The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 1st April, 2017 is as follows:

| Particulars | Amount (in ₹) |
|---|-----------------|
| Authorized Share Capital 8,59,80,000 Equity Shares of ₹ 10/-each | 85,98,00,000.00 |
| Issued, Subscribed and Paid up Share Capital 8,58,14,191 Equity Shares of ₹ 10/- each fully paid up | 85,81,41,910.00 |

There was no change of Capital Structure of the Transferee Company after the appointed date.

- l) Names of the promoters, Directors and KMP with their addresses:

| Name | Promoter/Designation | Address |
|------------------------|------------------------------|--|
| Mr. Ashok Gupta | Promoter& Executive Chairman | C-5/15, Vasant Kunj, New Delhi-110070 |
| Mr. Deepesh Gupta | Promoter | C-5/15, Vasant Kunj, New Delhi-110070 |
| Mr. Mukesh Kumar Gupta | Promoter | W-23/523, Sanik Farm, Near Police Chowki, New Delhi-110062 |
| Mr. Neetesh Gupta | Promoter | C-5/15, Vasant Kunj, New Delhi-110070 |

| | | |
|-------------------------------------|-------------------------|--|
| Mrs. Rekha Gupta | Promoter | W-23/523, Sanik Farm, Near Police Chowki, New Delhi-110062 |
| Mrs. Renu Gupta | Promoter & Director | C-5/15, Vasant Kunj, New Delhi-110070 |
| M/s GRA Enterprises Private Limited | Promoter | K-20, Second Floor, Lajpat Nagar – II, New Delhi – 110 024 |
| Mr. Hardip Singh | Whole Time Director | E-152 Sarita Vihar, New Delhi 110044 |
| Mr. Gautam Kanjilal | Independent Director | I - 1698, Chittaranjan Park New Delhi 110019 |
| Mr. Naresh Kumar Jain | Independent Director | B-23 Sector-26, Noida, U.P. 201 301 |
| Mr. Tejendra Pal Singh Josen | Independent Director | D -2, Greater Kailash Enclave Part - I New Delhi 110 048 |
| Mr. Charan Singh Gupta | Independent Director | House No. 1228 Sector-9 Faridabad 121006 |
| KMP | | |
| Mr. Anoop Singhal | Chief Financial Officer | A-110, Sec – 55, Noida, Uttar Pradesh - 201 301 |
| Mr. Vikas Chandra | Company Secretary | UGF-2, Plot No.129, Sector-4, Vaishali, Ghaziabad, U.P- 201010 |

- m. The pre – amalgamation shareholding pattern of Transferee Company as on latest date September 30, 2017 is as follows:

| S. No. | Name & Type of Shareholder | No. Of shares @ ₹ 10/- each | Percentage (%) |
|----------|---|-----------------------------|----------------|
| A | PROMOTERS | | |
| 1. | Rekha Gupta | 1123200 | 1.31 |
| 2. | Mukesh Kumar Gupta | 1123200 | 1.31 |
| 3. | Neetesh Gupta | 5214607 | 6.08 |
| 4. | Deepesh Gupta | 5365029 | 6.25 |
| 5. | Ashok Gupta | 5754894 | 6.71 |
| 6. | Renu Gupta | 6981111 | 8.14 |
| 7. | GRA Enterprises Private Limited | 38738500 | 45.14 |
| | Sub Total of (A) | 64300541 | 74.93 |
| B | OTHERS | | |
| 1. | Public Shareholding (No. of Shareholders: 3459) | 21513650 | 25.07 |
| | Sub Total of (B) | 21513650 | 25.07 |
| | TOTAL (A) + (B) | 85814191 | 100 |

- n. The Transferor Company -1 and Transferor Company-2 is wholly owned subsidiary of Transferee Company, hence, Transferee Company will not issue any share to the shareholders of Transferor Company -1 and Transferor Company-2 pursuant to amalgamation. Hence, there will be no change in the shareholding pattern of Transferee Company.
5. The Board of Directors of the Transferor Company-1 had approved the scheme in their meeting held on July 17, 2017.
- Names of the Directors who voted in favor of the resolution are:
 Mr. Deepesh Gupta
 Mr. Mukesh Kumar Gupta
- Names of the Directors who voted against the resolution are: None
- Names of the Directors who did not vote for the resolution are: None

6. The Board of Directors of the Transferor Company-2 had approved the scheme in their meeting held on July 17, 2017.
- Names of the Directors who voted in favor of the resolution are:
Mr. Ashok Gupta
Mrs. Renu Gupta
- Names of the Directors who voted against the resolution are: None
- Names of the Directors who did not vote for the resolution are: None
7. The Board of Directors of the Transferee Company had approved the scheme in their meeting held on July 17, 2017.
- Names of the directors who voted in favor of the resolution are:
Mr. Ashok Gupta
Mr. Hardip Singh
Mr. Gautam Kanjilal
Mr. Naresh Kumar Jain
Mr. Tejendra Pal Singh Josen
Mr. Charan Singh Gupta
- Names of the directors who voted against the resolution are: None
- Names of the Directors who did not vote for the resolution are: Mrs. Renu Gupta, since she could not attend the Board Meeting.
8. Details of the Scheme:
- (a) **Appointed Date:**
Means April 1, 2017 or such other date(s) as may be approved by the Regional Director (Central Government).
- (b) **Effective Date:**
Means the date on which the certified copy of the order(s) of the Regional Director under Sections 233 of the Act sanctioning the Scheme, is filed with the Registrar of Companies.
- (c) **Other details:**
This Scheme of Arrangement provides for amalgamation of MPS Telecom Private Limited ("Transferor Company-1") and Oneworld Teleservices Private Limited ("Transferor Company-2") (collectively referred as "Transferor Companies") with Optiemus Infracom Limited ("Transferee Company") under the provisions of Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme of Arrangement also provides for various other matters consequential or otherwise integrally connected herewith.
- (d) **Rationale and benefits of the scheme:**
This Scheme of Arrangement for amalgamation is presented under Section 233 of the Companies Act, 2013 read with applicable rules of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016, for Amalgamation of the above-mentioned Companies to achieve the following objectives:
- The Transferor Company -1 and Transferor Company -2 are wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Companies and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Companies be amalgamated with Transferee Company.
 - The independent operations of the Transferor Companies and Transferee Company leads to incurrance of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a

holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.

- The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help in enhancing the efficiency and control of the Transferor Companies and Transferee Company.
 - The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
 - The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.
 - The other benefits the proposed amalgamation include:
 - (a) Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
 - (b) Enhancement of competitive strengths including financial resources;
 - (c) Obtaining synergy benefits;
 - (d) Better management and focus on growing the businesses;
 - (e) Reduction of overheads, administrative, managerial and other expenditure.
 - (f) Simplify shareholding structure and reduce shareholding tiers
- (e) **The salient features and effects of the Scheme are:**
- For the sake of convenience, the Scheme has been divided into the following parts:
1. **Part I** – This part of Scheme contains Definitions, Capital Structure of the Transferor Company-1, Transferor Company-2 and Transferee Company.
 2. **Part II** – This part of Scheme deals with Amalgamation of the Transferor Company-1, Transferor Company-2 with the Transferee Company in accordance with Section 233 of the Companies Act, 2013.
 3. **Part III** - This part of Scheme deals with the Accounting Methodology adopted for the Amalgamation.
 4. **Part IV** - This part of Scheme contains other terms and conditions applicable to the Scheme.

PART-II

AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of each of the Transferor Company-1 and Transferor Company-2 shall, in terms of Section 233 and applicable provisions, if any, of the Companies Act 2013, and pursuant to the orders of the Regional Director, Northern Region or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.
2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Companies shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:
3. **TRANSFER OF ASSETS**
 - 3.1 With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals,

- consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- 3.2 With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Company as on Appointed Date or any which may be taken by Transferor Company after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- 3.3 With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown/factories, sundry debtors, investments, plants and equipments, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits /GST credits, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all other assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- 3.4 With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Companies as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- 3.5 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Companies, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Companies or Transferee Company.
- 3.6 With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Regional Director (Central Government) and the Scheme becoming effective in accordance with the terms hereof.
- 3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Companies to which the Transferor Company are the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto.
- 3.8 With effect from the appointed date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Companies to which Transferor Companies is the party or to the benefit of which Transferor Companies may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.
- 3.9 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Companies or granted to Transferor Companies shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned

by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Companies Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to Transferee Company pursuant to this scheme.

- 3.10 With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Companies shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Companies, without any further instrument, deed or act or any further payment of fee, charge or securities.

4. TRANSFER OF LIABILITIES

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Companies, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.

- 4.2 Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Companies after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.

- 4.3 The transfer and vesting of the entire business and undertaking of Transferor Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Companies, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

- 4.4 Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Companies to which Transferor Company are parties, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies and to carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.

- 4.5 Loans or other obligations, if any, due either between Transferee Company and Transferor Companies or amongst Transferor Companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

5. LEGAL PROCEEDINGS

- 5.1 With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Companies.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Companies pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Companies or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Companies; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner

and to the same extent as would or might have been continued and enforced by or against Transferor Companies.

- 5.2 If any suit, appeal or other proceedings of whatever nature by or against Transferor Companies be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Companies businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if this Scheme had not been made.

6. EMPLOYEE MATTERS

On occurrence of the Effective Date, all persons that were employed by Transferor Companies immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Companies immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Companies with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Companies, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Companies for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Companies and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Companies in relation to such schemes or funds shall become those of Transferee Company.

7. TAXATION AND OTHER MATTERS

- 7.1 With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Companies, and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- 7.2 Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Companies or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax, Goods and service Tax or any other tax, as may be required consequent to the implementation of the Scheme.
- 7.3 Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Companies under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- 7.4 It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of Transferee Company.

- 7.5 From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in their existing names.
- 7.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Companies shall stand transferred by the order of the Regional Director to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Regional Director (Central Government).

8. Conduct of Business

- 8.1 With effect from the Appointed Date and till the Scheme come into effect:
 - 8.1.1. Transferor Companies shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Companies and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
 - 8.1.2. Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Companies shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.
 - 8.1.3. Transferor Companies shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.
 - 8.1.4. Transferor Companies shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.
 - 8.1.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.
- 8.2 Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Companies.
- 8.3 For the purpose of giving effect to the vesting order passed under Sections 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromise, Arrangement and Amalgamation), Rules, 2016 in respect of this Scheme by the Regional Director (Central Government), Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Companies businesses and undertakings in accordance with the provisions of Section 233 of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

PART-III

CONSIDERATION & ACCOUNTING TREATMENT

1. CONSIDERATION

1. Upon the Scheme coming into effect, all equity shares and / or preference shares of the Transferor Company -1 and Transferor Company -2 held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company -1 and Transferor Company -2.
2. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company -1 and Transferor Company -2 in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

2. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF THE TRANSFEREE COMPANY

- i. Upon the Scheme becoming effective, the Authorized Share Capital of the Transferor Company shall be deemed to be added to the Authorized Share Capital of the Transferee Company without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees. The Face Value of equity shares shall remain same as of the Transferee Company after increase of the Authorized Capital.
- ii. Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The equity share capital of the company is ₹ 1,209,900,000.00 (Rupees One Hundred Twenty Crores, Ninety Nine Lacs) divided into 120,990,000 (Twelve Crores and Nine Lacs and Ninety thousand) Equity shares of 10/- (Rupees Ten) each.

The preference share capital of the company is ₹ 7,99,00,000.00 (Rupees Seven Crores Ninety Nine Lacs) divided into 7,990,000 (Seventy Nine lacs, Ninety Thousands) Preference shares of ₹ 10/- (Rupees Ten) each.
- iii. On approval of the Scheme by the members of Transferee Company pursuant to Section 233 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company

3. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY

With effect from the Appointed Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferee Company and notwithstanding anything contained in Section 13 and 61 of Companies Act, 2013, the post-merger Authorized Share capital of the Transferee Company as added preference share capital of Transferor Company -2 i.e. ₹ 79,900,000/- (Rupees Seven Crores Ninety Nine Lacs) divided into 79,90,000 (Seventy Nine Lacs, Ninety Thousands) 1% Convertible Preference Shares of ₹10/- (Rupees Ten) each will be reclassified to ₹ 79,900,000/- (Rupees Seven Crores Ninety Nine Lacs) divided into 79,90,000 (Seventy Nine Lacs, Ninety Thousands) equity share of face value of ₹ 10/- (Rupees Ten) each. The Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date.

Upon coming into effect of the Scheme and reclassification of shares of Transferee Company, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The share capital of the company is ₹ 12,89,80,00,00.00 (Rupees One Twenty Eight Crores, Ninety Eight Lacs) divided into 12,89,80,000/- (Twelve Crores, Eighty Nine Lacs and Eighty Thousands) Equity shares of ₹ 10/- (Rupees Ten) each.

4. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Companies with the Transferee Company shall be accounted for as per the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Ministry of Corporate Affairs or the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, (if applicable), as may be amended from time to time such that:

- 1.1 The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company -vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies on the Appointed Date.
- 1.2 If at the time of amalgamation, the Transferor Companies and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies'.

- 1.3 Investment, if any, in the equity share capital of the Transferor Companies or vice versa, as appearing in the books of accounts of the Transferee Company, if not transferred before the Effective Date, shall stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 1.4 The loans and advance or payables or receivables of any kind, held *inter-se*, if any between the Transferor Companies and the Transferee Company, as appearing in its respective books of accounts shall stand discharged prior to Effective Date.

5. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Companies as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Companies accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

6. DISSOLUTION OF TRANSFEROR COMPANY

On occurrence of the Effective Date, Transferor Company -1 and Transferor Company -2 shall, without any further act or deed, shall stand dissolved without winding up.

PART-IV

OTHER PROVISIONS

1. Application To Regional Director:

- 1.1 Transferor Companies and Transferee Company shall, with all reasonable dispatch, make application to the Regional Director (Central Government) of relevant jurisdiction, under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, for sanctioning the Scheme with such modifications as may be approved by the Regional Director.
- 1.2 On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of Transferor Companies and Transferee Company shall, with all reasonable dispatch, apply to the Regional Director (Central Government), for sanctioning the Scheme under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, and for such other orders, as the said Regional Director (Central Government) may deem fit for carrying this Scheme into effect and for dissolution of Transferor Company without winding-up.

2. Listing Agreement and SEBI Compliances

- 2.1 Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') in so far as they relate to sanction and implementation of the Scheme.
- 2.2 SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017 has amended the Listing Regulations and relaxed the requirement of obtaining prior approval or no objection / observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.

3. Conditionality of Scheme:

The Scheme is conditional upon and subject to:

- 3.1 The observations/objections of Registrar of Companies and Official Liquidator in terms of Section 233 of Companies act, 2013.
- 3.2 The Scheme being agreed to by the requisite majority of members and creditors of the Transferor Companies and Transferee Company;
- 3.3 The Scheme being approved by the Regional Director (Central Government) at Delhi / Regional Director (Central Government) of Relevant Jurisdiction;
- 3.4 The Confirmation Order of the Regional Director(Central Government) sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction over the Transferee Company;
- 3.5 All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

4. Modification or Amendment of the Scheme and Revocation of the Scheme

- 4.1 The Transferee Company, Transferor Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Regional Director/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and the Transferor Companies, by their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 4.2 Transferor Companies and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Regional Director or any other authority is not on terms acceptable to them.
- 4.3 In the event of any of the said sanctions / approvals / conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Regional Director and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/any of the companies.

5. Costs

- All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be on pro rata basis added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.
9. The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of the Transferor Companies and Transferee Company. There is no likelihood that any secured or unsecured creditor of either of the Transferor Companies and Transferee Company would lose or be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner.
10. Amount due to secured creditors: As per the books of accounts, as on September 30, 2017, of Transferor Company -1, Transferor Company -2 and Transferee Company, the amount due to the secured creditors are ₹ 35.73 Crores (approx.), Nil and ₹ 227 Crores (approx.) respectively.
11. Amount due to unsecured creditors: As per the books of accounts as on September 30, 2017 of Transferor Company -1, Transferor Company -2 and Transferee Company, the amount due to the unsecured creditors are ₹ 52 Crores (approx.), Nil and ₹ 244 Crores (approx.) respectively.
12. Disclosure about the effect of the Amalgamation on:
- Key Managerial Personnel (KMP): There are no Key Managerial Personnel in Transferor Company – 1 & 2. Also, There will be no impact of scheme of Arrangement on KMP of Transferee Company
 - Directors: Director of the Transferor Company -1 and Transferor Company -2 will cease to be directors

- of Transferor/Transferee Company. However, they may be appointed at some other designation as per the requirement of Transferee Company. There will be no impact of scheme of Arrangement on Directors of Transferee Company.
- c) Promoters: Transferor Company -1 and Transferor Company -2 are wholly owned subsidiary of Transferee Company. Further there will no impact on scheme of arrangement promoters of Transferee Company.
 - d) Non-promoter members: None
 - e) Depositors: None
 - f) Creditors: Creditors of the Transferor Company -1 and Transferor Company -2 will become creditors of the Transferee Company.
 - g) Debenture Holders: None
 - h) Employees: Employee of the of the Transferor Company -1 and Transferor Company -2 Will become employees of the Transferee Company
13. Investigation or proceedings, if any, pending against the company under the Act: None
14. Details of approval from regulatory authorities: N.A.
15. Following Documents are attached herewith as annexures:
- a. The Declaration of Solvency made in pursuance of clause (c) of sub-section (1) of section 233 of the Companies Act, 2013 in the Form No. CAA-10 as **Annexure – 1**.
 - b. Copies of Scheme of Arrangement For Amalgamation Of Amalgamation of MPS Telecom Private Limited (“Transferor Company-1”) and Oneworld Teleservices Private Limited (Transferor Company-2”) (Collectively ‘Transferor Companies’ or ‘Wholly Owned Subsidiaries’) With Optiemus Infracom Limited (“Transferee Company”) as **Annexure -2**.
 - c. Copies of Audited financial of Transferor Company-1 and Transferor Company -2 for the financial years ended on 31st March, 2017 as **Annexure – 3**.
 - d. The certificate issued by the Statutory Auditors of the Transferee Company to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 233 of the Companies Act, 2013 as **Annexure – 4**.
16. Copy of the following documents and all other documents referred to in the Explanatory Statement, under Section 230(3), Section 102 And Section 233 of the Companies Act, 2013 read with Rule 6(3) And Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Will be open for Inspection at the Registered Office & Corporate Office of Optiemus Infracom Limited (Transferee Company) at K-20, Second Floor, Lajpat Nagar – II, New Delhi – 110 024 and Plot No. 2A, First Floor, Sector 126, Noida, U.P. – 201 301 on Monday to Friday from 09:30 A.M. to 5:30 P.M. and the same is displayed on Company’s website-info@optiemus.com.
- a. Notice to the Registrar of Companies and the Official Liquidator and Income Tax Department in Form CAA-9;
 - b. Memorandum and Articles of Association of the Transferee Company and the Transferor Company-1 and Transferor Company -2;
 - c. Copies of Audited financial of Transferee Company and the Transferor Company-1 and Transferor Company -2 for the financial years ended on 31st March, 2017;
 - d. Copies of the Supplementary Financial Statement of the Transferee Company Transferor Company-1 and Transferor Company -2, respectively, for the period ended June 30, 2017.
 - e. Declaration of Solvency of Transferee Company Transferor Company-1 and Transferor Company -2;
 - f. Copy of the Statutory Auditors’ certificate dated November 11, 2017 issued by M/s Mukesh Raj & Co., Chartered Accountants to the Transferee Company confirming scheme of arrangement is in compliance with accounting standard;
 - g. Copy of the Board Resolutions passed by the respective Board of Directors of the Transferee Company, Transferor Company -1 and Transferor Company -2 dated July 17, 2017; and
 - h. Copy of the Scheme;
17. None of the Directors, Key Managerial Personnel of the Company or their relatives is/ are, in any way either financially or otherwise, concerned or interested in this resolution.

After the Scheme is approved by the Equity Shareholders of the Transferee Company, it will be subject to the approval/ sanction of the Regional Director (Central Government) Northern Region, New Delhi.

The Board recommends the resolution set out at item no. 4 of the notice for approval of the members.

ITEM NO. 5-7

To waive of excess remuneration paid to Mr. Ashok Gupta/Mr. Hardip Singh/Mr. Ravinder Zutshi

The Members at Annual General Meetings held from time to time had by way of Ordinary Resolutions approved the appointment and remuneration of the following Executive Directors, on the terms and conditions as mentioned therein:-

| S. No | Name | Term | Date of AGM in which ordinary Resolution was passed | Date of expiration of term |
|-------|---------------------|---------|---|---|
| 1 | Mr. Ashok Gupta | 5 years | September 30, 2015 | March 31, 2020 |
| 2 | Mr. Ravinder Zutshi | 3 years | September 30, 2015 | September 30, 2018* <i>He has already resigned w.e.f. 30/09/2016</i> |
| 3 | Mr. Hardip Singh | 5 years | September 30, 2016 | September 30, 2021 |

Now, as per the provisions of Companies Act, 2013(the 'Act') read with schedule V, the maximum remuneration that could be paid to its managerial personnel is 5% individually and 10% collectively of the net profit calculated as per section 198 of the act. In FY 2016-17.

Further, due to major reform announced by Government to demonetize of two highest demonization notes created bearish momentum in near term effecting the entire economy which also showed in Country's GDP which dropped to 6.1% in the fiscal fourth quarter of FY 2016-17 from 7% in the third quarter. This immediate but temporary contraction created a huge cash crunch and affecting discretionary spending of consumers adversely impacting all sectors and industries. Telecom Industry being one of them which resulted in low sales volume of mobile handsets. Apart from this, competition from Chinese smartphone shipments which rose in immense volumes since last fiscal year, also resulted in low sales resulting in low profits and inadequate profits.

Due to which, the Company could fetch profit of ₹ 1836 lacs only resulting in situation of inadequate profits which tantamount to either refund of excess remuneration by such personnel or waiver of such amount subject to approval of shareholders and Central Government.

The table below shows the total remuneration paid including excess amount paid to managerial personnel for the financial year ended 31 March, 2017 under Section 198 of the Companies Act, 2013:

| Particulars | Salary & perquisites during the financial year ended March 31, 2017(A) | Maximum permissible Limit (pro-rata basis) (B) | Excess Payment (A-B) |
|---|--|--|----------------------|
| Mr. Ashok Gupta Executive Chairman | 9,000,000 | 6,655,744 | 2,344,256 |
| Mr. Hardip Singh Whole Time Director | 6,162,400 | 4,557,262 | 1,605,138 |
| Mr. Ravinder Zutshi Former Managing Director | 9,666,664* | 7,148,760 | 2,517,904 |
| Total | 24,829,064 | 18,361,766 | 6,467,289 |

**Please note that remuneration of Mr. Ravinder Zutshi also exceeds individual threshold of 5% of the total net profit.*

Considering the contribution of these managerial personnel to the Company, it is apt and justifiable to waive off the excess remuneration paid due to inadequate profits caused mainly due to inevitable and temporary contractions created in the industry. Hence, the Nomination and Remuneration Committee and the Board of

Directors have at their meetings held on November 11, 2017 approved the waiver of recovery of the excess managerial remuneration paid during the financial period as set forth in the above resolutions, subject to approval of the shareholders' and the Central Government.

None of the Directors or key managerial personnel of the Company or their relatives except the aforesaid Executive Directors is / are, in any way concerned or interested in the proposed resolution. The Information as required by second proviso (iv) of Paragraph B of Section-II of Part-II of Schedule-V of the Companies Act, 2013, is given in the Annexure to the Notice.

Details pursuant to the provisions of part II section II(b)(iv) of schedule V of the Companies Act, 2013 in respect of item no. 5-7 of the notice is as follows:

I. GENERAL INFORMATION

1. Nature of Industry

The Company was incorporated on June 17, 1993, in accordance with the provisions of Companies Act, 1956. The Company is engaged in diversified business and has experience in managing, distributing and manufacturing various mobile brands and other telecommunication products in India. Also, the Company is engaged in Real Estate business and owns a real estate project in Noida.

2. Date or expected date of commencement of commercial production

Not applicable as the Company is already in operations.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable.

4. Financial performance based on given indicators

(₹ in Lacs)

| Particulars | Year ended on 31.03.2017 | Year ended on 31.03.2016 | Year ended on 31.03.2015 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Total Revenue | 109,160 | 191,955 | 256,471 |
| Total Expenses | 107,807 | 189,154 | 252,023 |
| Profit before Exceptional & Extraordinary Items and Tax | 1,353 | 2,801 | 4,4448 |
| Exceptional Items | - | - | - |
| Profit Before Tax | 1,353 | 2,801 | 4,514 |
| Tax Expense: | | | |
| (1) Current Tax | 601 | 1,330 | 2,097 |
| (2) Deferred Tax | (239) | (325) | (554) |
| (3) Taxation Adjustment of previous year (net) | 3 | (12) | 12 |
| Minority Interest | - | - | |
| Profit After Tax | 988 | 1,808 | 2,960 |
| Earnings per equity share | 1.15 | 2.11 | 3.45 |

5. Foreign Investments or collaborations, if any

The Company has recently joined hands with Canada based Mobile brand "Blackberry". Having signed an Exclusive licensing agreement with Blackberry, Optiemos has qualified itself to design, sell, promote and provide customer support service for blackberry mobile devices in India, Sri Lanka, Nepal & Bangladesh. Apart from having two overseas subsidiaries, detailed in Annexure to Directors Report, Company has also made investment of Rs. 479 lacs in M/s Ilumi Solutions Inc.

II. INFORMATION ABOUT MANEGERIAL PERSONNEL

| Particular | Ashok Gupta | Hardip Singh | Ravinder Zutshi |
|---|--|---|--|
| Background Details | Mr. Ashok Gupta, Executive Chairman, holds the degree of Bachelor in Commerce and is responsible for overall operations of the Company and subject to the supervision and control of the Board of Directors; and carry out such duties is entrusted to him by the Directors. He is having a huge & knowledgeable experience of 36 years in Telecom Industry. Mr. Gupta has the excellent quality of entrepreneurship as well as involvement in top managerial related assignments. | Mr. Hardip Singh is serving the Board since November 11, 2011. Mr. Hardip Singh, Director (Operations) plays a vital role in sales, marketing and other promotional activities of the Company. He did diploma in Marketing Management and holds a Bachelors degree in Arts (Economic Honors). Mr. Singh's broad experience of over 22 years in marketing, distribution and business development has proved to be very beneficial for the Company. | Mr. Ravinder Zutshi, with an experience of over 35 years in the consumer electronics industry, is a renowned name in Telecom Industry and served the Board for a period of over 1 year. Though he was associated with the Company for a short span of time, but his contribution to the Company has been enormous. Mr. Zutshi resigned from the Board w.e.f. September 30, 2016. |
| Past Remuneration (in lacs) | 90 | 61.62 | 96.66 |
| Recognition or awards | None | None | None |
| Job Profile and his suitability | Mr. Ashok Gupta is responsible for overall operations of the Company and subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors | Mr. Hardip Singh, Director (Operations) plays a vital role in sales, marketing and other promotional activities of the Company. | Mr. Ravinder Zutshi is not associated with the Company from September 2016. |
| Remuneration proposed | Waiver of excess Salary paid as detailed in Explanatory Statement above | Waiver of excess Salary paid as detailed in Explanatory Statement above | Waiver of excess Salary paid as detailed in Explanatory Statement above |
| Comparative remuneration profile with respect to industry, size of the Company, profile of position and person | The proposed remuneration is comparable and competitive, considering the industry, size of the company, the Managerial position and the credentials of Executive Chairman. | The proposed remuneration is comparable and competitive, considering the industry, size of the company, the Managerial position and the credentials of Whole Time Director. | The proposed remuneration is comparable and competitive, considering the industry, size of the company, the Managerial position and the credentials of Managing Director. |
| Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any | Mr. Ashok Gupta holds 5754894 Equity shares in the Company and is promoter of the Company. There is no inter – se relationship between the managerial personnel. | There is no inter – se relationship between the managerial personnel. | There is no inter – se relationship between the managerial personnel. |

III. OTHER INFORMATION

1. Reasons of inadequate Profit

Major reform announced by Government to demonetize of two highest demonization notes created bearish momentum in near term effecting the entire economy which also showed in Country's GDP which dropped to 6.1% in the fiscal fourth quarter of FY 2016-17 from 7% in the third quarter. This immediate but temporary contraction created a huge cash crunch and affecting discretionary spending of consumers adversely impacting all sectors and industries, Telecom Industry being one of them which resulted in low sales volume of mobile handsets. Apart from this, competition from Chinese smartphone shipments which rose in immense volumes since last fiscal year, also resulted in low sales resulting in low profits and inadequate profits.

2. Steps taken or proposed to be taken for improvement

Licensing Agreement with Blackberry:

Optiemos has very recently joined hands with Canada based Mobile brand "Blackberry". Having signed an Exclusive licensing agreement with Blackberry, Optiemos has qualified itself to design, sell, promote and provide customer support for blackberry mobile devices in India, Sri Lanka, Nepal & Bangladesh. The Blackberry Limited will provided its unparalleled software and security solution, which will give Optiemos a new platform to keep the innovation alive in this world's fastest growing smartphone market and create an affluence for its shareholders.

Ongoing Corporate Restructuring:

With a view to offer a strong financial structure to the stakeholders of the Company, achieving better cash flows and to maintain lean organizational structure and better administrative control it is intended to merge two of the Company's subsidiaries, viz, M/s MPS Telecom Private Limited & M/s Oneworld Teleservices Private Limited.

3. Expected increase in productivity and profits in measurable terms


Though the telecom industry is undergoing rapid changes, in anticipation of revival of the overall economy in future, the aforesaid steps taken/to be taken by the Company are expected to improve the Company's performance and profitability.

The Board recommends the Special resolution set out at item no. 5-7 of the notice for approval of the members.

STATEMENT GIVING ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING RE-APPOINTMENT IS ANNEXED HERETO AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS

| | |
|---|---|
| Name of Director | Mr. Ashok Gupta |
| DIN | 00277434 |
| Age | 58 |
| Qualifications | Bachelor in Commerce |
| Experience | Over 38 years |
| Date of Appointment on the Board | January 5, 2009 |
| Terms & Conditions of Appointment | On such terms & conditions as approved by the members in the resolution dated September 30, 2015 |
| Remuneration last Drawn | 90 lacs |
| Remuneration proposed to be given | N.A. |
| Number of shares held in the Company as on March 31, 2017 | 5,754,894 |
| List of Directorships held in other Companies (Excluding foreign, private and section 8 companies) | Mobiphone Network India Limited Optiemos Electronics Limited |
| Chairmanship/Membership in Audit and Stakeholders Relationship committees across Public Companies including Optiemos Infracom Limited | Optiemos Infracom Limited Stakeholder Relationship Committee- Member |
| Relationship between Directors inter se | Husband of Non-Executive Director, Mrs. Renu Gupta. No relationship with any other Directors/KMP |
| Number of Board Meetings attended during 2016-17 | 13 |

ANNEXURE - 1 'DECLARATION OF SOLVENCY - CAA10'




INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp


| | |
|---------------------------|--|
| Certificate No. | : IN-DL94780098053209P |
| Certificate Issued Date | : 19-Jun-2017 12:46 PM |
| Account Reference | : IMPACC (IV)/ dl960303/ DELHI/ DL-DLH |
| Unique Doc. Reference | : SUBIN-DL96030390464037404883P |
| Purchased by | : ASHOK KUMAR GUPTA |
| Description of Document | : Article 5 General Agreement |
| Property Description | : Not Applicable |
| Consideration Price (Rs.) | : 0 (Zero) |
| First Party | : ASHOK KUMAR GUPTA |
| Second Party | : Not Applicable |
| Stamp Duty Paid By | : ASHOK KUMAR GUPTA |
| Stamp Duty Amount(Rs.) | : 100 (One Hundred only) |



.....Please write or type below this line.....

This Stamp Paper forms part of Declaration of Solvency, (CAA10) issued by Director of Optiemos Infracom Limited

Infracom Limited



Authorised Signatory/ Director

For Optiemos Infracom Limited

Authorised Signatory/ Director

Statutory Alert:

1. The authenticity of this Stamp Certificate should be verified at "www.shikhaStamp.com". Any discrepancy in the details on this Certificate and its availability on the website renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

**CAA.10
DECLARATION OF SOLVENCY**

| S.no. | Particulars | Details |
|-------|---|--|
| 1. | Corporate Identity Number (CIN) | L64200DL1993PLC054086 |
| 2. | Name of the company | Optiemus Infracom Limited |
| 3. | Address of the registered office of the company | K-20, 2nd Floor Lajpat Nagar-II New Delhi - 110024 |
| 4. | E-mail ID of the company | info@optiemus.com |
| 5. | Whether the company is listed | Yes, the shares of the company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE) |
| 6. | Date of Board of Directors' resolution approving the scheme | July 17, 2017 |

DECLARATION OF SOLVENCY

We, the directors of Optiemus Infracom Limited do solemnly affirm and declare that we have made a full enquiry into the affairs of the company and have formed the opinion that the company is capable of meeting its liabilities as and when they fall due and that company will not be rendered insolvent within a period of one year from the date of making this declaration.

We append an audited statement of the company's assets and liabilities as at 31st March, 2017 being the latest date of making this declaration.

We further declare that the company's audited annual accounts including the Balance Sheet have been filed upto date with the Registrar of Companies, NCT of Delhi & Haryana.

Signed for and behalf of the board of directors

For Optiemus Infracom Limited

1. Signature : 
Authorized Signatory/ Director

Name : Ashok Gupta

Director:

For Optiemus Infracom Limited

2. Signature : 
Authorized Signatory/ Director

Name : Hardip Singh

Director:

Date: 12/09/2017
Place: Delhi



Verification

We solemnly declare that we have made a full enquiry into the affairs of the company including the assets and liabilities of this company and that having done so and having noted that the scheme of amalgamation of MPS Telecom Private Limited (Transferor Company-1) and Oneworld Teleservices Private Limited (Transferor Company-2) (hereinafter collectively referred to as "Transferor Companies") with Optiemos Infracom Limited (Transferee Company) is proposed to be placed before the shareholders and creditors of the company for the approval as per the provisions of the sub-section of (1) of section 233 of the companies act 2013, we make this solemn declaration believing the same to be true.

Verified this day the 12th Day of September 2017

For Optiemos Infracom Limited

1. Signature :
Authorized Signatory/ Director

Name : Ashok Gupta Optiemos Infracom Limited
Director

2. Signature :
Authorized Signatory/ Director

Name : Hardip Singh
Director:

Solemnly affirmed and declared at 19th day of September 2017 before me.

Commissioner of Oaths & Notary Public

Enclosures:

- A. Copy of board resolution;
- B. Statement of assets & liabilities
- C. Auditor's report on the Statement of assets & liabilities.

ATTESTED
(Signature)
NOTARY PUBLIC
(INDIA)



19 SEP 2017



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF OPTIEMUS INFRACOM LIMITED HELD ON MONDAY THE 17TH DAY OF JULY, 2017 AT ITS CORPORATE OFFICE

The Chairman informed the Board that in continuation of various discussions and deliberation held in the previous Board meetings and in consultation with the Legal, financial and tax advisors of the company, it is intended to merge two of its wholly owned Subsidiary companies namely "MPS telecom Private Limited" (Transferor Company -1) and "Oneworld Teleservices Private Limited" (Transferor Company-2) with the holding company i.e. Optiemus Infracom Limited (Transferee Company) in order to combine/pool the resources of all the above named companies with a view to optimize their utilization, bring internal economies in operations and improve efficiency of business. He explained to the Board the salient features of the proposed scheme and draft scheme of amalgamation duly initiated by the Chairman was placed before the Board. Thereafter the following resolution was passed unanimously.

***RESOLVED THAT** pursuant to Section 233 and other applicable provisions, if any of the Companies Act, 2013 including any amendment or re-enactment thereof (hereinafter referred to as 'Act') read with Rule 25 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and the relevant provisions of the act and Memorandum and Articles of Association of the Company and the other applicable laws, rules, regulations, bye-laws as the case may be; and subject to requisite approval of shareholders and creditors and any other necessary approval required in the matter, and also subject to the sanction of Regional Director, Northern Region (Central Government), the Board do hereby approve the amalgamation of M/s MPS Telecom Private Limited (Transferor Company -1) and M/s. Oneworld Teleservices Private Limited (Transferor Company -2), with the Company.

RESOLVED FURTHER THAT the Scheme of Arrangement for amalgamation of M/s MPS Telecom Private Limited (Transferor Company -1) and M/s. Oneworld Teleservices Private Limited (Transferor Company -2) with the Company, along with declaration of solvency thereof Transferor and Transferee Companies submitted to this meeting and initiated by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated February 15th, 2017 ('Notification'), the company will file the Scheme of Arrangement with the stock exchange i.e. "BSE Limited" for the purpose of disclosures.

RESOLVED FURTHER THAT Mr. Ashok Gupta, Executive Chairman and Mr. Vikas Chandra, Company Secretary be and are hereby severally authorised to sign the application, petition, declaration, affidavit or any other document that may be required to be signed in connection with the sanction to the scheme and to take all steps necessary, in connection with the filing of application with the Registrar of Companies (ROC), Official liquidator (OL) and Regional Director (Central Government) of appropriate jurisdiction and such other authorities as may be required, and to do all acts and things as may be considered necessary in relation thereto*.

**CERTIFIED TO BE TRUE
FOR OPTIEMUS INFRACOM LIMITED**


Hardip Singh
Director
DIN: 01071395

**OPTIEMUS INFRACOM LIMITED**

CIN NO: L64200DL1993PLC054086

Reg. Office : K-20, 2nd Floor, Lajpat Nagar - II, New Delhi - 110024

Ph. no. : 011-29840906, Fax : 011-29840908

Corp. Office : Plot No-2A, 1st Floor, Wing A, Sector -128, Noida - 201301 (U.P.)

Ph. no. : 0120-6721900,901,902,903,904,905.

Website : www.optiemus.com

STATEMENT OF ASSETS & LIABILITIES AS AT 31st MARCH 2017

Name of the Company: Optiemus Infracom Limited

| | | Assets | | in lacs |
|-----|--|--------------|----------------------------|---------|
| | Particulars | Book Value | Estimated Realisable Value | |
| 1. | Balance at Bank | 9628 | 9628 | |
| 2. | Cash in Hand | 12 | 12 | |
| 3. | Marketable Securities | 30 | 30 | |
| 4. | Bills receivables | 0 | 0 | |
| 5. | Trade Debtors | 19233 | 19233 | |
| 6. | Loans & advances | 13262 | 13262 | |
| 7. | Unpaid Calls | 0 | 0 | |
| 8. | Stock in Trade | 2496 | 2496 | |
| 9. | Work in Progress | 0 | 0 | |
| 10. | Freehold Property | 12577 | 12577 | |
| 11. | Leasehold Property | 0 | 0 | |
| 12. | Plant & Machinery | 889 | 889 | |
| 13. | Furniture, fittings, utensils etc. | 1943 | 1943 | |
| 14. | Patents, Trademarks etc. | 0 | 0 | |
| 15. | Investments other than marketable securities | 7646 | 7646 | |
| 16. | Other property | 1518 | 1518 | |
| | Total | 69234 | 69234 | |

For Optiemus Infracom Limited



Authorised Signatory/ Director

For Optiemus Infracom Limited



Authorised Signatory/ Director

Liabilities **in lacs**

| | Particulars | Estimated to rank for payment (to the nearest rupee) |
|----|---|--|
| 1. | Secured on specific assets | 20322 |
| 2. | Secured by floating charges | 3617 |
| 3. | Estimated cost of liquidation and other expenses including interest accruing until payment of debts in full | 0 |
| 4. | Unsecured Creditors (amounts estimated to rank of payment) | 310 |
| 5. | Trade Accounts | 13964 |
| 6. | Bills Payable | 1978 |
| 7. | Accrued Expense | 1158 |
| 8. | Other liabilities | 164 |
| 9. | Contingent liabilities | 2587 |
| | Total | 44100 |

| | |
|---------------------------------|-------|
| Total estimated value of assets | 69234 |
| Total Liabilities | 44100 |
| Estimated surplus after paying | 25134 |

For Optiemus Infracom Limited


Authorised Signatory/ Director

For Optiemus Infracom Limited


Authorised Signatory/ Director



C-63, 1st Floor, Preet Vihar, Delhi-92
Tel. : +91-11-22050790, 011-42531707
Website : <http://www.mukeshraj.com>
E-mail : mukesh@mukeshraj.com

The Board of Directors

Optiemus Infracom Limited

Plot No.2A, 1st Floor, Sector-126

Noida, UP-201301

INDEPENDENT AUDITOR'S REPORT ON THE STATEMENT OF ASSETS AND LIABILITIES AS ON 31st MARCH, 2017

This Report is issued in accordance with the terms of our engagement letter dated 11th August, 2017.

The accompanying Statement of assets and liabilities as on 31 March, 2017 (the Statement) contains the details as required pursuant to requirement of Section 233 of the Companies Act, 2013 read with Rule 25 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, which we have initiated for identification purpose only.

Management's Responsibility for the Statement

The preparation of the Statement is the responsibility of the Management of Optiemus Infracom Limited (hereinafter the "company"), including the preparation and maintenance of all accounting and other relevant supporting records and documents in accordance with the provisions of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring that the Company complies with the requirements of the provisions of Companies Act, 2013.

Practitioner's Responsibility

Our responsibility is to provide a reasonable assurance whether:

The amounts in the Statement in respect of the assets and liabilities have been accurately extracted and are in agreement with the audited books of account and other relevant records and documents maintained by the Company for the year ended 31 March, 2017. This does not include the evaluation of adherence by the Company with all the applicable requirements as specified in the Act.

The audited financial statements referred to in paragraph above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated 30th May, 2017 respectively. Our audits of these financial statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

Opinion

Based on our examination, as above, and according to the information and explanations provided to us by the Management of the Company, we are of the opinion, that the amounts in the Statement in respect of the assets and liabilities have been accurately extracted and are in agreement with the audited books of account and other relevant records and documents maintained by the Company for the year ended 31 March, 2017.

Restriction on Use

The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to enable the company to comply with requirements of the provisions of the Companies Act, 2013 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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



Mukesh Goel
Partner
Membership Number: 094837



Place: New Delhi

Date: 11th August, 2017

ANNEXURE - 2 'SCHEME OF AMALGAMATION'

**SCHEME OF ARRANGEMENT
BETWEEN
MPS TELECOM PRIVATE LIMITED
(TRANSFEROR COMPANY-1)
AND
ONEWORLD TELESERVICES PRIVATE LIMITED
(TRANSFEROR COMPANY-2)
AND
OPTIEMUS INFRACOM LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
FOR AMALGAMATION OF
MPS TELECOM PRIVATE LIMITED
(TRANSFEROR COMPANY-1)
AND
ONEWORLD TELESERVICES PRIVATE LIMITED
(TRANSFEROR COMPANY-2)
WITH
OPTIEMUS INFRACOM LIMITED
(TRANSFeree COMPANY)
UNDER SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH RULE 25 OF
COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS)
RULES, 2016)**

Parts of the Scheme:

1. **Part I** – This part of Scheme contains Definitions, Capital Structure of the Transferor Company-1, Transferor Company-2 and Transferee Company.
2. **Part II** – This part of Scheme deals with Amalgamation of the Transferor Company-1, Transferor Company-2 with the Transferee Company in accordance with Section 233 of the Companies Act, 2013.
3. **Part III** - This part of Scheme deals with the Accounting Methodology adopted for the Amalgamation.
4. **Part IV** - This part of Scheme contains other terms and conditions applicable to the Scheme.

PREAMBLE

A. An overview of Scheme of Arrangement

- This Scheme of Arrangement is presented under the provisions of Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 under fast track route for amalgamation of MPS Telecom Private Limited ('Transferor Company-1') and Oneworld Teleservices Private Limited ('Transferor Company-2') (collectively 'Transferor Companies' or 'Wholly Owned Subsidiaries') with Optiemos Infracom Limited (Transferee Company')
- The Transferor Companies is wholly owned subsidiary of Transferee Company hence, in consideration Transferee Company will not issue any shares under the scheme of Arrangement. The existing holding of Transferee Company in Transferor Company get cancel pursuant to the scheme of Arrangement.
- In addition, this Scheme of Arrangement also provides for various others matter consequential or otherwise integrally connected herewith.

B. Background and Description of Companies

1. **MPS Telecom Private Limited or MTPL or Transferor Company -1** bearing CIN U64200DL2013PTC254029 was incorporated on June 17, 2013 in accordance with the provisions of the Companies Act, 1956. The registered office of the Transferor Company-1 is situated at Ground Floor, Plot No.1 & 2, Khasra No. 382/2, Village Nasirpur, Post Office Palam, New Delhi - 110045. The Transferor Company-1 is engaged in the business of distribution of mobile phones and telecom accessories.
The main objects of the Transferor Company-1 are set out in its Memorandum of Association.
Transferor Company-1 is a wholly owned subsidiary of Transferee Company.
2. **Oneworld Teleservices Private Limited or OPTL or Transferor Company-2** bearing CIN U64100DL2013PTC259070 was incorporated on October 10, 2013 in accordance with the provisions of Companies Act, 1956. The registered office of the Transferor Company-2 is situated at K-20, 2nd Floor Lajpat Nagar-II New Delhi - 110024. The Transferor Company-2 is engaged in providing telecommunication services.
Transferor Company-2 is wholly owned subsidiary of Transferee Company.
3. **Optiemos Infracom Limited or OIL or Transferee Company** bearing CIN L64200DL1993PLC054086 was incorporated on June 17, 1993 in accordance with the provisions of the Companies Act, 1956. The Registered Office of Transferee Company is situated at K-20, 2nd Floor Lajpat Nagar-II New Delhi - 110024. The shares of the Company are listed on BSE Limited and shall be listed on NSE w.e.f. August 8, 2017.
The Transferee Company is engaged in diversified business and has experience in managing and distributing various mobile brands and other telecommunication products in India. Apart from the aforesaid business, the Company also owns a Real Estate Project in Noida and operates the same on Rental Model. The Company has also obtained exclusive licensing agreement for manufacturing & distributing Blackberry mobile handsets in four countries including India.

C. OBJECTS AND RATIONALE FOR THE SCHEME

- The Transferor Company -1 and Transferor Company -2 are wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Companies and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the

multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Companies be amalgamated with Transferee Company.

- The independent operations of the Transferor Companies and Transferee Company leads to incurrance of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
 - The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and Transferee Company.
 - The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
 - The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.
 - The other benefits the proposed amalgamation include:
 - (a) Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
 - (b) Enhancement of competitive strengths including financial resources;
 - (c) Obtaining synergy benefits;
 - (d) Better management and focus on growing the businesses;
 - (e) Reduction of overheads, administrative, managerial and other expenditure.
 - (f) Simplify shareholding structure and reduce shareholding tiers
- D.** In view of the above, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in accordance with this Scheme, pursuant to Sections 233 of the Companies Act, 2013.
- E.** The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Sections 233 and other relevant provisions of the Companies Act, 2013, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

PART-I GENERAL PROVISIONS

1. Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the same meanings as set out herein below:

- 1.1. **“Act”**: means the Companies Act, 2013, or the Companies Act, 1956 (to the extent applicable) and will include any statutory modifications, re-enactments or amendments thereof.
- 1.2. **“Appointed Date”**: means April 1, 2017, the date with effect from which this scheme shall come into effect or such other date(s) as may be fixed or approved by the Central Government or Tribunal or any other competent authority.
- 1.3. **“Board” or “Board of Directors”**: in relation to the Transferor Company-1, Transferor Company-2 and Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee of directors, if any constituted or appointed and authorized to take any decision for the implementation of this scheme on behalf of such Board of Directors.
- 1.4. **“BSE”** shall mean BSE Limited.
- 1.5. **“NSE”** shall mean National Stock Exchange of India Limited.
- 1.6. **“Central Government”**: means the government of India and vide Notification No. S.O. 4090(E) dated 19th December, 2016 Central Government has delegated powers vested in it under Section 233 of the Companies Act, 2013 to the Regional Director, Ministry of Corporate Affairs having jurisdiction.
- 1.7. **“Effective Date”**: means the date on which the certified copy of the order(s) of the Regional Director under Sections 233 of the Act sanctioning the Scheme, is filed with the Registrar of Companies.

Any references in this Scheme to the words “upon the Scheme becoming effective” or “effectiveness of this Scheme” or “date of coming into effect of the Scheme” or “Scheme coming into effect” shall mean the Effective Date.

- 1.8. **“Equity Share(s)”** means the equity shares of the Transferor Company-1 or Transferor Company-2 or Transferee Company, as the case may be.
- 1.9. **“IT Act”** means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.
- 1.10. **“Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Board, Court of India or any other country or jurisdiction as applicable.
- 1.11. **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof .
- 1.12. **“Official Liquidator” or “OL”**: means Official Liquidator having jurisdiction over the Transferor Companies and Transferee Company.
- 1.13. **“Record Date”**: means date fixed by the Board of Directors or a committee thereof of the Transferee Company for the purpose of determining the members of Transferor Company-1, Transferor Company-2 and the Transferee Company approving the scheme of Amalgamation.
- 1.14. **Regional Director**: means the Regional Director (Northern Region), Ministry of Corporate Affairs at New Delhi, having jurisdiction over the Transferee Company.
- 1.15. **“Registrar of Companies” or “RoC”**: means the Registrar of Companies at NCT of Delhi and Haryana at New Delhi.
- 1.16. **“Rules”**: means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- 1.17. **“Scheme” or “Scheme of Arrangement”**: means this Scheme of Arrangement for Amalgamation of MPS Telecom Private Limited (‘Transferor Company-1’) and Oneworld Teleservices Private Limited (‘Transferor Company-2’) (collectively ‘Transferor Companies’ or ‘Wholly Owned Subsidiaries’) with Optiemus Infracom Limited (Transferee Company’) under Sections 233 of the Companies Act, 2013 as approved by the Board of Directors of all the Companies in its present form and with any modifications as may be approved by the Regional Director, Northern Region.
- 1.18. **“Stock Exchanges”** shall mean BSE Limited (BSE) and/or National Stock Exchange (NSE)

2. Date of Effect and Operative Date

The Scheme setout herein in its present form or with any modification(s), if any made as per Clause 3 of Part –IV of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

3. CAPITAL STRUCTURE:

The Capital Structure of Transferee Company and Transferor Company as on appointed date i.e. 1st April, 2017 and immediately before implementation of the scheme are as under:

3.1. TRANSFEE COMPANY

As on the Appointed Date i.e. April 1, 2017, the share capital of the Transferee Company was as under:

| Particulars | Amount (₹) |
|--|------------------------|
| Authorized Share Capital | |
| 8,59,80,000 Equity Shares of ₹ 10/-each | 85,98,00,000.00 |
| Issued, Subscribed and Paid-Up Share Capital | |
| 8,58,14,191 Equity Shares of ₹ 10/- each fully paid up | 85,81,41,910.00 |
| TOTAL | 85,81,41,910.00 |

There is no change in the capital structure of the Transferee Company after the Appointed Date.

3.2. TRANSFEROR COMPANY-1

As on the Appointed Date i.e. April 1, 2017, the share capital of Transferor Company-1 was as under:

| Particulars | Amount (₹) |
|---|------------------------|
| Authorized Share Capital | |
| 3,50,00,000 Equity Shares of ₹ 10/-each | 35,00,00,000.00 |
| Issued, Subscribed and Paid up Share Capital | |
| 3,50,00,000 Equity Shares of ₹ 10/-each fully paid up | 35,00,00,000.00 |
| TOTAL | 35,00,00,000.00 |

There is no change of Capital Structure of the Transferor Company-1 after the Appointed Date.

3.3. TRANSFEROR COMPANY-2

As on the Appointed Date i.e. April 1, 2017, the share capital of Transferor Company-2 was as under:

| Particulars | Amount (₹) |
|--|----------------------|
| Authorized Share Capital | |
| 10,000 Equity Shares of ₹ 10/-each | 1,00,000.00 |
| 79,90,000 1% Convertible Preference Shares of ₹ 10/- each | 7,99,00,000.00 |
| Issued, Subscribed and Paid up Share Capital | |
| 10,000 Equity Shares of ₹ 10/- each fully paid up | 100,000.00 |
| 7,700,000 1% Preference Shares of ₹ 10/- each fully paid up | 77,000,000.00 |
| TOTAL | 77,100,000.00 |

PART-II**AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING**

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of each of the Transferor Company-1 and Transferor Company-2 shall, in terms of Section 233 and applicable provisions, if any, of the Companies Act 2013, and pursuant to the orders of the Regional Director, Northern Region or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.
2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Companies shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:
3. **TRANSFER OF ASSETS**
 - 3.1 With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 3.2 With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Company as on Appointed Date or any which may be taken by Transferor Company after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 3.3 With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown/factories, sundry debtors, , investments, plants and equipments, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/ VAT credits /GST credits, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 3.4 With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Companies as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 3.5 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Companies, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Companies or Transferee Company.
 - 3.6 With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Regional Director (Central Government) and the Scheme becoming effective in accordance with the terms hereof.

- 3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Companies to which the Transferor Company are the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto.
- 3.8 With effect from the appointed date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Companies to which Transferor Companies is the party or to the benefit of which Transferor Companies may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.
- 3.9 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Companies or granted to Transferor Companies shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Companies Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to Transferee Company pursuant to this scheme.
- 3.10 With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Companies shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Companies, without any further instrument, deed or act or any further payment of fee, charge or securities.

4. TRANSFER OF LIABILITIES

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Companies, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.
- 4.2 Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Companies after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.
- 4.3 The transfer and vesting of the entire business and undertaking of Transferor Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Companies, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.
- 4.4 Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Companies to which Transferor Company are parties, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies and to carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.
- 4.5 Loans or other obligations, if any, due either between Transferee Company and Transferor Companies or amongst Transferor Companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

5. LEGAL PROCEEDINGS

- 5.1 With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Companies.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor

Companies pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Companies or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Companies; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Companies.

- 5.2 If any suit, appeal or other proceedings of whatever nature by or against Transferor Companies be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Companies businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if this Scheme had not been made.

6. EMPLOYEE MATTERS

On occurrence of the Effective Date, all persons that were employed by Transferor Companies immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Companies immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Companies with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Companies, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Companies for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Companies and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Companies in relation to such schemes or funds shall become those of Transferee Company.

7. TAXATION AND OTHER MATTERS

- 7.1 With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Companies, and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- 7.2 Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Companies or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax, Goods and service Tax or any other tax, as may be required consequent to the implementation of the Scheme.
- 7.3 Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Companies under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- 7.4 It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of Transferee Company.
- 7.5 From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in their existing names.
- 7.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Companies shall stand transferred by the order of the Regional Director to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the

statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Regional Director (Central Government).

8. Conduct of Business

- 8.1 With effect from the Appointed Date and till the Scheme come into effect:
- 8.1.1. Transferor Companies shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Companies and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
 - 8.1.2. Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Companies shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.
 - 8.1.3. Transferor Companies shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.
 - 8.1.4. Transferor Companies shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.
 - 8.1.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.
- 8.2 Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Companies.
- 8.3 For the purpose of giving effect to the vesting order passed under Sections 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromise, Arrangement and Amalgamation), Rules, 2016 in respect of this Scheme by the Regional Director (Central Government), Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Companies businesses and undertakings in accordance with the provisions of Section 233 of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

**PART-III
CONSIDERATION & ACCOUNTING TREATMENT**

1. CONSIDERATION

- i. Upon the Scheme coming into effect, all equity shares and / or preference shares of the Transferor Company-1 and Transferor Company -2 held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company -1 and Transferor Company -2.
- ii. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company-1 and Transferor Company-2 in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

2. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF THE TRANSFEEE COMPANY

- i. Upon the Scheme becoming effective, the Authorized Share Capital of the Transferor Company shall be deemed to be added to the Authorized Share Capital of the Transferee Company without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees. The Face Value of equity shares shall remain same as of the Transferee Company after increase of the Authorized Capital.
- ii. Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The equity share capital of the company is ₹ 1,209,900,000.00 (Rupees One Hundred Twenty Crores, Ninety nine Lacs) divided into 120,990,000 (Twelve Crores and Nine Lacs and ninety thousand) Equity shares of ₹ 10/- (Rupees Ten) each.

The preference share capital of the company is ₹ 7,99,00,000.00 (Rupees Seven Crores Ninety Nine Lacs) divided into 7,99,000 (Seventy Nine lacs, Ninety Thousands) Preference shares of ₹ 10/- (Rupees Ten) each.

- iii. On approval of the Scheme by the members of Transferee Company pursuant to Section 233 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company

3. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY

With effect from the Appointed Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferee Company and notwithstanding anything contained in Section 13 and 61 of Companies Act, 2013, the post-merger Authorized Share capital of the Transferee Company as added preference share capital of Transferor Company-2 i.e. ₹ 79,90,000/- (Rupees Seven Crores Ninety Nine Lacs) divided into 79,90,000 (Seventy Nine Lacs, Ninety Thousands) 1% Convertible Preference Shares of ₹ 10/- (Rupees Ten) each will be reclassified to ₹ 79,90,000/- (Rupees Seven Crores Ninety Nine Lacs) divided into 79,90,000 (Seventy Nine Lacs, Ninety Thousands) equity share of face value of ₹ 10/- (Rupees Ten) each. The Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date.

Upon coming into effect of the Scheme and reclassification of shares of Transferee Company, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The share capital of the company is ₹ 12,89,80,00,00.00 (Rupees One Twenty Eight Crores, Ninety Eight Lacs) divided into 12,89,80,000/- (Twelve Crores, Eighty Nine Lacs and Eighty Thousands) Equity shares of ₹ 10/- (Rupees Ten) each.

4. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Companies with the Transferee Company shall be accounted for as per the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Ministry of Corporate Affairs or the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, (if applicable), as may be amended from time to time such that:

- 1.1 The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company -vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies on the Appointed Date.
- 1.2 If at the time of amalgamation, the Transferor Companies and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies'.
- 1.3 Investment, if any, in the equity share capital of the Transferor Companies or vice versa, as appearing in the books of accounts of the Transferee Company, if not transferred before the Effective Date, shall stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 1.4 The loans and advance or payables or receivables of any kind, held *inter-se*, if any between the Transferor Companies and the Transferee Company, as appearing in its respective books of accounts shall stand discharged prior to Effective Date.

5. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Companies as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Companies accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

6. DISSOLUTION OF TRANSFEROR COMPANY

On occurrence of the Effective Date, Transferor Company -1 and Transferor Company -2 shall, without any further act or deed, shall stand dissolved without winding up.

PART-IV OTHER PROVISIONS

1. Application To Regional Director:

- 1.1 Transferor Companies and Transferee Company shall, with all reasonable dispatch, make application to the Regional Director (Central Government) of relevant jurisdiction, under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, for sanctioning the Scheme with such modifications as may be approved by the Regional Director.

- 1.2 On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of Transferor Companies and Transferee Company shall, with all reasonable dispatch, apply to the Regional Director (Central Government), for sanctioning the Scheme under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, and for such other orders, as the said Regional Director (Central Government) may deem fit for carrying this Scheme into effect and for dissolution of Transferor Company without winding-up.
2. **Listing Agreement and SEBI Compliances**
 - 2.1 Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of the Scheme.
 - 2.2 SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017 has amended the Listing Regulations and relaxed the requirement of obtaining prior approval or no objection / observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.
3. **Conditionality of Scheme:**

The Scheme is conditional upon and subject to:

 - 3.1 The observations/objections of Registrar of Companies and Official Liquidator in terms of Section 233.
 - 3.2 The Scheme being agreed to by the requisite majority of members and creditors of the Transferor Companies and Transferee Company;
 - 3.3 The Scheme being approved by the Regional Director (Central Government) at Delhi / Regional Director (Central Government) of Relevant Jurisdiction;
 - 3.4 The Confirmation Order of the Regional Director (Central Government) sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction over the Transferee Company;
 - 3.5 All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.
4. **Modification or Amendment of the Scheme and Revocation of the Scheme**
 - 4.1 The Transferee Company, Transferor Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Regional Director/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and the Transferor Companies, by their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
 - 4.2 Transferor Companies and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Regional Director or any other authority is not on terms acceptable to them.
 - 4.3 In the event of any of the said sanctions / approvals / conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Regional Director and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/any of the companies.
5. **Costs**

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.

ANNEXURE-3 'FINANCIAL STATEMENT OF TRANSFEROR COMPANY-1'**INDEPENDENT AUDITORS' REPORT****TO****THE MEMBERS OF M/S MPS TELECOM PRIVATE LIMITED****REPORT ON THE STANDALONE FINANCIAL STATEMENT**

We have audited the accompanying Standalone financial statements of **M/S MPS TELECOM PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017,
- b) In case of Statement of Profit & Loss of the company for the year ended 31st March 2017 of its Profit for the year,
- c) In case of Cash Flow Statement of cash flow of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016' ("the order"), issued by the Central Government of India in terms of sub section 11 of Section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 B'
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its Note No. 20 to the Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts and records maintained by the company and as produced to us by the management.

**For Naveen Associates
Chartered Accountants
FRN – 007238N**

**Naveen Jain
Partner
M.No. 082583**

**Date: 24.05.2017
Place: Delhi**

ANNEXURE-A CONTAINING REPORT ON MATTERS REQUIRED BY CARO, 2016

Re: MPS Telecom Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Referred to in paragraph 5 of our report of even date

- i) In respect of its fixed assets:
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As informed to us, fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - c) The title deeds of immovable properties are held in the name of the company
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) As informed to us, the company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.

- iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186, wherever applicable, in respect of loans, investments and guarantees given by the company.
- v) In our opinion and according to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi) In respect of business activities of the company maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 of the Companies Act
- vii) a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- b) According to the information and explanations given to us, No disputed statutory dues payable in respect of income-tax, sales-tax, wealth tax, duty of excise and value added tax were outstanding, as at 31st March 2016 for a period of more than six months from the date they became payable.
- c) According to the records of the company, There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x) According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The company is a private limited company. Hence the provisions of clause xi) of the order are not applicable to the company.
- xii) The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Naveen Associates
Chartered Accountants
FRN – 007238N**

**Naveen Jain
Partner
M.No. 082583**

**Date: 24.05.2017
Place: Delhi**

ANNEXURE-B REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Report on the Internal Financial Controls 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 **MPS TELECOM PRIVATE LIMITED**. ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company's internal financial controls system over financial reporting.

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.

Inherent 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, 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, 2017, 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 Naveen Associates
Chartered Accountants
FRN – 007238N**

**Naveen Jain
Partner
M.No. 082583**

**Date: 24.05.2017
Place: Delhi**

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

| | Notes | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|-------|---|---|
| Revenue from Operations: | | | |
| Sale of Products | | 72,547 | 163,157 |
| | | 72,547 | 163,157 |
| Other Operating Revenue | 23 | 2,498 | 6,527 |
| TOTAL | | 75,045 | 169,684 |
| Other Income | 24 | 541 | 952 |
| Inventory Variance | 25 | 2,311 | (4,774) |
| TOTAL REVENUE | | 77,897 | 165,861 |
| Expenses: | | | |
| Purchase of Trading Goods | 26 | 65,145 | 131,187 |
| Employee benefits expense | 27 | 1,108 | 1,615 |
| Finance Costs | 28 | 841 | 999 |
| Depreciation | | 71 | 140 |
| Manufacturing, Administration & other Expenses | 29 | 10,466 | 29,634 |
| TOTAL EXPENSES | | 77,630 | 163,575 |
| Profit before exceptional and extraordinary items and tax | | 267 | 2,286 |
| Exceptional Items: | | | |
| Tax Adjustment of previous year | | 3 | 0 |
| Profit before tax | | 264 | 2,286 |
| Tax expense: | | | |
| Current Tax | | 100 | 813 |
| Deferred Tax | | (19) | 12 |
| Profit for the year from continuing operations | | 183 | 1,460 |
| Earnings per equity share: | | | |
| (a) Basic | | 0.52 | 4.17 |
| (b) Diluted | | 0.52 | 4.17 |

AUDIT REPORT

As per separate report of even dates.

For **Naveen Associates**
Chartered Accountants
Firm Regn. No. 007238N

Naveen Jain
Partner
M.No. 082583

Place: Delhi
Dated: 24.05.2017

For and on behalf of the Board of Directors

Mukesh Kumar Gupta
DIN: 00031013
Director

Shubhi Tyagi
PAN: ANRPT5178J
Company Secretary

Deepesh Gupta
DIN: 00469737
Director

CASH FLOWS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

| Particulars | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|---|---|
| A. Cash flow from Operating Activities | | |
| Profit/(Loss) Before tax | 264 | 2,286 |
| Adjusted for | | |
| Depreciation | 71 | 140 |
| Provision for Gratuity | 3 | 1 |
| Finance Charges | 841 | 999 |
| Interest Income | 109 | (312) |
| Operating profit before working capital Changes | 1,287 | 3,114 |
| Movements in Working Capital | | |
| Decrease/(Increase) in Inventory | (2,311) | 4,774 |
| Decrease/(Increase) in Sundry Debtors | 2,079 | 8,425 |
| Decrease/(Increase) in Loans & Advances and Other Current Assets | (1,306) | (13,844) |
| Increase/(Decrease) in Trade and other Payables, Current liabilities and provisions | (1,138) | (7,100) |
| Cash Generated from Operation | (1,390) | (4,630) |
| Less: Net Prior Year Adjustment | - | - |
| Less: Direct Tax Paid | 413 | (1,037) |
| Net cash used in Operating Activities (A) | (977) | (5,667) |
| B. Cash Flow from Investing Activities | | |
| Acquisition of Fixed Assets | (2) | (45) |
| Sale of Fixed Assets | 15 | |
| Long term Loans & Advances | (3) | (10) |
| Interest Income | (109) | 312 |
| Net cash Used in Investing Activities (B) | (98) | 257 |
| C. Cash Flow from financing Activities | | |
| Proceeds from issuance of Share Capital | | |
| Proceeds/(Repayment) of short term borrowings | (997) | 6,004 |
| Proceeds/(Repayment) of long term borrowings | (20) | (65) |
| Finance Charges | (841) | (999) |
| Net Cash Flow Financing activities (C) | (1,857) | 4,940 |
| Net change in cash and cash equivalents (A+B+C) | (2,933) | (470) |
| Cash and cash equivalents at the beginning of the year | 4,834 | 5,303 |
| Cash and cash equivalents at the end of the year | 1,901 | 4,834 |

Note:

- Cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules 2006.
- These earmarked account balances with banks can be utilised only for the specific identified purposes

See accompanying notes forming part of the financial statements

AUDIT REPORT

As per separate report of even dates.

 For **Naveen Associates**
Chartered Accountants
Firm Regn. No. 007238N

Naveen Jain
Partner
M.No. 082583

 Place: Delhi
Dated: 24.05.2017

For and on behalf of the Board of Directors
Mukesh Kumar Gupta
DIN: 00031013
Director

Shubhi Tyagi
PAN: ANRPT5178J
Company Secretary

Deepesh Gupta
DIN: 00469737
Director

NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES

I Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014, as amended and the relevant provisions of Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

II Use of Estimates

The preparation and presentation of financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures considered in the reported amounts of assets and liabilities (including Contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

Further the results could differ due to these estimates and the difference between the actual results and the estimates are recognised the periods in which the results are materialise.

III Inventories

Inventories are valued at lower of cost (FIFO Basis) and the net realisable value after providing for obsolescence and other losses wherever considered necessary.

IV Cash and cash equivalents

Cash comprises cash on hand, bank balance and fixed deposits with the bank including interest accrued thereon. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

V Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the customer and are recorded inclusive of excise duty and net of sales tax, sales returns and trade discount.

VI Tangible, Intangible Assets & Depreciation

- (a) Fixed assets are stated at their cost of acquisition inclusive of inward freight, technical know how fees, duties and expenditure incurred in the acquisition, construction and installation.
- (b) Incidental expenditure on Modification, Expansion/New Projects has been allocated to assets on pro-rata basis on completion of the Project.
- (c) Depreciation / amortization on tangible and intangible fixed assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

The management estimates the useful life of Fixed Assets as :-

| | |
|----------------------|----------|
| Plant & Machinery | 15 years |
| Computer & Software | 3 years |
| Furniture & Fixtures | 10 years |
| Office Equipment | 5 years |

VII Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rates prevailing at the time of the transaction. Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Exchange difference arising either on settlement or on translation of monetary items other than those mentioned above is recognised in the Statement of Profit & Loss.

VIII. Gratuity / Retirement Benefits

Provident Fund and Superannuation

The eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at specified percentage of the covered employees salary (currently 12% of the employees salary). The provident fund contributions, as specified under law, are paid to Employees State Insurance Fund (Defined Contribution Schemes) administered by the Central Government of India. The contribution paid during the year are charged to Profit & Loss Account.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan

provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The Company makes annual contribution to Gratuity fund through Group Gratuity Trust established by it. The Company accounts for the liability for gratuity benefits payable in future based on actuarial valuation provided by Fund management.

IX Borrowing Costs

Borrowing Cost includes processing fees that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of that asset. Borrowing cost are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the cost can be measured reliably. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

X Earning per Share

Earning per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items if any) by the weighted average number of equity shares outstanding during the year.

Diluted Earning per share is computed by dividing the profit after tax(including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

X Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act,1961.

Deferred Tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred Tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date. Deferred Tax Liabilities are recognised for all timing differences. Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred Tax Assets are recognised for timing difference of other items onl to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred Tax Assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such set off. Deferred Tax Assets are reviewed at each Balance Sheet date for their realisability.

XI Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

XII Unless specifically stated to be otherwise, these policies are consistently followed.

NOTE NO. 2 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| SHARE CAPITAL | | |
| <u>AUTHORISED CAPITAL</u> | 3,500 | 3,500 |
| 350,00,000 Equity Shares of ₹ 10/= each | 3,500 | 3,500 |
| <u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u> | | |
| 3,50,00,000 Equity Shares of ₹ 10/= each | 3,500 | 3,500 |
| fully paid up. | 3,500 | 3,500 |

- During the year, no allotment of Equity Shares have been made by the company.
- The Company is 100% subsidiary of Optiemus Infracom Limited
- Following shareholders held more than 5% shares in the company as at the end of the year:-

| NAME OF SHAREHOLDER | No. of shares held | % shares held | No. of shares held | % shares held |
|---------------------------------|-----------------------|------------------|-----------------------|------------------|
| Optiemus Infracom Limited | 35,000,000 | 100 | | |
| GRA Enterprises Private Limited | - | - | 32,375,000 | 92.50 |
| Peeyush Kumar Aggrawal | - | - | 2,625,000 | 7.50 |
| | 35,000,000 | 100 | 35,000,000 | 100 |

- d) The company has not issued shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

NOTE NO. 3 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| RESERVES AND SURPLUS | | |
| Surplus as per the Last Balance Sheet | 3,385 | 1,925 |
| Add: Profit for the year from Profit & Loss Statement | 183 | 1,460 |
| | 3,568 | 3,385 |
| Total | 3,568 | 3,385 |

- a) The company do not propose to pay any dividend on the Equity Shares for the Financial year 2016-17

NOTE NO. 4 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| LONG TERM BORROWINGS | | |
| Secured loans (Vehicle Loan repayable beyond 1 year) | 1 | 21 |
| | - | - |
| | - | - |
| Unsecured loans | 150 | 150 |
| Total | 151 | 171 |
| a) The unsecured loans are taken from: | | |
| i) Directors/Shareholders | - | - |
| ii) Body Corporates | 150 | 150 |

NOTE NO. 5 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| DEFERRED TAX LIABILITY (NET) | | |
| Deferred tax liability at the beginning of the year | - | - |
| : Adjustment during the year for the difference between book depreciation and tax depreciation | - | - |
| Total | - | - |

NOTE NO. 6 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| OTHER LONG TERM LIABILITIES | - | - |
| | - | - |

NOTE NO. 7 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-----------------------------|--------------------------------------|--------------------------------------|
| LONG TERM PROVISIONS | - | - |
| | - | - |

NOTE NO. 8 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| SHORT TERM BORROWINGS | | |
| Secured Loan | | |
| State Bank of India -CC | 5,008 | 6,000 |
| Vehicle Loan repayable in 1 year | 20 | 25 |
| | 5,028 | 6,025 |

NOTE NO. 9 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-----------------------|--------------------------------------|--------------------------------------|
| TRADE PAYABLES | 9,106 | 8,248 |
| | 9,106 | 8,248 |

NOTE NO. 10 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| OTHER CURRENT LIABILITIES | | |
| Duties & Taxes | 152 | 324 |
| Expenses Payable | 160 | 526 |
| Scheme & Claim Payable | 13 | 437 |
| Custom Duty Recoverable(Provision) | 9,411 | 9,411 |
| Security Deposit from Debtors | 423 | 516 |
| Advance received from Debtors | 368 | 496 |
| Total | 10,527 | 11,710 |

NOTE NO. 11 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------|--------------------------------------|--------------------------------------|
| SHORT TERM PROVISIONS | | |
| Provision for Gratuity | 24 | 21 |
| Provision for Income Tax | 100 | 813 |
| Total | 123 | 834 |

NOTE NO. 12 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

(a) TANGIBLE ASSETS

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|---------------------------|---------------------|-----------|-----------|---------------------|---------------------|------------------------------|-----------|---------------------|---------------------|---------------------|
| | As on 01.04.2016 | Additions | Deduction | As on 31.03.2017 | As on 01.04.2016 | Depreciation for the year | Deduction | As on 31.03.2017 | As on 31.03.2017 | As on 31.03.2016 |
| BUILDING & INFRASTRUCTURE | 55 | - | 10 | 46 | 40 | 3 | 3 | 40 | 6 | 15 |
| FURNITURE & FITTINGS | 44 | - | 10 | 34 | 13 | 7 | 4 | 16 | 18 | 31 |
| OFFICE EQUIPEMENT | 52 | 1 | 4 | 49 | 32 | 10 | 3 | 38 | 11 | 20 |
| SERVER & NETWORKING | 46 | - | - | 46 | 23 | 9 | - | 32 | 13 | 22 |
| MOTOR CARS | 88 | - | - | 88 | 33 | 17 | - | 50 | 38 | 56 |
| COMPUTERS | 83 | 0 | 12 | 71 | 63 | 11 | 10 | 64 | 6 | 19 |
| Total | 367 | 2 | 36 | 333 | 205 | 57 | 21 | 241 | 92 | 162 |

(b) INTANGIBLE ASSETS

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|--------------------|---------------------|-----------|-----------|---------------------|---------------------|------------------------------|-----------|---------------------|---------------------|---------------------|
| | As on 01.04.2016 | Additions | Deduction | As on 31.03.2017 | As on 01.04.2016 | Depreciation for the year | Deduction | As on 31.03.2017 | As on 31.03.2017 | As on 31.03.2016 |
| SOFTWARE | 91 | - | - | 91 | 70 | 14 | - | 83 | 8 | 21 |
| Total | 91 | - | - | 91 | 70 | 14 | - | 83 | 8 | 21 |
| Grand Total | 458 | 2 | 36 | 424 | 274 | 71 | 21 | 324 | 100 | 184 |

Note No. 13 of the Financial Statements

| DESCRIPTION | As at 31.03.2016 | Additions | Adjust- ments | Capitalised | As at 31.03.2017 |
|--------------------------|---------------------|-----------|------------------|-------------|---------------------|
| CAPITAL WORK-IN-PROGRESS | - | - | - | - | - |
| | - | - | - | - | - |

NOTE NO. 14 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| DEFERRED TAX ASSETS (NET) | | |
| Deferred tax Assets at the beginning of the year | 5 | - |
| : Adjustment during the year for the difference between book depreciation and tax depreciation | 19 | 5 |
| Total | 24 | 5 |

NOTE NO. 15 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| NON CURRENT INVESTMENTS | - | - |
| | - | - |

NOTE NO. 16 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| LONG TERM LOANS AND ADVANCES (Considered good & receivable in cash or kind) | 511 | 509 |
| Total | 511 | 509 |

NOTE NO. 17 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---------------------------------|--------------------------------------|--------------------------------------|
| OTHER NON CURRENT ASSETS | - | - |
| Total | - | - |

NOTE NO. 18 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------|--------------------------------------|--------------------------------------|
| INVENTORIES | 6,253 | 3,942 |
| | 6,253 | 3,942 |

NOTE NO. 19 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| TRADE RECEIVABLES | | |
| Less than six months | 2,573 | 5,908 |
| More than six months | 2,097 | 840 |
| | 4,669 | 6,748 |
| Less: Provision for Doubtful Debts | - | - |
| Total | 4,669 | 6,748 |

NOTE NO. 20 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| CASH AND CASH EQUIVALENTS | | |
| Cash & Bank Balance | 337 | 2,273 |
| FDR & Interest thereon | 1,565 | 2,560 |
| Total | 1,901 | 4,834 |

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the period 08 November, 2016 to 30 December, 2016:

| Particulars | SBNs | Other denomination notes | Total |
|---------------------------------------|------|--------------------------------|-------|
| Closing cash in hand as on 08.11.2016 | - | 1.92 | 1.92 |
| (+) Withdrawal from Bank accounts | - | 1.99 | 1.99 |
| (+) Permitted receipts | - | 0.26 | 0.26 |
| (-) Permitted payments | - | 2.53 | 2.53 |
| (-) Amount deposited in banks | - | 0.11 | 0.11 |
| Closing cash in hand as on 30.12.2016 | - | 1.53 | 1.53 |

NOTE NO. 21 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| SHORT TERM LOANS AND ADVANCES | | |
| Security Deposit | 37 | 29 |
| Other Loans & Advances | 685 | 652 |
| Total | 721 | 682 |

NOTE NO. 22 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-------------------------------|--------------------------------------|--------------------------------------|
| OTHER CURRENT ASSETS | | |
| Advance Tax Income Tax | | |
| - AY 2017-18 | 400 | - |
| - AY 2016-17 | - | 801 |
| TDS Receivable | 13 | 79 |
| Advance to vendors | 6,781 | 6,290 |
| Pre paid Custom Duty | - | 79 |
| Scheme & Claim Receivable | 446 | - |
| Custom Duty Refund Receivable | 9,411 | 9,411 |
| Income Tax Refundable | - | 1 |
| Prepaid Expenses | 129 | 52 |
| VAT Paid under appeal | 160 | 160 |
| VAT Recoverable | 460 | - |
| Insurance Claim Receivable | 14 | 86 |
| Other Receivable | 8 | 11 |
| Total | 17,823 | 16,970 |

NOTE NO. 23 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-------------------------|--------------------------------------|--------------------------------------|
| Other Operating Revenue | 2,498 | 6,527 |
| Total | 2,498 | 6,527 |

NOTE NO. 24 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| OTHER INCOME | | |
| Interest on Bank Deposit | 109 | 312 |
| Gain on Exchange Rate Fluctuation | 176 | - |
| Service Income on Marketing Activities | 249 | 589 |
| Other Income | 7 | 50 |
| Insurance claim received | - | - |
| Total | 541 | 952 |

NOTE NO. 25 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| INVENTORY VARIANCE | | |
| a) As at the beginning of the year | | |
| Trading Goods | 3,942 | 8,716 |
| | 3,942 | 8,716 |
| b) As at the closing of the year | | |
| Trading Goods | 6,253 | 3,942 |
| | 6,253 | 3,942 |
| Total (b-a) | 2,311 | (4,774) |

NOTE NO. 26 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------|--------------------------------------|--------------------------------------|
| PURCHASES | | |
| Purchases | 65,024 | 131,125 |
| Vat unclaimed | 121 | 62 |
| | 65,145 | 131,187 |

NOTE NO. 27 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| EMPLOYEE BENEFIT EXPENSES | | |
| Salary & Wages | 993 | 1,480 |
| Director Remuneration | 48 | 9 |
| Contribution to Provident & Other Funds | 48 | 64 |
| Staff Welfare & Employee Benefit Expenses | 16 | 52 |
| Gratuity Provision | 3 | 1 |
| Leave Encashment | 0 | 8 |
| Total | 1,108 | 1,615 |
| a) Managerial Remuneration paid to Directors included above: | | |
| Directors Remuneration | 48 | 9 |

NOTE NO. 28 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-----------------------|--------------------------------------|--------------------------------------|
| FINANCE COSTS | | |
| Interest on Loan & CC | 510 | 15 |
| Hedging Charges | - | 510 |
| SBLC & Other Charges | 305 | 323 |
| Processing Charges | 26 | 151 |
| Total | 841 | 999 |

NOTE NO. 29 OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| MANUFACTURING, ADMINISTRATION & OTHER EXPENSES | | |
| Direct Expenses | | |
| Entry Tax Paid | 29 | 76 |
| Packing Expenses | 81 | 75 |
| Octroi Expenses | 128 | 1,412 |
| Discounts & Rebates | 415 | 737 |
| Custom Duty Expense | 4,380 | 16,795 |
| Stamp duty on Imports | - | 8 |
| Insurance premium | 37 | 43 |
| Clearing & Forwarding Exp | 339 | 934 |
| Scheme & Claim Expenses | 2,845 | 7,331 |
| Other Expenses | - | - |
| Advertisement & Publicity | 51 | 58 |
| Audit fees | 3 | 2 |
| Bad Debts written off | 10 | - |
| Business Promotion | 1,332 | 953 |
| Incentive & Commission | - | 3 |
| Bank Charges | 19 | 22 |
| Sales & Marketing Expenses | 106 | 116 |
| Repair & maintenance | 107 | 34 |
| Conveyance Local | 29 | 46 |
| Donation Expenses | 12 | 2 |
| Festival Expenses | 0 | 0 |
| Filing fees | 0 | 0 |
| Freight Outward Charges | 118 | 283 |
| Loss on Exchange Rate Fluctuation | - | 92 |
| Interest on Statutory Liabilities | 8 | 52 |
| Legal & Professional Exp | 61 | 110 |
| Miscellaneous Exp. | 2 | 20 |
| Office expenses | 3 | 13 |
| Postage & Courier Charges | 2 | 1 |
| Printing & Stationary | 4 | 12 |
| Rent Charges | 112 | 114 |
| Security Charges | 6 | 4 |
| Telephone Expenses | 33 | 53 |
| Tour & Travel Expenses | 100 | 119 |
| Rates & Taxes | 60 | 27 |
| Water & Electricity Exp. | 12 | 19 |
| Software & internet Expenses | 21 | 68 |
| | 10,466 | 29,634 |

NOTE NO. - 30 OTHER DISCLOSURES

1. In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except stated otherwise.

2. Expenditure in Foreign Currency :

(₹ in Lacs)

| PARTICULARS | Current Year (₹) | Previous Year (₹) |
|----------------------------------|------------------|-------------------|
| CASH AND CASH EQUIVALENTS | | |
| Value of Imports on CIF Basis | 35,469 | 1,21,307 |
| Earnings in Foreign Currency | 10,307 | 11,662 |

3. Particulars of Sales and stocks:-

(₹ in Lacs)

| PARTICULARS | Current Year (₹) | Previous Year (₹) |
|----------------------------------|------------------|-------------------|
| CASH AND CASH EQUIVALENTS | | |
| Opening Stock | | |
| Raw Material | - | - |
| Finished Goods | 3,942 | 8,716 |
| Total | 3,942 | 8,716 |
| Purchases | 65,145 | 1,31,187 |
| Sales | 72,547 | 1,63,157 |
| Closing Stock | | |
| Raw Material | - | - |
| Finished Goods | 6,253 | 3,942 |
| Total | 6,253 | 3,942 |

4. Related Party Disclosures

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and where transactions have taken place during the year, alongwith description of relationship as identified, are given below :-

List of Related Party

- | | | |
|--|---|---|
| i) Holding Company | : | Optiemos Infracom Limited |
| ii) Ultimate Holding Company | : | - |
| iii) Subsidiary Company | : | - |
| iv) Key Management Personnel | : | Mukesh Gupta (Director) Mr. Deepesh Gupta (Director) Ms. Shubhi Tyagi (Company Secretary) |
| v) Associates / Entities in which KMP/ Relatives of KMP can exercise significant influence | : | Optiemos Infracom Limited Optiemos Electronics Limited |

b) In Conformity with Accounting Standard 18 issued by ICAI the transactions with related parties during the financial year and outstanding Balances as on 31.03.2017 are given under:

(₹ in lacs)

| Balances | Nature of Transaction | Amount of transaction | Balance as on 31st March 2017 (DR.)/(CR.) | Amount of transaction | Balance as on 31st March 2016 (DR.)/(CR.) |
|------------------------------|-----------------------|-----------------------|---|-----------------------|---|
| Mr. Deepesh Gupta | Director Remuneration | 48 | 0 | 9 | - |
| Mr. Deepesh Gupta | Professional Fees | - | - | 8 | - |
| Optiemos Infracom Limited | Purchase | 29,820 | (893) | 96,361 | (6,644) |
| Optiemos Electronics Limited | Purchase | 9,215 | (2,869) | - | - |
| Optiemos Electronics Limited | Sales | 1 | - | - | - |
| Optiemos Electronics Limited | Sales of Fixed Assets | 11 | - | - | - |

5. The Company has during the year not received any information from any vendor regarding their status being registered under Micro, Small and Medium Enterprises Development Act, 2006. Based on the above, disclosures, if any, relating to amounts unpaid as at the period end along with interest paid / payable have not been given.
6. The Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on the written down value method at rates and in the manner specified in Schedule II to the Companies Act, 2013. All fixed assets are valued at cost less depreciation.
7. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earning per share:

(₹ in Lacs)

| PARTICULARS | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|--------------------------|--------------------------|
| Profit attributable to the Equity Shareholders – (A) (Rs) | 183 | 1460 |
| Basic/ Weighted average number of Equity Shares outstanding during the year (B) | 350 | 350 |
| Nominal value of Equity Shares (Rs) | 10 | 10 |
| Basic/Diluted Earnings per share(Rs) – (A)/(B) | 0.52 | 4.39 |
| Calculation of profit attributable to Shareholders | | |
| Profit Before Tax | 264 | 2,286 |
| Income Tax Provision | 100 | 813 |
| Deferred Tax Liability/(Assets) | (19) | 12 |
| Profit attributable to Shareholders | 183 | 1460 |

8. The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Pursuant to the accounting standards for taxes on income AS-22, deferred tax assets at the end of the year is as follows:

(₹ in Lacs)

| | |
|--|------|
| Deferred tax assets upto 1.4.2016 | 5/- |
| Deferred tax liability for the year | NIL |
| Deferred tax assets for the year | 19/- |
| Net deferred tax Assets at the end of the year | 24/- |

9. Disclosure under AS 29 - Contingent Liab

| Corporate Guaranty Given on behalf of company | Guaranty given to Bank / Company | Purpose | 31 March 2017 Amount |
|---|----------------------------------|-----------|----------------------|
| MPS Telecom Retails Private Limited | Indusind Bank | Term Loan | 6,000 |

10. Disclosure in accordance with Revised AS-15 on “ Employee Benefits”

The Accounting Standard 15 (Revised 2005) on “Employee Benefits” issued by the Institute of Chartered Accountants of India has been adopted by the Company. In accordance with the above Standard, the additional obligations of in accordance with the above Standard, the additional obligations of the Company, on account of employee benefits, based on independent actuarial valuation as per the transitional provisions of AS – 15 (Revised 2005)

Defined Benefit Plans

Leave Encashment & Gratuity

Valuations in respect of Leave Encashments and Gratuity have been carried out by independent actuary, as at the Balance

Sheet date, based on the following assumptions:

| Principal actuarial assumptions | 2016-17 | 2015-16 |
|---|--------------------------|--------------------------|
| Discount Rate (Per annum) | 8.00% | 8.00% |
| Rate of increase in Compensation levels | 5.00% | 5.00% |
| Rate of Return on Plan Assets | - | - |
| Mortality | IALM 2006-08 Ultimate | IALM 2006-08 Ultimate |
| Expected rate of return | - | - |
| Withdrawal rate (Per Annum) | 2.00% p.a. | 2.00% p.a. |

A. Gratuity

(Rs. In Lacs)

| i) Changes in present Value of Obligation | 2016-17 | 2015-16 |
|---|---------|---------|
| Present value of Obligation as at beginning of the period | 21 | 20 |
| Interest Cost | 2 | 2 |
| Current Service Cost | 10 | 13 |
| Past Service Cost | - | - |
| Benefit Paid | - | - |
| Actuarial (Gains)/Loss on Obligation | (9) | (13) |
| Present value of Obligation as at the end of period | 24 | 21 |

B. Leave Encashment

(Rs. In Lacs)

| i) Changes in present Value of Obligation | 2016-17 | 2015-16 |
|---|---------|---------|
| Present value of Obligation as at the beginning of period | - | 34 |
| Interest Cost | - | - |
| Current Service Cost | - | (26) |
| Past Service Cost | - | - |
| Benefit Paid | - | 8 |
| Actuarial (Gains)/Loss on Obligation | - | - |
| Present value of Obligation as at the end of period | - | 0 |

Note: Leave Encashment policy withdrawn during previous year 2015-2016.

AUDIT REPORT

As per separate report of even dates.

For Naveen Associates
Chartered Accountants
Firm Regn. No. 007238N

Naveen Jain
Partner
M.No. 082583

Place: Delhi
Dated: 24.05.2017

For and on behalf of the Board of Directors

Mukesh Kumar Gupta
DIN: 00031013
Director

Deepesh Gupta
DIN: 00469737
Director

Shubhi Tyagi
PAN: ANRPT5178J
Company Secretary

ANNEXURE - 3(2) 'FINANCIAL STATEMENT OF TRANSFEROR COMPANY-2'**INDEPENDENT AUDITORS' REPORT**

TO
THE MEMBERS OF
M/S ONEWORLD TELESERVICES PRIVATE LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENT

We have audited the accompanying Standalone financial statements of **M/S ONEWORLD TELESERVICES PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017,
- b) In case of Statement of Profit & Loss of the company for the year ended 31st March 2017 of its Profit for the year,

Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016' ("the order"), issued by the Central Government of

India in terms of sub section 11 of Section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 B'
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its Note No. 13 to the Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts and records maintained by the company and as produced to us by the management.

**For Naveen Associates
Chartered Accountants
FRN – 007238N**

**Date : 23.05.2017
Place : Delhi**

**Akash Jain
Partner
M.No. 418041**

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Referred to in paragraph 5 of our report of even date

- i) In respect of its fixed assets:
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As informed to us, fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - c) The title deeds of immovable properties are held in the name of the company
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) As informed to us, the company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186, wherever applicable, in respect of loans, investments and guarantees given by the company.
- v) In our opinion and according to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi) In respect of business activities of the company maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 of the Companies Act
- vii)
 - a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
 - b) According to the information and explanations given to us, No disputed statutory dues payable in respect of income-tax, sales-tax, wealth tax, duty of excise and value added tax were outstanding, as at 31st March 2016 for a period of more than six months from the date they became payable.
 - c) According to the records of the company, There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x) According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- xi) The company is a private limited company. Hence the provisions of clause xi) of the order are not applicable to the company.
- xii) The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Naveen Associates**
Chartered Accountants
FRN – 007238N

Akash Jain
Partner
M.No. 418041

Date: 23.05.2017
Place: Delhi

ANNEXURE ‘B’ REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Report on the Internal Financial Controls 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 **ONEWORLD TELESERVICES PRIVATE LIMITED**. (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company's internal financial controls system over financial reporting.

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.

Inherent 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, 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, 2017, 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 Naveen Associates
Chartered Accountants
FRN – 007238N**

**Akash Jain
Partner
M.No. 418041**

**Date: 23.05.2017
Place: Delhi**

BALANCE SHEET AS AT 31st MARCH, 2017
(₹)

| | Notes | As at 31 st March 2017 | As at 31 st March 2016 |
|--|-------|--------------------------------------|--------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 100,000 | 100,000 |
| Reserves and Surplus | 3 | (70,643,586) | (63,947,717) |
| Non - current Liabilities | | | |
| Long term borrowings | 4 | - | - |
| Deferred tax liabilities (Net) | 5 | - | - |
| Other long term liabilities | 6 | - | - |
| Long term provisions | 7 | - | - |
| Current Liabilities | | | |
| Short term borrowings | 8 | 76,589,822 | 78,589,822 |
| Trade payables | 9 | 457,360 | 1,039,973 |
| Other current liabilities | 10 | 5,635,899 | 5,250,176 |
| Short term provisions | 11 | - | - |
| Total | | 12,139,496 | 21,032,254 |
| ASSETS | | | |
| Non current assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 12 | 651,077 | 1,065,491 |
| Capital work - in - progress | 13 | - | - |
| Deferred tax Assets (Net) | 14 | - | - |
| Non current investments | 15 | - | - |
| Long term loans and advances | 16 | - | - |
| Other non current assets | 17 | - | - |
| Current assets | | | |
| Inventories | 18 | 750,119 | 1,685,966 |
| Trade receivables | 19 | 6,919,771 | 8,977,665 |
| Cash and cash equivalents | 20 | 1,139,937 | 6,208,629 |
| Short term loans and advances | 21 | 1,100,000 | - |
| Other current assets | 22 | 1,578,592 | 3,094,503 |
| Total | | 12,139,496 | 21,032,254 |
| Significant Accounting Policies | 1 | | |

The accompanying notes 1 to 30 form an integral part of these financial statements.

AUDIT REPORT

As per separate report of even dates.

For **Naveen Associates**
Chartered Accountants
Firm Regn. No. 007238N

Akash Jain
Partner
M.No. 418041

Place: Delhi
Dated: 23.05.2017

For and on behalf of the Board of Directors

Ashok Gupta
DIN:- 00277434
Director

Renu Gupta
DIN:- 00030849
Director

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹)

| | Notes | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|-------|---|---|
| Revenue from Operations: | | | |
| Sale of Goods/Services | | 28,899,355 | 56,972,761 |
| | | 28,899,355 | 56,972,761 |
| Other Operating Revenue | 23 | - | - |
| Total | | 28,899,355 | 56,972,761 |
| Other Income | 24 | 550,535 | 246,440 |
| Inventory Variance | 25 | (935,847) | 193,644 |
| TOTAL REVENUE | | 28,514,043 | 57,412,845 |
| Expenses: | | | |
| Cost of Material Consumed | | - | - |
| Purchase of Trading Goods | 26 | 15,424,166 | 29,961,014 |
| Employee benefits expense | 27 | 12,795,624 | 37,340,665 |
| Finance Costs | 28 | - | - |
| Depreciation | | 414,414 | 1,518,140 |
| Manufacturing, Administration & other Expenses | 29 | 6,554,937 | 11,948,579 |
| TOTAL EXPENSES | | 35,189,141 | 80,768,398 |
| Profit before exceptional and extraordinary items and tax | | (6,675,098) | (23,355,553) |
| Exceptional Items: | | - | - |
| Prior Period Exp | | 20,771 | - |
| Profit before tax | | (6,695,869) | (23,355,553) |
| Tax expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| Profit for the year from continuing operations | | (6,695,869) | (23,355,553) |
| Earnings per equity share: | | | |
| (a) Basic | | (669.59) | (2,335.56) |
| (b) Diluted | | (669.59) | (2,335.56) |

AUDIT REPORT

As per separate report of even dates.

 For **Naveen Associates**
Chartered Accountants
Firm Regn. No. 007238N

Akash Jain
Partner
M.No. 418041

 Place: Delhi
Dated: 23.05.2017

For and on behalf of the Board of Directors
Ashok Gupta
DIN:- 00277434
Director

Renu Gupta
DIN:- 00030849
Director

CASH FLOWS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹)

| Particulars | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|---|---|
| A. Cash flow from Operating Activities | | |
| Profit/(Loss) Before tax and after prior period items | (6,695,869) | (23,355,553) |
| Adjusted for | | |
| Depreciation / Amortisation | 414,414 | 1,518,140 |
| Operating profit before working capital Changes | (6,281,455) | (21,837,413) |
| Movements in Working Capital | | |
| Decrease/(Increase) in Inventory | 935,847 | (193,644) |
| Decrease/(Increase) in Sundry Debtors | 2,057,894 | 14,192,393 |
| Decrease/(Increase) in Loans & Advances and Other Current Assets | 415,911 | 2,125,957 |
| Increase/(Decrease) in Trade and other Payables, Current liabilities and provisions | (2,196,890) | 8,570,977 |
| Cash Generated from Operation | (5,068,693) | 2,858,270 |
| Less: Direct Tax Paid | - | - |
| Operating Profit Before Extra-Ordinary Items | (5,068,693) | 2,858,270 |
| Add/Less:- Extra-Ordinary Items | | |
| Net cash used in Operating Activities (A) | (5,068,693) | 2,858,270 |
| B. Cash Flow from Investing Activities | | |
| Acquisition of Fixed Assets | - | -191883 |
| Net cash Used in Investing Activities (B) | - | (191,883) |
| C. Cash Flow from financing Activities | | |
| Proceeds/(Repayment) of long term borrowings | - | - |
| Net Cash Flow Financing activities (C) | - | - |
| Net change in cash and cash equivalents (A+B+C) | (5,068,693) | 2,666,387 |
| Cash and cash equivalents at the beginning of the year | 6,208,629 | 3,542,242 |
| Cash and cash equivalents at the end of the year | 1,139,936 | 6,208,629 |

Note:

- Cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules 2006.
- These earmarked account balances with banks can be utilised only for the specific identified purposes

See accompanying notes forming part of the financial statements

AUDIT REPORT

As per separate report of even dates.

For Naveen Associates
Chartered Accountants
Firm Regn. No. 007238N

Akash Jain
Partner
M.No. 418041

Place: Delhi
Dated: 23.05.2017

For and on behalf of the Board of Directors

Ashok Gupta
DIN:- 00277434
Director

Renu Gupta
DIN:- 00030849
Director

NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES**I Basis of preparation**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014, as amended and the relevant provisions of Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

II Use of Estimates

The preparation and presentation of financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures considered in the reported amounts of assets and liabilities (including Contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

Further the results could differ due to these estimates and the difference between the actual results and the estimates are recognised the periods in which the results are materialise.

III Inventories

Inventories are valued at lower of cost (FIFO Basis) and the net realisable value after providing for obsolescence and other losses wherever considered necessary.

IV Cash and cash equivalents

Cash comprises cash on hand, bank balance and fixed deposits with the bank including interest accrued thereon. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

V Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the customer and are recorded inclusive of excise duty and net of sales tax, sales returns and trade discount.

VI Tangible, Intangible Assets & Depreciation

- Fixed assets are stated at their cost of acquisition inclusive of inward freight, technical know how fees, duties and expenditure incurred in the acquisition, construction and installation.
- Incidental expenditure on Modification, Expansion/New Projects has been allocated to assets on pro-rata basis on completion of the Project.
- Depreciation / amortization on tangible and intangible fixed assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

The management estimates the useful life of Fixed Assets as :-

| | |
|----------------------|----------|
| Plant & Machinery | 15 years |
| Computer & Software | 3 years |
| Furniture & Fixtures | 10 years |

VII Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rates prevailing at the time of the transaction. Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Exchange difference arising either on settlement or on translation of monetary items other than those mentioned above is recognised in the Statement of Profit & Loss.

VIII. Gratuity / Retirement Benefits**Provident Fund and Superannuation**

The eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at specified percentage of the covered employees salary (currently 12% of the employees salary). The provident fund contributions, as specified under law, are paid to Employees State Insurance Fund (Defined Contribution Schemes) administered by the Central Government of India. The contribution paid during the year are charged to Profit & Loss Account.

Gratuity

Gratuity payable under the Gratuity Act is not applicable.

IX Borrowing Costs

Borrowing Cost includes processing fees that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of that asset. Borrowing cost are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the cost can be measured reliably. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

X Earning per Share

Earning per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items if any) by the weighted average number of equity shares outstanding during the year.

Diluted Earning per share is computed by dividing the profit after tax(including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

X Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act,1961.

Deferred Tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred Tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date. Deferred Tax Liabilities are recognised for all timing differences. Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets . Deferred Tax Assets are recognised for timing difference of other items onl to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred Tax Assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such set off. Deferred Tax Assets are reviewed at each Balance Sheet date for their realisability.

XI Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

XII Unless specifically stated to be otherwise, these policies are consistently followed.

NOTE NO. 2 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| SHARE CAPITAL | | |
| <u>AUTHORISED CAPITAL</u> | | |
| 10,000 Equity Shares of ₹ 10 each | 100,000 | 100,000 |
| 79,90,000 Preference Shares of ₹ 10 each | 79,900,000 | - |
| | 80,000,000 | 100,000 |
| <u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u> | | |
| 10,000 Equity Shares of ₹ 10/= each | 100,000 | 100,000 |
| fully paid up. | 100,000 | 100,000 |

- During the year, no allotment of Equity Shares have been made by the company.
- Oneworld Teleservices Pvt. Ltd. is the subsidiary company of Optiemus Infracom Ltd.
- Following shareholders held more than 5% shares in the company as at the end of the year:-

| NAME OF SHAREHOLDER | No. of shares held | % shares held |
|------------------------|-----------------------|------------------|
| Optiemus Infracom Ltd. | 9,999.00 | 99.99 |
| Total | 9,999.00 | 99.99 |

- The company has not issued shares for a consideration other than cash or bonus shares during the immediately preceeding 5 years.

NOTE NO. 3 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| RESERVES AND SURPLUS | | |
| Surplus as per the Last Balance Sheet | (63,947,717) | (40,592,164) |
| Add: Profit for the year from Profit & Loss Statement | (6,695,869) | (23,355,553) |
| | (70,643,586) | (63,947,717) |
| Total | (70,643,586) | (63,947,717) |

a). The company do not propose to pay any dividend on the Equity Shares for the Financial year 2016-17

NOTE NO. 4 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| LONG TERM BORROWINGS | | |
| Unsecured Loans | - | - |
| Total | - | - |
| c) The unsecured loans are taken from: | | |
| i) Directors/Shareholders | | |
| ii) Body Corporates | | |

NOTE NO. 5 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| DEFERRED TAX LIABILITY (NET) | | |
| Deferred tax liability at the beginning of the year | - | - |
| : Adjustment during the year for the difference between book depreciation and tax depreciation | - | - |
| Total | - | - |

NOTE NO. 6 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| OTHER LONG TERM LIABILITIES | - | - |
| | - | - |

NOTE NO. 7 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-----------------------------|--------------------------------------|--------------------------------------|
| LONG TERM PROVISIONS | - | - |
| | - | - |

NOTE NO. 8 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| SHORT TERM BORROWINGS | | |
| Unsecured Loans- Related Party | 76,589,822 | 78,589,822 |
| | 76,589,822 | 78,589,822 |

NOTE NO. 9 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-----------------------|--------------------------------------|--------------------------------------|
| TRADE PAYABLES | 457,360 | 1,039,973 |
| | 457,360 | 1,039,973 |

NOTE NO. 10 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| OTHER CURRENT LIABILITIES | | |
| Duties & Taxes | 141,886 | 327,489 |
| Other Payable | - | 992,214 |
| Security Deposit Received | 58,856 | 78,856 |
| Salary Payable | 2,534,647 | 3,235,105 |
| Advance from Debtors | 2,900,511 | 616,512 |
| Total | 5,635,899 | 5,250,176 |

NOTE NO. 11 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------|--------------------------------------|--------------------------------------|
| SHORT TERM PROVISIONS | - | - |
| Total | - | - |

NOTE NO. 12 OF THE FINANCIAL STATEMENTS
FIXED ASSETS
TANGIBLE ASSETS

(₹)

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|----------------------|---------------------|----------------|-----------|---------------------|---------------------|------------------|-----------------|---------------------|---------------------|---------------------|
| | As at 01.04.2016 | Addition | Deduction | As at 31.03.2017 | Up to 31.03.2016 | WDV W//OF/F | For the Year | Up to 31.03.2017 | As at 31.03.2017 | Up to 31.03.2016 |
| FURNITURE & FITTINGS | 218,006 | - | - | 218,006 | 69,871 | - | 38,508 | 108,379 | 109,627 | 148,135 |
| OFFICE EQUIPMENT | 1,317,560 | - | - | 1,317,560 | 844,335 | - | 159,317 | 1,003,652 | 313,908 | 473,225 |
| COMPUTERS | 2,683,723 | - | - | 2,683,723 | 2,318,209 | - | 216,589 | 2,534,798 | 148,925 | 365,514 |
| SOFTWARE | 1,572,336 | - | - | 1,572,336 | 1,493,719 | - | - | 1,493,719 | 78,617 | 78,617 |
| | 5,791,625 | - | - | 5,791,625 | 4,726,134 | - | 414,414 | 1,493,719 | 651,077 | 1,065,491 |
| PREVIOUS YEAR | 5,599,743 | 191,883 | - | 5,791,626 | 3,207,995 | 1,518,140 | - | 4,726,135 | 1,065,491 | 2,391,748 |

NOTE NO. 13 OF THE FINANCIAL STATEMENTS

| DESCRIPTION | As at 31.03.2016 | Additions | Adjust- ments | Capitalised | As at 31.03.2017 |
|---------------------------------|---------------------|-----------|------------------|-------------|---------------------|
| CAPITAL WORK-IN-PROGRESS | - | - | - | - | - |
| | - | - | - | - | - |

NOTE NO. 14 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| DEFERRED TAX ASSETS (NET) | | |
| Deferred tax Assets at the beginning of the year | - | - |
| : Adjustment during the year for the difference between book depreciation and tax depreciation | - | - |
| Total | - | - |

NOTE NO. 15 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| NON CURRENT INVESTMENTS | - | - |
| | - | - |

NOTE NO. 16 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| LONG TERM LOANS AND ADVANCES (Considered good & receivable in cash or kind) | - | - |
| Total | - | - |

NOTE NO. 17 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---------------------------------|--------------------------------------|--------------------------------------|
| OTHER NON CURRENT ASSETS | - | - |
| Total | - | - |

NOTE NO. 18 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------|--------------------------------------|--------------------------------------|
| INVENTORIES | 750,119 | 1,685,966 |
| | 750,119 | 1,685,966 |

NOTE NO. 19 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| TRADE RECEIVABLES | | |
| Less than six months | 1,426,514 | 4,277,115 |
| More than six months | 5,493,257 | 4,700,550 |
| | 6,919,771 | 8,977,665 |
| Less: Provision for Doubtful Debts | - | - |
| Total | 6,919,771 | 8,977,665 |

NOTE NO. 20 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| CASH AND CASH EQUIVALENTS | | |
| Cash in Hand | 17,306 | 120,825 |
| Balance with Bank | 1,122,631 | 6,027,496 |
| Forex Currency | - | 60,308 |
| Total | 1,139,937 | 6,208,629 |

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the period 08 November, 2016 to 30 December, 2016:

| Particulars | SBNs | Other denomination notes | Total |
|---------------------------------------|---------|--------------------------|---------|
| Closing cash in hand as on 08.11.2016 | 120,500 | 282 | 120,782 |
| (+) Withdrawal from Bank accounts | - | - | - |
| (+) Permitted receipts | - | 34,270 | 34,270 |
| (-) Permitted payments | - | - | - |
| (-) Amount deposited in banks | 120,500 | 31,652 | 152,152 |
| Closing cash in hand as on 30.12.2016 | - | 2,900 | 2,900 |

NOTE NO. 21 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| SHORT TERM LOANS AND ADVANCES | | |
| Fidelity Logistics | 1,100,000 | - |
| Total | 1,100,000 | - |

NOTE NO. 22 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---------------------------------|--------------------------------------|--------------------------------------|
| OTHER CURRENT ASSETS | | |
| Income Tax Refundable F.Y 14-15 | 56,957 | 56,957 |
| Income Tax Refundable F.Y 15-16 | 94,182 | - |
| TDS Receivable | 52,305 | 94,182 |
| Security Deposit | 961,055 | 2,776,305 |
| Service Tax (Excess Deposit) | 194,112 | 112,611 |
| Advance to staff | - | 8,101 |
| Advance given to Creditors | 219,981 | 46,347 |
| Total | 1,578,592 | 3,094,503 |

NOTE NO. 23 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| OTHER OPERATING REVENUE | - | - |
| Total | - | - |

NOTE NO. 24 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---------------------|--------------------------------------|--------------------------------------|
| OTHER INCOME | 550,535 | 246,440 |
| Total | 550,535 | 246,440 |

NOTE NO. 25 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|------------------------------------|--------------------------------------|--------------------------------------|
| INVENTORY VARIANCE | | |
| a) As at the beginning of the year | | |
| Trading Goods | 1,685,966 | 1,492,322 |
| | 1,685,966 | 1,492,322 |
| b) As at the closing of the year | | |
| Trading Goods | 750,119 | 1,685,966 |
| | 750,119 | 1,685,966 |
| Total (b-a) | (935,847) | 193,644 |

NOTE NO. 26 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|-------------------------------|--------------------------------------|--------------------------------------|
| PURCHASES | | |
| Talktime & data usage charges | 15,424,166 | 29,961,014 |
| | 15,424,166 | 29,961,014 |

NOTE NO. 27 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| EMPLOYEE BENEFIT EXPENSES | | |
| Salaries & Allowances | 11,997,046 | 35,270,334 |
| Contribution to Provident & Other Funds | 508,353 | 963,243 |
| Staff Welfare Expenses | 290,225 | 1,107,088 |
| Total | 12,795,624 | 37,340,665 |
| a) Managerial Remuneration paid to Directors included above: | | |
| Directors Remuneration | - | - |

NOTE NO. 28 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------|--------------------------------------|--------------------------------------|
| FINANCE COSTS | - | - |
| Total | - | - |

NOTE NO. 29 OF THE FINANCIAL STATEMENTS

(₹)

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| MANUFACTURING, ADMINISTRATION & OTHER EXPENSES | | |
| Commission Paid | 210,674 | 910,541 |
| Consumable Expenses | - | 41,678 |
| Other Expenses | | |
| Bank Charges | 164,785 | 603,972 |
| Loss on foreign currency transactions | 3,317 | 255 |
| Audit Fees | 151,500 | 116,460 |
| Conveyance Exp | 1,081,304 | 2,014,094 |
| Insurance | 33,285 | 53,692 |
| Legal & professional Exp | 1,404,888 | 1,545,601 |
| Other Exp | 26,309 | 139,260 |
| Office Exp | 210,083 | 310,430 |
| Printing & Stationery | 227,902 | 831,177 |

| PARTICULARS | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------------|--------------------------------------|--------------------------------------|
| Rent Exp | 324,615 | 1,135,073 |
| Recruitment Exp | - | 86,379 |
| Rates & Taxes | 854,943 | 18,172 |
| Software Charges | 725,400 | - |
| Repair & maintenance | 57,322 | 295,741 |
| Sales & Marketing Expenses | 17,946 | 637,688 |
| Communication Exp | 999,684 | 2,708,730 |
| Tour & Travel | 60,980 | 499,636 |
| Total | 6,554,937 | 11,948,579 |

NOTE NO. - 30 OTHER DISCLOSURES

1. In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except stated otherwise.

2. Expenditure in Foreign Currency :

(₹)

| PARTICULARS | Current Year (Rs.) | Previous Year (Rs.) |
|-------------------------------|-----------------------|------------------------|
| Value of Imports on CIF Basis | 1,54,24,166/- | 299,61,014/- |

3. Related Party Disclosures

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and where transactions have taken place during the year, alongwith description of relationship as identified, are given below :-

(a) List of Related party

Optiemus Infracom Ltd. : Holding Company

| KMP/ Associates/ Enterprises over which KMP and his relatives have significant influence | Nature of transactions | Year ended 31.03.2017 | Outstanding as on 31.03.2017 |
|---|---------------------------|--------------------------|---------------------------------|
| Optiemus Infracom Ltd. | Loans Repayment | 20,00,000 | 7,65,89,822 |

4. The Company has during the year not received any information from any vendor regarding their status being registered under Micro, Small and Medium Enterprises Development Act, 2006. Based on the above, disclosures, if any, relating to amounts unpaid as at the period end along with interest paid / payable have not been given.

5. The Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on the written down value method at rates and in the manner specified in Schedule II to the Companies Act, 2013. All fixed assets are valued at cost less depreciation.

6. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earning per share:

(₹)

| PARTICULARS | Year ended 31.03.2017 | Year ended 31.03.2016 |
|--|--------------------------|--------------------------|
| Profit attributable to the Equity Shareholders – (A) (Rs) | (66,95,869) | (2,33,55,553) |
| Basic/ Weighted average number of Equity Shares outstanding during the year (B) | 10,000 | 10,000 |
| Nominal value of Equity Shares (Rs) | 10 | 10 |
| Basic/Diluted Earnings per share(Rs) – (A)/(B) | (669.58) | (2335.56) |
| Calculation of profit attributable to Shareholders | | |
| Profit Before Tax | (66,95,869) | (2,33,55,553) |
| Income Tax Provision | Nil | Nil |
| Deferred Tax Liability/(Assets) | Nil | Nil |
| Profit attributable to Shareholders | (66,95,869) | (2,33,55,553) |

7. The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Pursuant to the accounting standards for taxes on income AS-22, deferred tax assets at the end of the year is as follows:

| | |
|---|-----|
| Deferred tax assets upto 1.4.2016 | NIL |
| Deferred tax liability for the year | NIL |
| Deferred tax assets for the year | NIL |
| Net deferred tax Liability at the end of the year | NIL |

AUDIT REPORT

As per separate report of even dates.

For **Naveen Associates**
Chartered Accountants
Firm Regn. No. 007238N

Akash Jain
Partner
M.No. 418041

Place: Delhi
Dated: 23.05.2017

For and on behalf of the Board of Directors

Ashok Gupta
DIN:- 00277434
Director

Renu Gupta
DIN:- 00030849
Director

ANNEXURE - 4 'AUDITOR'S CERTIFICATE'



C-63, 1st Floor, Preet Vihar , Delhi-92
Tel. : +91-11-22050790, 011-42531707
Website : [http : //www.mukeshraj.com](http://www.mukeshraj.com)
E-mail : mukesh@mukeshraj.com

Auditors' Certificate

The Board of Directors
Optiemus Infracom Limited
K-20, Second Floor, Lajpat Nagar – II,
New Delhi - 110024

We, statutory auditors of Optiemus Infracom Limited (Transferee Company) have examined the proposed accounting treatment specified In Clause 4 of part III of the draft Scheme of Arrangement for Amalgamation of MPS Telecom Private Limited (Transferor Company-1) and Oneworld Teleservices Private Limited (Transferor Company-2) (collectively "Transferor Companies" or "Wholly Owned Subsidiaries") with Optiemus Infracom Limited (Transferee Company), as approved by the Board of Directors of Optiemus Infracom Limited, in terms of the provisions of Section 233 of the Companies Act, 2013 (the "2013 Act") ("the draft scheme") with reference to its compliance with applicable Accounting Standards' specified under Section 133 of the 2013 Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (the "Applicable Accounting Standards") and other generally accepted accounting principles.

Based on our examination and according to the information and explanation given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in conformity with Accounting Standard issued by the Central Government.

Further Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with all the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013

For Mukesh Raj & Co.
Chartered Accountants
FRN: 016693N


Mukesh Goel
Partner
M. No.- 094837



Place: DELHI

Date: November 11, 2017

Delhi • Mumbai • Lucknow • Chandigarh • Gurgaon

INSTRUCTIONS FOR REMOTE E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 4th December, 2017 at 9.00 A.M. IST and ends on Thursday, 7th December, 2017 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 (1st December, 2017) may cast their vote electronically. EVSN of the Company for E-Voting is 171113002. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

| For Members 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) <ul style="list-style-type: none"> Members 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. 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. <ul style="list-style-type: none"> 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 (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members 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 (171113002)** for Optiemos 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 available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **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 emailed 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) Mr. Sumit Batra, practicing Company Secretary, 3393, 1st Floor, South Patel Nagar Adjacent JaypeeSiddharth Hotel (Membership No. 7714) has been appointed as the Scrutinizer to scrutinize the E-Voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the E-Voting period, unlock the votes in the presence of at least two witnesses, not in employment of the Company and make a Scrutinizer’s Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
- (xxiii) Members are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent of the Company quoting their Folio Number.
- (xxiv) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.optiemos.com and on the website of CDSL within two days of passing of the resolutions and shall be communicated to BSE & NSE. All documents referred to in the accompanying Notice and Statement pursuant to Schedule IV and Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the results of the 24th Annual General Meeting of the Company.

The E-voting Event Number and period of E-voting are set out below:

| EVS (ELECTRONIC VOTING SEQUENCE NUMBER) | COMMENCEMENT OF E-VOTING | END OF E-VOTING |
|--|---|---|
| 171113002 | Monday, 4 th December 2017 at 9.00 A.M. IST | Thursday, 7 th December 2017 at 5.00 P.M. IST |

Note: Please read the instructions printed above before exercising your vote. Remote e-voting shall not be allowed beyond the prescribed date and time

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 email 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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PROXY FORM

Form No. MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Amendment Rules, 2015]

CIN : L64200DL1993PLC054086
Name of the Company : OPTIEMUS INFRACOM LIMITED
Registered Office : K-20, Second Floor, Lajpat Nagar, Part-2, New Delhi- 110024

Name of the member (s) :

Registered Address :

E-mail-Id :

Folio No/Client ID/DP ID :

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

(1) Name: E-mail Id:
Address:

..... Signature: or failing him

(2) Name: E-mail Id:
Address:

..... Signature: or failing him

(3) Name: E-mail Id:
Address:

..... Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **TWENTY FOURTH** Annual General Meeting of the company, to be held on Friday, December 8, 2017 at 11.00 a.m. at Ghalib Institute, Seminar Hall, Aiwan-e-Ghalib Marg, Mata Sundri Lane, ITO, New Delhi-110 002 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) for the year ended on 31st March, 2017 including audited Balance Sheet and the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Ashok Gupta (DIN: 00277434), Director who retires by rotation and is eligible for re-appointment as Executive Director.
3. To appoint M/s Mukesh Raj & Co., Chartered Accountants, as Statutory Auditors and fixation of Remuneration.
4. To consider and approve 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 their respective shareholders and creditors under Section 233 of the Companies Act, 2013.

5. To approve the waiver of the recovery of remuneration of Mr. Ashok Gupta (DIN: 00277434), Executive Chairman of the company
6. To approve the waiver of the recovery of remuneration of Mr. Hardip Singh (DIN: 01071395), Whole Time Director of the company
7. To approve the waiver of the recovery of remuneration of Mr. Ravinder Zutshi (DIN: 00520290), erstwhile Managing Director of the company

Signed this day of 2017

Affix
revenue
stamp
of ₹ 1

.....
Signature of Shareholder

.....
Signature of Proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



Optiemus Infracom Limited

Reg. Office: K-20, 2nd Floor, Lajpat Nagar Part-II, New Delhi-110024

Ph.No.: 011-29840906, Fax: 011-29870908

Corporate Office: Plot No. 2A, First Floor, Wing-A, Sector 126, Noida, U.P - 201 301

Ph. No.: 0120-6721900

Website: www.optiemus.com, E-mail: info@optiemus.com

CIN: L64200DL1993PLC054086