

To
The Members of
M/s. Optiemus Electronics Limited

Report on the standalone Financial Statements

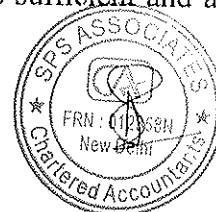
Opinion

We have audited the accompanying Standalone financial statements of **M/s. Optiemus Electronics Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of changes in Equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and Profit, changes in equity and its cash flows for the year ended on that date subject to our observations given in this report.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Other Matter - Observations

1. Company was manufacturing mobiles for one customer ("Indian Customer") and the material for these mobiles was supplied by customer's overseas holding company (the "Supplier 1"). There was another overseas subsidiary of that holding company which has also supplied certain material related to same mobiles (the "Supplier 2").

There was Rs. 10,807.66 lacs payable to Supplier 1 as on balance sheet date, Rs. 55.28 lacs payable to Supplier 2 and Rs. 10,116.65 lacs receivable from Indian Debtor.

Company has filed recovery claim under Insolvency and Bankruptcy Act (IBC Law). The litigation started and Overseas Supplier 1 has also filed recovery claim under IBC Law on company for the amount payable.

After both Supplier and the Company had filed cases under IBC law, the company has withdrawn the case for recovery and NCLT has passed order in terms of settlement agreement dated 6th July 2020. It was informed that as per terms of agreement;

1. Indian Debtor shall take all liability pending as on 31st March 2020 towards Supplier 1 and will also pay Rs. 290 lacs to company (OEL). Thus payments due on company in foreign currency in respect material purchased from SUPPLIER 1 and all related statutory compliances will be taken care by INDIAN DEBTOR.
2. Company will not proceed further for recovery of amount receivable from INDIAN DEBTOR and in turn, SUPPLIER 1 will also withdraw its Insolvency case and will disclaim the amount recoverable from the Company (OEL).
3. Existing Inventory of this Brand available with Company (OEL) shall not be returned back and will be scrapped to approved e-scrap vendor. The sale proceeds from scrap shall be retained by the company (OEL).
4. There shall be no due of Company (OEL) from/ towards any party viz. SUPPLIER 1 and INDIAN DEBTOR as on 31st March 2020 except as stated above in point 1.

Though it was not part of written agreement but it was understood that liability of company towards Supplier 2 will also be taken over by INDIAN DEBTOR as part of settlement agreement.

The company has received one payment of Rs. 145 lacs from point no. 1 above till our Report. It has been insisted by the company that terms of agreement is honored by all the parties.

However, confirmation about settlement of amount was not produced to us for verification. Therefore, we can not comment whether adjustment of parties balances (reduction of Net liability), valuations of related Inventory, Net Income booked by company and the balance recoverable shown on balance sheet date are correct or not.

Our opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c. Company maintains consolidated books of accounts at its head office and therefore no separate branch audit was conducted.
- d. The Balance Sheet, the Statement of Profit and Loss, Statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



SPS Associates

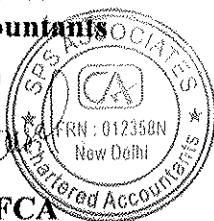
Chartered Accountants

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 of the financial statements;
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SPS Associates

Chartered Accountants

FRN- 012358N



Ashish Bansal, FCA

Partner

M. No. 511005

UDIN-20511005AAAABP5842

Place: New Delhi

Date: 30/07/2020

Annexure A

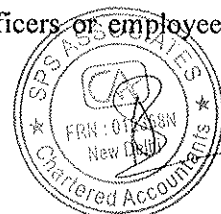
Annexure A to the Independent Auditor's Report of even date to the members of Optiemus Electronics Limited, on the standalone financial statements for the year ended 31 March, 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of Property, Plant and Equipment, Capital work-in-progress, Investment Property and Other Intangible assets.
- (b) The fixed assets comprising of property, plant and equipment, capital work-in-progress, and investment property have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included in property, plant and equipment, capital work-in-progress and investment property) are held in the name of the Company.
- (ii) In our opinion, the Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year end, confirmations have been obtained from the Management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of Clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.



- (iv) In our opinion based upon the information and explanation provided, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub- Section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There was no other dues on account of any dispute outstanding in respect of income-tax, service tax, duty of customs, duty of excise and value added tax.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.



SPS Associates

Chartered Accountants

- (xi) Managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of Clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the Directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SPS Associates

Chartered Accountants

FRN:- 012358N

Ashish Bansal

Partner

Membership No.: 511005

UDIN-20511005AAAABP5842

Place: New Delhi

Date: 30/07/2020



Annexure B

Annexure B to the Independent Auditor's Report of even date to the members of Optimus Electronics Limited on the standalone financial statements for the year ended 31 March, 2020

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Optimus Electronics Limited ("the Company") as of and for the year ended 31 March, 2020, we have audited the Internal Financial Controls over Financial Reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that
- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, though the Company did not have any Internal Audit process during the year but on the basis of our test checks, it has, in material respects, adequate Internal Financial Controls over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating reasonably as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For SPS Associates
Chartered Accountants

FRN:- 012358N

Ashish Bansal

Partner

Membership No.: 511005

UDIN-20511005AAAABP5842

Place: New Delhi

Date: 30/07/2020



OPTIMUS ELECTRONICS LIMITED
CIN- U32300DL2016PLC290355
Balance Sheet as on 31st March 2020

| Particulars | Notes | As on 31st March 2020 (in Lacs) | As on 31st March 2019 (in Lacs) |
|--|-------|------------------------------------|------------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipments | 3 | 1,575.05 | 1,714.95 |
| Capital Work in Progress | | - | - |
| Investment Properties | | - | - |
| Goodwill | | - | - |
| Other Intangible Assets | 4 | 11.90 | 33.95 |
| Intangible Assets under Development | | - | - |
| Biological assets other than bearer plants | | - | - |
| Investment accounted for using the equity method | | - | - |
| Financial Assets | | | |
| i) Investment | | - | - |
| ii) Loans | | - | - |
| iii) Other Financial Assets | 5 | 104.63 | 100.94 |
| Deferred tax assets | 6 | 388.71 | 402.62 |
| Other non-current assets | | - | - |
| Total non-current assets | | 2,080.29 | 2,252.46 |
| Current Assets | | | |
| Inventories | 7 | 373.35 | 2,510.96 |
| Financial Assets | | | |
| i) Investment | | - | - |
| ii) Trade Receivables | 8 | 3,759.35 | 16,547.50 |
| iii) Cash and Cash Equivalents | 9 | 1.40 | 5.12 |
| iv) Bank Balance other than iii) above | | - | - |
| v) Loans | | - | - |
| vi) Other financial assets | | - | - |
| Other current assets | 10 | 210.66 | 1,422.12 |
| Assets classified as held for sale | | - | - |
| Total Current Assets | | 4,344.76 | 20,485.70 |
| Total Assets | | 6,425.05 | 22,738.16 |

| Particulars | Notes | As on 31st March 2020 (in Lacs) | As on 31st March 2019 (in Lacs) |
|---|-------|------------------------------------|------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 11 | 1,386.00 | 1,386.00 |
| Other Equity | | | |
| - Equity Component of compound financial instruments | | - | - |
| - Reserve & Surplus | 12 | (1,396.45) | (1,170.70) |
| - Other Reserves | | - | - |
| Equity attributable to owners of Optimus Electronics Limited | | (10.45) | 215.30 |
| Non-Controlling Interests | | - | - |
| Total Equity | | (10.45) | 215.30 |



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Simran

OPTIEMUS ELECTRONICS LIMITED
CIN- U32300DL2016PLC290355
Balance Sheet as on 31st March 2020

| Particulars | Notes | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|---|-------|------------------------------------|------------------------------------|
| Liabilities | | | |
| Non- Current Liabilities | | | |
| Financial Liabilities | | | |
| i) Borrowings | 13 | - | 97.94 |
| ii) Other Financial Liabilities | 13a | - | 800.00 |
| Provisions | | | |
| Employee Benefits Obligations | 14 | 2.56 | 45.26 |
| Deferred tax liabilities | | - | - |
| Government Grants | | - | - |
| Other Non-Current Liabilities | | 2.56 | 943.20 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| i) Borrowings | 15 | 805.01 | 1,320.08 |
| ii) Trade Payables | 16 | 5,326.26 | 17,919.28 |
| iii) Other financial liabilities | | - | - |
| Provisions | | | |
| Employee Benefits Obligations | 17 | 4.20 | 49.39 |
| Deferred tax liabilities | 17a | - | 0.07 |
| Government Grants | 6 | - | - |
| Other Current Liabilities | 18 | 297.47 | 2,290.84 |
| Liabilities directly associated with assets classified as held for sale | | - | - |
| Total Current Liabilities | | 6,432.94 | 21,579.66 |
| Total Liabilities | | 6,435.50 | 22,522.86 |
| Total Equity and liabilities | | 6,425.05 | 22,738.16 |

The above statement of profit and loss should be read in conjunction with the accompanying notes.

"Signed in terms of our Report of Even Date Attached"
For S P S Associates (FRN 012358N)
Chartered Accountants

Ashish Bansal
Partner
M.No. 511005



Date : 30/07/2020
Place : New Delhi

For OPTIEMUS ELECTRONICS LIMITED

Ashok Gupta
Director
DIN : 00277434

Neetesh Gupta
Director
DIN : 00030782

Purshottam Upadhyay
Chief Financial Officer
PAN: AAUPU1634J

Simran Monga
Company Secretary
PAN: CZXPM3297D

OPTIMUS ELECTRONICS LIMITED
CIN- U32300DL2016PLC290955
Statement of Profit and Loss for the period ended 31st March 2020

| Particulars | Notes | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|---|-------|--|--|
| Continuing Operations | | | |
| Revenue from Operations | 19 | 17,683.90 | 61,896.79 |
| Other Income | | | |
| Other gain/(losses)- net | 20 | 790.37 | 307.90 |
| Total Income | | 18,474.27 | 62,204.69 |
| Expenses | | | |
| Cost of material consumed | 21 | 15,384.79 | 58,126.74 |
| Purchases of stock in trade | | | |
| Changes in inventories of work-in-progress, Stock-in-trade and finished goods | 22 | 1,411.93 | 940.31 |
| Excise duty | | | |
| Employee benefits expenses | 23 | 760.36 | 2,086.31 |
| Depreciation and amortization expenses | 3 & 4 | 192.13 | 276.26 |
| Impairment of goodwill and other non-current assets | | | |
| Other Expenses | 24 | 848.14 | 595.24 |
| Finance costs | 25 | 134.10 | 169.65 |
| Total Expenses | | 18,731.45 | 62,194.51 |
| Profit before exceptional items, share of net profits of investments accounted for using equity method and tax | | (257.18) | 10.18 |
| Share of net profit of associates and joint ventures accounted for using the equity method | | | |
| Profit before exceptional items and tax | | (257.18) | 10.18 |
| Exceptional items | | | |
| Profit before tax from continuing operations | | (257.18) | 10.18 |
| Income tax expense | | | |
| -Current tax | | | |
| -MAT Credit | | | |
| -Deferred tax | | | |
| Total tax expenses | | 13.91 | 125.04 |
| Profit from continuing operations | | (271.09) | (114.86) |
| Discontinued Operations | | | |
| Profit from discontinued operations before tax | | | |
| Tax expense of discontinued operations | | | |
| Profit from discontinued operations | | | |
| Profit for the period | | (271.09) | (114.86) |

| Particulars | Notes | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|--|-------|--|--|
| Other comprehensive Income | | | |
| Items that may be reclassified to profit or loss | | | |
| Change in fair value of FVOCI Debt instrument | | | |
| Deferred gains/(losses) on cash flow hedges | | | |
| Deferred cost of hedging | | | |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | | | |
| Exchange differences on transaction of foreign operations | | | |
| Other comprehensive income/(loss) arising from discontinued operations | | | |
| Net investment hedge gain | | | |
| Gratuity | | | |
| Leave Encashment | | | |
| Income tax related to these items | | | |
| Items that will not be reclassified to profit or loss | | | |
| Changes in fair value of FVOCI Equity instruments | | | |
| Deferred gains/(losses) on cash flow hedges | | | |
| Deferred cost of hedging | | | |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | | | |
| Remeasurements of post - employment benefit obligations | | 45.34 | |
| Income tax related to these items | | | |
| Other comprehensive income for the year, net of tax | | 45.34 | |
| Total Comprehensive Income for the year | | (225.75) | (114.86) |



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Simran

OPTIEMUS ELECTRONICS LIMITED
CIN- U82300DL2016PLC290355
Statement of Profit and Loss for the period ended 31st March 2020

| Particulars | Notes | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|--|-------|--|--|
| Profit is attributable to : | | | |
| Owners of Optiemus Electronics Limited | | (271.09) | (114.86) |
| Non-Controlling interests | | (271.09) | (114.86) |
| Other Comprehensive Income is attributable to : | | | |
| Owners of Optiemus Electronics Limited | | 45.34 | |
| Non-Controlling interests | | 45.34 | |
| Total Comprehensive Income is attributable to : | | | |
| Owners of Optiemus Electronics Limited | | (225.75) | (114.86) |
| Non-Controlling interests | | (225.75) | (114.86) |
| Total Comprehensive Income is attributable to Owners of Optiemus Electronics Limited arises from : | | | |
| Continuing Operations | | (225.75) | (114.86) |
| Discontinued Operations | | (225.75) | (114.86) |
| Earning per equity share for profit from continuing operation attributable to owners of Optiemus Electronics Limited : | | | |
| Basis Earning per share (Rs.) | | (1.63) | (0.83) |
| Diluted Earning per share (Rs.) | | (1.63) | (0.83) |
| Earning per equity share for profit from discontinued operation attributable to owners of Optiemus Electronics Limited : | | | |
| Basis Earning per share | | | |
| Diluted Earning per share | | | |
| Earning per equity share for profit from continuing and discontinued operation attributable to owners of Optiemus Electronics Limited : | | | |
| Basis Earning per share | | (1.63) | (0.83) |
| Diluted Earning per share | | (1.63) | (0.83) |

The above statement of profit and loss should be read in conjunction with the accompanying notes.

"Signed in terms of our Report of Even Date Attached"
For S P S Associates (FRN 012358N)
Chartered Accountants

Ashish Bansal
Partner
M.No. 511005

Date : 30/07/2020
Place : New Delhi



For OPTIEMUS ELECTRONICS LIMITED

Ashok Gupta
Director
DIN : 00277434

Neelish Gupta
Director
DIN : 00030782

Purshottam Upadhyay
Chief Financial Officer
PAN: AAUPU1634J

Simran Monga
Company Secretary
PAN: CZXPM3297D

OPTIMUS ELECTRONICS LIMITED
CIN- U32300DL2016PLC290355
Statement of Cash Flow for the year ending 31 March 2020

| Particulars | Notes | For the year ended 31 March 2020 (in Lacs) | For the year ended 31 March 2019 (in Lacs) |
|---|-------|---|---|
| A. Cash flow from operating activities | | | |
| Profit before tax from | | | |
| Continuing Operations | | -257.14 | 9.98 |
| Discontinuing Operations | | .00 | .00 |
| Adjustments for - | | | |
| Depreciation | 3&4 | 192.13 | 276.26 |
| Interest income on fixed deposit | | -4.29 | -4.56 |
| Gain on disposal of fixed assets | | 1.19 | -.38 |
| Loss on Devaluation of Inventory | | 254.33 | .00 |
| Amount Written off | | .99 | .00 |
| Excess Liability Written Off | | -781.96 | .00 |
| Other gain | | .00 | -5.59 |
| Interest expense | | 133.92 | 168.97 |
| Operating profit before working capital changes | | -460.83 | 444.67 |
| Adjustments for changes in working capital: | | | |
| - (Increase)/decrease in Inventories | 7 | 1883.27 | 862.92 |
| - (Increase)/decrease in Trade Receivables | 8 | 12788.17 | -8231.24 |
| - (Increase)/decrease in other current assets | 10 | 1210.49 | -199.29 |
| - Increase/(decrease) in Trade Payables | 16 | -11811.10 | 6916.57 |
| - Increase/(decrease) in current liabilities and provisions | 17&18 | -2038.68 | 178.06 |
| - Increase/(decrease) in non current liabilities and provisions | 14 | 2.63 | 2.38 |
| Cash used in operating activities | | 2034.79 | -470.60 |
| Net cash flow from operating activities | | 1573.96 | -25.93 |
| B. Cash flows from investing activities | | | |
| Purchase of fixed assets | 3&4 | -54.74 | -138.80 |
| Proceeds from sale of fixed assets | | 23.38 | 10.27 |
| Investment in fixed deposit | 5 | -3.69 | -4.94 |
| Interest income on fixed deposit | | 4.29 | 4.56 |
| Other income | | .00 | 5.59 |
| Net cash flow from investing activities | | -30.77 | -123.32 |
| C. Cash flows from financing activities | | | |
| Long term borrowing repaid | | -800.00 | .00 |
| Term loan repaid to banks | 13&15 | -613.00 | -502.50 |
| Term loan repaid to Others | 13&15 | .00 | -52.61 |
| Short term borrowing received | | .00 | 70.69 |
| Interest paid | 25 | -133.92 | -168.97 |
| Net cash flows from financing activities | | -1546.92 | 146.62 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | | -3.72 | -2.64 |
| Add : Cash and cash equivalents at the beginning of the year | | 5.12 | 7.76 |
| Cash and cash equivalents at the end of the year | | 1.40 | 5.12 |
| Reconciliation of cash and cash equivalents at the end of the year | | | |
| Cash in hand | 9 | .12 | 2.11 |
| Balances with scheduled banks | | | |
| - in current accounts | 9 | 1.28 | 3.01 |
| - in fixed deposits | | .00 | .00 |
| Cash and cash equivalents at the end of the year | | 1.40 | 5.12 |

D. The above statement of profit and loss should be read in conjunction with the accompanying notes.

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 Cash Flow Statements issued by the Institute of Chartered Accountants of India.

"Signed in terms of our Report of Even Date Attached"
For S P S Associates (FRN 012358N)
Chartered Accountants

Ashish Bansal
Partner
M.No. 511005

Date : 30/07/2020
Place : New Delhi

For OPTIMUS ELECTRONICS LIMITED

Ashok Gupta
Director
DIN : 00277434

Neetesh Gupta
Director
DIN : 00030782

Purshottam Upadhyay
Chief Financial Officer
PAN: AAUPU1634J

Simran Monga
Company Secretary
PAN: CZXPM3297D

OPTIMUS ELECTRONICS LIMITED
CIN-U32300DL2016PLC290355
Notes forming part of the Financial Statements

Statement of Change in Equity

A. Equity Share Capital

| | Notes | No. of Shares | Amount (in Lacs) |
|---------------------------------|-------|---------------|------------------|
| As at 1st April 2018 | | 18,860,000 | 1,386.00 |
| Changes in Equity share capital | 11 | - | - |
| As at 31st March, 2019 | | 18,860,000 | 1,386.00 |
| Changes in Equity share capital | | - | - |
| As at 31st March, 2020 | | 18,860,000 | 1,386.00 |

B. Other Equity

| Particulars | Notes | Attributable to owners of Optimus Electronics Limited | | | | | | | Non-Controlling Interests | Amount (in Lacs) |
|---|-------|---|----------------------------|-------------------|---------------------------|--------------------------|--------------------------------------|--------------------|---------------------------|------------------|
| | | Equity Components of Compound Financial Instruments | Reserve and Surplus | | Other Reserves | | | Total other Equity | | Total |
| | | | Securities Premium Reserve | Retained Earnings | Cash Flow Hedging Reserve | Costs of hedging Reserve | Foreign Currency transaction Reserve | | | |
| Balance at 1st April 2019 | 12 | - | - | (1,055.64) | - | - | - | - | - | (1,055.64) |
| Profit/(Loss) for the year | | - | - | (115.06) | - | - | - | - | - | (115.06) |
| Other Comprehensive Income | | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the year | | - | - | - | - | - | - | - | - | - |
| Deferred hedging gains/(losses) and Costs of hedging transferred to the carrying value of inventory | | - | - | (1,170.70) | - | - | - | - | - | (1,170.70) |
| Transaction with owners in their capacity as owners | | - | - | - | - | - | - | - | - | - |
| Issue of equity shares | | - | - | - | - | - | - | - | - | - |
| Dividend paid | | - | - | - | - | - | - | - | - | - |
| Employee stock option expense | | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March, 2019 | | - | - | (1,170.70) | - | - | - | - | - | (1,170.70) |

| Particulars | Notes | Attributable to owners of Optimus Electronics Limited | | | | | | | Non-Controlling Interests | Amount (in Lacs) |
|---|-------|---|----------------------------|-------------------|---------------------------|--------------------------|--------------------------------------|--------------------|---------------------------|------------------|
| | | Equity Components of Compound Financial Instruments | Reserve and Surplus | | Other Reserves | | | Total other Equity | | Total |
| | | | Securities Premium Reserve | Retained Earnings | Cash Flow Hedging Reserve | Costs of hedging Reserve | Foreign Currency transaction Reserve | | | |
| Balance at 01 April 2019 | 12 | - | - | (1,170.70) | - | - | - | - | - | (1,170.70) |
| Profit/(Loss) for the year | | - | - | (225.75) | - | - | - | - | - | (225.75) |
| Other Comprehensive Income | | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the year | | - | - | (1,396.45) | - | - | - | - | - | (1,396.45) |
| Deferred hedging (gains/(losses)) and Costs of hedging transferred to Inventory | | - | - | - | - | - | - | - | - | - |
| Transfer to retaining earnings on acquisition of subsidiary | | - | - | - | - | - | - | - | - | - |
| Transaction with owners in their capacity as owners : | | - | - | - | - | - | - | - | - | - |
| Issue of equity shares, net of transaction costs | | - | - | - | - | - | - | - | - | - |
| Issue of optionally convertible bonds (net of deferred tax) | | - | - | - | - | - | - | - | - | - |
| Non-Controlling interests on acquisition of subsidiary | | - | - | - | - | - | - | - | - | - |
| Transaction with non-Controlling Interests | | - | - | - | - | - | - | - | - | - |
| Dividend paid transfer to Debenture Redemption Reserve | | - | - | - | - | - | - | - | - | - |
| Employee stock option expense | | - | - | - | - | - | - | - | - | - |
| Balance at 31 March, 2020 | | - | - | (1,396.45) | - | - | - | - | - | (1,396.45) |



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Optimus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

1. Background

Optimus Electronics Limited is a company limited by shares, domicile and incorporated in India under the Companies Act 2013 on 29th January 2016. The company is engaged in the business of manufacturing of mobile phones under the third party brands.

2. Significant Accounting Policies

This note provides significant accounting policies adopted in preparation of these financial statements.

2.1 Basis of preparation

The financial statements comply in all material aspect with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared under the historical convention on an accrual basis,

The company has ascertained its operating cycle as not more than twelve months, accordingly, the assets expected to realize and liabilities due within twelve months are classified under Current and all other assets and liabilities are classified under Non-current.

2.2 Use of Estimates

The Preparation of financial statements is conformity with Ind AS and Indian GAAP which require the management to make judgment, estimates and assumptions that affect the reported amount of revenue, expense, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge current event and action, uncertainty about these assumption and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

The differences between the actual results and estimates are recognized in the year in which the results are known / materialized. Estimates and underlying assumptions are reviewed on ongoing basis and as such these changes are reflected in the period it is made.

2.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent that it is probable that economic benefits will follow to the Company and the revenue can be reliably measured; following are the specific revenue recognition criteria:

a) Product Sale - Revenue from sale of goods is recognized:

- i. on transfer of significant risks and rewards of ownership;
- ii. when goods are dispatched and the title passes to the customers;
- iii. when the company neither retains nor continue managerial involvement to the degree usually associated with ownership or effective control over the goods sold; and



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Optiemus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

- iv. when there is certainty of collection.

The sale is recognised net of returns, discounts and rebates granted and exclusive of GST and other duties / taxes recovered from customer on behalf of Govt.

- b) **Services-** Revenue from Job work is recognized when
- Performance obligation as per work order is satisfied and
 - There is certainty of collection
- c) **Interest and Other Income** - Interest is recognised using the time proportion method based on the underlying interest rates. Other income recognized when ultimate certainty of collection was established.

2.4 Property Plant and Equipment (PPE)

On transition to IndAS, the Company has adopted the exemption given under *IndAS101- First Time Adoption* to continue with the carrying amount of property, plant and equipment recognized in the previous year as its deemed cost.

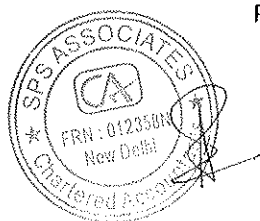
PPEs are stated at Cost Model i.e. comprising of historical cost, net of accumulated depreciation and accumulated impairment losses and cost of disposal, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

In opinion of management, the fair value of PPE is not materially different from the carrying amount.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance.

All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized. PPEs not exceeding Rs. 5,000/- is charged to the statement of profit and loss.

We have reviewed the remaining residual value of all PPE standing on the balance sheet date and overall useful life does not differ from previous years' estimates. There is no change(s) required to be accounted as an accounting estimate in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.



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Optiemus Electronics Limited
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Notes to the Financial Statements
For the year ended 31st March, 2020

2.5 Depreciation

Depreciation on Property, Plant and Equipment has been provided on Straight Line Method basis over the useful lives of assets estimated by the Management as prescribed in Schedule-II to the Companies Act, 2013 as follows:

- | | |
|--|-----------|
| ▪ Computer, Printer & Office Equipments | 3-5 years |
| ▪ Furniture, Fittings and Electric Installations | 10 Years |
| ▪ Plant & Machinery | 15 Years |

Management has reviewed the depreciation method applied and believes that there has not been a significant change in the expected pattern of consumption of the future economic benefits embodied in the PPE, hence same method is continued during the current year.

2.6 Intangible Assets and Amortisation

Intangible assets are recognized on Cost Model, when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Acquired intangible assets consist of software etc. are recorded at acquisition cost.

On transition to IndAS, the Company has adopted the exemption given under *IndAS101- First Time Adoption* to continue with the carrying amount of intangible assets recognized in the previous year as its deemed cost.

The intangible assets are amortised on straight-line basis over the useful life of assets estimated by the management as per prescribed in schedule-II to the companies Act, 2013 as follows:

- | | |
|------------|---------|
| ▪ Software | 3 years |
|------------|---------|

2.7 Impairments of Assets

The carrying amounts of the Company's assets including intangible assets are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount or the expected future economic benefits.

An impairment loss of financial asset is recognised whenever the carrying amount of an asset has had a negative effect on the estimated future discounted cash flows of that asset.

If at the Balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reinstated at the recoverable amount subject to a maximum of depreciable historical cost. The management does not find any material impairment in the value fixed assets as at the balance sheet date, therefore no impairment loss is recognized during the year.



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Optiemus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

2.8 Inventories

Raw Materials and Consumables are valued at lower of cost or Net realizable value. Cost includes cost of purchase on Weighted Average Cost basis, expenses towards bringing goods to the point of sale.

The company is in the business of manufacturing of mobiles which are owned by various brands and company strictly adheres to terms of manufacturing. These terms inter-alia binds company for selection of vendor, quality and type of material to be used, pricing of the material, selection of suppliers and non usage of material purchased for manufacturing of any brand items for any other purpose. Though company posses the ownership of material (Raw/ WIP/FG) however, it can not sale any such material to person other than instructed by brand owner.

In above scenario, there is no active market available for the inventory of mobiles manufactured by company except those selected by brand owner.

Therefore, Net Realisable Value in terms of Inventory possess by company is referred to the selected customers as specified by brand owner. Also the selling price of goods manufactured are fixed in our contract which is binding on company and the customer. Thus Net Realisable Value is determined in accordance with the manufacturing agreement entered which is always higher than cost price of goods manufactured.

Work-In-Progress is valued at lower of cost or Net realizable value. Cost includes cost of purchase on Weighted Average Cost basis, allocated Cost of conversion and other costs incurred in bringing goods to their present condition.

Finished Goods are valued at lower of cost or Net realizable value. The cost includes cost of purchase on Weighted Average Cost basis, allocated cost of conversion, and other costs incurred in bringing goods to their present location and condition.

The Inventory related to 10.or Brand mobile is valued at expected scrap value as part of settlement agreement mentioned below.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of Purchase includes purchase price (net of Trade discounts, rebates etc.) and transportation, handling and other costs directly attributable to the acquisition of goods.

Cost of Conversion includes costs directly related to the units of production, such as direct labour and also includes a systematic allocation of fixed and variable production overheads that are incurred in converting materials into WIP or finished goods to their present condition.

2.9 Foreign Currency Transaction



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CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

Foreign currency transactions are recorded in the reporting currency at exchange rate between the reporting currency and the foreign currency prevailing at the date of the transaction. Any fluctuation in foreign currency transaction when realized is recognized in statements of profit and loss as income/expense.

The restatement is done as at the date of balance sheet for the monetary assets and liabilities involving foreign currency at the exchange rates prevailing on that date. The difference arising from such translation is recognised in the statement of profit and loss.

The exchange difference arising on the reinstatement of monetary items that qualify as hedging instruments is recognised on the basis of Marked to market basis on the date of balance sheet in the statement of profit and loss.

2.10 Operating Lease

Lease payment under an operating lease is recognised as an expense in the statement of Profit and loss on Accrual basis as per Lease agreements as the increase in lease payments compensate only the expected inflationary cost over the period of lease.

There is no change in Lease Payment or terms like rent free period or deferment of lease payments. All existing terms are remaining constant and no negotiation has effected the future lease liability.

2.11 Employee Benefits

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of balance sheet date are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

b) Post employment benefits (defined benefit plans)

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each balance sheet date based on an actuarial valuation using the method prescribed under IndAs-10.

Actuarial gains and losses are recognised immediately in the Statement of Profit and loss.

c) Post employment benefits (defined contribution plans)

Contributions to the provident fund and superannuation fund, which are defined contribution schemes, are recognised as an expense in the statement of Profit and loss in the period in which the contribution is due.

d) Long-term employee benefits

Long-term employee benefits comprise of compensated absences and other employee incentives. These are measured based on an actuarial valuation carried out by an independent actuary at Balance sheet date unless they are insignificant.



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Optiemus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

Actuarial gains and losses and past service costs are recognised immediately in the statement Profit and loss.

2.12 Borrowing Cost

Borrowing cost that are attributable to acquisition construction or production of qualifying assets are capitalised as cost of such assets. All other borrowing costs are recognized as expense in the year in which they are incurred.

2.14 Segment Reporting

The company's activity involve predominantly one Operating segment i.e. manufacturing of mobile phones which is considered to be single operating segment. Accordingly, the primary basis of segmental information as set out in these financial statements, which reflect the information required by IndAs-108 Operating Segments, is with respect to this operating segment itself.

2.15 Provisions and Contingencies

Provision is recognised in the Balance sheet when, the Company has a present obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made.

A disclosure by way of a contingent liability or asset is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow/ inflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow/inflow of resources are remote, no disclosure is made.

2.16 Income taxes

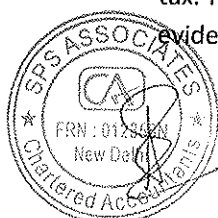
Tax expense comprises current tax and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income-tax assets/liabilities reflect the impact of temporary timing differences between taxable income and accounting income and unused tax losses originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets/liabilities. It recognises deferred tax asset/liabilities to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets/liabilities can be realized/payable.

Minimum Alternate Tax (MAT) paid is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax until the period, MAT credit is allowed



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Optiemus Electronics Limited
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Notes to the Financial Statements
For the year ended 31st March, 2020

to be carried forward. The Company recognizes MAT credit as per the Income-tax Act, 1961, by way of credit to the statement of profit and loss as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the period MAT Credit is allowed.

2.17 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



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OPTIMUS ELECTRONICS LIMITED
CIN-U32300DL2016PLC290355
Notes forming part of the Financial Statements

Note-3 Property, Plant & Equipment

| Particulars | Computer, Printer & Office Equipment (In Lacs) | Furniture, Fittings & Electrical Installations (In Lacs) | Plant & Machinery (In Lacs) | Total (In Lacs) |
|--|---|---|-----------------------------------|--------------------|
| Year Ended 31st March, 2019 | | | | |
| Gross Carrying Amount | | | | |
| Deemed Cost as on 1st April 2018 | 318.05 | 920.13 | 1,385.94 | 2,229.02 |
| Additions | 0.46 | 9.78 | 123.89 | 134.13 |
| Disposals | 0.43 | - | 9.81 | 10.24 |
| Closing Gross Carrying Amount | 318.08 | 929.90 | 1,500.02 | 2,348.00 |
| Accumulated Depreciation | | | | |
| Opening Accumulated Depreciation | 175.49 | 88.28 | 131.71 | 395.48 |
| Depreciation Charge During the period | 97.86 | 49.76 | 91.10 | 298.83 |
| Disposals | 0.23 | - | 0.12 | 0.35 |
| Closing Accumulated Depreciation | 273.12 | 138.07 | 222.78 | 633.96 |
| Net Carrying Amount | 45.87 | 391.80 | 1,277.25 | 1,714.95 |
| Period Ended 31st March 2020 | | | | |
| Gross Carrying Amount | | | | |
| Opening Gross Carrying Amount | 318.08 | 929.90 | 1,500.02 | 2,348.00 |
| Additions | - | - | 54.74 | 54.74 |
| Disposals | 85.09 | 2.34 | 21.74 | 109.16 |
| Transfers | - | - | - | - |
| Closing Gross Carrying Amount | 233.89 | 527.56 | 1,533.03 | 2,294.48 |
| Accumulated Depreciation and Impairment | | | | |
| Opening Accumulated Depreciation | 273.12 | 138.07 | 222.78 | 633.96 |
| Depreciation Charge During the period | 23.19 | 50.42 | 96.47 | 170.08 |
| Disposals | 80.76 | 0.61 | 3.23 | 84.60 |
| Impairment Loss | - | - | - | - |
| Closing Accumulated Depreciation and Impairment | 215.55 | 187.07 | 316.01 | 718.63 |
| Net Carrying Amount | 18.35 | 339.69 | 1,217.02 | 1,575.05 |

Note-4 Other Intangible Assets

| Particulars | Software (In Lacs) | Total (In Lacs) |
|--|-----------------------|--------------------|
| Year Ended 31st March, 2019 | | |
| Gross Carrying Amount | | |
| Deemed Cost as on 1st April 2018 | 116.61 | 116.61 |
| Additions | 4.67 | 4.67 |
| Disposals | - | - |
| Closing Gross Carrying Amount | 121.28 | 121.28 |
| Accumulated Amortization | | |
| Opening Accumulated Amortization | 49.89 | 49.89 |
| Amortization Charge During the period | 37.44 | 37.44 |
| Disposals | - | - |
| Closing Accumulated Amortisation | 87.33 | 87.33 |
| Net Carrying Amount | 33.95 | 33.95 |
| Period Ended 31st March 2020 | | |
| Gross Carrying Amount | | |
| Opening Gross Carrying Amount | 121.28 | 121.28 |
| Additions | - | - |
| Disposals | - | - |
| Closing Gross Carrying Amount | 121.28 | 121.28 |
| Accumulated Amortization and Impairment | | |
| Opening Accumulated Amortisation | 87.33 | 87.33 |
| Amortization Charge During the period | 22.05 | 22.05 |
| Disposals | - | - |
| Impairment Charges | - | - |
| Closing Accumulated Amortisation and Impairment | 109.38 | 109.38 |
| Closing Net Carrying Amount | 11.90 | 11.90 |



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OPTIMUS ELECTRONICS LIMITED
CIN-032300DL2016PLC290388
Notes forming part of the Financial Statements

Note-5 Other Financial Assets (Non-current)

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|---|------------------------------------|------------------------------------|
| FDR Sales Tax | 7.80 | 7.80 |
| Security Deposit Sales Tax | 0.70 | 0.70 |
| FDR with Bank - Long Term | 59.68 | 53.69 |
| Accrued Interest on Long Term FDRs | 2.15 | 4.45 |
| Security Deposits | 34.30 | 34.30 |
| Total Other Financial Assets (Non-current) | 104.63 | 100.94 |

Note-6 Deferred Tax Asset/ (Liability)

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|--|------------------------------------|------------------------------------|
| Due to Depreciation | (73.57) | (65.55) |
| Provision for Audit Fees | | |
| Due to Gratuity | 0.66 | 6.15 |
| Due to Leave Encashment | | 5.63 |
| Due to Unabsorbed Depreciation/Loss | 461.62 | 456.39 |
| Total Deferred Tax Asset/ (Liability) | 388.71 | 402.62 |

Note-7 Inventories

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|-----------------------------------|------------------------------------|------------------------------------|
| Raw Material | 355.94 | 1,082.62 |
| Work-in Progress | 6.84 | 239.41 |
| Finished Goods | 9.57 | 1,208.93 |
| Traded Goods | | |
| Stores and spares/ Scrap Material | 1.00 | - |
| Total Inventories | 373.35 | 2,530.96 |

Note-8 Trade Receivables

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|-------------------------------------|------------------------------------|------------------------------------|
| Total Receivables | 2,516.99 | 13,451.09 |
| Receivables from related parties | 1,242.36 | 3,096.41 |
| Less:- Allowance for doubtful debts | - | - |
| Total Receivables | 3,759.35 | 16,547.50 |
| Current Portion | 3,759.35 | 16,547.50 |
| Non-Current Portion | - | - |

Note-9 Cash & Cash Equivalents

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|--|------------------------------------|------------------------------------|
| Balances with banks | | |
| -In Current Account | 1.28 | 3.01 |
| -In EEFC Accounts | - | - |
| Deposits with maturity of less than three months | - | - |
| Cash on Hand | 0.12 | 2.11 |
| Total Cash and cash equivalent | 1.40 | 5.12 |

Note-10 Other Current Assets

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|-----------------------------------|------------------------------------|------------------------------------|
| Advance to suppliers | 16.27 | 347.69 |
| Advances to Other | 4.41 | 45.07 |
| Prepaid Expense | 2.49 | 8.21 |
| Accrued Interest on FDR | - | - |
| MAT Credit | 22.51 | 22.51 |
| TDS Receivable | 24.56 | 5.37 |
| Input Credit of Duties and Taxes | 140.42 | 993.27 |
| Total Other Current Assets | 210.66 | 1,422.12 |



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OPTIMUS ELECTRONICS LIMITED
CIN-U32300DL2016PLC290385
Notes forming part of the Financial Statements

Note-11 Equity Share Capital

| Authorised Equity Share Capital | | |
|---------------------------------|---------------|---------------|
| | No. of Shares | No. of Shares |
| As at 31st March, 2018 | 13,860,000 | 1,386.00 |
| Increase during the year | - | - |
| As at 31st March, 2019 | 13,860,000 | 1,386.00 |
| Increase during the year | - | - |
| As at 31st March, 2020 | 13,860,000 | 1,386.00 |

| Movement in Equity Share Capital | | |
|---|---------------|------------------|
| | No. of Shares | Amount (In Lacs) |
| As at 31st March, 2018 | 13,860,000 | 1,386.00 |
| Issue of Equity Shares proceeds received | - | - |
| As at 31st March, 2019 | 13,860,000 | 1,386.00 |
| Increase in Equity Shares proceeds received | - | - |
| Acquisition of Subsidiary | - | - |
| Right Issue | - | - |
| As at 31st March, 2020 | 13,860,000.00 | 1,386.00 |

Note-12 Reserve & Surplus

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|--|------------------------------------|------------------------------------|
| Profit & Loss Accounts | | |
| Opening Balance | (1,170.70) | (1,055.64) |
| Add: Profit / (Loss) during the period | (225.75) | (115.06) |
| Closing Balance | (1,396.45) | (1,170.70) |
| Total Reserve & Surplus | (1,396.45) | (1,170.70) |

Note-13 Non-Current Borrowings

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|--|------------------------------------|------------------------------------|
| Secured | | |
| 1. Term Loan from IndusInd Bank | | 48.13 |
| Secured Against exclusive charge on the current and fixed assets of the company, and pledge over 30% Equity shares of the Company. Corporate Guarantee of Optimus Infracore Limited and Personal Guarantee of Director - Mr. Ashok Gupta | | |
| Terms of Repayment: | | |
| 0 EMIs of Rs. 40.125 lacs. | | |
| Maturity Date: 30 April, 2020 | | |
| There is no default in repayment of loan / interest as on balance sheet date. | | |
| 2. Term Loan from Hero Fincorp Limited | | 49.81 |
| Secured against hypothecation lien mark on the specific assets of the Company. | | |
| Corporate Guarantee of Optimus Infracore Limited and Personal Guarantee of Directors - Mr. Ashok Gupta & Nitesh Gupta | | |
| Terms of Repayment: | | |
| 3 EMIs of Rs. 502,637 including monthly interest. | | |
| Maturity Date: 03 December, 2020 | | |
| There is no default in repayment of loan / interest as on balance sheet date. | | |
| Total Non-Current Borrowings | - | 97.94 |

Note 13a Other Financial Liabilities (Non-current)

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|--|------------------------------------|------------------------------------|
| Loan from Director | - | 800.00 |
| Loan from Holding Company | - | - |
| Total Other Financial Liabilities (Non-current) | - | 800.00 |



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OPTIMUS ELECTRONICS LIMITED
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Notes forming part of the Financial Statements

Note-14 Non- Current Employee Benefits Obligations

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|---|------------------------------------|------------------------------------|
| Provision for Gratuity | 2.56 | 23.59 |
| Provision for Leave Encashment | - | 21.67 |
| Total Non- Current Employee Benefits Obligations | 2.56 | 45.26 |

Note-15 Current Borrowings

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|---|------------------------------------|------------------------------------|
| Secured | | |
| 1. Term Loan from IndusInd Bank Secured Against exclusive charge on the current and fixed assets of the company, and pledge over 30% Equity shares of the Company, Corporate Guarantee of Optimus Infracore Limited and Personal Guarantee of Director - Mr. Ashok Gupta Terms of Repayment: 6 EMIs of Rs. 45.00 lacs and 7 EMIs of Rs. 48.125 lacs. Maturity Date: 30 April, 2020 There is no default in repayment of loan / interest as on balance sheet date. | 48.13 | 619.38 |
| 2. Term Loan from Hero Fincorp Limited Secured against hypothecation lien mark on the specific assets of the Company, Corporate Guarantee of Optimus Infracore Limited and Personal Guarantee of Directors - Mr. Ashok Gupta & Nitesh Gupta Terms of Repayment: 11 EMIs of Rs. 582,637 lacs each including monthly interest. Maturity Date: 03 December, 2020 There is no default in repayment of loan / interest as on balance sheet date. | 49.81 | 59.58 |
| 3. CC Loan from IndusInd Bank Secured Against exclusive charge on the current and fixed assets of the company, and pledge over 30% Equity shares of the Company, Corporate Guarantee of Optimus Infracore Limited and Personal Guarantee of Director - Mr. Ashok Gupta | 707.07 | 641.12 |
| Total Current Borrowings | 805.01 | 1,320.08 |

Note-16 Trade Payables

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|----------------------------------|------------------------------------|------------------------------------|
| Current | | |
| Trade Payable | 3,024.31 | 15,223.24 |
| Trade Payable to related parties | 2,301.95 | 2,696.04 |
| Total Trade payables | 5,326.26 | 17,919.28 |

Note-17 Short Term Provisions

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|------------------------------------|------------------------------------|------------------------------------|
| Provision for Expenses | 1.72 | 46.69 |
| Provision for Excise Duty | - | - |
| Provision for Audit Fees | 2.48 | 2.70 |
| Provision for Income Tax | - | - |
| Total Short Term Provisions | 4.20 | 49.39 |

Note-17a Current Employee Benefits Obligations

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|--|------------------------------------|------------------------------------|
| Provision for Gratuity | - | 0.07 |
| Provision for Leave Encashment | - | - |
| Total Current Employee Benefits Obligations | - | 0.07 |



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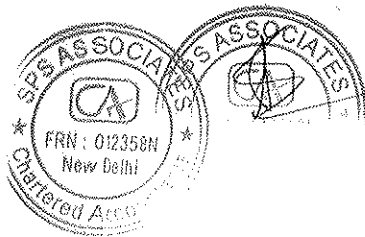
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OPTHEMUS ELECTRONICS LIMITED
CIN-U32300DL2016PLC290355
Notes forming part of the Financial Statements

Note-18 Other Current Liabilities

| Particulars | As on 31st March 2020 (In Lacs) | As on 31st March 2019 (In Lacs) |
|--|------------------------------------|------------------------------------|
| Staff Expenses Payable | 19.64 | 99.79 |
| Advance from Customers | 84.03 | 760.47 |
| Advance from Related Party | | 989.35 |
| Other Payable | 174.10 | 377.44 |
| Other Payable to Related Party | 7.30 | 7.42 |
| Duties & Taxes and Statutory Liabilities | 12.60 | 56.37 |
| Total Other Current Liabilities | 297.67 | 2,290.84 |



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OPTIMUS ELECTRONICS LIMITED
CIN-U32300DL2016PLC290355
Notes forming part of the Financial Statements

Note-19 Revenue from operations

| Particulars | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|---|---|---|
| Sale of product | 17,190.41 | 61,585.66 |
| Sales of Services- Job Charges | 492.49 | 331.13 |
| Other operations revenue | - | - |
| Total Revenue from continuing operations | 17,682.90 | 61,896.79 |

Note-20 Other Gains/(Losses)-Net

| Particulars | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|---------------------------------------|---|---|
| Exchange Rate Fluctuation | - | 31.99 |
| Excess Liability Written Off | 781.96 | - |
| Interest on FDR | 4.29 | 4.56 |
| Notice Period | 3.89 | 3.75 |
| Discount Received | - | - |
| Profit on Sale of Assets | - | 0.38 |
| Interest on Income Tax | - | 0.02 |
| Technical Fee Written Back | - | 265.38 |
| Miscellaneous Income | 0.23 | 1.82 |
| Total Other Gains/(Losses)-Net | 790.37 | 307.90 |

Note-21 Cost of Raw Material Consumed

| Particulars | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|---|---|---|
| Opening Stock of Raw Material | 1,082.62 | 1,005.22 |
| Add : Purchase during the period | 14,913.44 | 58,204 |
| Less: Inventory Devaluation due to Brand discontinue | 254.33 | - |
| Less Closing Stock of Raw Material (Including G.I.T.) | 356.94 | 1,082.62 |
| Total Cost of Raw Material Consumed | 15,384.79 | 58,126.74 |

Note-22 Changes in Inventories of Work-in-Progress, Stock-in-trade and Finished Goods

| Particulars | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|--|---|---|
| Opening Balances | | |
| Work in Progress | 219.41 | 201.54 |
| Finished Goods | 1,208.93 | 2,167.11 |
| Traded Goods | - | - |
| Total Opening Balances | 1,428.34 | 2,368.65 |
| Closing Balances | | |
| Work in Progress | 6.84 | 219.41 |
| Finished Goods | 9.57 | 1,208.93 |
| Traded Goods | - | - |
| Total Closing Balances | 16.41 | 1,428.34 |
| Total Changes in Inventories of Work-in-Progress, Stock-in-trade and Finished Goods | 1,411.93 | 940.31 |

Note-23 Employee Benefit Expenses

| Particulars | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|---|---|---|
| Salary and Wages | 371.40 | 1,881.75 |
| Contractor Employee's Expenses | 326.17 | - |
| Contribution to Provident fund and Other fund | 15.34 | 39.82 |
| Gratuity Expense | 2.56 | (3.34) |
| Leave Encashment | - | 5.70 |
| Staff Welfare | 44.89 | 162.38 |
| Total Employee Benefit Expenses | 760.36 | 2,086.31 |



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OPTIMUS ELECTRONICS LIMITED
CIN-U32800DL2016PLC290385
Notes forming part of the Financial Statements

Note-24

Other Expenses

| Particulars | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|---------------------------------|---|---|
| Manufacturing Expenses | | |
| Consumable Expenses | - | - |
| Electricity Expenses | 66.83 | 115.94 |
| House Keeping Expenses | 19.07 | 51.06 |
| Technical Fees | - | - |
| Technical testing and analysis | 5.93 | - |
| Security Expenses | 39.58 | 86.30 |
| Rent | 123.98 | 118.99 |
| Rent Equipment | - | 29.84 |
| Auditor's Remuneration | | |
| For Audit Services | 3.00 | 3.03 |
| For Taxation Services | 0.75 | 0.75 |
| Repair & Maintenance | | |
| Building | 1.45 | 12.83 |
| Plant & Machinery | 15.38 | 38.12 |
| Others | 9.63 | 20.32 |
| Business Promotion | 0.31 | 1.11 |
| Business Development | 15.00 | - |
| Insurance Premium | 19.89 | 21.78 |
| Office Expense | 1.82 | 5.67 |
| Printing & Stationery | 1.13 | 3.27 |
| Rate & Taxes | 1.74 | 17.13 |
| Foreign Exchange Fluctuation | 477.38 | - |
| Conveyance Expenses | 1.36 | 3.90 |
| Tour & travelling Expense | 1.84 | 6.48 |
| Legal Expense | 0.13 | 0.10 |
| Professional Charges | 26.48 | 46.22 |
| Directors Remuneration | 2.20 | 1.20 |
| Communication Expense | 3.69 | 5.23 |
| Freight Outward | 1.95 | 0.45 |
| C&F Charges (Export) | - | 0.08 |
| Prior Period Expense | 0.27 | 0.14 |
| Miscellaneous Expense | 7.15 | 5.90 |
| Total Other Expenses | 848.14 | 595.24 |

Note-25

Finance Cost

| Particulars | For the Period ended 31st March 2020 (In Lacs) | For the Period ended 31st March 2019 (In Lacs) |
|---------------------------|---|---|
| Bank Charges | 0.17 | 0.68 |
| Interest Expense | 133.93 | 168.97 |
| Total Finance Cost | 134.10 | 169.65 |



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Optimus Electronics Limited
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Notes to the Financial Statements
For the year ended 31st March, 2020

26. Events Occurring after Balance Sheet date

Company was manufacturing mobiles for one brand. The material for these mobiles was supplied by an overseas supplier (the "Supplier 1"). There was another subsidiary of this company overseas which has also supplied certain material related to same mobiles (the "Supplier 2").

The mobiles manufactured for this brands were sold on instruction of supplier to its Indian Subsidiary Company (the "Indian Debtor").

There was Rs. 10,807.66 lacs payable to Supplier 1 as on balance sheet date, Rs. 55.28 lacs payable to Supplier 2 and Rs. 10,116.65 lacs receivable from Indian Debtor.

The company was in regular followup and negotiation with Indian Debtor for recovery of balance amount and when none of the effort brought fruit, it has filed recovery claim under Insolvency and Bankruptcy Act. The litigation started and Overseas Supplier 1 has also filed recovery claim under Insolvency and Bankruptcy Act on company for the amount payable.

After many deliberation and negotiation parties viz. Indian Debtor, Supplier 1 and the Company (OEL) entered into settlement agreement dated 6th July 2020. The terms of the agreement inter-alia involved the followings:

1. That Indian Debtor shall take all liability pending as on 31st March 2020 towards Supplier 1 and will also pay Rs. 290 lacs to company (OEL). Thus payments due on company in foreign currency in respect material purchased from SUPPLIER 1 and all related statutory compliances will be taken care by INDIAN DEBTOR.
2. Company will not proceed further for recovery of amount receivable from INDIAN DEBTOR and in turn, SUPPLIER 1 will also withdraw its Insolvency case and will disclaim the amount recoverable from the Company (OEL).
3. Existing Inventory of this Brand available with Company (OEL) shall not be returned back and will be scrapped to approved e-scrap vendor. The sale proceeds from scrap shall be retained by the company (OEL).
4. There shall be no due of Company (OEL) from/ towards any party viz. SUPPLIER 1 and INDIAN DEBTOR as on 31st March 2020 except as stated above in point 1.

Though it was not part of written agreement but it was understood that liability of company towards Supplier 2 will also be taken over by INDIAN DEBTOR as part of settlement agreement.

The expected scrap value of the inventory laying with company related to Raw material, WIP and Finished Goods is expected to realise about Rs. 1 lac only from approved e-scrap vendor. This inventory is valued at scrap value only.

Contraction in economic activity from above transaction is not considered to be an impairment indicator at the reporting date, which will also not result in an impairment on our assessment.



Optiemus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

27. Going Concern

Covid- 19 has affected the economy to a great extent and impacted revenue generation also as the operation of the company was close due to pandemic of Covid-19. However, all Mobile brands are looking at a "China-plus one" strategy in wake of the COVID-19 pandemic, India presents an "attractive" opportunity as a manufacturing destination with availability of skilled labour force and young consumer base.

On 1st April 2020, The Indian Government has unveiled a 40000 crores scheme to bring electronic manufacturing to India. This move is aimed at making India global hub for electronics. The timing of this scheme is significant as India become alternative of China due to origin Covid-19 virus in China.

The Company is making an application in this scheme as it's qualify the criteria, laid down in such scheme. This is the big boost for the domestic companies who are in contract manufacturing of mobile handsets like Optiemus Electronics.

28. Related Party Transaction

a. **Holding Company** - Optiemus Infracom Limited

b. **Subsidiary Company** - NIL

c. **Ultimate Holding Company** - NIL

d. **Party where control exists:**

Nature of Relationship

| | |
|--------------------------------------|---------------------|
| GDN Enterprises Private Limited | - Associate Company |
| Telecare Network India Pvt. Ltd. | - Associate Company |
| FineMS Electronics Pvt. Ltd. | - Associate Company |
| International Value Retail Pvt. Ltd. | - Associate Company |
| Fidelity Logistic Limited | - Associate Company |
| Insat Exports | - Associate Company |

e. **Key Management Personnel and their relatives**

| | |
|----------------------|-----------------------------|
| Director | Ashok Gupta |
| Director | Neetesh Gupta |
| Director | Ching Yao Shen |
| Independent Director | Gautam Kanjilal |
| Independent Director | Ms. Ritu Goyal |
| CFO | Purshottam Upadhyay |
| CFO | Shailendra Sancheti (Left) |
| Company Secretary | Ms. Simran Monga |
| Company Secretary | Ms. Kirti Kesarwani (Left) |



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Optiemus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

Transactions with Related Parties for the year ended 31 March 2020:

| Particular | Sale of Goods | Purchase of Goods | Availment of Service | Balance outstanding as at balance sheet date (Including commitments) Unsecured/ Secured by Guarantee given / taken Provision for D/D during the year Total Provision for D/D | | |
|--------------------------------------|----------------|-------------------|----------------------|--|--------------|---------------------|
| | | | | Creditor | Debtors | Advance to Supplier |
| GDN Enterprises Private Limited | | 8,19,17,307 | - | 7,86,24,030 | | |
| Teleecare Network India Pvt. Ltd. | 14,25,39,097 | 1,08,56,59,955 | | 23,01,95,045 | | |
| International Value Retail Pvt. Ltd. | 10,000 | - | - | 7,30,009 | | |
| Optiemus Infracom Limited | 1,58,58,03,800 | 6,46,79,877 | - | - | 12,42,35,658 | |

Transactions with Related Parties for the year ended 31 March 2019:

| Particular | Sale of Goods | Purchase of Goods | Availment of Service | Balance outstanding as at balance sheet date (Including commitments) Unsecured/ Secured by Guarantee given / taken Provision for D/D during the year Total Provision for D/D | | |
|--------------------------------------|---------------|-------------------|----------------------|--|--------------|---------------------|
| | | | | Creditor | Debtors | Advance to Supplier |
| GDN Enterprises Private Limited | 1,72,768 | 96,385 | 6,73,848 | 1,77,723 | 0 | 30,00,000 |
| Teleecare Network India Pvt. Ltd. | 11,43,224 | 24,000 | 2,880 | 0 | 23,70,578 | 0 |
| International Value Retail Pvt. Ltd. | 0 | 0 | 0 | 7,41,809 | 0 | 0 |
| Optiemus Infracom Limited | 52,11,78,678 | 25,07,92,985 | 76,700 | 26,96,04,129 | 30,72,70,375 | -9,89,34,710 |

Transactions with Key Management Personnel:



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Optiemus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

| Particulars | Year Ending 31 st Mar 2020 | Year Ending 31 st Mar 2019 |
|--|--|--|
| 1. Purshottam Upadhyay- CFO | | |
| Remuneration Paid | 6,18,208 | ----- |
| Reimbursement of Expenses | ----- | ----- |
| Closing Balance O/s as on Balance Sheet Date | 1,06,164 | ----- |
| 2. Shaiendra Sancheti – CFO | | |
| Remuneration Paid | 17,07,000 | 52,66,944 |
| Reimbursement of Expenses | ----- | 1,38,611 |
| Closing Balance O/s as on Balance Sheet Date | 8,73,496 | 15,18,322 |
| 3. Priyanka Bokoliya – CS | | |
| Remuneration Paid | ----- | 2,50,817 |
| Reimbursement of Expenses | ----- | ----- |
| Closing Balance O/s as on Balance Sheet Date | ----- | ----- |
| 4. Gautam Kanjilal – Independent Director | | |
| Director Sitting Fees | 80,000 | 40,000 |
| 5. Ritu Goyal – Independent Director | | |
| Director Sitting Fees | 1,00,000 | 80,000 |
| 6. Ashok Gupta – Director | | |
| Loan Taken | ----- | 8,00,00,000 |
| Loan Repaid | 8,00,00,000 | ----- |
| Closing Balance O/s as on Balance Sheet Date | ----- | 8,00,00,000 |

29. Operating Leases

The Company has entered into operating lease arrangements for factory and office premises. The lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancellable and/or non-cancellable operating lease arrangements are debited to the statement of profit and loss on accrual basis and the future minimum lease payments in respect of non-cancellable operating leases are summarised below:

Future minimum lease payments in respect of non-cancellable lease

| | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| -amount due within one year from balance sheet date | 1,30,18,080 | 1,23,98,160 |
| -amount due in the period between one year and five year | ----- | 5,61,09,540 |
| -amount due after five year (cancellable lease period) | ----- | 1,58,23,560 |

The company has also paid security deposit of Rs. 25,50,000 (Previous year Rs. 25,50,000) on the operating lease. However, the company estimates that the above security deposit represents the fair value as at the end of reporting period as discounted cash flow income estimate on above security



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Optiemus Electronics Limited
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Notes to the Financial Statements
For the year ended 31st March, 2020

deposit would naturally compensate the increase in lease expense accounted on accrual basis representing expected inflationary cost over the period of lease.

30. Quantitative information of foreign exchange instruments outstanding as at the Balance Sheet date

- a) The foreign currency forward contracts outstanding as at the Balance sheet date aggregate to USD 72,097.41 (Rs. 48,12,502) as on 31 March 2020 [USD 10,00,000 (Rs.6,67,50,000) as on 31 March 2019].
- b) The above outstanding represent a Term Loan fully hedged by Bank under Foreign Exchange Forward Contract until maturity on 30 April 2020 under deferred payment plan. Accordingly, the above financial instrument has no marked to market gain or loss as on 31 March 2020 to be recognized.
- c) The following foreign currency receivables/ advances/ payables balances are outstanding at the Balance sheet date, which are not hedged by foreign exchange instruments:

| Nature of Items | 31 March 2020 | 31 Mar 2019 |
|---|-----------------|----------------------|
| Balance in Bank Account | NIL | NIL |
| Advance Paid | USD 6080 | USD 1,25,411 |
| | EUR -NIL | EUR 9,600 |
| | (Rs 4,58,065) | (Rs. 94,20,778) |
| Payable Representing creditors and others | USD 28,13,094 | USD 1,84,23,742 |
| | Rs.21,19,24,424 | (Rs. 1,27,43,94,207) |
| Advance Received | NIL | NIL |
| Receivables | NIL | NIL |
| Buyer Credit Loan | NIL | NIL |

31. Foreign Exchange Earning and Expenses

| (a) Earning in Foreign Exchange | 31 st March 2020 | 31 st March 2019 |
|---|-----------------------------|-----------------------------|
| Export of goods calculated on FOB basis | NIL | 4,22,990 |
| Royalty, Know How, Professional and Consultation Fee, Interest, etc. | NIL | NIL |
| (b) Expenditure in Foreign Exchange | 31 st March 2020 | 31 st March 2019 |
| Value of Imports calculated on CIF basis | 8,90,268 | 2,11,27,96,972 |
| Royalty, Know How, Professional and Consultation Fee, Interest, etc. | NIL | -2,65,37,993 |
| (Reversal of Consultation Fee relating to the previous year ending 31 March 2018) | | |



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Notes to the Financial Statements
For the year ended 31st March, 2020

| | | |
|--|--------|--------|
| Other Expenses Including travelling and Subscription, etc. | 37,800 | 55,496 |
|--|--------|--------|

32. Employee Benefits

a) Defined contribution plan

The company has recognised towards post employment defined contribution plan comprising of provident fund and certain Employee state insurance (ESI) in profit and loss accounts.

| | 31 March 2020 | 31 March 2019 |
|--------------------------|---------------|---------------|
| Provident fund | 13,09,700 | 33,64,295 |
| Employee state Insurance | 2,24,214 | 6,17,983 |

b) Defined benefit plans

In accordance with payment of Gratuity Act-1972, the company has required to provide post employment benefit to its employee in the form of Gratuity. In accordance with standard, disclosure relating to the company's Gratuity plan is provided below as per actuarial valuation in accordance with IndAS-19.

Company has gone into major re-organisation of the manpower usage in company. As part of strategic planning, company has de-hired 107 number of employees. This resulted in major decrease in company's liability towards Gratuity and leave encashment Rs. 45,33,570.

Company has recognised and maintained liability towards gratuity of only seven remaining employees for the year.

Management is of the view that this will not impact the going concern of company as the necessary manpower will be hired on need basis.

Reconciliation of opening and closing balance of obligation

| Particulars | 31 March 2020 | 31 March 2019 |
|---|-----------------|------------------|
| Liability at the beginning of the period | 23,66,388 | 27,00,483 |
| Current service cost | 90,127 | 9,68,110 |
| Interest cost | 1,65,647 | 209,287 |
| Benefit paid | - | - |
| Actuarial (gain)/loss on obligation | (23,66,667) | (15,11,492) |
| Liability at the end of the period | 2,55,495 | 23,66,388 |

Reconciliation of opening and closing balance of fair value of plan assets

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Fair value of plan assets at the beginning of the period | - | - |
| Expected return on plan assets | - | - |



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Optimus Electronics Limited
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Notes to the Financial Statements
For the year ended 31st March, 2020

| | | |
|--|--|--|
| Contribution by the Employer | | |
| Benefit paid | | |
| Actuarial (gain)/loss on obligation | | |
| Fair value of plan assets at the end of the period | | |

Expense recognised in Profit and loss account

| Particulars | Year ending 31 March 2020 | Year ending 31 March 2019 |
|--------------------------------|------------------------------|------------------------------|
| Current service cost | 90,127 | 9,68,110 |
| Interest cost | 1,65,647 | 2,09,287 |
| Expected return on plan assets | | |
| Net actuarial (gain)/loss | | (15,11,492) |
| Total Expense | 2,55,774 | (3,34,095) |

Other comprehensive (Income) / expenses (Remeasurement)

| Particulars | Year ending 31 st March 2020 | Year ending 31 st March 2019 |
|--|--|--|
| Cumulative unrecognized actuarial (gain)/loss opening. B/F | (15,55,752) | (44,260) |
| Actuarial (gain)/loss - obligation | (23,66,667) | (15,11,492) |
| Actuarial (gain)/loss - plan assets | 0 | 0 |
| Total Actuarial (gain)/loss | (23,66,667) | (15,11,492) |
| Cumulative total actuarial (gain)/loss. C/F | (38,78,159) | (15,55,752) |

Principal actuarial assumptions

| Particulars | 31 March 2020 | 31 March 2019 |
|------------------------------|---------------|-----------------------|
| Discount rate (p.a.) | 7.00 % | 7.75% |
| Salary increment rate (p.a.) | 8.00% | 5.00% |
| Mortality | IALM 2012-14 | IALM 2006-08 Ultimate |
| Expected rate of return | - | - |
| Withdrawal rate (p.a.) | 5% | 5% |

Current Liability

| Particulars | 31 March 2020 | 31 March 2019 |
|-----------------------------------|-----------------|------------------|
| Current Liability (Short- term) | 501 | 7,230 |
| Non-Current Liability (Long-term) | 2,54,994 | 23,59,158 |
| Total Liability | 2,55,495 | 23,66,388 |

Notes:- The estimate future salary increase considered takes into account the inflation, seniority, promotion and other relevant factor on long term basis.

c) Leave Encashment



[Handwritten signatures and initials]

Simran

Optiemus Electronics Limited
CIN- U32300DL2016PLC290355
Notes to the Financial Statements
For the year ended 31st March, 2020

The company's employees are not entitled for compensated absence which are not allowed to be accumulated and encashed as per the company's rule. The liability of compensated absences, which is non-funded, has not been provided.

33. Expected credit Loss on financial Instruments

As company is in the business of manufacturing of branded mobiles for which all there terms are decided through terms of agreement which is binding upon all parties, details mentioned above, we are of the view that there is no expected credit loss related to financial assets of the company except the settlement agreement (mentioned above), effect of which has also been incorporated in our books of accounts in terms of AS 110. There is no other negotiation by/from any other party will shall threat/ impact the credit loss risk. All remaining parties are treated as 'With No significant increase in credit risk'.

34. Contingent Assets / Liabilities

There was no contingent Asset and Liability.

35. Prior period comparative

The previous period's figures have been regrouped / reclassified, wherever found necessary, to conform to the presentation adopted in the current year's financial statements.

For S P S Associates (FRN 012358N)
Chartered Accountants


Ashish Bansal
Partner

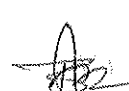
M. No. 511005




Date : 30.07.2020

Place : New Delhi


For OPTIEMUS ELECTRONICS LIMITED


Ashok Gupta
Director

DIN: 00277434


Neetesh Gupta
Director

DIN: 00030782


Purshottam Upadhyay
Chief Financial Officer

PAN: AAUPU1634J


Simran Monga
Company Secretary

PAN: CZXPM3297D