20th ANNUAL REPORT 2012-13

OPTIEMUS

OPTIEMUS INFRACOM LIMITED

To be a world class diversified group, committed to enhance stakeholders' value.

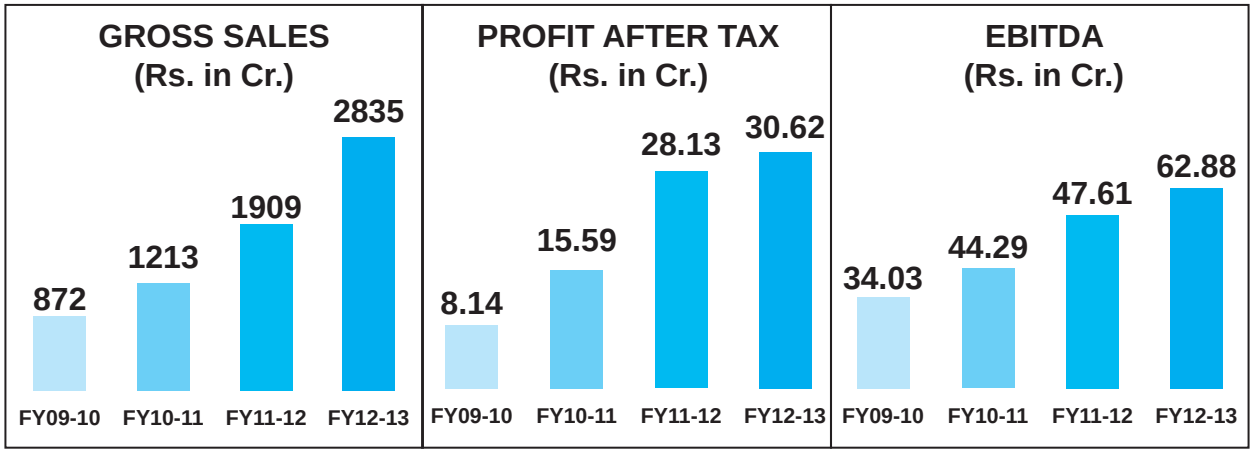
To increase the current capacities and its downstream operations to achieve economies of scale through continual improvement in performance.

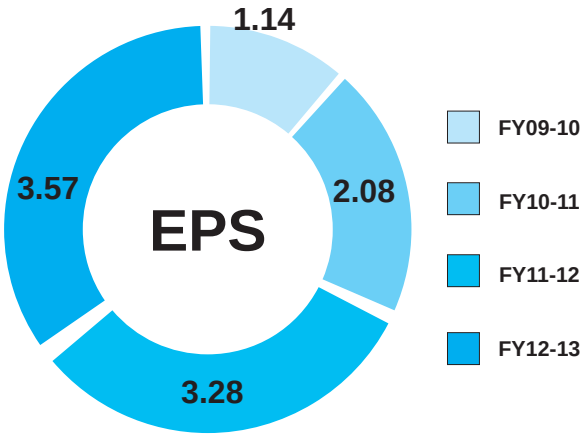
Taking Responsibilities and Ownership for action and their results.
Treating everyone with dignity and fairness

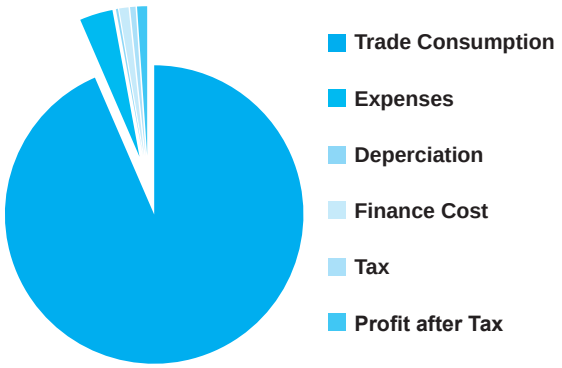
FINANCIAL HIGHLIGHTS

NET REVENUE	PROFIT AFTER TAX	EARNING PER SHARE
Rs. **2835**	Rs. **30.62**	Rs. **3.57**
CRORES	CRORES	(FACE VALUE Rs. 10/-)

FINANCIAL TRENDS







CORPORATE INFORMATION

THE BOARD (as on September 5, 2013)

ASHOK GUPTA, Chairman & Managing Director

HARDIP SINGH, Executive Whole Time Director

PARUL RAI, Non Executive Director

GAUTAM KANJILAL, Independent Non-Executive Director

TEJENDRA PAL SINGH JOSEN, Independent Non-Executive Director

COMPANY SECRETARY

VIKAS CHANDRA

CHIEF FINANCIAL OFFICER

PARVEEN SHARMA

AUDITORS

RMA & Associates
Chartered Accountants
48, Ist Floor, Hasan Pur,
I.P. Extention, Delhi - 110 092

BANKERS

Indusind Bank Limited
State Bank of India
Standard Chartered Bank
Axis Bank Limited

REGISTERED & CORPORATE OFFICE

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

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
Email: beetal@beetalfinancial.com

COMMITTEES OF BOARD

Audit Committee
Share Transfer & Investor Grievance Committee
Finance & Management Committee

LISTED AT

BSE Limited
Delhi Stock Exchange Limited
Jaipur Stock Exchange Limited

CONTENTS

Chairman's Message 4-5

Directors' Report 6-12

Management Discussion & Analysis Report 13-21

Corporate Governance Report 22-44

Standalone Financial Statements

- Auditors' Report 45-49
- Balance Sheet 50
- Profit & Loss Account 51
- Cash Flow Statement 52
- Notes forming part of Balance Sheet and Profit & Loss Account 53-74

Consolidated Financial Statements

- Auditors' Report 75-76
- Balance Sheet 77
- Profit & Loss Account 78
- Cash Flow Statement 79
- Notes forming part of Balance Sheet and Profit & Loss Account 80-101

Statement Pursuant to Section 212 of The Companies Act, 1956 102

Notice of the Meeting 103-108

Green Initiative In The Corporate Governance - Service of Documents Through Electronic Mode 109

E-Communication Registration Form 111

Proxy Form 113

Attendance Slip 115

CHAIRMAN'S MESSAGE

Dear Fellow Shareholders,

It is my pleasure to extend a very warm welcome to all of you at your company's 20th Annual General Meeting. I thank you for having spared your valuable time to make it convenient to attend.

On behalf of the Board of Directors of Optiemus, I am pleased to present you our financial performance and significant milestones for the financial year ended March 31, 2013.

Global Telecom Market

In 2012-13, the global telecom market grew marginally, by approximately 3% year-on-year, to USD 2.207 trillion. Telecom mobile devices accounted for 16% of the Total Market. The low single-digit growth rate of the past fiscal year is expected to continue over the next four years as well, with the total telecom market expected to grow at a compounded annual growth rate (CAGR) of only 4%, largely due to on-going economic concerns. During 2012-13, the Company's addressable market in mobile devices witnessed a excellent growth because the mobile market showed a healthy growth. In the future, we expect the Company's addressable market to continue to grow at an attractive pace.

Indian Telecom Industry

Indian telecommunication industry is one of the fastest growing industries in the world. It is estimated that India will have more than 1.3 billion mobile subscribers by 2014 exceeding even the total subscriber count in China. India's Handset Market grew by 14.7% to Rs. 35,946 Crore during the fiscal year 2012-13.

Within the space of Mobile Devices, international brands have played a significant role to bring the power of communication within the hands of the consumers by focusing on Product and Cost Innovation - bringing rightly priced and correctly engineered devices to the Indian Consumer. International brands have been successful in capturing over 85 % of the market share. Amidst such a dynamic scenario, your company with its unique integrated business model has created a leading space for itself.

Samsung has become the Number 1 player in the Mobile devices space in India by cornering 31.5% market share with the revenues of Rs. 11,328 Crores achieving a growth of 42.6%. Samsung is focused on Product Innovation in line with the changing requirements and has been very successful in bringing state of the art devices to the Indian market which has been well received by the Indian Consumers. Samsung has captured the hearts and minds of mobile consumers with leading-edge smart phones and a range of applications that are based on proprietary technology and well-designed platforms. A wide range of handset prices and availability in varied screen sizes has helped Samsung to grab customer's besides the product quality and new features. At OPTIEMUS we have continuously focused on providing the best experience to the mobility retail chain providing it a greater choice and more informed purchase experience.

Diversification

At another level, your Company is planning to expand its business from distribution to manufacturing. The strength of the Company is rich and vast experience of promoters. With their continued efforts and the support of all the employees, Company will surely achieve success.

The Year in Review

Domestic retailers have faced a challenging economic environment in the last financial year. Despite this, with comfortable leverage positioning and fight inventory control, your Company has delivered the excellent results by way of turnover of more than Rs. 2,800 Crore and Net Profit Before Tax of more than of Rs. 47 crore during the FY 2012-13. Our business has delivered industry leading performances. This is a reflection of the collective hard work and the strong commitment of employees of the Company. The company has put in place a concrete roadmap for putting the company on a fast trajectory of growth.

Further, we are moving towards multidimensional expansion, which would result in growth in our sales and operating profits.

A relentless focus on our customers and in-market execution helped the business deliver these strong numbers. We are driving bigger, better and faster innovations with almost 60% of our portfolio touched by innovations during the year. We continue to drive superiority of our products in the core categories as we invest to build the categories of tomorrow.

Future Roadmap

As a Company, Optiemus is positioned at an interesting juncture and looking towards a great future. We are following different models towards this. We are working with various agencies, companies, institutions in order to get the solution fastest. I am sharing that consumption/use of Mobile handsets is increasing day by day in India and abroad.

Corporate Governance

I would like to re-iterate our strong commitment to good corporate governance. We are continuously striving to improve the quality of our disclosures. Members would have observed that the contents of our Annual Reports over the past few years contain more information about the company and its working. Our attempt is to be as transparent as we can within the limits prescribed by law.

During the year I have, on several occasions, interacted with groups of business analysts to reaffirm about our future course of action. We have found these interactions useful in communicating effectively with the external environment and in helping them to gain a better understanding about our company's goals, priorities and working.

A Word of Appreciation

We could not have weathered the challenging economic environment and survived the competitive business environment to move forward with renewed vigour without the contribution, commitment and support of our management team and staff, business associates and shareholders. We appreciate your continued support, and steadfast belief in our mission and vision.

Conclusion

While concluding, I convey my personal gratitude for your continued support in our journey of delivering consistent, competitive, profitable and responsible growth and the confidence that you have reposed in your company's Board of Directors. I sincerely hope that you will continue to extend your whole-hearted support to us so that we, along with the management team, and all employees will further accelerate the growth and progress of the company.

Thank You,

Ashok Gupta

Chairman & Managing Director

DIRECTORS' REPORT

Dear Members

Your Directors have great pleasure in presenting the 20th Annual Report on the business and operation of Optiemus Infracom Limited together with audited statements of accounts for the financial year ended 31st March 2013.

FINANCIAL RESULTS

The Board of Directors is pleased to state that during the year ended on 31st March 2013, your Company has posted an inspiring growth and its performances are noteworthy. The financial performance of the Company for the year ended 31st March 2013 is summarized below:

Particulars	Year ended on 31.03.2013 (Rs. in Lakh)	Year ended on 31.03.2012 (Rs. in Lakh)
Revenue from Operations	**283,157**	185,455
Profit before Exceptional & Extraordinary Items and Tax	**4,783**	4,047
Exceptional Items	**58**	----
Profit Before Tax	**4,725**	4,047
Tax Expense:		
(1) Current Tax	**1,584**	1,297
(2) Deferred Tax	**30**	(7)
(3) Wealth Tax	**2**	3
(4) Taxation Adjustment of previous year (net)	**47**	(60)
Profit After Tax	**3,062**	2,813
Earnings per equity share	**3.57**	3.28

OPERATIONS

During the year under reporting, your company achieved another milestone as turnover touched an all time high of Rs. 283,499 Lacs as compare to Rs. 185,686 Lacs for the previous year registering a growth of 52.68%. The management of the Company is committed to maximize the shareholders value.

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 2012-13. Hence, an amount of Rs. 3,062 Lacs (Previous year Rs. 2,813 Lacs) has been proposed to be retained in the Profit and Loss Account.

DIVIDEND

The Board is of the view 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 2012-13.

PUBLIC DEPOSITS

Your Company has neither invited nor accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

SHARE CAPITAL

During the year, there was no change in the authorised, issued, subscribed and paid-up equity share capital of the Company which stood at Rs. 858,141,910 (Rupees Eighty Five Crore Eighty One Lacs Forty One Thousand Nine Hundred and Ten only) divided into 85,814,191 (Eight Crore Fifty Eight Lacs Fourteen Thousand One Hundred and Ninety One only) equity shares of Rs. 10/- (Rupees Ten only) each as at 31st March 2013.

DIRECTORS

During the year under review, following changes took place in the office of Directors of the Company:

Mr. Manoj Kumar Jain and Mr. Laliet Gupta have resigned from the post of the Director of the Company w.e.f. 28th December, 2012 and 8th April, 2013 respectively. The Board of Directors places on record its sincere appreciation for the guidance and contribution provided by them to the Company during their tenure as Directors of the Company.

Further, on 27th May, 2013, Mr. Tejendra Pal Singh Josen was appointed as additional director by the Board in the category of Independent Director and will hold the office upto the date of ensuing Annual General Meeting. Board proposes to regularize him as Director in the forthcoming Annual General Meeting.

As per Section 255 and 256 of the Companies Act, 1956, Mrs. Parul Rai is the Director liable to retire by rotation and, being eligible, offers herself for re-appointment at the ensuing Annual General Meeting. Board recommends her re-appointment for your approval.

Information about the directors proposed to be appointed/re-appointed such as their experience, term & conditions, etc. as required under clause 49 is being given in the Notice of the Annual General Meeting forming part of this annual report.

The Company also has Audit Committee which is constituted as per requirement of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement. Audit Committee has 3 members out of which 2 are Independent Directors and one is Executive Director. Chairman of Audit Committee is Independent Director.

SUBSIDIARIES

As on 31st March, 2013, the Company has one wholly owned subsidiary and one fellow subsidiary in Singapore namely Optiemus Infracom (Singapore) Pte. Ltd. and Optiemus Metals & Mining Pte. Ltd. respectively.

Consolidated Accounts of its subsidiaries for the year under review has also been drawn in accordance with applicable accounting standards.

PARTICULARS REQUIRED AS PER SECTION 212 OF THE COMPANIES ACT, 1956

Ministry of Corporate Affairs, vide its circular dated 8th February 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company.

Board of Directors of the company in its meeting held on 12th April, 2012 consented for not attaching the balance sheet of the subsidiary companies. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March 2013 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for

inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices/ registered offices of the respective subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any member on demand.

Further, the annual report of the Company contains the consolidated audited financial statements prepared, pursuant to Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the accounting standards notified by Ministry of Corporate Affairs under Accounting Standard Rules 2006. The financial data of the subsidiaries has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreements with the Stock Exchanges Consolidated Financial Statements of the Company and all its subsidiaries are attached. The consolidated Financial statements have been prepared in accordance with Accounting standard 21 ,Accounting standard 23 and Accounting standard 27 issued by The Institute of Chartered Accountants of India and showing the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiaries as a single entity, after elimination of minority interest.

AUDITORS AND THEIR REPORT

M/s RMA & Associates, Chartered Accountants (Registration No.: 000978N), who are the Statutory Auditors of the Company, shall hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The approval of the shareholders is sought for this resolution.

The notes on accounts referred to in the auditors' report are self-explanatory and therefore do not call for any further comments by the Board of directors.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation under Section 217(3) of the Companies Act, 1956.

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.

A separate section on Corporate Governance together with a certificate from the Company's auditors confirming the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges is annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement is given in Annexure-A and forms an integral part of this report.