

28TH

ANNUAL REPORT 2020-21

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
Ms. Ritu Goyal, Additional Director (Independent)

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-110 092

REGISTERED OFFICE

K-20, 2nd Floor, Lajpat Nagar - II,
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

D-348, Sector-63, Noida,
Uttar Pradesh-201 307
Ph. No. : 0120-2406307/11

COMMITTEES OF BOARD

Audit Committee
Nomination and Remuneration Committee
Stakeholders Relationship Committee
Risk Management 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 28th Annual Report of the Company "Optiemus Infracom Limited" for the financial year 2020-21.

The COVID-19 pandemic continued unabated and impacted each day of the last financial year posing extreme challenges for many people, communities and businesses. Throughout this tough period, our unflinching focus has been towards safeguarding our people, ensuring no major disruption to our customers and consumers, supporting our communities and retaining our financial strength. Never before have we felt so interdependent and in need for human ability to come to the fore. We witnessed the medical fraternity responding to the crisis emphatically and healthcare workers putting themselves on the frontline of this fight which helped to save countless lives. Scientists worked tirelessly to develop vaccines at a miraculous speed and Drug Administrators fast tracked approvals to bring vaccines urgently to the public. The personal sacrifices and unrelenting efforts of these individuals have put humanity on the road to recovery and we cannot thank them enough.

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 de-risk and diversify their supply chains or relocate their manufacturing hubs.

The Company focus on exploring new business opportunities. As a result, Optiemus Electronics Limited ("OEL"), a wholly owned subsidiary of the Company, has been selected under the Production Linked Incentive ("PLI") Schemes for manufacturing of mobile phones and IT Products launched by Ministry of Electronics and Information Technology ('MeitY'). It will boost domestic manufacturing and attract large investments in the value chain of Mobile phones and IT Hardware Products.

Recently, Optiemus Electronics Limited (OEL) has entered into Memorandum of Understanding on a Strategic Partnership to form a unique alliance to strengthen the ties with the USD\$30Bn Taiwan Headquartered Wistron Corporation's Indian subsidiary Wistron Infocomm Manufacturing (India) Private Limited ("Wistron") to manufacture Mobile devices, IT hardware and Automotive- EV products. The strategic alliance will offer a unique proposition in Indian Electronics Manufacturing Services (EMS) market backed by joint product development, engineering capabilities, software and firmware development besides giving a boost to employment generation in the country. The alliance will also work towards creating a joint hub in India for Design Solutions & Product Development apart from bringing smart manufacturing to India.

Apart from manufacturing mobile phones, the alliance will also work towards design and manufacturing of tablets, laptops, hearables/wearables, telecom products, IoT/Industrial IoT, smart meters/devices and automotive-EV products. The alliance will as well focus on the expansion of design ecosystem in India. OEL and Wistron alliance will be able to offer Taiwanese technology at optimized cost and PLI sharing, all under one roof. Through this partnership, Optiemus and Wistron Corporation will jointly explore the possibilities of catering to both domestic and overseas customers through OEL's manufacturing facilities.

The Company strongly support the Hon'ble Prime Minister's call for Atma-Nirbhar Bharat for creation of a world class supply chain in India for Mobile/IT Products manufacturing and related ecosystem and this alliance with Wistron is a significant step forward in this direction.

As a strategic decision, during the year, the Company has taken exit from its non-core business i.e. Rental Business by sale of land together with structures/buildings of the Company situated at Plot No. 2A, Sector 126, Noida, Uttar Pradesh – 201 301, in order to reduce/re-payment of Company's debt liability and utilization of fund towards the Company's core business i.e. manufacturing of Mobile Phones & allied products. I am also pleased to inform you that the debt liability of the Company has also been reduced.

Further, the Company has taken stringent measures to reduce the costs and increase the revenue generation. We are continuously focusing on introducing new innovative products at competitive prices - to acquire much better market share.

I would like to express my gratitude to the Board members, employees, shareholders, customers, partners and bankers for the support and continued faith in the Company. I will look forward to your 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 28th Annual Report on the business and operations of the Company along with the Audited Annual Accounts for the financial year ended March 31, 2021.

1. FINANCIAL SYNOPSIS:

Key aspects of Financial Performance of the Company for the year ended March 31, 2021 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 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Continuing Operations:				
Revenue from Operations	17,915	30,550	18,150	33,704
Total Expenses	28,266	39,092	29,046	43,070
Profit/Loss before Exceptional & Extraordinary Items, Share of Profit/Loss of Associate and Tax	(185)	(8,243)	(684)	(8,277)
Exceptional Items	-	-	-	-
Profit/Loss from Associates and Joint Venture	-	-	808	(1,569)
Profit/Loss Before Tax	(185)	(8,243)	124	(9,846)
Less: Tax Expense:				
(1) Current Tax	1,015	199	1,015	(199)
(2) Deferred Tax Credit	(1,325)	604	(1,259)	(591)
(3) Taxation Adjustment of previous year(net)	-	2	-	2
Profit/Loss after tax from continuing operations	(494)	(7,483)	(120)	(9,058)
Profit/Loss after tax from discontinuing operations	9,577	572	9,578	572
Total Profit/Loss for the year	9,083	(6,866)	9,458	(8,485)
Total Comprehensive Income	9,071	(6,844)	9,449	(8,418)
Earnings per equity share (continued and discontinued operations)	11	(8)	11	(10)

2. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

The COVID-19 pandemic is redefining global health crisis in recent times and has spread rapidly across the globe. The bigger challenge is that it is not a mere health crisis and is having an

unprecedented impact on Indian and global business environment. The physical and emotional well-being of employees continues to be a top priority for the Company and focused 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 in the preparation of financial statements. The Company has made an assessment as on March 31, 2021 of recoverability of the carrying value of its assets such as property, plant and equipment, intangible assets having indefinite useful life, inventory, trade receivables and other current assets giving due consideration to the internal and external factors. Considering the revival of economic activity, improvement in customer order flow and based on the information available, the management has evaluated and considered the possible impact of the aforesaid situation on the business of the Company.

Considering the above and Company's current financial position, there is no material uncertainty on the Company's ability to do business as a going concern and there are no impairment indicators for any of the assets of the company. The Company continues to monitor any material changes to future economic conditions and they may be different from the estimates made as on the date of the financial results.

During the financial year 2020-21, the overall revenue from continuing operations declined by 41.36% from Rs. 30,550 Lacs (FY 2019-20) to Rs. 17,915 Lacs. Despite drop in revenue, the loss of the Company decreased from Rs. 7,438 Lacs (FY 2019-20) to Rs. 494 Lacs. 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

There is no company which has become or ceased to be subsidiary company during the financial year 2020-21. However, Optiaux Technologies Private Limited has been ceased to be a joint venture and associate of the Company during the financial year 2020-21.

As on March 31, 2021, the Company has 1 (One) Wholly Owned Subsidiary viz. Optiemus Infracom (Singapore) Pte Limited, 3 (Three) Subsidiaries viz. Optiemus Electronics Limited, FineMS Electronics Private Limited and Troosol Enterprises Private Limited and 1 (One) Associate Company viz. Teleecare Network India Private Limited.

With effect from April 14, 2021, Optiemus Electronics Limited has become wholly owned subsidiary of the Company.

As on March 31, 2021, the Company has no material subsidiary. The Policy for determining 'material' subsidiaries is hosted on the website of the Company under the web link <https://www.optiemus.com/investors.html>.

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 are forming part of this Annual Report.

A Report on Performance and Financial Position of each of the Subsidiaries and Associate Companies included in the Consolidated Financial Statement is presented in a separate section in this Annual Report. Please refer Form No. AOC-1 annexed as **Annexure-6** 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 has not transferred any amount to the Reserves for the financial year ended March 31, 2021.

5. DIVIDEND

The Board has not recommended any dividend payment for the financial year 2020-21. The Dividend Distribution Policy of the Company is available on the website of the Company and can be accessed at <https://www.optiemus.com/investors.html>.

6. DEPOSITS

During the year, the Company has not accepted any deposits within the meaning of the provisions of Section 73 of the Companies Act, 2013 and rules made thereunder.

7. CHANGE IN NATURE OF BUSINESS

During the year, the Company has sold its property situated at Sector-126, Noida, Uttar Pradesh. Accordingly, the segment viz. Rental Division ceased to be operative, hence, the Company discontinued rental operations.

As on March 31, 2021, the Company has only one segment i.e. Telecommunication Products.

8. MATERIAL CHANGES AND COMMITMENT

There were no material changes and commitments 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.

The extent to which the coronavirus impacts our operations will depend on future developments, which are uncertain and cannot be predicted including the duration of the outbreak. In particular, the continued spread of the coronavirus globally could adversely impact our operations.

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 the 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

In terms of Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in the prescribed form will be available on the website of the Company at the link <https://www.optiemus.com/investors.html>.

11. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2020-21, the Board of Directors duly met 8 (Eight) times on July 30, 2020, August 29, 2020, September 14, 2020, October 19, 2020, November 10, 2020, December 18, 2020, December 23, 2020 and February 11, 2021.

During the year, the gap between two Board Meetings i.e. February 12, 2020 and July 30, 2020 exceeded from 120 days as per the relaxations given by the Ministry of Corporate Affairs and SEBI in view of outbreak of COVID-19. 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 February 11, 2021 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 the 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 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; and
- (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 28b 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. The Board of Directors have also constituted a Risk Management Committee to oversee the Risk Management process.

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 2020-21 as the turnover, Networth, Net Profit during the preceding financial year 2019-20 didn't exceed the limits specified under Section 135 of the Companies Act, 2013. Accordingly, the Company was not required to spend any amount towards CSR activities for the Financial Year 2020-21.

As on March 31, 2021, the existing CSR Committee comprises 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) During the year, Mr. Naresh Kumar Jain was re-appointed as an Independent Director of the Company for a second term of 5 (five) years commencing from October 28, 2020 to October 27, 2025 by the shareholders of the Company in the 27th AGM held on September 30, 2020.
- b) Based upon the recommendation of Nomination and Remuneration Committee, the Board in its Meeting dated February 11, 2021 appointed Ms. Ritu Goyal as an Additional Director in the category of Independent Director for a term of 5 (Five) years commencing from April 01, 2021 and recommended the matter for the approval of shareholders in the ensuing Annual General Meeting.

In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third of total Directors of the Company shall be liable to retire by rotation, out of which atleast one-third Directors shall retire at every Annual General Meeting. Hence, this year, Mr. Ashok Gupta (DIN: 00277434) 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 appointment/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 for 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 Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 requires conduction of familiarization programme of the independent directors. On these lines, Board has always endeavored to keep Independent Directors