



Annual Report 2019-20

OPTIEMUS INFRACOM LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS / FINANCIAL INSTITUTIONS

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

CORPORATE OFFICE

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

COMMITTEES OF BOARD

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

LISTED AT

BSE Ltd.
National Stock Exchange of India Ltd.

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CHAIRMAN'S MESSAGE

Dear Stakeholders,

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

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

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

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

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

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

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

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

Thanking You,

Ashok Gupta
Executive Chairman

DIRECTORS' REPORT

Dear Members,

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

1. FINANCIAL SYNOPSIS:

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

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

(INR in Lacs except EPS)

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

2. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

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

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

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

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

3. SUBSIDIARIES AND ASSOCIATE COMPANIES

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

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

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

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

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

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

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

4. TRANSFER TO RESERVES

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

5. DIVIDEND

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

6. DEPOSITS

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

7. CHANGE IN THE NATURE OF BUSINESS

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

8. MATERIAL CHANGES AND COMMITMENT

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

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

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

9. NOMINATION AND REMUNERATION POLICY

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

10. EXTRACT OF ANNUAL RETURN

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

11. NUMBER OF MEETINGS OF THE BOARD

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

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

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (iv) the directors had prepared the annual accounts on a going concern basis;
- (v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

14. RISK MANAGEMENT FRAMEWORK

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

15. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

16. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM

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

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

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

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

17. DIRECTORS & KEY MANAGERIAL PERSONNEL

a. Induction, re-appointment and Resignation

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

- a) Mr. Parveen Sharma was appointed as Chief Financial Officer and Key Managerial Personnel of the Company with effect from April 24, 2019.
- b) Mr. Hardip Singh has been resigned from the position of Whole Time Director and Key Managerial Personnel of the Company with effect from September 05, 2019.
- c) Mr. Ashok Gupta was re-appointed as a Whole-time Director, designated as Executive Chairman of the Company, for a period of further 3 (Three) years with effect from April 01, 2020 to March 31, 2023 by the shareholders of the Company in the 26th Annual General Meeting held on September 28, 2019.

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

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

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

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

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

b. Declaration by Independent Directors

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

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

c. Inter-se relationship of Directors

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

d. Selection and Appointment of Directors

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

e. Board Evaluation

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

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

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

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

f. Familiarization programme for Independent Directors

SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and the applicable provisions of Companies Act, 2013 requires conduction of familiarization programme of the independent directors. On these lines, Board has always endeavored to keep Independent Directors updated about the latest happenings in the Company, Industry and legal framework, for which Periodic familiarization programmes are conducted for the directors about nature of industry,