

**OPTIEMUS  
INFRACOM  
LIMITED**



# 22<sup>nd</sup> ANNUAL REPORT

2014-15

A decorative graphic consisting of three overlapping chevron shapes pointing to the right, in shades of purple and blue.



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

TOTAL REVENUE

**₹ 2556**

CRORES

PROFIT AFTER TAX

**₹ 29.60**

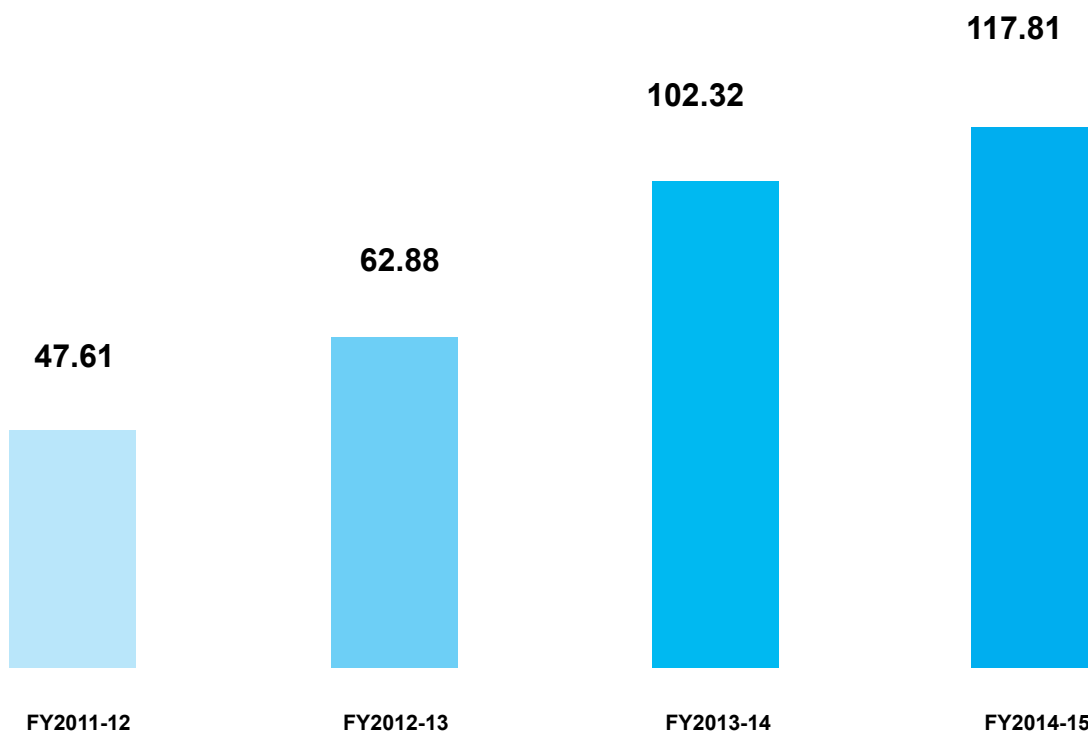
CRORES

EARNING PER SHARE

**₹ 3.45**

(FACE VALUE ₹ 10/- each)

**EBITDA  
(₹ in Cr.)**



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**ASHOK GUPTA**, Executive Chairman

**RAVINDER ZUTSHI**, Managing Director

**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

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

VIKAS CHANDRA

### **CHIEF FINANCIAL OFFICER**

PARVEEN SHARMA

### **AUDITORS**

RMA & Associates

Chartered Accountants

48, UG-2, Hasanpur,

I.P. Extension, Delhi - 110 092

### **BANKERS**

Indusind Bank Limited

State Bank of India

HDFC Bank Limited

Punjab & Sind Bank

### **REGISTERED & CORPORATE 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](http://www.optiemus.com)

E-mail: [info@optiemus.com](mailto: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](mailto:beetal@beetalfinancial.com)

### **COMMITTEES OF BOARD**

Audit Committee

Corporate Social Responsibility Committee

Nomination & Remuneration Committee

Risk Management Committee

Stakeholder Relationship Committee

Internal Complaints Committee

### **LISTED AT**

BSE Limited

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## CHAIRMAN'S MESSAGE

**Dear Shareholders,**

I am pleased to present to you the financial performance of your Company for the fiscal year ended on March 31, 2015. This year, your Company has recorded a turnover of ₹ 2,576 Crores with support of management and employees of the Company and the strong conviction of the Shareholders.

Your Company continues to be driven by a strong performance ethic and a strong set of values and behaviors and is committed to delivering excellence to its stakeholders. Our shareholders and customers are the heart of our operations.

The year under review has been one of the challenging years in recent times. Though the Telecom sector is rapidly growing and achieving new heights in Indian economy but the business of Samsung has seen a major decline during the first half year of 2014 and Samsung is an important brand in the Company's Portfolio, hence the impact has been most pronounced on us as well. However, At Optiemus, we realize the importance of dealing with the change. Hence, Optimeus has already began putting efforts to shift its focus from topline business activities to bottom line activities, including focus on its business of Mobile Accessories under its brand 'Molife'. It has though been a bumpy ride for the Company throughout the year, but with the efforts of the Board, employees and strong conviction of the stakeholders, your Company is continuously anticipating the change and is well preparing itself to take the Company towards new horizons.

We acknowledge the fact that human resources is the most important asset for any Company and on these lines, Optiemus is already on the move towards professionalizing and focusing on engaging experts who can take the Business of the Company towards an exorbitant level. Towards this direction, The Board of Directors of the Company is overwhelmed and highly privileged to welcome Mr. Ravinder Zutshi, (Former deputy Managing Director of Samsung Electronics India Private Limited) as the new Managing Director of the Company.

To conclude, I would like to convey my gratitude to all the employees, associates, management team and Stakeholders whose commitment, hard-work and valuable support and faith in our vision which always help us achieve greater heights.

Thank You,

**Ashok Gupta**

## DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present the 22<sup>nd</sup> Annual Report on the Business and operations of the Company along with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2015.

### 1. FINANCIAL SYNOPSIS:

(₹ in Lacs except for EPS)

Particulars	Year ended on 31.03.2015	Year ended on 31.03.2014
Revenue from Operations	255,647	410,444
Total Expenses	252,023	403,428
Profit before Exceptional & Extraordinary Items and Tax	4,448	7,670
Exceptional Items	-	-
Profit Before Tax	4,514	7,670
Tax Expense:		
(1) Current Tax	2,097	2,519
(2) Deferred Tax	(554)	120
(3) Taxation Adjustment of previous year (net)	12	20
Profit After Tax	2,960	5,011
Earnings per equity share	3.45	5.84

- figures on standalone basis

### 2. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

During the fiscal year, amidst the sturdy Competition in the telecom Industry, the Company witnessed a bumpy ride throughout the year but has been constantly endeavoring to sustain itself in the market by expanding its horizons in other markets. The detailed information on the state of affair of the Company is covered in the 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 2014-15. 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 2014-15.

### 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**

Though the Telecom sector is rapidly growing and achieving new heights in Indian economy but the business of Samsung has seen a major decline during the first half year of 2014. The Market of Samsung mobile was earlier dominated by organized trade which had an overall share of nearly 25% of total business volume. Later on, when the Online Channels showed their presence, they started offering predatory pricing of Samsung mobile. This resulted in stupendous growth in the business volume in Online Channel compared to the organized trade and the organized trade lost its market share by nearly 50%. Since Optiemos deals only with OT channel, the impact has been most pronounced on us as well.

There was a continuous decline in the business volume of Samsung Mobiles from the last one year. This situation arose due to intense competition by the other brands who started offering the phone of almost similar configuration at a very competitive price which drove out the customer away from Samsung Mobiles. Therefore, the sales volume of Samsung Mobiles faced huge drop in comparison to First Half of previous year 2013 over the first half of current year 2014, which is approximately 25-30%. This fact is well known worldwide.

In response to this downfall Optiemos has made serious efforts to shift its focus from topline business activities to bottom line activities thereby focusing on its own brand 'Molife' which is potentially capable to achieve growth in many folds and also to cover up the loss of revenue occurred in the immediate near future. Keeping its pace with the market trend, the Company is inclining towards online trade of its products for wider reach all across the country. Whilst this, Despite of loss of revenue and decline in sales for the current year 2014-15, Company has shown positive approach in maintaining its financial affairs and has maintained increased EBITA level of Rs. 11781 Lacs over the last year EBITA level, which clearly depicts the measures being put by your Company towards giving a new strategic Direction to the business, keeping aligned with the market momentum.

## **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 9 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 loans and investments falling under the provisions of section 186 of the Companies Act, 2013 are given under Note No. 10 & 11 of the notes to standalone financial statements.

#### 11. RELATED PARTY TRANSACTIONS

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. During the year under reference, the Company has not entered into any transaction with any related party, whether material or not in terms of the section 188 of Companies Act, 2013 and proviso to revised Clause 49 VII C of the Listing Agreement. Suitable disclosures as required under AS-18 have been made in Note 25 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.optiemus.com/investor-desk/policies>

#### 12. RISK MANAGEMENT FRAMEWORK

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 Risk Management Committee was implemented which oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and Risk reporting. The details of the Risk Management framework are provided as a part of Management Discussion and Analysis report.

#### 13. 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.optiemus.com/investor-desk/policies>

As a part of CSR initiatives, your Company during the financial year 2014-15 has amongst other activities, undertaken projects in areas of promoting Education and social & Economic welfare of the society. These projects are in accordance with schedule VII of the Companies Act, 2013.

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

#### **14. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM**

Section 177(9) of Companies Act, 2013 and clause 49 of the Listing Agreement, 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 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 has 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 under web link <http://www.optiemos.com/investor-desk/policies>

#### **15. DIRECTORS & KEY MANAGERIAL PERSONNEL**

##### **Non-Executive Directors**

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 clause 49 of the Listing Agreement. The Board appointed the existing independent directors under clause 49 as 'Independent directors' pursuant to Companies Act, 2013 as well. The members at the annual general meeting held on 30<sup>th</sup> September, 2014, approved the appointment of the existing independent directors for a term of 5 years effective from 1<sup>st</sup> April 2014. There was no change in the composition of Independent Directors of the Company.

Independent Directors of the Company as on this date are:

Mr. Gautam Kanjilal

Mr. Tejendra pal Singh Josen

Mr. Charan Singh Gupta

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.

Other than Independent Directors, Mrs. Renu Gupta, a Non-Executive woman Director was also appointed on the Board in 2014-15 whose appointment was ratified by the shareholders at the 21<sup>st</sup> Annual General Meeting held on September 30, 2014.

In pursuance of section 164(2) read with the Companies (Appointment and Qualification of Directors) rules 2014, Mrs. Gupta has submitted her declaration to the effect that she is not disqualified from being re-appointed as a Director.

There were no pecuniary transactions or relationship of the Non-Executive Directors vis-à-vis the company.