

21ST ANNUAL REPORT 2013-14

**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

₹ **4104**

CRORES

PROFIT AFTER TAX

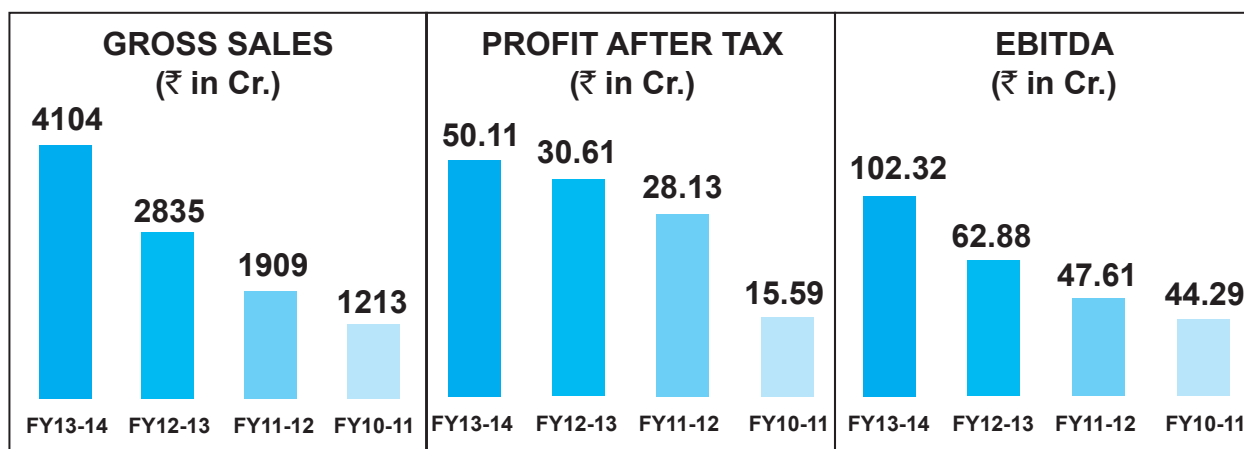
₹ **50.11**

CRORES

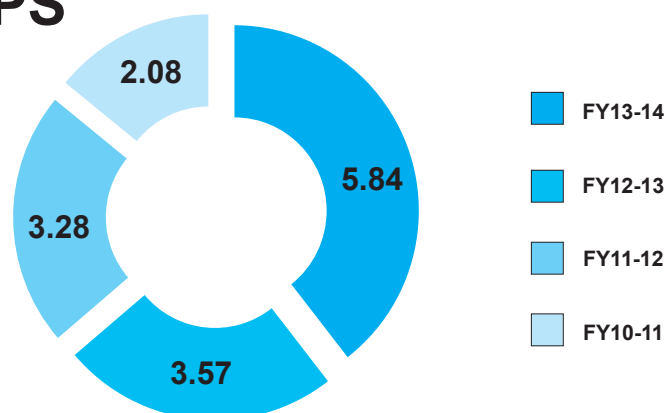
EARNING PER SHARE

₹ **5.84**

(FACE VALUE ₹ 10/-)



EPS



CORPORATE INFORMATION

BOARD OF DIRECTORS

ASHOK GUPTA, Chairman & Managing Director

HARDIP SINGH, Executive Whole Time Director

RENU GUPTA, Non-Executive Director

TEJENDRA PAL SINGH JOSEN, Independent Non-Executive Director

GAUTAM KANJILAL, Independent Non-Executive Director

CHARAN SINGH GUPTA, Independent Non-Executive Director

COMPANY SECRETARY & COMPLIANCE OFFICER CHIEF FINANCIAL OFFICER

VIKAS CHANDRA

PARVEEN SHARMA

AUDITORS

RMA & Associates

Chartered Accountants

48, 1st Floor, Hasan Pur,

I.P. Extension, Delhi - 110 092

BANKERS

Indusind Bank Limited

State Bank of India

HDFC Bank Limited

Standard Chartered Bank

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

CIN: L64200DL1993PLC054086

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

Stakeholder Relationship Committee

Nomination & Remuneration Committee

Corporate Social Responsibility Committee

LISTED AT

BSE Limited

Delhi Stock Exchange Limited

Jaipur Stock Exchange Limited

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CHAIRMAN'S MESSAGE

Dear Fellow Shareholders,

A very warm welcome to all of you at your company's 21st Annual General Meeting. I am pleased to present you our financial performance and significant milestones for the financial year ended March 31, 2014.

This year, your Company has delivered the excellent results by way of turnover of ₹ 4104 Crores and Net Profit before Tax ₹ 76.70 Crore during the FY 2013-14. This performance of organization is a result of the collective hard work and the core commitment of employees of the Company. The strength of the Company is rich and vast experience of promoters & Key managerial persons. With their continued efforts and the support of all the employees, Company will surely achieve success.

Further, we are moving forward with prime focus in the field of Mobile Accessories, which would result in growth in our sales with a excellent operating profits. A relentless focus on our customers and in-market execution helped the business deliver these strong numbers. We are aimed at achieving bigger, better and vast market segment with the help of Innovative & revolutionary perception of the employees. We continue to drive superiority of our products in the core categories as we invest to build the categories of tomorrow.

Your Company owns a Commercial property with World class facilities on a prime location in Noida, Uttar Pradesh, which has been leased out against a lease rent to Samsung Electronics India Private Limited for a period of (9) Nine Years.

As we know the Indian telecom market is one of the most competitive markets in the world. As this competitive market shifts inevitably and surely to morph from one largely dependent on voice to a market that will become spread across voice, data and a range of other services, our Company must be able to build the capabilities and culture for a sustainable way to win in market. Optiemos is positioned at a fascinating stage and looking towards a bright future. On several occasions, we have interacted with business analysts & various corporate entities to acknowledge our future course of action and to enshape corporate strategies for heading towards the faster business development.

At Optiemos we are aimed for strong commitment to good corporate governance. We are constantly striving to give fair disclosures. Management's philosophy is focused towards the transparent business practice.

Company could not have resisted in the dynamic economic environment and would not have developed the competitive business advantage to lead over its competitors without the contribution, commitment and support of our management team, Key Managerial persons, staff, business associates and most importantly shareholders. We appreciate your firm support, and loyal belief in our commitments and objectives.

With positive outlook for the year ahead, I convey my gratitude for your continued support which you have showed in your company. I wish that you will continue to extend your valuable support & faith to Board of Directors, key managerial persons, and all employees who are working with full dedication and focus to take the company at ace location.

Thank You,

Ashok Gupta

Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present the 21st Annual Report on the Business and operations of the Company along with the Audited Accounts for the financial year ended 31st March, 2014.

1. PRESENTATION OF FINANCIAL RESULTS

Since this Report pertains to financial year that commenced prior to 1st April 2014, the contents therein are governed by the relevant provisions/schedules/rules of the Companies Act, 1956, in compliance with General Circular No. 08/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs.

2. FINANCIAL HIGHLIGHTS:

Particulars	Year ended on 31.03.2014 (₹ in Lakh)	Year ended on 31.03.2013 (₹ in Lakh)
Revenue from Operations	410,444	283,157
Profit before Exceptional & Extraordinary Items and Tax	7,670	4,780
Profit Before Tax	7,670	4,722
Tax Expense:		
(1) Current Tax	2,519	1,584
(2) Deferred Tax	120	30
(3) Taxation Adjustment of previous year (net)	20	47
Profit After Tax	5011	3061
Earnings per equity share	5.84	3.57

- Above figures are on standalone basis

3. OPERATIONS

Your Company has delivered magnificent operating results in the financial year 2013-14. During the year under review, your company achieved yet another milestone as turnover touched an all time high of ₹ 410,444 lacs achieving a spectacular growth of 44.95% over the last year's turnover. The management of the Company is committed to maximize the shareholders value.

4. 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 2013-14. Hence, an amount of ₹ 5,011 Lacs (Previous year ₹ 3,061 Lacs) has been proposed to be retained in the Profit and Loss Account.

5. 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 2013-14.

6. CREDIT RATING

CRISIL has upgraded its rating from 'Moderate' to 'Stable' while affirming 'CRISIL A-' (read as CRISIL A minus) rating of your Company for Cash Credit Limit, Bill Discounting, Cash Credit & Working Capital Demand Loan and for Term Loan Facilities and 'CRISIL A2+' (read as CRISIL A Two plus) rating for Letter of Credit Limit & for Supplier Bill Discounting. This gives the Company better creditability and enables to access banking services at low costs.

7. CORPORATE SOCIAL RESPONSIBILITY

The Companies Act, 2013 notified section 135 of the Act concerning Corporate Social Responsibility (CSR) alongwith the Rules thereunder and revised Schedule VII to the Act on 27th February 2014 to come into effect from 1st April 2014. The Company being covered under the provisions of the said section, has taken necessary initial steps in this regard. A Committee of the directors, titled 'Corporate Social Responsibility Committee', has been formed by the Board consisting of the following Directors –

1. Charan Singh Gupta, Chairman
2. Gautam Kanjilal, Member
3. Hardip Singh, Member

The Committee is in process to formulate its CSR policy for the Company.

The said section being enacted w.e.f 1st April 2014, necessary details as required under the provisions of Companies Act 2013 shall be presented to the members in the Annual Report for the year 2014-15.

8. ORGANISATIONAL CHANGES

Directors

The Board of Directors of your Company uses their expertise to provide a strategic direction to the business of the Company. On these lines, during the year under review, Mr. Charan Singh Gupta was appointed as an Additional Director in the category of Independent Director of the Company to hold office upto the date of the ensuing Annual General Meeting (AGM) of the Company.

Mrs. Renu Gupta was also appointed as an Additional Director in the category of Non-Executive Director of the Company to hold office upto the date of the ensuing Annual General Meeting (AGM) of the Company. On appointment of Mrs. Renu Gupta, the provisions of section 149(1) of the Companies Act, 2013 of having at least one woman director on the Board of the Company, stand complied.

Resolutions for regularization of Mr. Charan Singh Gupta & Mrs. Renu Gupta is put up for the approval of shareholders in the Notice of AGM.

As per Section 152(6)(c) of the Companies Act, 2013, Mr. Gautam Kanjilal has now become a retiring director, thus Mr. Gautam Kanjilal retires from the Board by rotation this year and being eligible, offers himself for re-appointment. Board recommends his re-appointment for your approval.

Pursuant to section 149(4) of the Companies Act, 2013, every listed company is required to appoint at least one third of its directors as independent directors. The Board already has one half of its directors in the category of independent directors in terms of the provisions of clause 49 of the listing agreement. The Board therefore, in its meeting held on 30th May, 2014 appointed the existing independent directors

under clause 49 as 'independent directors' pursuant to Companies Act, 2013, subject to approval of shareholders.

As required under the said Act and the Rules made thereunder, the same is now put up for approval of shareholders at the ensuing annual general meeting. Necessary details have been annexed to the Notice of the meeting in terms of section 102(1) of the Companies Act, 2013. With the appointment of independent directors, the conditions specified in the Act and the Rules made thereunder as also under new clause 49 of the listing agreement stand complied.

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

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. Since the provisions of Section 152(6) are not applicable to Independent Directors, to ensure compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Mr. Hardip Singh be amended to provide that his office shall be liable to retire by rotation as per the provisions of Section 152(6) of the Companies Act, 2013.

During the year under review Mrs. Parul Rai's ceased to be director of the Company w.e.f. 30th May, 2014 due to the remaining absent from consecutive three Meetings of the Board.

Key Managerial Personnel

In the light of provisions of section 203 of Companies Act 2013 along with the rules made there under, the following persons have been appointed as Key Managerial Personnel of the Company:

Mr. Ashok Gupta, Managing Director

Mr. Hardip Singh, Whole Time Director

Mr. Parveen Sharma, Chief Financial Officer

Mr. Vikas Chandra, Company Secretary

9. INCREASE IN BORROWING POWER OF THE COMPANY

For expansion in business and growth, your Company has increased its borrowing power upto an amount not exceeding ₹ 4,000,000,000 (Rupees four hundred crores only) by passing a special resolution under section 180(1)(c) of the Companies Act, 2013, and any sum(s) may be borrowed by the Company within the said limit, from time to time, as may be deemed fit, including the sum(s) already borrowed.

10. SUBSIDIARIES

Following are the subsidiary Companies of your Company as at 31st March, 2014

Indian Subsidiaries:

- Oneworld Teleservices Private Limited

Overseas Subsidiaries:

- Optiplus Infracom (Singapore) Pte. Ltd, Singapore
- Optiplus Metals & Mining Pte. Ltd, Singapore

- Optiemos Infracom International FZE, Dubai

Further, Ministry of Corporate Affairs, vide its circular no. 2/2011 dated 8th February, 2011 has given 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, subject to fulfilment of conditions mentioned therein. The Company has fulfilled the necessary conditions in this regard and hence not attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies.

A summary of key financials of the Company's subsidiaries for the financial year ended 31st March, 2014 is included in this Annual Report. The annual accounts of the subsidiary companies and the related detailed information will be made available to the members of the Company and its subsidiary companies, seeking such information at any point of time. The annual accounts of the subsidiary companies will be kept for inspection by any member of the Company at its registered office and also at the registered office of the concerned subsidiary company.

11. CONSOLIDATED FINANCIAL STATEMENTS

The Directors also present the audited consolidated financial statements financial statements incorporating the financial statements of the subsidiaries as prepared in compliance with the accounting standards and listing agreement.

12. AUDITORS AND THEIR REPORT

M/s RMA & Associates, Chartered Accountants, the Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting (AGM). The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s RMA & Associates, Chartered Accountants, as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 25th AGM to be held in the year 2018, subject to ratification of their appointment at the subsequent AGMs each year till the expiry of their term.

The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any comments by the Board of Directors.

In conformity with the provisions of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended on 31st March 2014 is attached as a part of the Annual Accounts of the Company.

The disclosures related to related party transactions also form part of the notes on accounts.

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

13. 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 clause 49 of the listing agreement with stock exchanges, a separate section titled 'Corporate Governance' has been included in this annual report, along with the reports on Management Discussion and Analysis.