

To
The Members of
M/s. Optiemus Electronics Limited

Report on the standalone Financial Statements

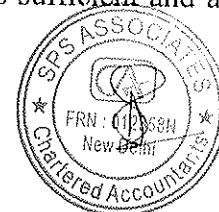
Opinion

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.

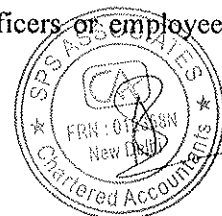
(c) The title deeds of all the immovable properties (which are included in property, plant and equipment, capital work-in-progress and investment property) are held in the name of the Company.
- (ii) In our opinion, the Management has conducted physical verification of inventory at reasonable intervals 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.



SPS Associates

Chartered Accountants

- (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.



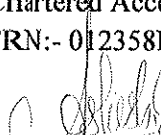
SPS Associates
Chartered Accountants

- (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





OPTIEMUS ELECTRONICS LIMITED
CIN- U92300DL2016PLC290355
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		-	
Deferred tax assets	5	104.63	100.94
Other non-current assets	6	388.71	402.62
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 Optiemus Electronics Limited		(10.45)	215.30
Non-controlling Interests		-	
Total Equity		(10.45)	215.30







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			
Total Liabilities		6,432.94	21,579.66
Total Equity and liabilities		6,435.50	22,522.86
		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
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)



AS

[Signature]

[Signature]

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

Neeraj Gupta
Director
DIN : 00030782

Purshottam Upadhyay
Chief Financial Officer
PAN: AAUPU1634J

Simran Monga
Company Secretary
PAN: CZXPM3297D