

# **ANNUAL REPORT 2015 – 2016**



**GKB Ophthalmics Ltd.**



**BOARD OF DIRECTORS:**

Mr. K. G. Gupta Chairman & Managing Director  
Mr. K. M. Gupta  
Mr. Vikram Gupta  
Mr. Gaurav Gupta  
Mr. Anil Palekar  
Mr. Sadashiv Shet  
Mr. Joseph A. A. D'Costa  
Mr. Christopher Hickman  
Mrs. Shashi K. Katreddi

**CFO & COMPANY SECRETARY:**

Mr. Noel da Silva

**AUDITORS:**

M/s. Sharp & Tannan  
Chartered Accountants  
Mumbai

**BANKERS:**

State Bank of India  
The Saraswat Co-op. Bank Ltd.

**REGISTERED OFFICE:**

16-A, Tivim Industrial Estate  
Mapusa, Goa - 403 526  
India.

CIN : L26109GA1981PLC000469  
Tel No. : (0832) 2257253/6714444  
Fax No. : (0832) 2257044  
Email : [gkbophthalmics@gkb.net](mailto:gkbophthalmics@gkb.net)  
: [investor.grievance@gkb.net](mailto:investor.grievance@gkb.net)  
Website : [www.gkb.net](http://www.gkb.net)

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**CONSOLIDATED**

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**NOTICE**

NOTICE is hereby given that the THIRTY FOURTH ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Saturday, September 24, 2016 at 11.00 A.M., at the Registered Office of the Company at 16-A, Tivim Industrial Estate, Mapusa – Goa, to transact the following business:

**ORDINARY BUSINESS :**

- 1(a). To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Directors and Auditors thereon.
- 1(b). To consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Vikram Gupta, (DIN: 00052019), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Sharp & Tannan, Chartered Accountants, Mumbai, (Registration No. 109982 W), be and is hereby appointed as the Statutory Auditors of the Company for a period of five years and to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Company's Thirty Ninth Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting, on such remuneration plus applicable Service Tax, out of pocket expenses and other incidental expenses as may be mutually agreed by and between the Board of Directors and the Auditor.”

**SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution :**

**“RESOLVED THAT** pursuant to the provisions of section 5 and 14 of the Companies Act, 2013 ('the Act'), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association, pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company. Proxies submitted on behalf of the Companies, etc. must be supported by appropriate resolution/letter of authority, as applicable. A proxy form is sent herewith.

A Proxy form, duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.



2. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting. They are also requested to bring their copies of the Annual Report.
3. Members holding shares in physical form are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company and to their respective Depository Participants, in case shares are held in electronic mode.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the September 16, 2016 to Saturday, the September 24, 2016 (both days inclusive)
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed herewith.
6. Electronic copy of the Annual Report 2015-16 is being sent to all members whose e-mail IDs are registered with the Depository Participants for communication purposes, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies are being sent in the permitted mode and the Annual Report 2015-16, is also available on Company's website [www.gkb.net](http://www.gkb.net)
7. Members desirous of asking any questions at the Annual General Meeting (AGM) are requested to send in their questions so as to reach the Company at least 7 days before the AGM, so that the same can be suitably replied.
8. Dividends which remain unpaid/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund (IEPF) as per Section 124 and 125 of the Companies Act, 2013. Further, no claim by the shareholders shall lie for the unclaimed dividend transferred by the Company to IEPF.
9. Re-appointment of the Director :

Details of Director seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] :

|  |   |
|--|---|
| Name of the Director/ Category                                       | Vikram Gupta<br>Promoter, Non Executive Director  |
| Date of Birth  | 27.09.1968  |
| Date of Appointment on the Board                                     | 24.07.1996  |
| Qualifications   | Engineering Graduate from IIT, Mumbai   |
| Expertise  | Indepth experience in the field of Ophthalmic Lenses for 20 years   |
| Directorship held in other Listed companies                          | Nil *   |
| Membership / Chairmanships of committees in GKB Ophthalmics Limited. | Member Stakeholders' Relationship Committee   |
| Number of shares held in the Company                                 | 373105  |
| Relationship between Directors inter-se                              | 1. Son of Mr. K. G. Gupta, Managing Director<br>2. Nephew of Mr K. M. Gupta, Non Executive Director<br>3. Brother of Mr. Gaurav Gupta, Non Executive Director |

\* Does not hold any directorship and membership in the Committees of the Board in any other listed entity. Is CEO and Executive Director of Prime Lenses Private Limited, Non Executive Director in GKB Vision Private Limited and Non Executive Director in Crysta Lenses Private Limited.



10. Instructions for voting by Electronic means (e-voting).

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 21.09.2016 at 10.00 A.M. and ends on 23.09.2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on 'Login'.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below

|   | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|---|--|
| <b>PAN</b>  | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul> |
| <b>Dividend Bk Details<br/>OR<br/>Date of Birth (DOB)</b> | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>   |



- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **GKB OPHTHALMICS LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- (xvi) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



11. All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, between 11.00 A.M. to 5.00 P.M., upto the date of the Annual General Meeting.

**Explanatory Statement under Section 102 of the Companies Act, 2013**

**Item No. 4**

With the coming into force of the Companies Act, 2013, several articles of the existing Articles of Association of the Company require alteration/deletions.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company.

A copy of the proposed set of new Articles of Association of the Company is available for inspection by the Members of the Company at the Registered Office during business hours, on any working day of the company, upto the date of the Annual General Meeting. The proposed draft Articles of Association is also available on the Company's website [www.gkb.net](http://www.gkb.net)

The Board of Directors commend the Special Resolution set out at item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, are in any way concerned or interested in this Resolution.

Registered Office :  
16-A, Tivim Industrial Estate  
Mapusa - Goa, 403 526

Place: Mapusa-Goa  
Date : May 30, 2016

By order of the Board of Directors  
For GKB Ophthalmics Limited

Noel da Silva  
CFO & Company Secretary  
FCS 3083



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 34th Annual Report and the Audited Accounts of the year ended March 31, 2016.

### FINANCIAL RESULTS :

|    |   | Rs. in lakhs |          |
|----|---|--------------|----------|
|    |   | 2015-16      | 2014-15  |
| a) | Sales & Other Income                    | 3,347.93     | 3,105.56 |
| b) | Profit/Loss before Depreciation and Tax | (278.67)     | (206.19) |
| c) | Provision for Depreciation              | 142.26       | 147.69   |
| d) | Provision for Tax                       | (394.87)     | 76.62    |
| e) | Exceptional Items                       | 2,181.91     | 51.20    |
| f) | Profit after Depreciation and Tax       | 1,366.09     | (226.06) |
| g) | Balance from previous years             | 195.43       | 465.06   |
| h) | Balance carried forward                 | 1,561.52     | 195.43   |

### OPERATIONS :

During the year under review, the turnover of the Company was higher to the tune of Rs. 3,347.93 lakhs compared to Rs. 3,105.56 lakhs in the previous financial year. There was a net loss from operations of Rs. 278.67 lakhs during the current financial year compared to a net loss of Rs. 206.19 lakhs during the previous financial year due to write off of non moving inventory of glass lenses. Sale of plastic lenses has picked up but there is severe competition from China.

There was a net profit of Rs. 1366.09 lakhs due to sale of stake of the Company in GKB Vision Limited.

### DIVIDEND :

Since the Company has posted an operating loss, your Directors regret their inability to recommend any dividend for the year 2015-16.

No amount has been transferred to reserve for the financial year ended March 31, 2016.

### SUBSIDIARIES :

The Company's Wholly Owned Subsidiary (WOS) in Sharjah, UAE, Free Trade Zone Establishment, has achieved a turnover of Dirhams 6.41 million for the year ended December 31, 2015, as compared to Dirhams 7.13 million during the previous year. The net profit is Dirhams 0.93 million as compared to Dirhams 1.16 million during the previous year and has declared a dividend which entails an outflow of Dirhams 0.37 million.

The proposal for winding up GKB Ophthalmics GmbH, is pending for approval with Reserve Bank of India, Mumbai.

A statement under Section 129(3) of the Companies Act, 2013 giving details of subsidiaries is attached in Form AOC-1. Audited Accounts in respect of subsidiaries is placed on website of the Company [www.gkb.net](http://www.gkb.net). The Company will make the said annual accounts of its subsidiaries available to the members upon a written request. The audited annual accounts of the Subsidiaries is available at the Registered Office of the Company for inspection.

However, in accordance with Accounting Standards 21, issued by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries have been prepared and form part of this Annual Report.





**DELISTING :**

The government has formally withdrawn the recognition of Delhi Stock Exchange. Hence the equity shares of the Company stand delisted.

**ACCREDITATION :**

The company has been accredited with ISO 9001:2008 by TUV Nord.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Vikram Gupta will retire by rotation, pursuant to Articles of Association of the Company being eligible offers himself for re-appointment.

Brief resume together with other relevant details of Mr. Vikram Gupta are given in Note No. 09 of the Notice for the ensuing Annual General Meeting.

Pursuant to provisions of Section 2 (51) and Section 203 of the Companies Act, 2013, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have designated the following existing officers of the Company as Whole-Time Key Managerial Personnel.

Mr. K. G. Gupta, Managing Director and Mr. Noel da Silva, CFO & Company Secretary, are Whole-Time Key Managerial Personnel of the Company .

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS :**

In terms of Section 149 (8) read in terms of schedule IV, the Independent Directors held a Meeting on March 30, 2016, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting.

At this meeting, the Independent Directors :

1. Reviewed the performance of the Non-Independent Directors and the Board as a whole.
2. Reviewed the performance of Chairperson, taking into account the views of Executive Directors and Non-Executive Directors.
3. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
4. Discussed and decided about the familiarization of Independent Directors' programme, conducted by the Company and also views of the Independent Directors on the familiarization programmes.

The Independent Directors have confirmed that they meet with the criteria of Independence laid down under the Act and Listing Regulations.

**INDEPENDENT DIRECTORS DECLARATION :**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013, and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that they meet the criteria of independence as provided therein.

**MEETINGS OF THE BOARD OF DIRECTORS :**

During the year under review, six Board Meetings were held. Further details are given in Corporate Governance Report, forming part of this Report.

The maximum gap between two Board Meetings held during the year was not more than 120 days.



**AUDIT COMMITTEE :**

As provided in section 177(8) of the Act, the information about composition of Audit Committee and other details are given in Corporate Governance Report. The Board has accepted the recommendations of the Audit Committee.

The Audit Committee is comprising of Mr. Sadashiv Shet as Chairman, Mr. Gaurav Gupta, Mr. Anil Palekar, Mr. Joseph A.A. D'Costa and Mr. Christopher Hickman, as members.

**NOMINATION AND REMUNERATION COMMITTEE :**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director, relating to remuneration for directors, key managerial personnel as provided under section 178(3) of the Companies Act, 2013 and Listing Regulations.

The Remuneration Policy is stated in the Corporate Governance Report which is part of this report. Further details have been disseminated on the Company's website [www.gkb.net](http://www.gkb.net)

**PERFORMANCE EVALUATION :**

The Board evaluated the performance of the Board as a whole, committees of the Board and the performance of individual directors including the Chairman of the Board pursuant to the Regulation 17(10) of the Listing Regulations. The Independent Directors also carried out the performance evaluation in terms of Part VIII of Schedule IV of the Companies Act, 2013, in their meeting held on March 30, 2016.

The details of the Performance Evaluation carried out is provided in the Corporate Governance Report which is a part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to provision of Section 134 (5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability hereby state and confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the Profit and Loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d) that they have prepared the annual accounts on a going concern basis;
- e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**AUDITORS :**

The term of M/s. Sharp & Tannan, Chartered Accountants, Mumbai, (Firm Registration No. 109982W) as Statutory Auditors, expires at the conclusion of this Annual General Meeting and are eligible for re-appointment as Statutory Auditors of the Company to hold office till the conclusion of the Company's Thirty Ninth Annual General Meeting, subject to ratification as to the said appointment at every Annual General Meeting. The Auditors have given a certificate that the re-appointment, if made, will be within the prescribed limits specified under Section 139 of the Companies Act, 2013. They also have given a certificate that they fulfill all the criteria laid down under Section 141 of the Companies Act, 2013.

**AUDITORS' REPORT:**

In respect of the observations made by the Auditors in their Report, the Board's response thereon is as follows:

- a) With regard to paragraph (i) (b) of the annexure referred to in Para (1) of the Auditor's Report, the physical verification of the fixed assets is in a advanced stage of completion.
- b) Paragraphs (ii), (iv) and (vii) a of the said annexure are self explanatory.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS :**

There is no significant or material order passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**INTERNAL FINANCIAL CONTROL :**

As per Section 134 (5) (e) of the Companies Act, 2013, read with Rule 8 (viii) of Companies (Accounts) Rules, 2014, the Board has laid the Internal Financial Control to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively.

Internal Audit is carried out by a Chartered Accountant and the report submitted is deliberated by the Audit Committee of the Board.

**RISK MANAGEMENT POLCY :**

The Company has constituted the Risk Management Committee which has formulated Risk Management Policy for the Company. The committee identifies and assesses the various business risks and mitigates these risks by determining a response strategy. The policy is reviewed by the members in consultation with the Senior Management of the Company from time to time.

**PRATICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 :**

Particulars of loans, guarantees given and investments made during the year as required under Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations are provided in Notes 3, 6, 8, 11 and 17 of the Financial statements.

**RELATED PARTY TRANSACTIONS :**

All transactions entered into with related parties, pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations, during the year were at arms's length basis and in ordinary course of business. Therefore, disclosure in Form AOC-2, is not required.



**EXTRACT OF ANNUAL RETURN :**

As required as per Section 92(3) of the Companies Act, 2013 and the Rules framed thereunder , the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure - I.

**CORPORATE GOVERNANCE :**

A separate section on Corporate Governance practices followed by the Company, together with certificate from the Practising Company Secretary confirming compliance, forms a part of this Annual Report as per Listing Regulations.

**SECRETARIAL AUDIT:**

As per provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Ms. Girija Nagvekar, Practising Company Secretary, for the financial year ended March 31, 2016, forming part of this Annual Report, is annexed herewith as Annexure- II. The Secretarial Audit Report is self explanatory and requires no comments.

**CORPORATE SOCIAL RESPONSIBILITY :**

Provisions of Section 135 of the Companies Act, 2013, and Rules made thereunder, regarding Corporate Social Responsibility are not applicable to the Company.

**INSURANCE :**

The Company has taken adequate insurance covers for its properties and insurable interest.

**FIXED DEPOSIT :**

The Company has not accepted any deposits from the public during the year. No amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

**PERSONNEL :**

The relations between the employees and the management, during the year, have been cordial.

**MATERIAL CHANGES AND COMMITMENTS :**

There were no material changes and commitments which would affect the financial position of the Company.

**PARTICULARS UNDER SECTION 197(12) AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :**

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name                               | Ratio |
|------------------------------------|-------|
| Mr. K. G. Gupta, Managing Director | 23:1  |

- (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

| Name                                       | Percentage |
|--|------------|
| Mr. K. G. Gupta, Managing Director         | 58.00%     |
| Mr. Noel da Silva, CFO & Company Secretary | 8.62%      |



- (iii) the percentage increase in the median remuneration of employees in the financial year : 12.52%
- (iv) the number of permanent employees on the rolls of Company : 254
- (v) the explanation on the relationship between average increase in remuneration and company performance :

Employees are granted increment based on their performance as well as the performance of the Company. The net operational loss for the financial year ended March 31, 2016 was Rs. 278.67 lakhs and whereas the increase in average remuneration was 8.28 %

- (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :  
The total revenue from sales and other income of the Company for the year 2015-16 was Rs. 3,347.93 lakhs as compared to Rs. 3,105.56 lakhs for the previous year 2014-15. However there was a profit of Rs. 1,366.09 lakhs due to sale of stake of the Company in GKB Vision Limited as compared to a loss of Rs. 226.06 lakhs in the year 2014-15. The Company's performance during the year 2015-16 was considered while approving the increase in remuneration of Key Managerial Personnel .
- (vii) variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

| Sr. No. | Particulars                                | As on<br>March 31, 2016 | As on<br>March 31, 2015 | Remarks  |
|---------|--|-------------------------|-------------------------|--|
| 1       | Market Capitalisation (Rs. in lakhs)       | <b>2,782.89</b>         | 2,984.34                | Company's public offer was in the year April, 1996 |
| 2       | Price earnings ratio                       | <b>2.06</b>             | (12.97)                 |  |
| 3       | Closing market price of equity shares (Rs) | <b>67.00</b>            | 71.85                   |  |

- (viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
The average percentile increase in the salaries of employees was 6.36% compared to the average percentile increase of 27.98% in the managerial remuneration.
- (ix) comparison of each remuneration of the Key Managerial against the performance of the Company:  
The increase in remuneration of the Managing Director was within the minimum remuneration as per Schedule V, Part II and Section II of the Companies Act, 2013.
- (x) the key parameters for any variable component of remuneration availed by the directors :  
Mr. K. G. Gupta, Managing Director is entitled to commission not exceeding 1% of the net profit of the Company computed in the manner laid down under the Act as may be determined by the Board. Due to operational loss, no commission was paid to him for the year under review. None of the other Directors are paid any remuneration except sitting fees and travelling expenses for attending Board and Committee Meetings.
- (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : N.A.
- (xii) affirmation that the remuneration is as per the remuneration policy of the Company :  
The remuneration is as per the Remuneration Policy of the Company.



**PARTICULARS OF EMPLOYEES :**

None of the employees is covered under Section 197 of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

As per Listing Regulations, Management Discussion and Analysis Report is attached as annexure to this report.

**FINANCE :**

The Company has availed additional loans of Rs. 20.00 lakhs from Banks during the financial year ended March 31, 2016.

**CREDIT RATING :**

Bank's Loan facilities Rating has been improved from "CRISIL D" to "CRISIL B/Stable" for long term rating and from "CRISIL D" to "CRISIL A4", for short term rating.

**DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review no complaints were received.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Particulars required to be disclosed under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are annexed herewith as Annexure – III and forms an integral part of this report.

**ACKNOWLEDGEMENT :**

Your Directors wish to acknowledge and are grateful for the excellent support received from all levels, clients, suppliers, regulatory authorities, Banks and all other stakeholders. Your Directors recognize and appreciate the hard work and efforts put in by all the employees of the Company and their contribution to the progress of the Company in a very challenging environment.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa – Goa.

Date : May 30, 2016

K. G. GUPTA  
CHAIRMAN & MANAGING DIRECTOR

**FORM MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS :**

|     |   |   |  |
|-----|---|---|--|
| i   | CIN   | : | L26109GA1981PLC000469  |
| ii  | Registration Date   | : | 10-12-1981   |
| iii | Name of the Company   | : | GKB OPHTHALMICS LIMITED  |
| iv  | Category/Sub-category of the Company                                  | : | Company having share capital   |
| v   | Address of the Registered office & contact details                    | : | 16-A, Tivim Industrial Estate<br>Mapusa - Goa, 403 526<br>Tel No. : (0832) 2257253/6714444<br>Fax No. : (0832) 2257044<br>Email : <a href="mailto:gkbophthalmics@gkb.net">gkbophthalmics@gkb.net</a><br>Website : <a href="http://www.gkb.net">www.gkb.net</a>   |
| vi  | Whether listed company  | : | Yes (Listed in Bombay Stock Exchange and Calcutta Stock Exchange)  |
| vii | Name, Address & Contact details of Registrar & Transfer Agent, if any | : | SHAREX DYNAMIC (INDIA) PVT. LTD.<br>Unit -1, Luthra Industrial Premises, Safed Pool,<br>Andheri - Kurla Road, Andheri (E), Mumbai - 400 072.<br>Phone : + 91 22 2851 5606/ 2851 5644.<br>Fax : + 91 22 2851 2885<br>Email : <a href="mailto:sharexindia@vsnl.com">sharexindia@vsnl.com</a><br>Website : <a href="http://www.sharexindia.com">www.sharexindia.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

| Sr. No | Name & Description of main products/services | NIC Code of the Product/Service | % to total turnover of the Company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Manufacture and Export of Ophthalmics Lenses | 32507                           | 100.00%                            |

**III. PARTICULARS OF HOLDING AND SUBSIDIARY COMPANIES :**

| Sr. No | Name and Address of the Company  | CIN/GLN            | Holding/ Subsidiary/Associate | % of Shares held | Applicable Section |
|--------|--|--------------------|-------------------------------|------------------|--------------------|
| 1      | GKB Ophthalmics Products FZE<br>250, M2 Warehouse A3-083 SAIF<br>ZONE, P.O. Box.9089, Sharjah-U.A.E. | UIN: PJWAZ20040413 | Subsidiary<br>Company         | 100.00%          | Section 2 (87)     |
| 2      | GKB Ophthalmics GmbH<br>28876 Oyten Germany  | UIN: PJWRA19970169 | Subsidiary<br>Company         | 100.00%          | Section 2 (87)     |

**IV. SHARE HOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

| Category of Shareholders                                  | No. of shares held at the beginning of the year |           |                  |                   | No. of shares held at the end of the year |           |                  |                   | % Change during the year |
|---|---|-----------|------------------|-------------------|---|-----------|------------------|-------------------|--------------------------|
|   | Demat   | Physical  | Total            | % of Total Shares | Demat                                     | Physical  | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>                                       |   |           |                  |                   |   |           |                  |                   |                          |
| <b>(1) Indian</b>   |   |           |                  |                   |   |           |                  |                   |                          |
| a) Individual/HUF   | 28,53,506                                       | 0         | 28,53,506        | 68.70             | 28,59,162                                 | --        | 28,59,162        | 68.84             | 0.14                     |
| b) Central Govt/ State Govt(s)                            | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| c) Bodies Corporates                                      | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| d) Bank/FI  | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| e) Any Other  | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| <b>SUB TOTAL : (A)(1)</b>                                 | <b>28,53,506</b>                                | <b>--</b> | <b>28,53,506</b> | <b>68.70</b>      | <b>28,59,162</b>                          | <b>--</b> | <b>28,59,162</b> | <b>68.84</b>      | <b>0.14</b>              |
| <b>(2) Foreign</b>  |   |           |                  |                   |   |           |                  |                   |                          |
| a) NRIs - Individuals                                     | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| b) Other individuals                                      | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| c) Bodies Corporates                                      | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| d) Bank/FI  | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| e) Any Other  | 0   | 0         | 0                | 0                 | 0   | 0         | 0                | 0                 | 0                        |
| <b>SUB TOTAL : (A)(2)</b>                                 | <b>0</b>  | <b>0</b>  | <b>0</b>         | <b>0</b>          | <b>0</b>                                  | <b>0</b>  | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoter (A)=(A)(1) + (A)(2)</b> | <b>28,53,506</b>                                | <b>–</b>  | <b>28,53,506</b> | <b>68.70</b>      | <b>28,59,162</b>                          | <b>–</b>  | <b>28,59,162</b> | <b>68.84</b>      | <b>0.14</b>              |



**IV. SHARE HOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

| Category of Shareholders   | No. of shares held at the beginning of the year |               |                  |                   | No. of shares held at the end of the year |               |                  |                   | % Change during the year |
|--|---|---------------|------------------|-------------------|---|---------------|------------------|-------------------|--------------------------|
|  | Demat   | Physical      | Total            | % of Total Shares | Demat                                     | Physical      | Total            | % of Total Shares |                          |
| <b>B. Public Shareholding</b>  |   |               |                  |                   |   |               |                  |                   |                          |
| <b>(1) Institutions</b>  |   |               |                  |                   |   |               |                  |                   |                          |
| a) Mutual Funds  | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| b) Banks/FI  | 19,600  | --            | 19,600           | 0.47              | 19,600                                    | --            | 19,600           | 0.47              | No change                |
| c) Central Govt.   | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| d) State Govt(s)   | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| e) Venture Capital Funds   | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| f) Insurance Companies   | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| g) FIIs  | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| h) Foreign Venture Capital Funds   | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| i) Others (specify)  | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| <b>SUB TOTAL : (B)(1)</b>  | <b>19,600</b>                                   | <b>--</b>     | <b>19,600</b>    | <b>0.47</b>       | <b>19,600</b>                             | <b>--</b>     | <b>19,600</b>    | <b>0.47</b>       | <b>No change</b>         |
| <b>(2) Non-institutions</b>  |   |               |                  |                   |   |               |                  |                   |                          |
| a) Bodies Corporates   | 2,78,469  | 1,200         | 2,79,669         | 6.73              | 3,28,048                                  | 1,200         | 3,29,248         | 7.93              | 1.20                     |
| b) Individuals   |   |               |                  |                   |   |               |                  |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1.00 lakh          | 4,20,645  | 81,825        | 5,02,470         | 12.10             | 3,32,378                                  | 75,225        | 4,07,603         | 9.81              | (2.29)                   |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1.00 lakh | 4,71,779  | --            | 4,71,779         | 11.36             | 5,30,093                                  | --            | 5,30,093         | 12.76             | 1.40                     |
| c) Any other - Clr-Mem   | 20,104  | --            | 20,104           | 0.48              | 1,232                                     | --            | 1,232            | 0.03              | (0.45)                   |
| NRI  | 6,452   | --            | 6,452            | 0.16              | 6,642                                     | --            | 6,642            | 0.16              | No change                |
| <b>SUB TOTAL : (B)(2)</b>  | <b>11,97,449</b>                                | <b>83,025</b> | <b>12,80,474</b> | <b>30.83</b>      | <b>11,98,393</b>                          | <b>76,425</b> | <b>12,74,818</b> | <b>30.69</b>      | <b>-0.14</b>             |
| <b>Total Public shareholding (B)=(B)(1) + (B)(2)</b>                                 | <b>12,17,049</b>                                | <b>83,025</b> | <b>13,00,074</b> | <b>31.30</b>      | <b>12,17,993</b>                          | <b>76,425</b> | <b>12,94,418</b> | <b>31.16</b>      | <b>(0.14)</b>            |
| C. Shares held by Custodian for GDRs & ADRs  | 0   | 0             | 0                | 0                 | 0   | 0             | 0                | 0                 |                          |
| <b>Grand Total (A+B+C)</b>   | <b>40,70,555</b>                                | <b>83,025</b> | <b>41,53,580</b> | <b>100.00</b>     | <b>40,77,155</b>                          | <b>76,425</b> | <b>41,53,580</b> | <b>100.00</b>     |                          |

**(ii) Share holding of Promoters:**

| Sr. No. | Shareholder's Name        | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|---------|---------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|         |                           | No. of shares                             | % of total shares of the Company | % of shares pledged encumbered to total shares | No. of shares                       | % of total shares of the Company | % of shares pledged encumbered to total shares |   |
| 1       | Mrs. Usha Gupta           | 2,09,000                                  | 5.032                            | 0  | 2,09,000                            | 5.032                            | 0  | No change                                 |
| 2       | Mr. Vivek Gupta           | 75,375                                    | 1.815                            | 0  | 75,375                              | 1.815                            | 0  | No change                                 |
| 3       | Mrs. Veena Gupta          | 3,00,635                                  | 7.238                            | 0  | 3,00,635                            | 7.238                            | 0  | No change                                 |
| 4       | Mr. Krishna Gopal Gupta   | 7,97,674                                  | 19.204                           | 0  | 7,98,874                            | 19.233                           | 0  | 0.029                                     |
| 5       | Mr. Aditya Gupta          | 75,830                                    | 1.826                            | 0  | 75,830                              | 1.826                            | 0  | No change                                 |
| 6       | Mr. Krishna Murari Gupta  | 3,53,207                                  | 8.504                            | 0  | 3,53,207                            | 8.504                            | 0  | No change                                 |
| 7       | Krishna Gopal Gupta (HUF) | 68,250                                    | 1.643                            | 0  | 72,706                              | 1.750                            | 0  | 0.107                                     |
| 8       | Mr. Gaurav Gupta          | 3,57,966                                  | 8.618                            | 0  | 3,57,966                            | 8.618                            | 0  | No change                                 |
| 9       | Mr. Vikram Gupta          | 3,73,105                                  | 8.983                            | 0  | 3,73,105                            | 8.983                            | 0  | No change                                 |
| 10      | Mrs. Shefali Chawla       | 2,42,464                                  | 5.837                            | 0  | 2,42,464                            | 5.837                            | 0  | No change                                 |
|         | <b>TOTAL</b>              | <b>28,53,506</b>                          | <b>68.700</b>                    | <b>0</b>                                       | <b>28,59,162</b>                    | <b>68.836</b>                    | <b>0</b>                                       | <b>0.136</b>                              |

**iii) Change in Promoter's Shareholding (please specify, if there is no change)**

| Sr. No. | Shareholder's Name  | Shareholding at the beginning of the year  |                                  |            | Cumulative Shareholding during the year |            |               | % of total shares of the Company |
|---------|---|--|----------------------------------|------------|---|------------|---------------|----------------------------------|
|         |   | No. of Shares at the beginning of the year | % of total Shares of the Company | Date       | Increasing / Decreasing in shareholding | Reason     | No. of shares |                                  |
| 1       | Mr. Krishna Gopal Gupta (HUF)<br>At the beginning of the year |  |                                  |            |   |            |               |                                  |
|         |   | 68,250                                     | 1.643                            | 01.04.2015 |   |            |               |                                  |
|         |   |  |                                  | 18.09.2015 | 400                                     | Transfer   | 68,650        | 1.653                            |
|         |   |  |                                  | 04.03.2015 | 690                                     | Transfer   | 69,340        | 1.669                            |
|         |   |  |                                  | 11.03.2016 | 89                                      | Transfer   | 69,429        | 1.672                            |
|         |   |  |                                  | 25.03.2016 | 240                                     | Transfer   | 69,669        | 1.677                            |
|         |   |  |                                  | 31.03.2016 | 3,037                                   | Transfer   | 72,706        | 1.750                            |
|         |   |  | At the end of the year           |            |   | 31.03.2016 |               | 72,706                           |
| 2       | Mr. Krishna Gopal Gupta<br>At the beginning of the year       |  |                                  |            |   |            |               |                                  |
|         |   | 797,674                                    | 19.204                           | 01.04.2015 |   |            |               |                                  |
|         |   |  |                                  | 24.04.2015 | 1200                                    | Transfer   | 798,874       | 19.233                           |
|         |   |  |                                  | 31.03.2016 |   |            | 798,874       | 19.233                           |
|         | At the end of the year  |  |                                  |            |   |            |               |                                  |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

| Sr. No. | Shareholder's Name           | Shareholding at the beginning of the year  |                                  |            | Cumulative Shareholding during the year |          |               | % of total shares of the Company |
|---------|------------------------------|--|----------------------------------|------------|---|----------|---------------|----------------------------------|
|         |                              | No. of Shares at the beginning of the year | % of total Shares of the Company | Date       | Increasing / Decreasing in shareholding | Reason   | No. of shares |                                  |
| 1       | EDC Limited                  |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year | 50,000                                     | 1.204                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         | At the end of the year       | –  | –                                | 31.03.2016 |   |          | 50,000        | 1.204                            |
| 2       | New Millenium Technology     |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year | 57,010                                     | 1.373                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         |                              |  |                                  | 05.06.2015 | 1,406                                   | Transfer | 58,416        | 1.406                            |
|         |                              |  |                                  | 10.07.2015 | 18,606                                  | Transfer | 77,022        | 1.854                            |
|         |                              |  |                                  | 17.07.2015 | 1,450                                   | Transfer | 78,472        | 1.889                            |
|         |                              |  |                                  | 23.10.2015 | -15,973                                 | Transfer | 62,499        | 1.505                            |
|         | At the end of the year       |  |                                  | 31.03.2016 |   |          | 62,499        | 1.505                            |
| 3       | Mr. Rajendra Kumar Gupta     |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year | 58,000                                     | 1.396                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         |                              |  |                                  | 29.05.2015 | -3,000                                  | Transfer | 55,000        | 1.324                            |
|         |                              |  |                                  | 05.06.2015 | -2,000                                  | Transfer | 53,000        | 1.276                            |
|         |                              |  |                                  | 12.06.2015 | -2,000                                  | Transfer | 51,000        | 1.228                            |
|         |                              |  |                                  | 07.08.2015 | -4,000                                  | Transfer | 47,000        | 1.132                            |
|         | At the end of the year       |  |                                  | 31.03.2016 |   |          | 47,000        | 1.132                            |
| 4       | Mr. Sanjiv Kumar Gupta       |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year | 70,500                                     | 1.697                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         | At the end of the year       |  |                                  | 31.03.2016 |   |          | 70,500        | 1.697                            |
| 5       | Mr Brijendra Kumar Gupta     |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year | 159,000                                    | 3.828                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         | At the end of the year       |  |                                  | 31.03.2016 |   |          | 159,000       | 3.828                            |
| 6       | Mrs. Uma Gupta               |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year | 79,850                                     | 1.922                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         | At the end of the year       |  |                                  | 31.03.2016 |   |          | 79,850        | 1.922                            |

| Sr. No. | Shareholder's Name                     | Shareholding at the beginning of the year  |                                  |            | Cumulative Shareholding during the year |          |               | % of total shares of the Company |
|---------|--|--|----------------------------------|------------|---|----------|---------------|----------------------------------|
|         |  | No. of Shares at the beginning of the year | % of total Shares of the Company | Date       | Increasing / Decreasing in shareholding | Reason   | No. of shares |                                  |
| 7       | Phillipcapital (India) Private Limited |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year           | 200  | 0.005                            | 29.05.2015 | -                                       | -        | -             | -                                |
|         |  |  |                                  | 05.06.2015 | 31,173                                  | Transfer | 31,373        | 0.755                            |
|         |  |  |                                  | 12.06.2015 | 12,370                                  | Transfer | 43,743        | 1.053                            |
|         |  |  |                                  | 19.06.2015 | 4,168                                   | Transfer | 47,911        | 1.153                            |
|         |  |  |                                  | 03.07.2015 | 400                                     | Transfer | 48,311        | 1.163                            |
|         |  |  |                                  | 10.07.2015 | -99                                     | Transfer | 48,212        | 1.161                            |
|         |  |  |                                  | 23.10.2015 | -300                                    | Transfer | 47,912        | 1.154                            |
|         |  |  |                                  | 25.12.2015 | 100                                     | Transfer | 48,012        | 1.156                            |
|         |  |  |                                  | 31.12.2015 | -100                                    | Transfer | 47,912        | 1.154                            |
|         | At the end of the year                 |  |                                  | 31.03.2016 |   |          | 47,912        | 1.154                            |
| 8       | Mr. Rajendra Kumar Gupta               |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year           | 58,000                                     | 1.396                            | 01.04.2015 | -                                       | --       | -             | -                                |
|         |  |  |                                  | 29.05.2015 | -3,000                                  | Transfer | 55,000        | 1.324                            |
|         |  |  |                                  | 05.06.2015 | -2,000                                  | Transfer | 53,000        | 1.276                            |
|         |  |  |                                  | 12.06.2015 | -2,000                                  | Transfer | 51,000        | 1.228                            |
|         |  |  |                                  | 07.08.2015 | -4,000                                  | Transfer | 47,000        | 1.132                            |
|         | At the end of the year                 |  |                                  | 31.03.2016 |   |          | 47,000        | 1.132                            |
| 9       | Mr. Lalit Gupta                        |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year           | 45,800                                     | 1.103                            | 01.04.2015 | -                                       | -        | -             | -                                |
|         | At the end of the year                 |  |                                  | 31.03.2016 |   |          | 45,800        | 1.103                            |
| 10      | Raviraj Developers Pvt. Ltd            |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year           | 17,872                                     | 0.430                            | 01.04.2015 | -                                       | -        | -             | -                                |
|         |  |  |                                  | 17.04.2015 | -134                                    | Transfer | 17,738        | 0.427                            |
|         |  |  |                                  | 01.05.2015 | 1,795                                   | Transfer | 19,533        | 0.470                            |
|         |  |  |                                  | 15.05.2015 | -2,000                                  | Transfer | 17,533        | 0.422                            |
|         |  |  |                                  | 29.05.2015 | 15,025                                  | Transfer | 32,558        | 0.784                            |
|         |  |  |                                  | 12.06.2015 | 4,890                                   | Transfer | 37,448        | 0.902                            |

| Sr. No. | Shareholder's Name     | Shareholding at the beginning of the year  |                                  |            | Cumulative Shareholding during the year |          |               | % of total shares of the Company |
|---------|------------------------|--|----------------------------------|------------|---|----------|---------------|----------------------------------|
|         |                        | No. of Shares at the beginning of the year | % of total Shares of the Company | Date       | Increasing / Decreasing in shareholding | Reason   | No. of shares |                                  |
|         |                        |  |                                  | 26.06.2015 | 919                                     | Transfer | 38,367        | 0.924                            |
|         |                        |  |                                  | 10.07.2015 | 500                                     | Transfer | 38,867        | 0.936                            |
|         |                        |  |                                  | 07.08.2015 | 8,374                                   | Transfer | 47,241        | 1.137                            |
|         |                        |  |                                  | 14.08.2015 | 12,080                                  | Transfer | 59,321        | 1.428                            |
|         |                        |  |                                  | 21.08.2015 | 2,000                                   | Transfer | 61,321        | 1.476                            |
|         |                        |  |                                  | 28.08.2015 | 592                                     | Transfer | 61,913        | 1.491                            |
|         |                        |  |                                  | 04.09.2015 | 3,520                                   | Transfer | 65,433        | 1.575                            |
|         |                        |  |                                  | 18.09.2015 | 1,012                                   | Transfer | 66,445        | 1.599                            |
|         |                        |  |                                  | 25.09.2015 | -9                                      | Transfer | 66,436        | 1.599                            |
|         |                        |  |                                  | 30.09.2015 | 1,068                                   | Transfer | 67,504        | 1.625                            |
|         |                        |  |                                  | 16.10.2015 | 3,598                                   | Transfer | 71,102        | 1.712                            |
|         |                        |  |                                  | 23.10.2015 | -36,895                                 | Transfer | 34,207        | 0.824                            |
|         |                        |  |                                  | 18.12.2015 | 500                                     | Transfer | 34,707        | 0.836                            |
|         |                        |  |                                  | 31.12.2015 | 500                                     | Transfer | 35,207        | 0.848                            |
|         |                        |  |                                  | 08.01.2016 | 4,500                                   | Transfer | 39,707        | 0.956                            |
|         |                        |  |                                  | 15.01.2016 | -200                                    | Transfer | 39,507        | 0.951                            |
|         | At the end of the year |  |                                  | 31.03.2016 |   |          | 39,507        | 0.951                            |

**v) Shareholding of Directors and Key Managerial Personnel :**

| Sr. No. | For each of the Directors and KMP          | Shareholding at the beginning of the year  |                                  |            | Cumulative Shareholding during the year |          |               | % of total shares of the Company |
|---------|--|--|----------------------------------|------------|---|----------|---------------|----------------------------------|
|         |  | No. of Shares at the beginning of the year | % of total Shares of the Company | Date       | Increasing / Decreasing in shareholding | Reason   | No. of shares |                                  |
| 1       | Mr. Krishna Gopal Gupta                    |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year               | 797,674                                    | 19.204                           | 01.04.2015 | –                                       |          |               |                                  |
|         | At the end of the year                     |  |                                  | 30.06.2015 | 1,200                                   | Transfer | 798,874       | 19.233                           |
|         |  |  |                                  | 31.03.2016 |   |          | 798,874       | 19.233                           |
| 2       | Mr. Krishna Murari Gupta                   |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year               | 353,207                                    | 8.503                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         | At the end of the year                     |  |                                  | 31.03.2016 |   |          | 353,207       | 8.50                             |
| 3       | Mr. Vikram Gupta                           |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year               | 373,105                                    | 8.968                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         | At the end of the year                     |  |                                  | 31.03.2016 |   |          | 373,105       | 8.983                            |
| 4       | Mr. Gaurav Gupta                           |  |                                  |            |   |          |               |                                  |
|         | At the beginning of the year               | 357,966                                    | 8.618                            | 01.04.2015 | –                                       | –        | –             | –                                |
|         | At the end of the year                     |  |                                  | 31.03.2016 |   |          | 357,966       | 8.618                            |
| 5       | Mr. Anil Palekar                           | –  | –                                | –          | –                                       | –        | –             | –                                |
| 6       | Mr. Sadashiv Shet                          | –  | –                                | –          | –                                       | –        | –             | –                                |
| 7       | Mr. Joseph A.A. D'Costa                    | --   | --                               | --         | --                                      | --       | --            | --                               |
| 8       | Mr. Christopher Hickman                    | --   | --                               | --         | --                                      | --       | --            | --                               |
| 9       | Mrs. Shashi K. Katreddi                    | –  | –                                | –          | –                                       | –        | –             | –                                |
| 10      | Mr. Noel da Silva, CFO & Company Secretary | –  | –                                | –          | –                                       | –        | –             | –                                |



**V. INDEBTEDNESS :**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in lakhs

| Particulars                                      | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the year        |                                  |                 |          |                    |
| i) Principal Amount                              | <b>861.85</b>                    | -               | -        | <b>861.85</b>      |
| ii) Interest due but not paid                    | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                          | <b>861.85</b>                    | -               | -        | <b>861.85</b>      |
| Change in Indebtedness during the financial year |                                  |                 |          |                    |
| * Addition                                       | <b>20.45</b>                     | -               | -        | <b>20.45</b>       |
| * Reduction                                      | <b>159.88</b>                    | -               | -        | <b>159.88</b>      |
| <b>Net Change</b>                                | <b>(139.43)</b>                  | -               | -        | <b>(139.43)</b>    |
| Indebtedness at the end of the year              |                                  |                 |          |                    |
| i) Principal Amount                              | <b>722.42</b>                    | -               | -        | <b>722.42</b>      |
| ii) Interest due but not paid                    | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                          | <b>742.42</b>                    | -               | -        | <b>742.42</b>      |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs. in lakhs

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/Manager               | Total Amount |
|---------|---|--------------------------------------|--------------|
|         |   | Mr. K. G. Gupta, Managing Director   |              |
| 1       | Gross Salary  |                                      |              |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income - Tax Act, 1961 | 30.00                                | 30.00        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                               | 11.78                                | 11.78        |
|         | (c) Profits in lieu of salary under Section 17 (3) Income -tax Act, 1961              | -                                    | -            |
| 2       | Stock Option  | -                                    | -            |
| 3       | Sweat Equity  | -                                    | -            |
| 4       | Commission  | -                                    | -            |
|         | - as % of profit  | -                                    | -            |
|         | - others, specify   | -                                    | -            |
| 5       | Others, please specify  | -                                    | -            |
|         | <b>Total (A)</b>  | <b>41.78</b>                         | <b>41.78</b> |
|         | Ceiling as per the Act  | 5% of the net profits of the Company |              |





**B. Remuneration to other Directors :**

Rs. in lakhs

| Sr. No. | Particulars of Remuneration  | Name of Directors                     |                   |                         |                         |                         | Total Amount   |
|---------|--|---------------------------------------|-------------------|-------------------------|-------------------------|-------------------------|----------------|
|         |  | Mr. Anil Palekar                      | Mr. Sadashiv Shet | Mr. Joseph A.A. D'Costa | Mr. Christopher Hickman | Mrs. Shashi K. Katreddi |                |
| 1       | Independent Directors<br>* Fee for attending board/ committee meetings<br>* Commission<br>* Others, please specify           | 1.30<br>—<br>—                        | 1.30<br>—<br>—    | 1.30<br>—<br>—          | 1.20<br>—<br>—          | 0.40<br>—<br>—          | 5.50<br>—<br>— |
|         | <b>Total (1)</b>   | <b>1.30</b>                           | <b>1.30</b>       | <b>1.30</b>             | <b>1.20</b>             | <b>0.40</b>             | <b>5.50</b>    |
|         |  | Mr. K. M. Gupta                       | Mr. Vikram Gupta  | Mr. Gaurav Gupta        |                         |                         |                |
| 2       | Other Non - Executive Directors<br>* Fee for attending board /committee meetings<br>* Commission<br>* Others, please specify | 0.20<br>—<br>—                        | 0.20<br>—<br>—    | 0.90<br>—<br>—          |                         |                         | 1.30<br>—<br>— |
|         | <b>Total (2)</b>   | <b>0.20</b>                           | <b>0.20</b>       | <b>0.90</b>             |                         |                         | <b>1.30</b>    |
|         | <b>Total (B)= (1+2)</b>  |                                       |                   |                         |                         |                         | <b>6.80</b>    |
|         | <b>Total Managerial Remuneration (A+B)</b>   |                                       |                   |                         |                         |                         | <b>29.75</b>   |
|         | Over all Ceiling as per the Act  | 11% of the net profits of the Company |                   |                         |                         |                         |                |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :**

Rs. in lakhs

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel<br>CFO & Company Secretary |      | Total Amount      |
|---------|--|---|------|-------------------|
|         |  |   |      |                   |
| 1       | Gross Salary<br>(a) Salary as per provisions contained in Section 17(1)of the Income- Tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under Section 17 (3) Income -tax Act, 1961 | 9.46  | 2.75 | 9.46<br>2.75<br>— |
| 2       | Stock Option   | —   | —    | —                 |
| 3       | Sweat Equity   | —   | —    | —                 |
| 4       | Commission<br>- as % of profit<br>- others, specify  | —   | —    | —                 |
| 5       | Others, please specify   | —   | —    | —                 |
|         | <b>Total (A)</b>   | <b>12.21</b>  |      | <b>12.21</b>      |



**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

| Type                                 | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/NCLT/Court] | Appeal made,if any (give details) |
|--------------------------------------|------------------------------|-------------------|---|---------------------------|-----------------------------------|
| <b>A. COMPANY</b>                    |                              |                   |   |                           |                                   |
| Penalty<br>Punishment<br>Compounding |                              |                   | ----- Nil -----   |                           |                                   |
| <b>B. DIRECTORS</b>                  |                              |                   |   |                           |                                   |
| Penalty<br>Punishment<br>Compounding |                              |                   | ----- Nil -----   |                           |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b>  |                              |                   |   |                           |                                   |
| Penalty<br>Punishment<br>Compounding |                              |                   | ----- Nil -----   |                           |                                   |



**FORM No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GKB OPHTHALMICS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **GKB OPHTHALMICS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **GKB OPHTHALMICS LIMITED** ("the Company") for the financial year ended on **31st March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ..... N.A
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; ..... N.A
- (vi) The Factories Act, 1948
- (vii) Trade Mark Act, 1999
- (viii) Foreign Trade (Development & Regulation) Act, 1992
- (ix) Customs Act, 1962
- (x) Central Excise Act, 1962
- (xi) Industrial Disputes Act, 1947
- (xii) The Payment of Wages Act, 1936
- (xiii) The Minimum Wages Act, 1948
- (xiv) Employees' State Insurance Act, 1948
- (xv) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952



- (xvi) The Payment of Bonus Act, 1965
- (xvii) The Payment of Gratuity Act, 1972
- (xviii) The Contract Labour (Regulation and Abolition) Act, 1970
- (xix) The Maternity Benefit Act, 1961
- (xx) The Industrial Employment (Standing Orders) Act, 1946
- (xxi) The Apprentice Act, 1961
- (xxii) Equal Remuneration Act, 1976
- (xxiii) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- (xxiv) The Environment (Protection) Act, 1986
- (xxv) Air (Prevention and Control of Pollution) Act, 1981 and rules thereunder
- (xxvi) Water (Prevention and Control of Pollution) Act, 1974 and rules thereunder
- (xxvii) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- (xxviii) The Goa, Daman & Diu Factories Rules, 1985
- (xxix) The Indian Boilers Act, 1923
- (xxx) The Goa Daman & Diu Boiler Rules, 1983
- (xxxi) Indian Stamp Act, 1999 and The Indian Stamp (Goa, Daman and Diu Amendment) Act, 1968
- (xxxii) Negotiable Instrument Act, 1881
- (xxxiii) Goa Value Added Tax Act, 2005 and rules thereunder
- (xxxiv) Income Tax Act, 1961 and Indirect Tax Law
- (xxxv) Weekly Holidays Act, 1942
- (xxxvi) Registration Act, 1908 and The Registration (Goa, Daman and Diu Amendment) Act, 1985
- (xxxvii) The Goa, Daman and Diu Shops and Establishments Act, 1973

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay and Calcutta Stock Exchange(s);

I further report that the Company was by default delisted from Delhi Stock Exchange from March, 2016 as government formally withdrawn the recognition of Delhi Stock Exchange as SEBI, the market regulator derecognized Delhi Stock Exchange citing "serious irregularities" in its functioning.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- a) The Company has filed various eforms as required however some of the forms have been filed beyond the stipulated date. Where the forms are filed with late fees, these should be reported as compliance by reference of payment of additional fees.
- b) The Company has got two factory units; Unit I and Unit II where renewal of factory registration of Unit I under Factories Act, 1948 is still under process though application already submitted and renewal of Factory registration of Unit II under Factories Act, 1948 is completed and renewed upto financial year 2020.
- c) The Company has made provision of payment of bonus for the financial year 2014-2015 on amendment of Bonus Act, 2015.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions are taken unanimously after taking into consideration views, opinions expressed by all the members.



**I further report that**

- a) The Company has complied with the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and entered into fresh listing Agreement with Bombay Stock Exchange.
- b) The Company has also complied with SEBI (Prohibition of Insider Trading) Regulations, 2015
- c) The Company has complied with rules of land on export of spectacle lens or progressive lenses to foreign nations such as Drugs and Cosmetics, Act, USA .
- d) The Company has engaged with Mumbai Waste Management Limited, Panvel, Maharashtra for handling and disposal of hazardous waste.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date : May 30,2016  
Place: Panaji, Goa

**CS Girija G. Nagvekar**  
Practising Company Secretary  
ACS : 28111  
COP: 10335



This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Annexure 'A'

To,  
**The Members,**  
**GKB OPHTHALMICS LIMITED**  
**16A TIVIM INDUSTRIAL ESTATE,**  
**MAPUSA – GOA 403526**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verifications of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : May 30,2016  
Place: Panaji, Goa

**CS Girija G. Nagvekar**  
Practising Company Secretary  
ACS : 28111  
COP: 10335



**ANNEXURE TO DIRECTORS' REPORT**

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY**

Power consumption in the manufacturing activities of the Company is not of any major significance. Still energy conservation continues to receive adequate attention. General awareness has been created about the need to conserve energy.

- I. The Steps taken or impact on conservation of energy.
  - a) Scheduled and planned maintenance programme has resulted in improved performance of equipment.
  - b) Special analysis methods are used to improve performance of utilities like compressors, chillers, etc.
  - c) Existing CFL lights have been replaced in several places with LED lights which contributes to power savings.
- II. Steps taken by the Company for using alternate sources of energy  
Efforts are being made to develop alternate sources of energy.
- III. Capital Investment on energy conservation equipments  
There was no significant capital investment on energy conservation equipments during the year.

**B. TECHNOLOGY ABSORPTION**

- I. Efforts made towards technology absorption.  
Efforts are being made towards technology absorption. The technology we have adopted is best suited for our products and is absorbed in full.
- II. Benefits derived like product improvement, cost reduction, product development or import substitution.
  - a) Steps are taken to improve productivity by introducing innovations and developments in the Company's line of business.
  - b) Research and Development has contributed towards Import Substitution and increase in productivity.
- III. Information regarding technology imported during the last 3 years:

| Sr. No. | Technology Imported                   | Year of import | Status   |
|---------|---------------------------------------|----------------|----------|
| 1       | Lens Pad Printing Machine             | 2013-14        | Absorbed |
| 2       | There were no imports                 | 2014-15        | -        |
| 3       | a) Auto Taping Machine                | 2015-16        | Absorbed |
|         | b) Printing Pad Machine               |                |          |
|         | c) Auto Aging Machine                 |                |          |
|         | d) Dust Collector                     |                |          |
|         | e) Programmable oval with accessories |                |          |

- IV. Expenditure incurred on Research and Development.  
No separate expenditure has been incurred under the head Research and Development during the financial year.



**C. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Rs. in lakhs

|                         |          |
|-------------------------|----------|
| Foreign exchange earned | 2,076.51 |
| Foreign exchange used   | 1,376.23 |
| Net earnings            | 700.28   |

Detailed information on Foreign Exchange Earning and Outgo is given in Notes 38, 45 and 46 to the financial statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa – Goa  
Date : May 30, 2016

K. G. GUPTA  
CHAIRMAN & MANAGING DIRECTOR





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### CAUTIONARY STATEMENT:

Certain statements made in this Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from such expectation whether express or implied. Several factors that could make significant impact on the company's operations include global and domestic demand and supply conditions, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other factors.

#### **I i) Industry Structure and Developments:**

Several countries in the world have their own Eye Health Policy which aims to reduce avoidable visual impairment, thereby increasing the demand for Ophthalmic Lenses.

A large section of the population, requires vision correction and it is not readily available to them.

With the increase in awareness, education and medical services, there is a big scope for increase in demand of lenses. There is an urgent need to promote investment in eye health care industry.

#### **ii) Opportunities and Threats:**

There is growing demand for spectacles in developing and under developed countries. However, in the developed countries the demand is stagnant due to economic condition prevailing in the world. The Company has embarked on backward integration by utilizing its skill in producing glass moulds which are extensively used in the manufacture of plastic lenses.

China is biggest player in Ophthalmic Lens Industry and we are still awaiting the labour reforms to have a level playing field. China has advantage of economies of scale, but India is fast picking up and competing with China.

#### **iii) Segment wise or Product wise Performance :**

The Company deals with manufacture of glass and plastic lenses both semi-finished and finished forms.

#### **iv) Outlook :**

Presently, Unit II manufactures 12,000 pieces per day of plastic lenses. New equipment for plastic lenses has been imported to increase the production and a new building has been completed at the cost of Rs. 400.00 lakhs which has been funded through internal accruals. Consequently, the production of plastic lenses is expected to increase to 20,000 pieces per day by the end of the current financial year.

#### **v) Risks and Concerns:**

We do not foresee any risks, except for foreign exchange fluctuations. Since the Company depends mainly on exports, the economic situation in exporting countries is liable to affect the performance of the Company.

#### **vi) Internal Control Systems and their Adequacy:**

The Company has developed adequate Internal Control Systems, commensurate to its size and business, which are aimed at achieving efficiency in operations, effective monitoring and optimum utilisation of resources. The Company has appointed M/s. N. M. Shiolkar & Associates, Chartered Accountants, to conduct the Internal Audit work. The reports of the Internal Auditors are periodically reviewed by the Audit Committee.



**vii) Discussion on Financial Performance with respect to Operational Performance :**

The Financial Performance of the Company with respect to Operational Performance, has declined due to write off of non moving inventory, mainly of glass lenses.

The total sales of lenses, both glass as well as plastic lenses has increased from 2985.00 lakhs to 3117.00 lakhs, thereby showing an increase of 4.42%.

The sales of plastic lenses is expected to increase during the current financial year compared to previous financial year.

**viii) Material Developments in Human Resources/Industrial Relations front, including number of people employed :**

Labour relations have been cordial with no interruption of manufacturing activities.

The total number of permanent employees of the company as on March 31, 2016 was 254, out of which 215 employees are working for more than 10 years.



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, lenders and ensuring sound Corporate Governance practices. The Company also believes that its systems and procedures will enhance Corporate performance and maximise shareholders' value in the long term.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given below:-

This report on Corporate Governance is as on March 31, 2016.

### 2. BOARD OF DIRECTORS

#### a) Composition of Board

The Composition of the Board is in conformity in terms of Listing Regulations. The Board of Directors comprises of nine members, out of which eight are Non-Executive. There are five Independent Directors including one Woman Director. The Managing Director is an Executive Director and more than half of the Board comprises of Independent Directors.

The Composition of the Board and other relevant details are given below:-

| Name of the Director       | DIN      | Category                                | No. of Board Meetings Attended | Whether attended the last AGM |
|----------------------------|----------|---|--------------------------------|-------------------------------|
| Mr. K. G. Gupta            | 00051863 | Managing Director, Promoter & Executive | 6                              | Yes                           |
| Mr. K. M. Gupta            | 00512135 | Promoter & Non-Executive                | 1                              | No                            |
| Mr. Vikram Gupta           | 00052019 | Promoter & Non-Executive                | 1                              | Yes                           |
| Mr. Gaurav Gupta           | 00051974 | Promoter & Non-Executive                | 5                              | No                            |
| Mr. Anil Palekar           | 01987078 | Independent & Non-Executive             | 6                              | No                            |
| Mr. Sadashiv Shet          | 02227102 | Independent & Non-Executive             | 6                              | Yes                           |
| Mr. Joseph A. A. D'Costa   | 03489392 | Independent & Non-Executive             | 6                              | Yes                           |
| Mr. Christopher Hickman    | 06574204 | Independent & Non-Executive             | 6                              | Yes                           |
| Mrs. Shashi Kumar Katreddi | 07139250 | Independent & Non-Executive             | 1                              | No                            |

Mr. Sadashiv Shet is a Non-Executive, Chairman in Kore Foods Limited. He is also the Chairman of Audit Committee and Stakeholders' Relationship Committee and a member of Nomination and Remuneration Committee in Kore Foods Limited.

None of the other Directors hold membership or chairmanship in any other Company.

Last AGM was held on September 26, 2015.



**b) Number of Board Meetings held and dates on which held.**

Six Board Meetings were held during the year under review. They were held on May 23, 2015; May 30, 2015; August 12, 2015; November 07, 2015; February 08, 2016 and March 30, 2016.

The maximum gap between two Board Meetings held during the year was not more than 120 days.

Mr. K. G. Gupta is the father of Mr. Vikram Gupta and Mr. Gaurav Gupta and brother of Mr. K. M. Gupta. None of the other Directors have any relationship interse.

**c) Independent Directors.**

Independent Directors appointment by the Company fulfills the conditions of Independence as per Regulation 25 of Listing Regulations and provisions of Section 149 (6) of the Companies Act, 2013.

The independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their appointment has been approved by the Members of the Company at the Annual General Meeting held on September 26, 2015.

Appointment of Independent Directors is formalised by issuing Letter of Appointment setting out terms and conditions of appointment in the manner as required under Regulation 46 (2) (b) of the Listing Regulations and Section 149(8) of the Companies Act, 2013 and the same is placed on website of our Company, [www.gkb.net](http://www.gkb.net)

**d) Familiarization programmes imparted to Independent Directors.**

Whenever new Non-Executive and Independent Directors are inducted in the Board, they are familiarized with Company's culture through appropriate orientation sessions, presentations and programmes. Factory visits are also arranged. They are also familiarized with organizational structure, business of the Company, constitution, Board procedures, major risks, management strategy and products manufactured. Details of such familiarisation programme are displayed on the website of the Company [www.gkb.net](http://www.gkb.net) and web link thereto (<http://gkb.net/en/wp-content/uploads/Accounts/Familiarization-Programme-for-Independent-Directors.pdf>).

**3. AUDIT COMMITTEE**

**a) Composition.**

The Composition of the Audit Committee is in compliance with Regulation 18 of Listing Regulations.

The Audit Committee comprises of four Non-Executive Independent Directors and one Non-Executive Promoter Director. Mr. Sadashiv Shet is the Chairman of the Audit Committee.

All these Directors possess knowledge of Corporate Finance, Accounts and Company Law. Mr. Noel da Silva, CFO and Company Secretary, acts as the Secretary of the Committee.

The Managing Director, Internal Auditors, Statutory Auditors, Executives of Accounts and Finance Department, attend the Audit Committee meetings on invitation.

**b) The terms of reference include:-**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing with the management, the annual financial statements before submission to the board for approval.
4. Reviewing with the management, the quarterly financial statement before submission to the board for approval.



**c) Meetings and Attendance during the year.**

Five meetings were held on May 30, 2015; August 12, 2015; November 07, 2015; February 08, 2016 and March 30, 2016.

The names of the members of the Committee and their attendance are as follows:

| Name                     | Category                    | Designation | No. of Meetings attended |
|--------------------------|-----------------------------|-------------|--------------------------|
| Mr. Sadashiv Shet        | Independent & Non-Executive | Chairman    | 5                        |
| Mr. Gaurav Gupta         | Promoter & Non-Executive    | Member      | 4                        |
| Mr. Anil Palekar         | Independent & Non-Executive | Member      | 5                        |
| Mr. Joseph A. A. D'Costa | Independent & Non-Executive | Member      | 5                        |
| Mr. Christopher Hickman  | Independent & Non-Executive | Member      | 5                        |

**4. NOMINATION AND REMUNERATION COMMITTEE**

a) Terms of reference.

The Remuneration Committee has been constituted to recommend/review the remuneration of the Managing Director and Whole Time Directors, if any, based inter alia on their experience, qualifications, individual and company performance and comparable industry practices.

b) The Nomination and Remuneration Committee is constituted in terms of Regulations 19(1) and (2) of Listing Regulations and in terms of Section 178 of the Companies Act, 2013.

c) Composition.

| Name of the Director     | Category                    | Designation | No. of Meetings attended |
|--------------------------|-----------------------------|-------------|--------------------------|
| Mr. Anil Palekar         | Independent & Non-Executive | Chairman    | 1                        |
| Mr. Sadashiv Shet        | Independent & Non-Executive | Member      | 1                        |
| Mr. Joseph A. A. D'Costa | Independent & Non-Executive | Member      | 1                        |

One meeting was held on March 30, 2016.

d) Performance Evaluation

In terms of Section 178(2) of the Companies Act, 2013 and in terms of Regulations 17 (10) of Listing Regulations, the performance evaluation of the Board, its Committees were carried out during the year under review. The Board of Directors carried out the evaluation of every Director's performance, including the Chairman of the Board.

The performance evaluation of Independent Directors was done by the entire Board (excluding the Director being evaluated).

The parameters considered were promoting objectives of the Company for the benefit of its members as a whole and in the best interest of the Company, its employees, the community and for the protection of the environment, fulfilling the key responsibilities by exercising reasonable care, skill, diligence and independent judgement, level of engagement/contribution in decision making, attendance, quality time spent for Board Meetings and leadership and commitments of Directors.

**5. REMUNERATION POLICY OF DIRECTORS**

Company has formulated Remuneration Policy relating to remuneration of Directors and Key Key Managerial Personnel. Brief highlights of the Policy is given below:



**REMUNERATION POLICY FOR MANAGING DIRECTOR/WHOLE TIME DIRECTOR/KEY MANAGERIAL PERSONNEL.**

**1) Remuneration to Managing Director / Whole Time Director or Manager:**

The Nomination and Remuneration Committee shall make recommendations to the Board of Directors regarding the remuneration and perquisites payable to the Managing Director, Whole Time Director or Manager.

The remuneration and perquisites payable to the Managing Director, Whole Time Director or Manager shall be governed by the provisions of Section 197 and Schedule V and other applicable provisions of the Companies Act, 2013 and with rules in force, subject to the approval of the members by way of a suitable resolution at the next General Meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.

**2) Remuneration to Non- Executive / Independent Directors:**

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. Provided that the amount of such fees shall not exceed Rupees one lakh per meeting of the Board or Committee thereof.

For Independent Directors and Woman Directors, the sitting fees shall not be less than sitting fees to other Directors.

b) Other criteria of making payment to non-executive directors has been disseminated on Company's website [www.gkb.net](http://www.gkb.net)

**c) Details of remuneration paid to all the Directors.**

The Non-Executive Directors are paid sitting fees for attending the Board / Committee Meetings and the payment is based on the number of meetings attended by them. Non – Executive Directors have not been paid any other fees or compensation.

Remuneration paid to Managing Director, sitting fees paid to Non-Executive Directors during the year 2015-16 and number of equity shares held by them are as under :

| Name of the Director       | Salary Rs. | Benefits Rs. | Sitting Fees Rs. | Total Rs. | Number of equity share held |
|----------------------------|------------|--------------|------------------|-----------|-----------------------------|
| Mr. K.G. Gupta             | 30,00,000* | 11,78,365    | —                | 41,78,365 | 7,98,874                    |
| Mr. K. M. Gupta            | —          | —            | 20,000           | 20,000    | 3,53,207                    |
| Mr. Vikram Gupta           | —          | —            | 20,000           | 20,000    | 3,73,105                    |
| Mr. Gaurav Gupta           | —          | —            | 90,000           | 90,000    | 3,57,966                    |
| Mr. Anil Palekar           | —          | —            | 130,000          | 130,000   | —                           |
| Mr. Sadashiv Shet          | —          | —            | 130,000          | 130,000   | —                           |
| Mr. Joseph A. A. D'Costa   | —          | —            | 130,000          | 130,000   | —                           |
| Mr. Christopher Hickman    | —          | —            | 120,000          | 120,000   | —                           |
| Mrs. Shashi Kumar Katreddi | —          | —            | 40,000           | 40,000    | —                           |

\* fixed component. Minimum Remuneration paid to the Managing Director.

Mr. K. G. Gupta Service Contract : April 01, 2015 to March 31, 2018  
 Notice Period : 3 months  
 Severance fee : Not applicable



**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

This committee is being constituted under Section 178(5) of the Companies Act, 2013 and in terms of Regulations 20 of Listing Regulations.

- a) The Stakeholders' Relationship Committee comprises of two Non-Executive Directors. Mr. K. M. Gupta is the Chairman and Mr. Vikram Gupta is a member of the Committee.

During the year two meetings of the Committee were held on May 30, 2015 and February 08, 2016. During the year no complaints were received.

- b) Compliance Officer :

Mr. Noel da Silva,  
CFO and Company Secretary  
GKB Ophthalmics Ltd.  
16-A, Tivim Industrial Estate  
Mapusa, Goa – 403 526  
Phone : (0832) 6653225 (D)

E-mail : [noel.dasilva@gkb.net](mailto:noel.dasilva@gkb.net)

- c) During the year under review, no complaints have been received from shareholders.

**7. GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held at the Conference Room, GKB Ophthalmics Limited, 16-A, Tivim Industrial Estate, Mapusa, Goa, as under :

| Financial Year | Date & Time                   | Special Resolutions passed   |
|----------------|-------------------------------|--|
| 2012-2013      | August 31, 2013 11.00 A.M.    | None   |
| 2013-2014      | September 06, 2014 11.00 A.M. | 1. Borrowing in excess of paid up capital and free reserves under Section 180 (1) (c) of the Companies Act, 2013.<br>2. Create mortgages / charges on the assets of the Company under Section 180 (1) (a) of the Companies Act, 2013.  |
| 2014-2015      | September 26, 2015 11.00 A.M. | 1. Re-appointment of Mr. K. G. Gupta (DIN : 00051863) as Managing Director.<br>2. Re-appointment of Mr. Anil Palekar (DIN: 01987078) as an Independent Director.<br>3. Re-appointment of Mr. Sadashiv Shet (DIN: 02227102) as an Independent Director<br>4. Amendment to Articles of Association as per Companies Act, 2013. |

No Special resolution was passed during the last year through Postal Ballot. At present the Company has not proposed any Special Resolution to be passed by Postal Ballot.



**8. MEANS OF COMMUNICATION**

Quarterly results are published in the Economic Times, and Gomantak (Marathi edition) and promptly submitted to the Stock Exchanges for display on their respective websites.

The results are also displayed on Company's website, [www.gkb.net](http://www.gkb.net), which also displays official news releases.

No presentations were made to institutional investors or to the analysts during the year.

**9. GENERAL SHAREHOLDER INFORMATION**

|   |  |
|---|--|
| <p>i <b>34th Annual General Meeting</b><br/>Date<br/>Time<br/>Venue</p>   | <p>: September 24, 2016<br/>: 11.00 A.M.<br/>: Conference Room<br/>GKB Ophthalmics Limited<br/>16-A, Tivim Industrial Estate, Mapusa - Goa 403 526</p>   |
| <p>ii Financial Year</p>  | <p>: The financial year of the Company is from April 1st to March 31st.</p>  |
| <p>iii Date of Book closure</p>   | <p>: Book Closure is from September 16, 2016 to September 24, 2016 (both days inclusive)</p>   |
| <p>iv Dividend payment date</p>   | <p>: No dividend is proposed</p>   |
| <p>v Listing on Stock Exchanges<br/><br/><br/><br/><br/><br/><br/><br/><br/><br/>Delisting<br/><br/><br/>Fees</p> | <p>: Bombay Stock Exchange Ltd. (BSE)<br/>25<sup>th</sup> Floor, Phiroze Jeejubhoy Towers, Dalal Street<br/>Mumbai - 400 001<br/>Phone : 91 -22-227 21233/4<br/>Fax : 91-22-22721919<br/><br/>Calcutta Stock Exchange Ltd. (CSE)<br/>7, Lyons Range Kolkata 700001.<br/>Phones: (033) 4025 3000<br/>FAX: (033) 2210 4500, 4025 3030.<br/><br/>The Government has withdrawn the recognition from Delhi Stock Exchange vide its notice dated March 21, 2016. Hence the equity shares of the Company stand delisted.<br/><br/>Annual Listing fees have been paid to Bombay and Calcutta Stock Exchanges for the year 2016-17.</p> |
| <p>vi Stock Code<br/>BSE<br/>CSE<br/>ISIN NUMBER</p>  | <p>: 533212<br/>017097<br/>INE 265 D01015</p>  |



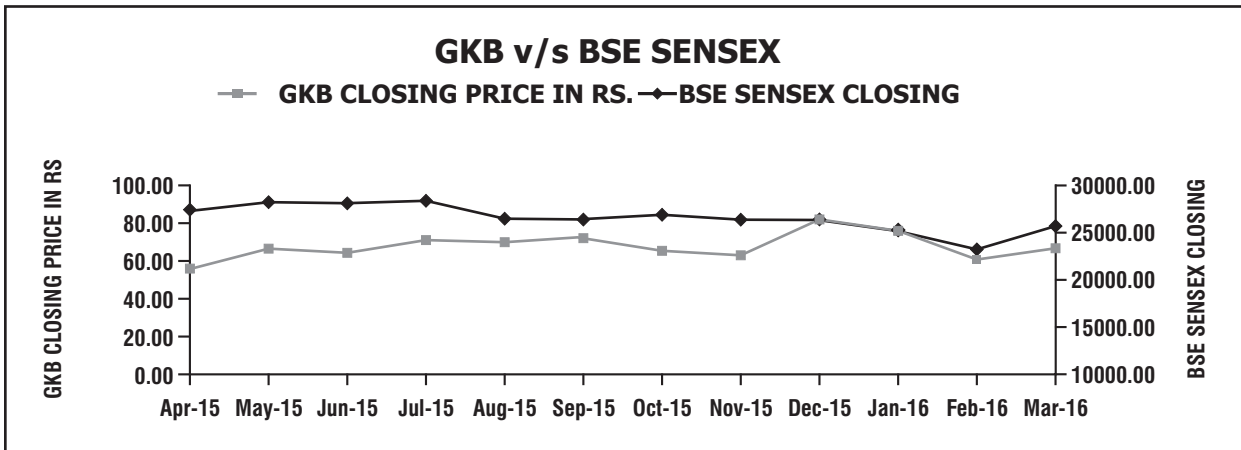


vii. Market Price Data

High, Low during each month in the last financial year

In Rs.

| Month           | BSE           |       |
|-----------------|---------------|-------|
|                 | Equity Shares |       |
|                 | High          | Low   |
| April, 2015     | 63.10         | 50.60 |
| May, 2015       | 69.50         | 49.00 |
| June, 2015      | 76.85         | 62.65 |
| July, 2015      | 74.85         | 57.85 |
| August, 2015    | 85.00         | 57.00 |
| September, 2015 | 88.80         | 53.10 |
| October, 2015   | 83.75         | 60.20 |
| November, 2015  | 66.75         | 60.02 |
| December, 2015  | 90.10         | 63.00 |
| January, 2016   | 93.60         | 67.00 |
| February, 2016  | 79.80         | 55.00 |
| March, 2016     | 69.15         | 58.50 |



viii. Share Registrars & Transfer Agents

SHAREX DYNAMIC (INDIA) PVT. LTD.,

Unit -1, Luthra Industrial Premises, Safed Pool, Andheri – Kurla Road,  
 Andheri (E) , Mumbai – 400 072.

Phone: + 91 22 2851 5606/ 2851 5644.

Fax : +91 22 2851 2885

Email : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

Web : [www.sharexindia.com](http://www.sharexindia.com)

ix. Share Transfer System

The Company has retained Sharex Dynamic (India) Pvt. Ltd, Mumbai, to carry out the transfer related activities. Authorised Personnel are approving the transfer on periodical basis. All valid transfers are effected within stipulated time. Share Certificates received at the Registered Office are also sent to Registrar and Transfer Agents for doing the needful.



x. Distribution of Shareholding

The distribution of shareholding as on March 31, 2016 is as under:

| Range    |             | Shareholders |                | Total Amount  |                   |
|----------|-------------|--------------|----------------|---------------|-------------------|
| Rs.      | Rs.         | Number       | % to Total Nos | Rs.           | % to Total Amount |
| (1)      | (2)         | (3)          | (4)            | (5)           | (6)               |
| Upto     | 5,000       | 942          | 82.56          | 15,91,780.00  | 3.83              |
| 5,001    | to 10,000   | 89           | 7.80           | 7,44,550.00   | 1.79              |
| 10,001   | to 20,000   | 48           | 4.21           | 7,39,040.00   | 1.78              |
| 20,001   | to 30,000   | 15           | 1.31           | 3,94,790.00   | 0.95              |
| 30,001   | to 40,000   | 7            | 0.61           | 2,48,150.00   | 0.60              |
| 40,001   | to 50,000   | 4            | 0.35           | 1,88,320.00   | 0.45              |
| 50,001   | to 1,00,000 | 8            | 0.70           | 5,58,570.00   | 1.34              |
| 1,00,001 | and above   | 28           | 2.45           | 370,70,600.00 | 89.25             |
| Total    |             | 1141         | 100.00         | 415,35,800.00 | 100.00            |

xi. The categories of shareholding as on March 31, 2016 are as under:

| Sr. No | Category  | No of Shares held | Percentage (%) |
|--------|---|-------------------|----------------|
| 1      | Indian Promoters                                    | 28,59,162         | 68.84          |
| 2      | Banks, Financial Institutions & Insurance Companies | 19,600            | 0.47           |
| 3      | Private Corporate Bodies                            | 3,29,248          | 7.93           |
| 4      | Indian Public                                       | 9,37,696          | 22.57          |
| 5      | Others  |                   |                |
|        | (a) NRI/OCB   | 6,642             | 0.16           |
|        | (b) CLR   | 1,232             | 0.03           |
|        | TOTAL   | 41,53,580         | 100.00         |

xii. Dematerialization of shares and liquidity :

98.16% of the Company's equity shares were dematerialised and the shares are traded on the BSE .

xiii. Address for correspondence and Plant Locations :

**Address for correspondence :**

GKB Ophthalmics Limited  
 16-A, Tivim Industrial Estate  
 Mapusa - Goa 403 526  
 Phone : +91 832 2257253/6714444  
 Fax : + 91 832 2257044  
 Email : [gkbophthalmics@gkb.net](mailto:gkbophthalmics@gkb.net)

**Plant Locations :**

16-A , C & D – Unit I  
 D2-14, 18 & 19 - Unit II  
 Tivim Industrial Estate, Mapusa - Goa 403526



## **10. OTHER DISCLOSURES**

a) Related Party Transactions.

All transactions entered into with related parties pursuant to section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations, during the year were at arm's length price basis and in ordinary course of business. These transactions have been approved by the Audit Committee.

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions in terms of Regulation 23(1) of Listing Regulations. The Board of Directors of the Company has approved and adopted a policy on related party transactions and the same has been uploaded on Company's website (<http://gkb.net/en/wp-content/uploads/Accounts/Related-party-transactions-policy.pdf>)

The Company has not entered into any transactions of material nature with the related parties viz. Its promoters, the directors or the management or their subsidiaries or relatives during the year that have potential conflicts with the interest of the Company.

Suitable accounting disclosures have been made in note 33 to the financial statements.

b) Statutory Compliance.

There were no instances of non-compliance by the Company, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c) Establishment of Vigil Mechanism

The Audit committee has set up a vigil mechanism for directors and employees. It provides for a formal mechanism to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, without fear of reprisal. It also provides for direct access to various Authorities including the Chairman of the Audit Committee. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

d) Compliance with mandatory requirements:

i) A certificate from the Chief Executive Officer/Managing Director and Chief Financial Officer on the financial statements of the Company was placed before the Board in Terms of Regulation 17(8) as specified in Part B of Schedule II of Listing Regulations. All other mandatory requirements have been duly complied with, to the extent applicable.

ii) The Company has partially adopted the non mandatory requirements

e) The policy for determining material subsidiaries is disclosed on Company's website. The web link for the same is (<http://gkb.net/en/wp-content/uploads/Accounts/Policy-for-Determining-Material-Subsidiary.pdf>)

f) The policy on dealing with related party transactions is available on Company's website. The weblink is (<http://gkb.net/en/wp-content/uploads/Accounts/Related-party-transactions-policy.pdf>)

## **11. NON COMPLIANCE WITH REQUIREMENTS OF CORPORATE GOVERNANCE**

The Company has complied with all the requirements of the Corporate Governance Report of sub paras (2) to (10) of Part C, Schedule V of Listing Regulations.



**12. ADOPTION OF NON MANDATORY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

- a) There are no audit qualifications in the Auditors Report.
- b) Other non-mandatory requirements shall be adopted as and when considered appropriate.

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

We Mr. K. G. Gupta, Managing Director and Mr. Noel da Silva, Chief Financial Officer of GKB Ophthalmics Limited ("the Company") hereby certify that :

- A) We have reviewed the financial statements and the cash flow statement of GKB Ophthalmics Limited for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that ;
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
  - 2) These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to be the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
  - (1) Significant changes in internal control over financial reporting during the year and that the same have been disclosed in the notes to the financial statements;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K. G. Gupta  
Managing Director

Noel da Silva  
Chief Financial Officer

Place : Mapusa, Goa  
Date : May 30, 2016



**ANNUAL CERTIFICATE UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

**DECLARATION BY THE MANAGING DIRECTOR**

As required under Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby declare that all Members of the Board of Directors of the Company and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the period ended March 31, 2016.

For and on behalf of the Board of Directors

Place : Mapusa-Goa  
Date : May 30, 2016

K. G. Gupta  
Managing Director



## **COMPLIANCE CERTIFICATE FROM PRACTISING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members  
GKB OPHTHALMICS LIMITED

I have examined the compliance of conditions of Corporate Governance by GKB OPHTHALMICS LIMITED, for the year ended 31<sup>st</sup> March, 2016, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date : May 30, 2016  
Place : Panaji, Goa

**CS GIRIJA NAGVEKAR**  
Practising Company Secretary  
C.P. No. 10335



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of GKB Ophthalmics Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **GKB Ophthalmics Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements of the Company based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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 financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) 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'.
  - (g) 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:
    - 1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements in note 26 to the financial statements;
    - 2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - 3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W  
By the hand of

**EDWIN P. AUGUSTINE**  
Partner  
(Membership No. 43385)

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016





**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in Paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) *As per the information and explanation given to us to us, the Company has not undertaken physical verification of the fixed assets in accordance with the phased programme of verification. Therefore we are unable to comment on whether there exists material discrepancies in the physical existence of fixed assets.*
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records, which were not material, have been properly dealt with in the books of account. *However, the system of recording the receipt, issue and consumption of inventories; and the system of valuation of inventories needs to be improved.*
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, Limited Liability Partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information provided to us and explanations given to us, the Company has given guarantees amounting to Rs. 3,630.08 lakhs to banks for loans taken by companies in which directors of the Company are also interested. *However, we are unable to comment whether the terms and conditions on which the Company has given guarantees are prejudicial to the interest of the Company, since the guarantees give the power to the banks to attach the assets of the Company on default by these companies, without attempting to recover in the first instance from the companies.*
- (v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain the books of accounts pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act.
- (vii) a) According to the information and explanations given to us and records examined by us, the Company has been generally regular in depositing statutory dues relating to investor education and protection fund, labour welfare fund, tax deducted at source and other statutory dues, as applicable, with the appropriate authorities. *However, there has been delays in depositing statutory dues relating to provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise and value added tax with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become applicable.*



b) According to the information and explanations given to us and records examined by us, the particulars of income tax, sales tax and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute pending, are as under:

| <b>Name of the statute</b>      | <b>Financial year</b>       | <b>Nature of dues</b>            | <b>Disputed Amount<br/>(in Rs. lakhs)</b> | <b>Forum where the dispute is pending</b>  |
|---------------------------------|-----------------------------|----------------------------------|---|--|
| The Central Excise Act, 1944    | 2005-06                     | Duty, interest and penalty       | 17.17                                     | Customs, Central Excise and Service Tax Appellate Tribunal (CESTAT)                    |
|                                 | 2006-07                     | Duty, interest and penalty       | 16.45                                     | Joint Commissioner / Commissioner of Customs, Central Excise and Service Tax (Appeals) |
|                                 | 2007-08<br>To<br>Sept' 2015 | Duty, interest and penalty       | 1,156.86                                  | Commissioner of Customs, Central Excise & Service Tax, Goa                             |
| The Central Sales Tax Act, 1956 | 2008-09                     | Sales tax, interest and penalty  | 111.71                                    | Additional Commissioner of Commercial Tax, Panaji                                      |
| The Central Sales Tax Act, 1956 | 2012-13                     | Sales tax, interest and penalty  | 14.99                                     | Additional Commissioner of Commercial Tax, Panaji                                      |
| Income Tax Act, 1961            | 2012-13                     | Income tax, interest and penalty | 41.37                                     | Commissioner of Income Tax (Appeals)   |
|                                 |                             |                                  | <b>1,358.55</b>                           |  |

(viii) The Company has not issued any debentures. According to information and explanations given to us, there was no default on repayment of loans obtained from financial institutions. However, the Company has defaulted in repayment of dues to banks during the year as follows:

| <b>Sr. No.</b> | <b>Period of default</b>                  | <b>Amount<br/>(in Rs. Lakhs)</b> |
|----------------|---|----------------------------------|
| 1              | April 2014 to March 2016                  | 27.27                            |
| 2              | Overdue as on 31 <sup>st</sup> March 2016 | —                                |

(ix) According to information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments).

(x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such by management.



- (xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W  
By the hand of

**EDWIN P. AUGUSTINE**  
Partner  
(Membership No. 43385)

Place: Mumbai  
Date: 30<sup>th</sup>May, 2016



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **GKB Ophthalmics Limited** ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the 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 its 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 Companies Act, 2013 (the 'Act').

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 internal financial control over financial reporting includes 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, 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 SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W  
By the hand of

**EDWIN P. AUGUSTINE**  
Partner  
(Membership No. 43385)

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016



**BALANCE SHEET AS AT 31ST MARCH, 2016**

| Particulars  | Note No. | As at 31.03.2016<br>Rs. | As at 31.03.2015<br>Rs. |
|--|----------|-------------------------|-------------------------|
| <b>I EQUITY &amp; LIABILITIES</b>                  |          |                         |                         |
| <b>1 Shareholder's funds</b>                       |          |                         |                         |
| (a) Share Capital                                  | 1        | <b>41,535,800</b>       | 41,535,800              |
| (b) Reserves and Surplus                           | 2        | <b>248,042,084</b>      | 111,433,189             |
| <b>Total Shareholders Funds</b>                    |          | <b>289,577,884</b>      | 152,968,989             |
| <b>2 Share application money pending allotment</b> |          | -                       | -                       |
| <b>3 Non-current Liabilities</b>                   |          |                         |                         |
| (a) Long term borrowings                           | 3        | <b>1,345,248</b>        | 4,849,722               |
| (b) Deferred Tax Liabilities (net)                 | 4        | <b>9,430,666</b>        | 6,359,938               |
| (c) Other Long term liabilities                    |          | -                       | -                       |
| (d) Long Term Provisions                           | 5        | <b>6,221,595</b>        | 5,460,750               |
| <b>Total Non Current Liabilities</b>               |          | <b>16,997,509</b>       | 16,670,410              |
| <b>4 Current Liabilities</b>                       |          |                         |                         |
| (a) Short term borrowings                          | 6        | <b>70,189,601</b>       | 70,964,765              |
| (b) Trade payables                                 | 7        | <b>58,788,934</b>       | 157,694,490             |
| (c) Other current liabilities                      | 8        | <b>25,698,271</b>       | 36,281,421              |
| (d) Short Term Provisions                          | 9        | <b>14,121,703</b>       | 52,476,686              |
| <b>Total Current Liabilities</b>                   |          | <b>168,798,509</b>      | 317,417,362             |
| <b>Total Liabilities</b>                           |          | <b>185,796,018</b>      | 334,087,772             |
| <b>Total Liabilities and Equity</b>                |          | <b>475,373,902</b>      | 487,056,761             |
| <b>II ASSETS</b>                                   |          |                         |                         |
| <b>1 Non-current Assets</b>                        |          |                         |                         |
| (a) Fixed Assets                                   |          |                         |                         |
| (i) Tangible assets                                | 10       | <b>124,200,887</b>      | 116,231,082             |
| (ii) Intangible assets                             | 10       | <b>722,207</b>          | 990,416                 |
| (iii) Capital work-in-progress                     | 10       | <b>5,733,416</b>        | 5,733,416               |
| (iv) Intangible assets under development           | 10       | -                       | -                       |
| (b) Non-current investments                        | 11       | <b>44,698,738</b>       | 55,308,598              |
| (c) Long-term loans and advances                   | 12       | <b>4,605,253</b>        | 3,659,759               |
| (d) Other non-current assets                       |          | -                       | -                       |
| <b>Total Non-current assets</b>                    |          | <b>179,960,501</b>      | 181,923,271             |
| <b>2 Current Assets</b>                            |          |                         |                         |
| (a) Current investments                            | 13       | <b>59,805,000</b>       | -                       |
| (b) Inventories                                    | 14       | <b>140,231,535</b>      | 152,739,309             |
| (c) Trade receivables                              | 15       | <b>79,061,084</b>       | 144,370,238             |
| (d) Cash and bank balances                         | 16       | <b>7,168,630</b>        | 4,960,226               |
| (e) Short-term loans and advances                  | 17       | <b>2,406,905</b>        | 1,917,308               |
| (f) Other current assets                           | 18       | <b>6,740,247</b>        | 1,146,409               |
| <b>Total Current Assets</b>                        |          | <b>295,413,401</b>      | 305,133,490             |
| <b>Total Assets</b>                                |          | <b>475,373,902</b>      | 487,056,761             |
| <b>Significant Accounting Policies</b>             | A        |                         |                         |

The accompanying notes are an integral part of the financial statements

As per our report attached of even date

For and on behalf of the Board

**SHARP & TANNAN**  
Chartered Accountants  
Firm Registration No. 109982W  
By the hand of

**Edwin P. Augustine**  
Partner  
Membership No. 43385

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Gaurav Gupta**  
Director  
DIN : 00051974

**Vikram Gupta**  
Director  
DIN : 00052019

**Noel Da Silva**  
CFO and  
Company Secretary

Place : Mumbai, Maharashtra  
Date : 30th May, 2016

Place : Mapusa, Goa  
Date : 30th May, 2016



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars   | Note No  | 2015-16             |                     | 2014-15     |              |
|---|----------|---------------------|---------------------|-------------|--------------|
|   |          | Rs.                 | Rs.                 | Rs.         | Rs.          |
| <b>Income</b>   |          |                     |                     |             |              |
| Revenue from operations (Gross)   | 19       | <b>330,015,610</b>  |                     | 315,494,426 |              |
| Less : Excise duty  |          | <b>18,315,144</b>   |                     | 17,020,147  |              |
| Revenue from operations (Net)   |          |                     | <b>311,700,466</b>  |             | 298,474,279  |
| Other income  | 20       |                     | <b>23,092,196</b>   |             | 12,081,605   |
| Total Revenue   |          |                     | <b>334,792,662</b>  |             | 310,555,884  |
| <b>Expenses</b>   |          |                     |                     |             |              |
| Cost of materials consumed  | 21       | <b>147,272,777</b>  |                     | 120,360,609 |              |
| Purchase of stock in trade  | 21       | <b>12,401,703</b>   |                     | 26,295,688  |              |
| Changes in inventories of finished goods (including excise duty) and work in progress | 21       | <b>19,680,288</b>   |                     | 12,063,533  |              |
|   |          |                     | <b>179,354,768</b>  |             | 158,719,830  |
| Employee benefits expenses  | 22       |                     | <b>62,194,546</b>   |             | 62,482,874   |
| Finance costs   | 23       |                     | <b>16,117,954</b>   |             | 24,879,255   |
| Depreciation and amortisation   | 24       |                     | <b>14,226,393</b>   |             | 14,769,152   |
| Other expenses  | 25       |                     | <b>104,992,873</b>  |             | 85,093,020   |
|   |          |                     | <b>376,886,534</b>  |             | 345,944,131  |
| <b>Profit / (Loss) before exceptional and extraordinary items and tax</b>             |          |                     | <b>(42,093,872)</b> |             | (35,388,247) |
| Exceptional items (Refer note 11)   |          |                     | <b>218,191,122</b>  |             | 5,120,156    |
| <b>Profit before extraordinary items and tax</b>                                      |          |                     | <b>176,097,250</b>  |             | (30,268,091) |
| Extraordinary items   |          |                     | -                   |             | -            |
| <b>Profit/ (Loss) before tax</b>  |          |                     | <b>176,097,250</b>  |             | (30,268,091) |
| Tax Expense :   |          |                     |                     |             |              |
| Current Tax   |          | <b>(36,400,000)</b> |                     | -           |              |
| Taxation adjustment of previous years   |          | <b>(17,627)</b>     |                     | 6,682,052   |              |
| Deferred Tax  | 4        | <b>(3,070,728)</b>  |                     | 979,687     |              |
|   |          |                     | <b>(39,488,355)</b> |             | 7,661,739    |
| <b>Profit after tax</b>   |          |                     | <b>136,608,895</b>  |             | (22,606,352) |
| <b>Earnings per Equity Share (Refer note 36)</b>                                      |          |                     |                     |             |              |
| - Basic   | Rs.      |                     | <b>32.89</b>        |             | (5.44)       |
| - Diluted   | Rs.      |                     | <b>32.89</b>        |             | (5.44)       |
| Face value per Equity Share   | Rs.      |                     | <b>10</b>           |             | 10           |
| <b>Significant Accounting Policies</b>  | <b>A</b> |                     |                     |             |              |

The accompanying notes are an integral part of the financial statements

As per our report attached of even date  
**SHARP & TANNAN**  
Chartered Accountants  
Firm Registration No. 109982W  
By the hand of

For and on behalf of the Board

**Edwin P. Augustine**  
Partner  
Membership No. 43385

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Gaurav Gupta**  
Director  
DIN : 00051974

**Vikram Gupta**  
Director  
DIN : 00052019

**Noel Da Silva**  
CFO and  
Company Secretary

Place : Mumbai, Maharashtra  
Date : 30th May, 2016

Place : Mapusa, Goa  
Date : 30th May, 2016



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

|  | <b>2015-16<br/>(Rs.)</b> | <b>2014-15<br/>(Rs.)</b> |
|--|--------------------------|--------------------------|
| <b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |                          |                          |
| Profit/(Loss) before tax and extraordinary items                   | 176,097,250              | (30,268,091)             |
| <b>Adjustments for :</b>   |                          |                          |
| Depreciation and amortisation                                      | 14,226,393               | 14,769,153               |
| Finance cost   | 16,117,954               | 24,879,255               |
| Provision for doubtful debts                                       | 590,124                  | -                        |
| Sundry balances written back (net)                                 | (1,330,633)              | -                        |
| Unrealised exchange loss / (gain) (net)                            | 4,260,262                | 4,502,539                |
| Gain on sale of fixed assets (net)                                 | (3,268,933)              | (27,988)                 |
| Exceptional item - Gain on sale of investment in associate company | (218,191,122)            | -                        |
| Loss on sale of short term investments (net)                       | 10,411,435               | -                        |
| Dividend income  | (13,305,854)             | (7,371,888)              |
| Interest income  | (358,837)                | (345,575)                |
| <b>Operating profit before working capital changes</b>             | <b>(14,751,961)</b>      | <b>6,137,405</b>         |
| <b>Changes in Working Capital :</b>                                |                          |                          |
| Increase / (decrease) in trade and other payables                  | (104,370,929)            | 67,038,740               |
| Increase / (decrease) in provisions                                | (6,274,176)              | 3,620,117                |
| (Increase) / decrease in inventories                               | 12,507,774               | (1,313,627)              |
| (Increase) / decrease in trade and other receivables               | 63,552,029               | 4,738,902                |
|  | <b>(34,585,302)</b>      | <b>74,084,132</b>        |
| Cash generated from operations                                     | (49,337,263)             | 80,221,537               |
| Direct taxes paid (net of refunds)                                 | (69,693,395)             | (21,528,408)             |
| <b>Net cash generated from / (used) in operations</b>              | <b>(119,030,658)</b>     | <b>58,693,129</b>        |
| <b>(B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>                   |                          |                          |
| Payments for purchase of fixed assets                              | (30,990,433)             | (6,410,050)              |
| Proceeds from sale/disposal of fixed assets                        | 11,686,274               | 107,535                  |
| Purchase of current investments                                    | (124,805,000)            | -                        |
| Proceeds from sale of current investments                          | 54,588,565               | -                        |
| Proceeds from sale of investment in associate company              | 228,800,982              | -                        |
| Interest received  | 1,356,999                | 278,225                  |
| Dividend received  | 6,713,854                | 7,371,888                |
| <b>Net cash generated from / (used) in investment activities</b>   | <b>147,351,241</b>       | <b>1,347,598</b>         |
| <b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |                          |                          |
| Proceeds from long term borrowings                                 | 1,795,555                | -                        |
| Repayments of long term borrowings                                 | (14,962,934)             | (11,588,911)             |
| Proceeds from / (Repayments of) short term borrowings (net)        | (775,164)                | (27,276,648)             |
| Interest paid  | (14,162,148)             | (21,152,043)             |
| <b>Net cash generated from / (used) in financing activities</b>    | <b>(28,104,691)</b>      | <b>(60,017,602)</b>      |
| <b>Net changes in cash and cash equivalents</b>                    | <b>(A+B+C) 215,892</b>   | <b>23,125</b>            |
| Cash and cash equivalents - Opening balance                        | 122,788                  | 99,663                   |
| Cash and cash equivalents - Closing balance                        | 338,680                  | 122,788                  |
| <b>Net increase / (decrease) in cash and cash equivalents</b>      | <b>215,892</b>           | <b>23,125</b>            |

**Notes :**

- The aforesaid statement has been prepared under the indirect method, as set out in "Accounting Standard (AS) 3 - "Cash Flow Statement", as specified in the Companies (Accounting Standards) Rules, 2006 (as amended)
- Additions to fixed assets are stated inclusive of movements in capital work in progress between the beginning and end of the year and treated as part of investment activities.
- Figures for the previous year have been regrouped, wherever necessary

As per our report attached of even date

**SHARP & TANNAN**  
Chartered Accountants  
Firm Registration No. 109982W  
By the hand of

**Edwin P. Augustine**  
Partner  
Membership No. 43385

Place : Mumbai, Maharashtra  
Date : 30th May, 2016

**For and on behalf of the Board**

**K. G. Gupta**  
Managing Director  
DIN : 00051863

Place : Mapusa, Goa  
Date : 30th May, 2016

**Gaurav Gupta**  
Director  
DIN : 00051974

**Vikram Gupta**  
Director  
DIN : 00052019

**Noel Da Silva**  
CFO and  
Company Secretary





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE A - Significant Accounting Policies**

**1 Basis of preparation of Financial Statements:**

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ('the Act'), and the accounting principles generally accepted in India (Indian GAAP) and comply with the accounting standards ('AS') specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.

**2 Use of estimates :**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to the accounting estimates is recognised prospectively in current and future periods.

**3 Fixed Assets:**

a) Tangible assets:

- i) Fixed assets are stated at cost net of tax/duty credit availed, if any, including directly attributable costs such as freight, insurance, specific installation charges, etc. for bringing the assets to working condition for use.
- ii) Expenditure relating to existing fixed assets is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.
- iii) Fixed assets are eliminated from financial statements on disposal or when retired from active use.
- iv) Preoperative expenses, including interest on borrowings for a project is capitalised till the project is ready for commercial production.
- v) Capital work-in-progress includes cost of fixed assets under installation/ under development as at the Balance Sheet date.
- vi) The assets acquired under hire-purchase agreement are included in the fixed assets of the Company, where the terms of the agreement provide that the assets shall eventually become the property of the hirer or confer on him an option to purchase the assets.

b) Intangible assets:

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 on "Intangible Assets".

**4 Depreciation :**

a) Tangible assets :

Owned assets :

Depreciation is provided on the Straight line method over the estimated useful life of the asset in the manner specified in Schedule II of the Companies Act, 2013. Fixed assets which are added/ disposed off in the year are depreciated on pro rata basis with reference to the date of addition/ deletion.

Leased assets :

Leasehold land is amortised over the period of lease.

b) Intangible assets :

Intangible assets are amortised on a straight line method basis over the best estimate of useful life.

**5 Impairment of Assets :**

As at each Balance Sheet date, the carrying amount of assets (other than inventory) is tested for impairment, so as to determine :

- i) the provision for impairment loss, if any.
  - ii) the reversal of impairment loss recognised in previous periods, if any.
- Impairment loss is recognised when the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.



## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

The recoverable amount of the asset (or where applicable that of the cash generating unit to which the asset belongs) is determined at the higher of the net selling price and the value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

### **6 Inventories:**

- i) Raw materials, stores, spares and consumable tools, packing materials, work-in-process and finished goods are valued at lower of cost or net realisable value.
- ii) In case of raw materials, stores, spares, consumable tools and packing materials, cost represents purchase price and other costs incurred for bringing the inventories to their present location and conditions and is determined on "weighted average" basis.
- iii) In case of work-in-process and finished goods, cost represents cost of raw material, cost of conversion such as direct labour, direct expenses, etc. and production overheads which are based on normal level of production.
- iv) Finished goods at lower of weighted average cost or net realisable value, cost includes related overheads and excise duty paid/ payable on such goods.

### **7 Employee Benefits**

- i) All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits at the balance sheet date, are recognised as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

#### Defined Contribution Plan

##### a) Provident Fund

The Company contributes to the government administered provident fund. The fixed contributions to these funds are charged to Statement of Profit and Loss.

##### b) Superannuation

Contributions to the superannuation fund, which is administered by Life Insurance Corporation of India, are charged to the Statement of Profit and Loss.

#### Defined Benefit Plan

##### Leave Encashment:

The employees of the company are entitled to encashment of un-availed leave. The employees can carry forward a portion of the unutilised leave and receive cash compensation at retirement or termination of employment. The Company records an obligation for encashment of un-availed leave in the period in which the employee renders the services, based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. Actuarial gain or loss is recognised in the Statement of Profit or Loss as income or expense.

##### Gratuity

The Company's contribution towards gratuity made under Group Gratuity Scheme with Life Insurance Corporation of India (LIC) is determined based on the amount recommended by LIC as per Actuarial valuation. The whole time Directors of the Company are not covered by the gratuity trust created under Group Gratuity Fund. Provision for their gratuity liability has been provided for according to the actuarial valuation carried out by the independent Actuary.

### **8 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or Production of a Qualifying asset are capitalised as part of cost of such Asset till such time as the asset is ready for its intended use or sale.

A Qualifying Asset is an Asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

### **9 Foreign Currency Transactions:**

- i) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.



## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the company's monetary items at the closing rate are :

- a) adjusted in the cost of Fixed Assets specifically financed by borrowing contracted up to 31st March, 2007 and to which the exchange differences relate, provided the assets are acquired from outside India.
- b) recognised as income or expense in the period in which they arise, in cases other than (a) above.

### **10 Research & Development:**

- a) Revenue expenditure on research and development is charged under the respective heads of account.
- b) Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

### **11 Investments:**

- a) Long term Investments  
Long term investments are valued at cost. A provision for diminution in value is made only if such decline is other than temporary.
- b) Current Investments  
Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are carried at cost or fair value, whichever is lower. The comparison of cost and carrying amount is done separately for each category of investments based on the market value of the investments.

### **12 Taxes on Income:**

- a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments / appeals.
- b) Deferred tax is recognized on timing differences between the accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- c) Deferred tax assets (other than on account of brought forward business losses and unabsorbed depreciation) are recognized and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets relating to brought forward business losses and unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **13 Revenue Recognition:**

- i) Revenue from Sale of product is recognised on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty, cess and insurance charges and freight recoverable from the customers but net of Vat, Sales Tax and Sales returns.
- ii) Revenue from services is recognised in accordance with the specific terms of contract or performance.
- iii) Interest income on deposits is recognised at the agreed rate on time proportionate basis.
- iv) Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

### **14 Earning Per Share:**

Basic earning per share is calculated by dividing net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### **15 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**16 Cash and cash equivalents:**

- (i) Cash comprises of cash on hand and demand deposits with banks.
- (ii) Cash equivalents are short-term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

**17 Provisions, Contingent liabilities, Contingent assets and Commitments:**

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:
  - (i) The Company has a present obligation as a result of past a event;
  - (ii) A probable outflow of resources is expected to settle the obligation; and
  - (iii) The amount of the obligation can be reliably estimated.
- (b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.
- (c) Contingent liability is disclosed in case of:
  - (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - (ii) a present obligation when no reliable estimate is possible;
  - (iii) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Commitments include the amount of purchase order (net of advance) issued to parties for completion of assets.
- (f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**18 Extraordinary and exceptional items:**

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosures of such events/transactions are made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**19 Segment accounting:**

The Company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 1 : SHARE CAPITAL</b>  | <b>As at 31.03.2016</b> | As at 31.03.2015 |
|--|-------------------------|------------------|
|  | <b>Rs.</b>              | Rs.              |
| <b>Authorised :</b><br><br>7,000,000 equity shares of Rs.10 each<br>(Previous year 7,000,000 equity shares of Rs. 10 each)         | <b>70,000,000</b>       | 70,000,000       |
| <b>Issued :</b><br>4,199,980 equity shares of Rs.10 each<br>(Previous year 4,199,980 equity shares of Rs. 10 each)                 | <b>41,999,800</b>       | 41,999,800       |
| <b>Subscribed and Paid up :</b><br>4,153,580 equity shares of Rs.10 each<br>(Previous year 4,153,580 equity shares of Rs. 10 each) | <b>41,535,800</b>       | 41,535,800       |
|  | <b>41,535,800</b>       | 41,535,800       |

**List of shareholders holding more than 5% along with number of shares held.**

| <b>Name of Shareholder</b> | <b>As at 31.03.2016</b> |               | <b>As at 31.03.2015</b> |        |
|----------------------------|-------------------------|---------------|-------------------------|--------|
|                            | <b>No. of shares</b>    | <b>% held</b> | No. of shares           | % held |
| 1 Krishna Gopal Gupta      | <b>798,874</b>          | <b>19.23%</b> | 797,674                 | 19.20% |
| 2 Krishna Murari Gupta     | <b>353,207</b>          | <b>8.50%</b>  | 353,207                 | 8.50%  |
| 3 Vikram Gupta             | <b>373,105</b>          | <b>8.98%</b>  | 373,105                 | 8.98%  |
| 4 Gaurav Gupta             | <b>357,966</b>          | <b>8.62%</b>  | 357,966                 | 8.62%  |
| 5 Veena Gupta              | <b>300,635</b>          | <b>7.24%</b>  | 300,635                 | 7.24%  |
| 6 Usha Gupta               | <b>209,000</b>          | <b>5.03%</b>  | 209,000                 | 5.03%  |
| 7 Shefali Chawla           | <b>242,464</b>          | <b>5.84%</b>  | 242,464                 | 5.84%  |

**Other disclosures (for 5 years immediately preceding 31.03.2016)**

| <b>Particulars</b>   | <b>FY 2015-16</b> | <b>FY 2014-15</b> | <b>FY 2013-14</b> | <b>FY 2012-13</b> | <b>FY 2011-12</b> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| i. Shares issued pursuant to a contract without payment being received in cash | -                 | -                 | -                 | -                 | -                 |
| ii. Shares issued as fully paid up bonus shares                                | -                 | -                 | -                 | -                 | -                 |
| iii. Shares bought back  | -                 | -                 | -                 | -                 | -                 |

**Reconciliation of opening and closing share capital**

| <b>Particulars</b>                         | <b>As at 31.03.2016</b> |                    | <b>As at 31.03.2015</b> |             |
|--|-------------------------|--------------------|-------------------------|-------------|
|  | <b>No. of shares</b>    | <b>Value (Rs.)</b> | No. of shares           | Value (Rs.) |
| Equity shares at the beginning of the year | <b>4,153,580</b>        | <b>41,535,800</b>  | 4,153,580               | 41,535,800  |
| Equity shares issued during the year       | -                       | -                  | -                       | -           |
| Equity shares at the close of the year     | <b>4,153,580</b>        | <b>41,535,800</b>  | 4,153,580               | 41,535,800  |

**Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 2 : RESERVES AND SURPLUS  | As at 31.03.2016   |                    | As at 31.03.2015 |             |
|--|--------------------|--------------------|------------------|-------------|
|  | Rs.                | Rs.                | Rs.              | Rs.         |
| <b>Capital Reserve</b><br>- As per last Balance Sheet  |                    | <b>4,328,500</b>   |                  | 4,328,500   |
| <b>Securities Premium Account</b><br>- As per last Balance Sheet.  |                    | <b>20,276,000</b>  |                  | 20,276,000  |
| <b>Investment Allowance (Utilised) Reserve</b><br>- As per last Balance Sheet  |                    | <b>2,229,150</b>   |                  | 2,229,150   |
| <b>General Reserve</b><br>- As per last Balance Sheet  |                    | <b>65,056,619</b>  |                  | 65,056,619  |
| <b>Balance in Statement of Profit and Loss</b><br>- As per last Balance Sheet  | <b>19,542,920</b>  |                    | 46,505,804       |             |
| Less: Transfer from Statement of Profit and Loss   | <b>136,608,895</b> |                    | (22,606,352)     |             |
| Less: Impact of assets having no balance useful life and residual value adjusted pursuant to the transitional provisions of Schedule II to the Companies Act, 2013 net of deferred tax of Rs. Nil (Previous year Rs.1,948,145) | -                  |                    | (4,356,532)      |             |
|  |                    | <b>156,151,815</b> |                  | 19,542,920  |
|  |                    | <b>248,042,084</b> |                  | 111,433,189 |

| NOTE 3 : LONG TERM BORROWINGS                    | As at 31.03.2016 |                  | As at 31.03.2015 |           |
|--|------------------|------------------|------------------|-----------|
|  |                  | Rs.              |                  | Rs.       |
| <b>Secured :</b><br>Term Loans                   |                  |                  |                  |           |
| a) From Banks (Refer note below)                 |                  | <b>776,585</b>   |                  | 4,849,722 |
| b) From Financial Insitutions (Refer note below) |                  | <b>568,663</b>   |                  | -         |
|  |                  | <b>1,345,248</b> |                  | 4,849,722 |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>Maturity period of principal repayment of term loans</b>   | <b>As at 31.03.2016<br/>Rs.</b> | <b>As at 31.03.2015<br/>Rs.</b> |
|---|---------------------------------|---------------------------------|
| <b>a) Term loans from bank</b>  |                                 |                                 |
| Maturing within 2019-20   | <b>170,086</b>                  | -                               |
| Maturing within 2018-19   | <b>274,757</b>                  | -                               |
| Maturing within 2017-18   | <b>331,742</b>                  | 91,045                          |
| Maturing within 2016-17   | -                               | 4,758,677                       |
| A   | <b>776,585</b>                  | 4,849,722                       |
| <b>b) Term loans from financial institution</b>   |                                 |                                 |
| Maturing within 2018-19   | <b>221,664</b>                  | -                               |
| maturing within 2017-18   | <b>346,999</b>                  | -                               |
| B   | <b>568,663</b>                  | -                               |
| (A+B)   | <b>1,345,248</b>                | 4,849,722                       |
| <b>Current maturities of long term borrowings disclosed in Note 8 under - Other Current Liabilities</b>       |                                 |                                 |
| a) Term loans from bank   | <b>398,796</b>                  | 10,370,940                      |
| b) Term loans from financial institutions   | <b>309,238</b>                  | -                               |
| C   | <b>708,034</b>                  | 10,370,940                      |
| <b>Interest accrued and due on long term borrowings disclosed in Note 8 under - Other Current Liabilities</b> |                                 |                                 |
| a) Term loans from bank   | -                               | -                               |
| b) Term loans from financial institutions   | -                               | -                               |
| D   | -                               | -                               |
| (A+B+C+D)   | <b>2,053,283</b>                | 15,220,662                      |

**Note****(a) Secured term loans from banks:**

Vehicle loan of Rs. 917,654/- (previous year Rs. Nil) is repayable in 48 equated monthly installment from November, 2015.  
Vehicle loan of Rs. 257,728/- (previous year Rs. 410,452) is repayable in 47 equated monthly installment from November, 2013.  
Vehicle loan of Rs. Nil (previous year Rs. 128,598) is repayable in 48 equated monthly installment from April, 2012.  
Term loan of Rs. Nil (Previous year Rs. 3,681,623) is repayable in 28 monthly installments from January, 2014.  
Term loan of Rs. Nil (Previous year Rs. 9,438,022) is repayable in 35 monthly installments from January, 2014.  
Term loan of Rs. Nil (Previous year Rs. 1,561,967) is repayable in 34 monthly installments from January, 2014.

**(b) Secured term loans from financial institutions:**

Vehicle loan of Rs. 877,901/- (previous year Rs. Nil) is repayable in 36 equated monthly installment from November, 2015.

| <b>Details of continuing default</b>               | <b>As at 31.03.2016<br/>Rs.</b> | <b>As at 31.03.2015<br/>Rs.</b> |
|--|---------------------------------|---------------------------------|
| a) Term loans from banks                           | -                               | 105,643                         |
| b) Interest accrued and outstanding on above loans | -                               | -                               |
|  | -                               | 105,643                         |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| Details of security  | Amount outstanding<br>As at 31.03.2016<br>Rs. | Amount outstanding<br>As at 31.03.2015<br>Rs. |
|--|---|---|
| a) Term loans from bank / financial institution  |   |   |
| i. Secured by hypothecation of vehicle   | <b>2,053,283</b>                              | 539,050                                       |
| ii. Secured by mortgage of land and building   | -   | 2,848,448                                     |
| iii. Secured by hypothecation of imported plant and machinery  | -   | 10,999,989                                    |
| iv. Secured by hypothecation of fixed assets other than imported plant and machinery                                       | -   | 833,175                                       |
| (Sr. nos. ii, iii and iv also secured by personal guarantee of three directors and corporate guarantee of GKB Vision Ltd.) |   |   |
|  | <b>2,053,283</b>                              | 15,220,662                                    |

**NOTE 4 : DEFERRED TAX**

The major components of deferred tax assets and deferred tax liabilities are as under:-

**in Rs.**

|  | As at 31.03.2016    |                          | As at 31.03.2015    |                          |
|--|---------------------|--------------------------|---------------------|--------------------------|
|  | Deferred Tax Assets | Deferred Tax Liabilities | Deferred Tax Assets | Deferred Tax Liabilities |
| Difference between book and tax written down value                                       |                     | <b>13,221,713</b>        |                     | 11,052,030               |
| Expenses allowable for tax purposes when paid/ on payment of TDS                         | <b>3,791,047</b>    |                          | 4,692,092           |                          |
|  | <b>3,791,047</b>    | <b>13,221,713</b>        | 4,692,092           | 11,052,030               |
| Net deferred tax liability / (asset)   | <b>9,430,666</b>    |                          | 6,359,938           |                          |
| Liability (charged) / credited for the year  | <b>(3,070,728)</b>  |                          | 2,927,832           |                          |
| Deferred tax impact of Schedule II transferred to retained earnings                      | -                   |                          | (1,948,145)         |                          |
| Net deferred tax (liability debited)/ asset credited to the Statement of Profit and Loss | <b>(3,070,728)</b>  | -                        | 979,687             |                          |

**NOTE 5 : LONG TERM PROVISIONS**

|  | As at 31.03.2016 |                  | As at 31.03.2015 |           |
|--|------------------|------------------|------------------|-----------|
|  | Rs.              | Rs.              | Rs.              | Rs.       |
| <b>Provision for Employee Benefits</b> |                  |                  |                  |           |
| - Gratuity                             | <b>4,978,846</b> |                  | 3,969,231        |           |
| - Leave encashment {Refer note 29}     | <b>1,242,749</b> |                  | 1,491,519        |           |
|  |                  | <b>6,221,595</b> |                  | 5,460,750 |
|  |                  | <b>6,221,595</b> |                  | 5,460,750 |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 6 : SHORT TERM BORROWINGS | As at 31.03.2016  |                   | As at 31.03.2015 |                   |
|--------------------------------|-------------------|-------------------|------------------|-------------------|
|                                | Rs.               | Rs.               | Rs.              | Rs.               |
| <b>Secured :</b>               |                   |                   |                  |                   |
| From Banks :                   |                   |                   |                  |                   |
| a) Cash credit                 | <b>41,356,470</b> |                   | 60,271,581       |                   |
| b) Packing credit facility     | <b>28,833,131</b> |                   | 10,693,184       |                   |
| c) Buyers credit facility      | -                 |                   | -                |                   |
|                                |                   | <b>70,189,601</b> |                  | 70,964,765        |
|                                |                   | <b>70,189,601</b> |                  | <b>70,964,765</b> |

**Nature of security :**

The above short term borrowings from banks are secured by hypothecation of the inventories, book debts receivable and other current assets, and personal guarantees of three directors and corporate guarantee of GKB Vision Limited, an associate company.

| NOTE 7 : TRADE PAYABLES                                 | As at 31.03.2016  |                   | As at 31.03.2015 |                    |
|---|-------------------|-------------------|------------------|--------------------|
|   | Rs.               | Rs.               | Rs.              | Rs.                |
| - Due to micro and small enterprises<br>(Refer note 32) | -                 |                   | -                |                    |
| - Due to related parties                                | <b>4,569,544</b>  |                   | 110,866,256      |                    |
| - Due to others<br>(Refer footnote below)               | <b>54,219,390</b> |                   | 46,828,234       |                    |
|   |                   | <b>58,788,934</b> |                  | 157,694,490        |
|   |                   | <b>58,788,934</b> |                  | <b>157,694,490</b> |

## Note :

Due to others includes reinstated amount of Rs. 17,162,697 (previous year Rs. 16,210,924) due to Alpha Diamond Industry, Japan; Rs. 1,180,741 (previous year Rs. Nil) due to Barberini - GmbH and Rs. Nil (previous year Rs. 211,645) due to Satisloh - GmbH against imports which are overdue for a period exceeding 6 months. The Company proposes to apply to the Reserve Bank of India (RBI), seeking extension to effect the payment.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 8 : OTHER CURRENT LIABILITIES</b>            | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |            |
|--|-------------------------|-------------------|-------------------------|------------|
|  | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b> |
| <b>Current maturities of long debt</b>               |                         |                   |                         |            |
| Secured :  |                         |                   |                         |            |
| From Banks   | <b>398,796</b>          |                   | 10,370,940              |            |
| From Financial Institutions                          | <b>309,238</b>          |                   | -                       |            |
|  |                         | <b>708,034</b>    |                         | 10,370,940 |
| <b>Overdrawn bank balances as per book</b>           |                         | <b>994,507</b>    |                         | 2,020,432  |
| <b>Other liabilities</b>                             |                         |                   |                         |            |
| - Statutory dues                                     | <b>3,368,795</b>        |                   | 1,978,221               |            |
| - Creditors for capital goods                        | <b>1,125,428</b>        |                   | 825,035                 |            |
| - Others   | <b>17,256,819</b>       |                   | 18,512,952              |            |
|  |                         | <b>21,751,042</b> |                         | 21,316,208 |
| <b>Unpaid dividend (Refer note 35)</b>               |                         | -                 |                         | -          |
| <b>Advance form customers (Refer footnote below)</b> |                         |                   |                         |            |
| - Related parties                                    | <b>1,189,094</b>        |                   | 1,189,094               |            |
| - Others   | <b>1,055,594</b>        |                   | 1,384,747               |            |
|  |                         | <b>2,244,688</b>  |                         | 2,573,841  |
|  |                         | <b>25,698,271</b> |                         | 36,281,421 |

**Note :**

Advance from customers includes interest free unadjusted amount of Euro 20,742, equivalent to Rs. 1,189,094 received in financial year 2006-07 from GKB Ophthalmics GmbH, a wholly owned subsidiary, and an amount of USD 7,158 equivalent to Rs. 382,987 received in financial year 2013-14 from M. Wiseman & Co as advance against future supplies. However, no supplies were made upto 31st March 2016. The Company proposes to apply to the Reserve Bank of India (RBI), to regularise the transaction. Pending outcome of the application, the amount has been shown at the original rate of conversion.

| <b>NOTE 9 : SHORT TERM PROVISIONS</b>  | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |            |
|--|-------------------------|-------------------|-------------------------|------------|
|  | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b> |
| <b>Provisions for Employee Benefits</b>  |                         |                   |                         |            |
| - Gratuity   | <b>703,881</b>          |                   | 5,611,247               |            |
| - Leave encashment {Refer note 29}   | <b>306,549</b>          |                   | 632,727                 |            |
| - Superannuation   | <b>60,525</b>           |                   | 1,660,909               |            |
| - Bonus  | <b>1,722,730</b>        |                   | 999,305                 |            |
|  |                         | <b>2,793,685</b>  |                         | 8,904,188  |
| <b>Provision for Income Taxes</b><br>(net of advance tax and tax deducted at source) |                         | <b>11,328,018</b> |                         | 43,572,498 |
|  |                         | <b>14,121,703</b> |                         | 52,476,686 |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 10 : FIXED ASSETS**

in Rs.

| DESCRIPTION OF ASSETS                                | Gross Block                    |                   |                   |                                | Depreciation / Amortisation    |                  |                   |                                | Net Block           |                     |
|--|--------------------------------|-------------------|-------------------|--------------------------------|--------------------------------|------------------|-------------------|--------------------------------|---------------------|---------------------|
|  | Opening<br>As at<br>01.04.2015 | Additions         | Deductions        | Closing<br>As at<br>31.03.2016 | Opening<br>As at<br>01.04.2015 | On<br>Deductions | For the Year      | Closing<br>As at<br>31.03.2016 | As at<br>31.03.2016 | As at<br>31.03.2015 |
| <b>(A) Tangible Assets</b>                           |                                |                   |                   |                                |                                |                  |                   |                                |                     |                     |
| Freehold Land  | 429,910                        | -                 | -                 | 429,910                        | -                              | -                | -                 | -                              | 429,910             | 429,910             |
| Leasehold land                                       | 895,500                        | -                 | -                 | 895,500                        | 122,146                        | -                | 9,426             | 131,572                        | 763,928             | 773,354             |
| Buildings  | 51,759,786                     | 6,491,799         | -                 | 58,251,585                     | 12,029,911                     | -                | 1,511,329         | 13,541,240                     | 44,710,345          | 39,729,875          |
| Plant and Machinery                                  | 191,120,344                    | 18,357,695        | 14,693,141        | 194,784,898                    | 122,375,547                    | 6,275,799        | 10,372,119        | 126,471,867                    | 68,313,031          | 68,744,798          |
| Furniture and Fixtures                               | 11,405,617                     | 2,545,322         | -                 | 13,950,939                     | 9,078,982                      | -                | 681,704           | 9,760,686                      | 4,190,253           | 2,326,635           |
| Office Equipment                                     | 2,869,444                      | 30,490            | -                 | 2,899,934                      | 2,147,902                      | -                | 236,011           | 2,383,913                      | 516,021             | 721,542             |
| Vehicles   | 8,071,369                      | 2,884,542         | 777,677           | 10,178,234                     | 4,566,401                      | 777,677          | 1,112,111         | 4,900,835                      | 5,277,399           | 3,504,968           |
|  | <b>266,551,970</b>             | <b>30,309,848</b> | <b>15,470,818</b> | <b>281,391,000</b>             | <b>150,320,889</b>             | <b>7,053,476</b> | <b>13,922,700</b> | <b>157,190,113</b>             | <b>124,200,887</b>  | <b>116,231,082</b>  |
| Previous year  | 264,809,967                    | 2,138,010         | 396,006           | 266,551,971                    | 129,856,557                    | 316,459          | 20,780,791        | 150,320,889                    | 116,231,082         |                     |
| <b>Add : Capital Work<br/>in Progress</b>            |                                |                   |                   |                                |                                |                  |                   |                                | 5,733,416           | 5,733,416           |
| <b>Sub-total (A)</b>                                 | <b>266,551,970</b>             | <b>30,309,848</b> | <b>15,470,818</b> | <b>281,391,000</b>             | <b>150,320,889</b>             | <b>7,053,476</b> | <b>13,922,700</b> | <b>157,190,113</b>             | <b>129,934,303</b>  | <b>121,964,498</b>  |
| <b>(B) Intangible Assets</b>                         |                                |                   |                   |                                |                                |                  |                   |                                |                     |                     |
| Computer Software                                    | 1,797,155                      | 35,484            | -                 | 1,832,639                      | 806,739                        | -                | 303,693           | 1,110,432                      | 722,207             | 990,416             |
|  | <b>1,797,155</b>               | <b>35,484</b>     | <b>-</b>          | <b>1,832,639</b>               | <b>806,739</b>                 | <b>-</b>         | <b>303,693</b>    | <b>1,110,432</b>               | <b>722,207</b>      | <b>990,416</b>      |
| Previous year  | 1,653,362                      | 143,793           | -                 | 1,797,155                      | 513,702                        | -                | 293,037           | 806,739                        | 990,416             | -                   |
| <b>Add : Intangible assets<br/>under development</b> |                                |                   |                   |                                |                                |                  |                   |                                | -                   | -                   |
| <b>Sub-total (B)</b>                                 | <b>1,797,155</b>               | <b>35,484</b>     | <b>-</b>          | <b>1,832,639</b>               | <b>806,739</b>                 | <b>-</b>         | <b>303,693</b>    | <b>1,110,432</b>               | <b>722,207</b>      | <b>990,416</b>      |
|  |                                |                   |                   |                                |                                |                  |                   |                                |                     |                     |
| <b>Total (A + B)</b>                                 | <b>268,349,125</b>             | <b>30,345,332</b> | <b>15,470,818</b> | <b>283,223,639</b>             | <b>151,127,628</b>             | <b>7,053,476</b> | <b>14,226,393</b> | <b>158,300,545</b>             | <b>130,656,510</b>  | <b>122,954,914</b>  |
|  |                                |                   |                   |                                |                                |                  |                   |                                |                     |                     |
| Previous year  | 266,463,329                    | 2,281,803         | 396,006           | 268,349,126                    | 130,370,259                    | 316,459          | 21,073,828        | 151,127,628                    | 122,954,914         |                     |

Note:

During the previous financial year, the Company assessed and revised the useful life of its tangible fixed assets in accordance with the requirements of Part C of Schedule II to the Companies Act, 2013. The resultant charge amounting to Rs. 4,356,532/- (net of deferred tax of Rs. 1,948,145) in respect of assets having no balance useful life and residual value as at 1st April, 2014, has been adjusted against the opening balance in the Statement of Profit and Loss in Note 2 - Reserves and Surplus in accordance with the transitional provisions of the said Schedule.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 11 : NON CURRENT INVESTMENTS</b><br>(at cost, unquoted)  | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |                   |
|--|-------------------------|-------------------|-------------------------|-------------------|
|  | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b>        |
| <b>TRADE INVESTMENTS</b>   |                         |                   |                         |                   |
| <b>Investment in Equity Instruments</b>  |                         |                   |                         |                   |
| <b>Subsidiaries</b>  |                         |                   |                         |                   |
| - GKB Ophthalmic Products FZE, Sharjah<br>[1 equity share (Previous year 1 equity share) of nominal value of AED 150,000]                |                         | <b>1,830,150</b>  |                         | 1,830,150         |
| - GKB Ophthalmic GmbH, Germany<br>[1 equity share (Previous year 1 equity share) of the capital stock]                                   |                         | <b>1,081,488</b>  |                         | 1,081,488         |
| <b>Associates</b>  |                         |                   |                         |                   |
| - GKB Vision Limited<br>[Nil equity shares<br>(Previous year 1,058,986 equity share) of Rs. 10 each] (Refer footnote)                    |                         | -                 |                         | 10,609,860        |
| - Prime Lenses Private Limited<br>[1,832,592 equity shares<br>(Previous year 1,832,592 equity shares) of Rs. 10 each] (Refer footnote 2) |                         | -                 |                         | 41,760,000        |
| <b>Others</b>  |                         |                   |                         |                   |
| - Prime Lenses Private Limited<br>[1,832,592 equity shares<br>(Previous year 1,832,592 equity shares) of Rs. 10 each] (Refer footnote 2) |                         | <b>41,760,000</b> |                         | -                 |
| - Crysta Lenses Private Limited<br>[1 equity share (Previous year 1 equity share) of Rs. 10 each]  |                         | <b>1,800</b>      |                         | 1,800             |
| - Saraswat Co-operative Bank Limited<br>[2,500 shares (Previous year 2,500 shares) of Rs. 10 each]                                       |                         | <b>25,300</b>     |                         | 25,300            |
|  |                         | <b>44,698,738</b> |                         | <b>55,308,598</b> |

Note 1:  
During the year the Company sold the entire shareholding in GKB Vision Limited, an associate company, in which the Company was holding 36.47% of the equity paid up share capital. The said shares were sold on 2nd July 2015 for a net consideration of Rs. 228,800,982/-, resulting in a net gain of Rs. 218,191,122/- over the book value of the said shares of Rs. 10,609,860/-.

Note 2:  
During the year, consequent to issue of additional equity shares by Prime Lenses Private Limited (PLPL), without a change in the holding of the Company, the shareholding of the Company in PLPL has reduced to 14.26% consequent to which PLPL has ceased to be an associate company.

| <b>NOTE 12 : LONG TERM LOANS AND ADVANCES</b><br>(unsecured, considered good) | <b>As at 31.03.2016</b> |                  | <b>As at 31.03.2015</b> |                  |
|---|-------------------------|------------------|-------------------------|------------------|
|   | <b>Rs.</b>              | <b>Rs.</b>       | <b>Rs.</b>              | <b>Rs.</b>       |
| Capital Advances  |                         | <b>4,605,253</b> |                         | 3,659,759        |
|   |                         | <b>4,605,253</b> |                         | <b>3,659,759</b> |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 13 : CURRENT INVESTMENT<br>(at lower of cost market value)  | As at 31.03.2016  |                   | As at 31.03.2015 |     |
|--|-------------------|-------------------|------------------|-----|
|  | Rs.               | Rs.               | Rs.              | Rs. |
| <b>NON TRADE INVESTMENTS</b>   |                   |                   |                  |     |
| <b>Investment in Mutual funds</b>  |                   |                   |                  |     |
| JM High Liquidity Fund - Saving Plan<br>- Dividend reinvestment option<br>500 units (previous year - Nil)      | <b>5,000</b>      |                   | -                |     |
| HDFC Cash Management Fund - Saving Plan<br>- Daily Dividend Reinvestment<br>56,462 units (previous year - Nil) | <b>59,800,000</b> |                   | -                |     |
|  |                   | <b>59,805,000</b> |                  | -   |
|  |                   | <b>59,805,000</b> |                  | -   |

| NOTE 14 : INVENTORIES<br>(at lower of cost or net realisable value) | As at 31.03.2016  |                    | As at 31.03.2015 |             |
|---|-------------------|--------------------|------------------|-------------|
|   | Rs.               | Rs.                | Rs.              | Rs.         |
| Raw materials   | <b>37,302,154</b> |                    | 31,586,237       |             |
| Add : Goods in transit  | -                 |                    | -                |             |
|   |                   | <b>37,302,154</b>  |                  | 31,586,237  |
| Work-in-process   |                   | <b>7,008,045</b>   |                  | 3,272,495   |
| Finished goods  |                   | <b>48,620,004</b>  |                  | 71,177,974  |
| Stock in trade  |                   | -                  |                  | 857,868     |
| Stores, spares and packing material                                 | <b>47,301,332</b> |                    | 45,844,735       |             |
| Add : Goods in transit  | -                 |                    | -                |             |
|   |                   | <b>47,301,332</b>  |                  | 45,844,735  |
|   |                   | <b>140,231,535</b> |                  | 152,739,309 |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>NOTE 15 : TRADE RECEIVABLES</b><br>(unsecured considered good, unless otherwise stated) | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |             |
|--|-------------------------|-------------------|-------------------------|-------------|
|  | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b>  |
| -Debts outstanding for a period exceeding six months from the date due for payment         |                         |                   |                         |             |
| Considered good<br>(Refer Foot note below)   | <b>14,463,960</b>       |                   | 58,473,080              |             |
| Considered doubtful  | <b>590,124</b>          |                   | -                       |             |
|  | <b>15,054,084</b>       |                   | 58,473,080              |             |
| Less : Provision for bad and doubtful debts  | <b>590,124</b>          |                   | -                       |             |
|  |                         | <b>14,463,960</b> |                         | 58,473,080  |
| - Other Debts  |                         |                   |                         |             |
| Considered good  |                         | <b>64,597,124</b> |                         | 85,897,158  |
|  |                         | <b>79,061,084</b> |                         | 144,370,238 |

## Note :

Due from others includes reinstated amount of Rs. Nil (net of provision of Rs. 590,124) (previous year Rs. 623,536) due from Sarl Imol (Bengherbia), Algeria; Rs. 3,887,099 (previous year Rs. 1,780,338) due from Precision Optical, U.K; Rs. 264,633 (previous year Rs. Nil) due from International Co. for Optical & Hearing Aids Ind., Jordan; Rs. 3,228,180 (previous year Rs. Nil) due from Dehlawi Optical Industry, Saudi Arabia and Rs. 287,654 (previous year Rs. 272,784) due from Pamonte SA, Ecuador against exports which are overdue for a period exceeding 12 months. The Company proposes to apply to the Reserve Bank of India (RBI), to regularise the transaction.

| <b>NOTE 16 : CASH AND BANK BALANCES</b>   | <b>As at 31.03.2016</b> |                  | <b>As at 31.03.2015</b> |            |
|---|-------------------------|------------------|-------------------------|------------|
|   | <b>Rs.</b>              | <b>Rs.</b>       | <b>Rs.</b>              | <b>Rs.</b> |
| <b>Cash and cash equivalents</b>  |                         |                  |                         |            |
| Cash on hand  | <b>428</b>              |                  | 3,235                   |            |
| Balances with banks   |                         |                  |                         |            |
| - on current account  | <b>338,252</b>          |                  | 119,553                 |            |
|   |                         | <b>338,680</b>   |                         | 122,788    |
| <b>Other bank balances</b>  |                         |                  |                         |            |
| Balance with banks  |                         |                  |                         |            |
| - on margin money deposit accounts<br>(pledged against bank guarantee and<br>letters of credit) | <b>6,829,950</b>        |                  | 4,837,438               |            |
| - on unpaid dividend account  | -                       |                  | -                       |            |
|   |                         | <b>6,829,950</b> |                         | 4,837,438  |
|   |                         | <b>7,168,630</b> |                         | 4,960,226  |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Details of maturity of margin money deposit accounts | As at<br>31.03.2016<br>Rs. | As at<br>31.03.2015<br>Rs. |
|--|----------------------------|----------------------------|
|  | Bank deposits              |                            |
| - Maturity after 12 months                           | -                          | -                          |
| - maturity within 12 months                          | 6,829,950                  | 4,837,438                  |
|  | <b>6,829,950</b>           | <b>4,837,438</b>           |

| NOTE 17 : SHORT TERM LOANS AND<br>ADVANCES<br>(unsecured considered good) | As at 31.03.2016 |                  | As at 31.03.2015 |                  |
|---|------------------|------------------|------------------|------------------|
|   | Rs.              | Rs.              | Rs.              | Rs.              |
| Security Deposits   |                  | 338,700          |                  | 279,700          |
| Advances recoverable in cash or in kind or<br>for value to be received    |                  |                  |                  |                  |
| - Due from related parties  | -                |                  | -                |                  |
| - Due from others   | 2,068,205        |                  | 1,637,608        |                  |
|   |                  | <b>2,068,205</b> |                  | <b>1,637,608</b> |
|   |                  | <b>2,406,905</b> |                  | <b>1,917,308</b> |

| NOTE 18 : OTHER CURRENT ASSETS               | As at 31.03.2016 |                  | As at 31.03.2015 |                  |
|--|------------------|------------------|------------------|------------------|
|  | Rs.              | Rs.              | Rs.              | Rs.              |
| Interest accrued on margin deposits / others |                  | 148,247          |                  | 1,146,409        |
| Dividend receivable from subsidiary          |                  | 6,592,000        |                  | -                |
|  |                  | <b>6,740,247</b> |                  | <b>1,146,409</b> |

| NOTE 19 : REVENUE FROM OPERATIONS    | 2015-2016   |                    | 2014-2015   |                    |
|--------------------------------------|-------------|--------------------|-------------|--------------------|
|                                      | Rs.         | Rs.                | Rs.         | Rs.                |
| <b>Sale of Products</b>              |             |                    |             |                    |
| - Export Sales                       | 201,058,618 |                    | 196,677,785 |                    |
| - Domestic Sales                     | 128,956,992 |                    | 118,052,426 |                    |
|                                      |             | 330,015,610        |             | 314,730,211        |
| <b>Other operational revenue</b>     |             |                    |             |                    |
| - Processing charges                 |             | -                  |             | 764,215            |
| <b>Gross Revenue from operations</b> |             | <b>330,015,610</b> |             | <b>315,494,426</b> |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 20 : OTHER INCOME  | 2015-2016        |                   | 2014-2015 |            |
|---|------------------|-------------------|-----------|------------|
|   | Rs.              | Rs.               | Rs.       | Rs.        |
| <b>Interest income</b><br>from margin money deposits / others             |                  | <b>358,837</b>    |           | 345,575    |
| <b>Dividend income</b><br>from subsidiary company                         | <b>6,592,000</b> |                   | 6,098,605 |            |
| from associate company  | -                |                   | 1,270,783 |            |
| from others   | <b>6,713,854</b> |                   | 2,500     |            |
|   |                  | <b>13,305,854</b> |           | 7,371,888  |
| <b>Exchange gain (net)</b>  |                  | <b>1,857,713</b>  |           | 4,316,152  |
| <b>Other non operating income</b><br>Profit on sale of fixed assets (net) | <b>3,268,933</b> |                   | 27,988    |            |
| Sundry balances written back (net)  | <b>1,330,634</b> |                   | -         |            |
| Miscellaneous Income - others   | <b>2,970,225</b> |                   | 20,002    |            |
|   |                  | <b>7,569,792</b>  |           | 47,990     |
|   |                  | <b>23,092,196</b> |           | 12,081,605 |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 21 : COST OF GOODS SOLD   | 2015-2016          |                    | 2014-2015   |             |
|--|--------------------|--------------------|-------------|-------------|
|  | Rs.                | Rs.                | Rs.         | Rs.         |
| <b>Cost of materials consumed :</b>  |                    |                    |             |             |
| <b>Opening stock</b>   | <b>31,586,237</b>  |                    | 23,886,744  |             |
| Add : Purchases  | <b>152,988,694</b> |                    | 128,060,102 |             |
|  | <b>184,574,931</b> |                    | 151,946,846 |             |
| Less : Closing stock   | <b>37,302,154</b>  |                    | 31,586,237  |             |
|  |                    | <b>147,272,777</b> |             | 120,360,609 |
| <b>Purchase of stock in trade</b>  |                    | <b>12,401,703</b>  |             | 26,295,688  |
| Changes in inventories of finished goods<br>(including excise duty) and work in progress : |                    |                    |             |             |
| <b>Closing stock :</b>   |                    |                    |             |             |
| Work-in-process  | <b>7,008,045</b>   |                    | 3,272,495   |             |
| Finished goods   | <b>47,348,014</b>  |                    | 70,356,597  |             |
| Trading goods  | -                  |                    | 857,868     |             |
|  | <b>54,356,059</b>  |                    | 74,486,960  |             |
| <b>Opening stock :</b>   |                    |                    |             |             |
| Work-in-process  | <b>3,272,495</b>   |                    | 5,830,890   |             |
| Finished goods   | <b>70,356,597</b>  |                    | 80,282,927  |             |
| Trading goods  | <b>857,868</b>     |                    | 1,038,046   |             |
|  | <b>74,486,960</b>  |                    | 87,151,863  |             |
| <b>Excise duty</b>   |                    |                    |             |             |
| on closing stock of finished goods   | <b>1,271,990</b>   |                    | 821,377     |             |
| on opening stock of finished goods   | <b>821,377</b>     |                    | 220,007     |             |
|  | <b>(450,613)</b>   | <b>19,680,288</b>  | (601,370)   | 12,063,533  |
|  |                    | <b>179,354,768</b> |             | 158,719,830 |

| NOTE 22 : EMPLOYEE BENEFITS EXPENSES           | 2015-2016 |                   | 2014-2015 |            |
|--|-----------|-------------------|-----------|------------|
|  | Rs.       | Rs.               | Rs.       | Rs.        |
| Salaries, Wages and Bonus                      |           | <b>54,413,646</b> |           | 52,937,656 |
| Contribution to Provident fund and other funds |           | <b>4,599,253</b>  |           | 4,812,345  |
| Gratuity                                       |           | <b>1,833,954</b>  |           | 2,922,070  |
| Leave encashment                               |           | -                 |           | 573,762    |
| Workmen and Staff Welfare                      |           | <b>1,347,693</b>  |           | 1,237,041  |
|  |           | <b>62,194,546</b> |           | 62,482,874 |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 23 : FINANCE COSTS                | 2015-2016         |                   | 2014-2015  |            |
|--|-------------------|-------------------|------------|------------|
|  | Rs.               | Rs.               | Rs.        | Rs.        |
| Interest expenses :                    |                   |                   |            |            |
| - Borrowings                           | <b>11,773,479</b> |                   | 18,023,572 |            |
| - Income tax and wealth tax            | <b>1,955,806</b>  |                   | 4,074,658  |            |
|  |                   | <b>13,729,285</b> |            | 22,098,230 |
| Other borrowing costs and bank charges |                   | <b>2,388,669</b>  |            | 2,781,025  |
|  |                   | <b>16,117,954</b> |            | 24,879,255 |

| NOTE 24 : DEPRECIATION               | 2015-2016         |                   | 2014-2015  |            |
|--------------------------------------|-------------------|-------------------|------------|------------|
|                                      | Rs.               | Rs.               | Rs.        | Rs.        |
| Depreciation on tangible assets      | <b>13,922,700</b> |                   | 20,780,791 |            |
| Amortisation of intangible assets    | <b>303,693</b>    |                   | 293,037    |            |
|                                      |                   | <b>14,226,393</b> |            | 21,073,828 |
| Less : Transfer to retained earnings |                   | -                 |            | 6,304,676  |
|                                      |                   | <b>14,226,393</b> |            | 14,769,152 |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 25 : OTHER EXPENSES                | 2015-16          |                    | 2014-15   |            |
|---|------------------|--------------------|-----------|------------|
|   | Rs.              | Rs.                | Rs.       | Rs.        |
| Stores and spares consumed              |                  | <b>38,776,637</b>  |           | 40,644,468 |
| Packing material consumed               |                  | <b>7,375,789</b>   |           | 6,634,839  |
| Power and fuel                          |                  | <b>12,425,112</b>  |           | 10,624,327 |
| Other manufacturing expenses            |                  | <b>12,903,586</b>  |           | 6,025,319  |
| Lease rent (refer foot note below)      |                  | <b>706,013</b>     |           | 656,303    |
| Repairs :-                              |                  |                    |           |            |
| Building                                | <b>160,608</b>   |                    | 210,972   |            |
| - Plant and Equipment                   | <b>2,555,859</b> |                    | 2,448,280 |            |
| - Others                                | <b>938,743</b>   |                    | 700,660   |            |
|   |                  | <b>3,655,210</b>   |           | 3,359,912  |
| Insurance                               |                  | <b>435,617</b>     |           | 460,991    |
| Rates and Taxes                         |                  | <b>1,717,033</b>   |           | 578,256    |
| Freight and forwarding                  |                  | <b>3,792,887</b>   |           | 4,079,366  |
| Auditor's Remuneration                  |                  |                    |           |            |
| - Audit fees                            | <b>550,000</b>   |                    | 500,000   |            |
| - Tax audit fees                        | <b>162,500</b>   |                    | 162,500   |            |
| - Other matters                         | <b>187,500</b>   |                    | 175,000   |            |
| - Out of pocket expenses                | <b>31,532</b>    |                    | 40,203    |            |
| - Service Tax                           | -                |                    | -         |            |
|   |                  | <b>931,532</b>     |           | 877,703    |
| Commission                              |                  | <b>6,897</b>       |           | -          |
| Travelling and conveyance               |                  | <b>2,386,239</b>   |           | 1,760,948  |
| Legal and Professional Charges          |                  | <b>1,705,112</b>   |           | 2,042,601  |
| Sundry Balance written off              |                  | -                  |           | 297,744    |
| Provision for doubtful debts            |                  | <b>590,124</b>     |           | -          |
| Loss on sale of mutual funds(net)       |                  | <b>10,411,435</b>  |           | -          |
| Directors' fees (including service tax) |                  | <b>708,150</b>     |           | 370,788    |
| Advertising and sales promotion         |                  | <b>580,453</b>     |           | 588,486    |
| Bad debts write off                     |                  | -                  |           | 763,992    |
| Security charges                        |                  | <b>1,867,704</b>   |           | 1,666,725  |
| Telephone and communication expenses    |                  | <b>1,395,152</b>   |           | 1,288,136  |
| Printing and stationery expenses        |                  | <b>1,476,243</b>   |           | 1,316,586  |
| Miscellaneous expenses                  |                  | <b>1,145,948</b>   |           | 1,055,530  |
|   |                  | <b>104,992,873</b> |           | 85,093,020 |

**Note :****Operating Lease**

The Company has taken warehouses and a residential apartment on operating lease. The Company also pays lease rent on the factory premises. Lease rent amounting to Rs. 706,013 (previous year Rs. 656,303) has been charged to the Statement of Profit and Loss.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| 26 Contingent Liabilities and Commitments :                             | 31.03.2016         | 31.03.2015  |
|---|--------------------|-------------|
| <b>Contingent Liabilities</b>   |                    |             |
|   | <b>Rs.</b>         | <b>Rs.</b>  |
| a) Sales tax liability that may arise in respect of matters in appeal   | <b>12,670,198</b>  | 11,170,738  |
| b) Excise duty liability that may arise in respect of matters in appeal | <b>119,048,177</b> | 51,747,843  |
| c) Income tax liability that may arise in respect of matters in appeal  | <b>4,136,890</b>   | -           |
| d) Guarantees given on behalf of associate companies                    | <b>363,008,000</b> | 363,008,000 |
| f) Bills discounted   | <b>15,321,484</b>  | 9,615,392   |
| g) Letters of credit outstanding  | <b>15,449,548</b>  | 21,619,309  |
| h) Bank guarantees  | <b>6,685,738</b>   | 5,229,403   |

**Note :**

It is not practical to estimate the timing of outflows in respect of 'a', 'b', and 'c' above pending resolution of legal proceedings.

| Commitments   | Rs.              | Rs. |
|---|------------------|-----|
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | <b>8,883,487</b> | -   |

## b) Other commitments

The Company is a 100% EOU registered under the SEEPZ Special Economic Zone. As per the amendment to Letter of Permission dated November 20, 2008, the Company was required to achieve export turnover of USD 35.82 million and Net Foreign Exchange Earning (NFE) of USD 3.26 million during the period April 1, 2008 to March 31, 2013. Although the Company achieved Net Foreign Exchange Earnings (NFE) as required, export turnover obligation remained unfulfilled to the extent of USD 8.03 million. By letter dated May 27, 2013, the EOU status of the Company has been further extended by a period of 5 years. However, the letter granting the extension does not make any mention of export turnover obligation. The Company is of the view that the condition of achieving export turnover no longer applies and the only requirement is that the Company should be NFE positive.

**27 Particulars of un-hedged foreign currency exposures as at 31st March, 2016 :****Trade Receivables**

| Foreign currency | Amount in<br>foreign currency<br>2015-16 | Amount in<br>Rs.<br>2015-16 | Amount in<br>foreign currency<br>2014-15 | Amount in<br>Rs.<br>2014-15 |
|------------------|--|-----------------------------|--|-----------------------------|
| USD              | 312,734                                  | 20,599,818                  | 466,141                                  | 28,984,641                  |
| EURO             | 387,373                                  | 28,388,379                  | 215,931                                  | 14,432,845                  |
|                  |  | <b>48,988,197</b>           |  | <b>43,417,487</b>           |

**Trade Payables (including payable for expenses)**

| Foreign currency | Amount in<br>foreign currency<br>2015-16 | Amount in<br>Rs.<br>2015-16 | Amount in<br>foreign currency<br>2014-15 | Amount in<br>Rs.<br>2014-15 |
|------------------|--|-----------------------------|--|-----------------------------|
| USD              | 382,675                                  | 25,600,927                  | 449,190                                  | 28,384,336                  |
| EURO             | 292,122                                  | 22,180,801                  | 169,393                                  | 11,613,591                  |
|                  |  | <b>47,781,728</b>           |  | <b>39,997,927</b>           |

**28 Trade receivable, loans and advances and trade payable balances are subject to confirmation, reconciliation and consequent adjustments, if any.**



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**29 Disclosures as required by Accounting Standard (AS) 15 "Employee Benefits":**

**a) Defined Contribution Plans :**

Contribution to Defined Contribution Plans, recognised as an expense and included under "Employee Benefits Expenses"

Note 22 to the Statement of Profit and Loss are as under :

- Employer's contribution to Provident Fund and EDLI Rs.15,95,721 (Previous year Rs.1,434,650)
- Employer's contribution to Family Pension Scheme Rs.14,46,389 (Previous year Rs. 1,326,089 )
- Employer's contribution to Employees State Insurance Scheme Rs.13,49,228 (Previous year Rs. 1,555,731)
- Employer's contribution to Superannuation Fund Rs.157,050 (Previous year Rs. 437,495)
- Employer's contribution to Labour Welfare Fund Rs. 50,865 (Previous year Rs. 58,380)

**b) Defined Benefit Plans :**

The Company's gratuity and leave encashment plans are defined benefit plans :

|   | Gratuity (funded)<br>Rs.<br>2015-16          | Gratuity (funded)<br>Rs.<br>2014-15          | Gratuity (unfunded)<br>Rs.<br>2015-16 | Gratuity (unfunded)<br>Rs.<br>2014-15 |
|---|--|--|---------------------------------------|---------------------------------------|
| <b>I Change in obligation during the year</b>                                 |  |  |                                       |                                       |
| 1 Liability at the beginning of the year                                      | 9,155,628                                    | 7,921,987                                    | 3,969,231                             | 2,599,038                             |
| 2 Interest cost   | 732,450                                      | 633,759                                      | -                                     | -                                     |
| 3 Current service cost  | 581,974                                      | 548,413                                      | 1,009,615                             | 1,370,193                             |
| 4 Past service cost   | -  | -  | -                                     | -                                     |
| 5 Benefits paid   | (977,761)                                    | (568,114)                                    | -                                     | -                                     |
| 6 Actuarial (gain) / losses   | 138,266                                      | 619,583                                      | -                                     | -                                     |
| 7 Liability at the end of the year  | 9,630,557                                    | 9,155,628                                    | 4,978,846                             | 3,969,231                             |
| <b>II Change in assets during the year</b>                                    |  |  |                                       |                                       |
| 1 Plan assets at the beginning of the year                                    | 3,544,381                                    | 3,362,617                                    | -                                     | -                                     |
| 2 Expected return of plan assets  | 628,351                                      | 249,878                                      | -                                     | -                                     |
| 3 Contributions   | 5,731,706                                    | 500,000                                      | -                                     | -                                     |
| 4 Benefits paid   | (977,761)                                    | (568,114)                                    | -                                     | -                                     |
| 5 Actuarial gain / (loss)   | -  | -  | -                                     | -                                     |
| 6 Plan assets at the end of the year  | 8,926,677                                    | 3,544,381                                    | -                                     | -                                     |
| 7 Total actuarial gain/(loss) to be recognised                                | (138,266)                                    | (619,583)                                    | -                                     | -                                     |
| <b>III Actual return on plan assets</b>                                       |  |  |                                       |                                       |
| 1 Expected return on plan assets  | 628,351                                      | 249,878                                      | -                                     | -                                     |
| 2 Actuarial gain / (loss)   | -  | -  | -                                     | -                                     |
| 3 Actual return on plan assets  | 628,351                                      | 249,878                                      | -                                     | -                                     |
| <b>IV Net asset / (liability) recognised in the balance sheet</b>             |  |  |                                       |                                       |
| 1 Liability at the end of the year  | (9,630,557)                                  | (9,155,628)                                  | (4,978,846)                           | (3,969,231)                           |
| 2 Plan assets at the end of the year  | 8,926,677                                    | 3,544,381                                    | -                                     | -                                     |
| 3 Amount recognised in the balance sheet                                      | (703,880)                                    | (5,611,247)                                  | (4,978,846)                           | (3,969,231)                           |
| <b>V Expenses recognised in the statement of profit and loss for the year</b> |  |  |                                       |                                       |
| 1 Current service cost  | 581,974                                      | 548,413                                      | 1,009,615                             | 1,370,193                             |
| 2 Interest cost   | 732,450                                      | 633,759                                      | -                                     | -                                     |
| 3 Expected return on plan assets  | (628,351)                                    | (249,878)                                    | -                                     | -                                     |
| 4 Actuarial (gain) / losses   | 138,266                                      | 619,583                                      | -                                     | -                                     |
| 5 Past service cost   | -  | -  | -                                     | -                                     |
| 6 Total expenses as per actuarial valuation                                   | 824,339                                      | 1,551,877                                    | 1,009,615                             | 1,370,193                             |
| 7 Optional payment  | -  | -  | -                                     | -                                     |
| 8 Total expenses  | 824,339                                      | 1,551,877                                    | 1,009,615                             | 1,370,193                             |
| <b>VI Balance sheet reconciliation</b>  |  |  |                                       |                                       |
| 1 Opening net liability   | 5,611,247                                    | 4,559,370                                    | 3,969,231                             | 2,599,038                             |
| 2 Expenses as above   | 824,339                                      | 1,551,877                                    | 1,009,615                             | 1,370,193                             |
| 3 Employer contribution   | (5,731,705)                                  | (500,000)                                    | -                                     | -                                     |
| 4 Amount recognised in the balance sheet *                                    | 703,881                                      | 5,611,247                                    | 4,978,846                             | 3,969,231                             |
| <b>VII The major categories of plan assets as a percentage of total :</b>     |  |  |                                       |                                       |
| Insurer Managed Funds   | 100%   | 100%   | Not applicable                        | Not applicable                        |
| <b>VIII Actuarial assumptions:</b>  |  |  |                                       |                                       |
| 1 Discount rate   | 8.00%  | 8.00%  | 8.25%                                 | 8.25%                                 |
| 2 Rate of return on plan assets   | Not determined                               | Not determined                               | Not applicable                        | Not applicable                        |
| 3 Rate of mortality   | As per mortality table LIC(1994-96) Ultimate | As per mortality table LIC(1994-96) Ultimate |                                       |                                       |
| 4 Salary Escalation   | 6.00%  | 6.00%  | -                                     | -                                     |

\*The closing net liability is disclosed as follows:

|   |         |           |           |           |
|---|---------|-----------|-----------|-----------|
| Disclosed in Note 5 - Long Term Provisions  | -       | -         | 4,978,846 | 3,969,231 |
| Disclosed in Note 9 - Short Term Provisions | 703,881 | 5,611,247 | -         | -         |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Disclosures as required by Accounting Standard (AS) 15 Employee Benefits (contd.)**

|   | Leave encashment (unfunded)<br>Rs.<br>2015-2016  | Leave encashment (unfunded)<br>Rs.<br>2014-2015  |
|---|--|--|
| <b>I Change in obligation during the year</b>                                 |  |  |
| 1 Liability at the beginning of the year                                      | 2,124,246  | 1,690,937  |
| 2 Interest cost   | 168,665  | 157,426  |
| 3 Current service cost  | 277,120  | 203,598  |
| 4 Past service cost   | -  | -  |
| 5 Benefits paid   | (247,123)  | (140,453)  |
| 6 Actuarial (gain) / losses   | (773,610)  | 212,738  |
| 7 Liability at the end of the year  | 1,549,298  | 2,124,246  |
| <b>II Change in assets during the year</b>                                    |  |  |
| 1 Plan assets at the beginning of the year                                    | -  | -  |
| 2 Expected return of plan assets  | -  | -  |
| 3 Contributions   | -  | -  |
| 4 Benefits paid   | 247,123  | -  |
| 5 Actuarial gain / (loss)   | -  | -  |
| 6 Plan assets at the end of the year  | 247,123  | -  |
| 7 Total actuarial gain/(loss) to be recognised                                | 773,610  | (212,738)  |
| <b>III Actual return on plan assets</b>                                       |  |  |
| 1 Expected return on plan assets  | -  | -  |
| 2 Actuarial gain / (loss)   | -  | -  |
| 3 Actual return on plan assets  | -  | -  |
| <b>IV Net asset / (liability) recognised in the balance sheet</b>             |  |  |
| 1 Liability at the end of the year  | (1,549,298)                                      | (2,124,246)                                      |
| 2 Plan assets at the end of the year  | -  | -  |
| 3 Amount recognised in the balance sheet                                      | (1,549,298)                                      | (2,124,246)                                      |
| <b>V Expenses recognised in the statement of profit and loss for the year</b> |  |  |
| 1 Current service cost  | 277,120  | 203,598  |
| 2 Interest cost   | 168,665  | 157,426  |
| 3 Expected return on plan assets  | -  | -  |
| 4 Actuarial (gain) / losses   | (773,610)  | 212,738  |
| 5 Past service cost   | -  | -  |
| 6 Total expenses as per actuarial valuation                                   | (327,825)  | 573,762  |
| 7 Optional payment  | -  | -  |
| 8 Total expenses  | (327,825)  | 573,762  |
| <b>VI Balance sheet reconciliation</b>  |  |  |
| 1 Opening net liability   | 2,124,246  | 1,690,937  |
| 2 Expenses as above   | (327,825)  | 573,762  |
| 3 Benefits Paid   | (247,123)  | (140,453)  |
| 4 Amount recognised in the balance sheet *                                    | 1,549,298  | 2,124,246  |
| <b>VII The major categories of plan assets as a percentage of total :</b>     | Not applicable                                   | Not applicable                                   |
| <b>VIII Actuarial assumptions:</b>  |  |  |
| 1 Discount rate   | 8.07%  | 7.94%  |
| 2 Rate of return on plan assets   | Not applicable                                   | Not applicable                                   |
| 3 Rate of mortality   | As per mortality table LIC<br>(1994-96) Ultimate | As per mortality table LIC<br>(1994-96) Ultimate |
| 4 Salary Escalation   | 5.00%  | 5.00%  |
| *The closing net liability is disclosed as follows:                           |  |  |
| Disclosed in Note 5 - Long Term Provisions                                    | 1,242,749  | 1,491,519  |
| Disclosed in Note 9 - Short Term Provisions                                   | 306,549  | 632,727  |

**General description of the defined benefit plans :**

- 1) The Company operates a gratuity scheme, which is a funded scheme for qualifying employees, except in the case of directors where the scheme is unfunded. The scheme provides for lump sum payment to employees on retirement, death, while in employment or termination of employment or an amount equivalent to 15 days salary for every completed year of service or part thereof in six months, provided the employee has completed 5 years of service.
- 2) The Company operates a leave encashment scheme, which is a unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**30 During the year the Company has not capitalised any borrowing costs as per Accounting Standard (AS) 16 - "Borrowing costs".**

**31 Disclosures as required by Accounting Standard (AS) 17 - Segment Reporting :**

**a) Primary Segment :**

The Company operates in one primary segment i.e. ophthalmic lenses, and that is the only primary reportable segment.

**b) Secondary Segment (Geographical Segment) :**

|   | <b>Within India<br/>Rs.</b>         | <b>Outside India<br/>Rs.</b>        | <b>Total<br/>Rs.</b>                |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from external customers *<br>(excluding other operational revenue)* | <b>110,641,848</b><br>(101,032,279) | <b>201,058,618</b><br>(196,677,785) | <b>311,700,466</b><br>(297,710,064) |
| Carrying amount of segment assets   | <b>415,862,191</b><br>(439,969,968) | <b>59,511,711</b><br>(47,086,793)   | <b>475,373,902</b><br>(487,056,761) |
| Additions to fixed assets during the year                                   | <b>30,345,332</b><br>(2,281,803 )   | -<br>-                              | <b>30,345,332</b><br>(2,281,803)    |

\* Revenue within India includes deemed export sales of Rs. 61,247,181 (Previous Year Rs. 37,961,333) made to other EOU units in India  
Figures in brackets pertain to the previous year

**32 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2016, as per information available with the Company.**

|  | <b>2015-16<br/>Rs.</b> | <b>2014-15<br/>Rs.</b> |
|--|------------------------|------------------------|
| a) Principal amount due to supplier under MSMED Act, 2006  | -                      | -                      |
| b) Interest accrued, due to supplier under MSMED Act, 2006 on the above amount, unpaid             | -                      | -                      |
| c) Payment made to suppliers (other than interest) beyond the appointed-day, during the year       |                        |                        |
| d) Interest paid to supplier under MSMED Act, 2006 (Other than section 16)                         | -                      | -                      |
| e) Interest paid to supplier under MSMED Act, 2006 (section 16)                                    |                        | -                      |
| f) Interest due and payable to suppliers under MSMED Act, 2006 for payments already made           | -                      | -                      |
| g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006 | -                      | -                      |

The above information and that given in Note 7 - "Trade Payables" pertaining to micro and small enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**33 Disclosures as required by Accounting Standard (AS) 18 - Related Party Disclosures :**

**(a) Relationships:**

**List of related parties with whom transactions were carried out during the year or previous year:**

**(i) Associates/ Enterprises in which directors exercise significant influence**

- 1 Prime Lenses Pvt Ltd
- 2 GKB Vision Limited
- 3 Lensco-The Lens Company
- 4 GKB Optical Limited
- 5 GKB Optic Technologies Pvt.Ltd.

**(ii) Key Management Personnel**

- 1 Mr. K.G Gupta - Managing Director

**(iii) Relatives of key management personnel**

- 1 Mrs. Veena Gupta
- 2 Mr. Gaurav Gupta
- 3 Mr. Vikram Gupta
- 4 Mr. K. M. Gupta

**(b) The following transactions were carried out with the related parties:**

*in Rs.*

| <b>Sr No.</b> | <b>Nature of transaction / relationship / party</b>   | <b>2015-16</b>  | <b>2014-15</b>  |
|---------------|---|---|---|
| 1             | Purchases of goods and services<br>Associates/ Significant influence enterprise<br>GKB Vision Limited   | <b>34,726,531</b>   | 67,481,177  |
|               | <b>Total</b>  | <b>34,726,531</b>   | 67,481,177  |
| 2             | Sales of goods and services<br>Subsidiary company<br>GKB Ophthalmics Products FZE<br><br>Associates/ Significant influence enterprise<br>Prime Lenses Pvt Ltd<br>GKB Vision Limited<br>GKB Optic Technologies Pvt.Ltd.<br>Lensco-The Lens Company | <b>34,500,807</b><br><br><b>87,237,843</b><br><b>35,102,431</b><br><b>100,298</b><br><b>9,090,148</b> | 38,871,928<br><br>71,421,262<br>14,633,601<br>875,066<br>16,378,096 |
|               | <b>Total</b>  | <b>166,031,527</b>  | 142,179,953   |
| 3             | Sale of Fixed asset (inclusive of VAT)<br>Associate/Significant influence enterprises<br>GKB Vision Limited   | <b>11,614,300</b>   | -   |
|               | <b>Total</b>  | <b>11,614,300</b>   | -   |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Sr No. | Nature of transaction / relationship / party  | <i>in Rs.</i>   |                                    |
|--------|---|---|------------------------------------|
|        |   | 2015-16   | 2014-15                            |
| 4      | Payment of remuneration<br>Key Management Personnel<br>K. G. Gupta  | <b>4,178,365</b>  | 3,840,693                          |
|        | <b>Total</b>  | <b>4,187,365</b>  | 3,840,693                          |
| 5      | Rent Paid<br>Relative of Key Management Personnel<br>Veena Gupta  | <b>480,000</b>  | 480,000                            |
|        | <b>Total</b>  | <b>480,000</b>  | 480,000                            |
| 6      | Dividend received / receivable<br>Subsidiary company<br>GKB Ophthalmics Products FZE<br>Associate/Significant influence enterprises<br>GKB Vision Limited | <b>6,592,000</b><br><br><br>-                           | 6,098,605<br><br><br>1,270,783     |
|        | <b>Total</b>  | <b>6,592,000</b>  | 7,369,388                          |
| 7      | Reimbursement of expenses<br>Associate/Significant influence enterprises<br>Prime Lenses Pvt Ltd<br>Lensco- The Lens Company                              | <br><br>-<br>-  | <br><br>86,361<br>302,480          |
|        | <b>Total</b>  | -   | 388,841                            |
| 8      | Director's sitting fees<br>Relatives of Key Management Personnel<br>Gaurav Gupta<br>Vikram Gupta<br>K. M. Gupta   | <br><br><b>90,000</b><br><b>20,000</b><br><b>20,000</b> | <br><br>50,000<br>10,000<br>10,000 |
|        | <b>Total</b>  | <b>130,000</b>  | 70,000                             |

Note: Amounts paid/received includes amounts charged/credited to the statement of profit and loss.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

|        |  | <i>in Rs.</i>          |                      |
|--------|--|------------------------|----------------------|
| Sr No. | Nature of balance / relationship / party   | 2015-16                | 2014-15              |
| 1      | Accounts payable<br>Associate/ Significant influence enterprise<br>GKB Vision Limited                                | <b>4,569,544</b>       | 110,8666,256         |
|        | Relative of Key Management Personnel<br>Veena Gupta  | <b>108,000</b>         | 364,000              |
|        | <b>Total</b>   | <b>4,677,544</b>       | 111,230,256          |
| 2      | Advances received remaining unadjusted<br>Subsidiary company<br>GKB Ophthalmics GmbH<br>GKB Ophthalmics Products FZE | <b>1,189,094</b><br>-  | 1,189,094<br>-       |
|        | <b>Total</b>   | <b>1,189,094</b>       | 1,189,094            |
| 3      | Accounts receivable/Loans and advances<br>Subsidiary company<br>GKB Ophthalmics Products FZE                         | <b>9,058,865</b>       | 7,910,601            |
|        | Associate/ Significant influence enterprise<br>Prime Lenses Pvt Ltd<br>GKB Optical Limited                           | <b>24,787,415</b><br>- | 88,383,482<br>-      |
|        | Lensco-The Lens Company<br>GKB Optic Technologies Pvt.Ltd.   | -<br><b>13,924</b>     | 8,693,001<br>437,662 |
|        | <b>Total</b>   | <b>33,860,205</b>      | 105,424,746          |

**34 There were no Loans and Advances in the nature of loans given to subsidiaries and associates. Hence disclosure requirements of clause 32 of the Listing Agreement are not applicable.**

**35 Unclaimed dividend: There is no amount due to be credited to the Investors Education & Protection Fund as at 31st March, 2016.**

**36 Disclosures as required by Accounting Standard (AS) 20 - Earning per share :**

| Particulars   |      | 2015-16            | 2014-15       |
|---|------|--------------------|---------------|
| Profit/(Loss) after tax as per Statement of Profit and Loss | Rs.  | <b>136,608,895</b> | (22,606,352)  |
| Number of equity shares outstanding                         | Nos. | <b>4,153,580</b>   | 4,153,580     |
| Face value of equity share                                  | Rs.  | <b>10</b>          | 10            |
| Earnings per share (basic and diluted) :                    |      |                    |               |
| - Basic   | Rs.  | <b>32.89</b>       | (5.44)        |
| - Diluted   | Rs.  | <b>32.89</b>       | <b>(5.44)</b> |

**37 As per Accounting Standard (AS) 28 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended March 31, 2016 (previous year - Nil) in the books.**



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**38 Value of imports on C.I.F. basis :**

|                                      | <b>2015-16</b>            | 2014-15            |
|--------------------------------------|---------------------------|--------------------|
|                                      | <b>Rs.</b>                | Rs.                |
| Blanks, lenses and monomer *         | <b>134,822,552</b>        | 125,928,925        |
| Stores and consumables               | <b>24,478,426</b>         | 23,064,423         |
| Spare parts                          | <b>6,339,079</b>          | 6,772,138          |
| Capital goods                        | <b>6,953,104</b>          | -                  |
|                                      | <b><u>172,593,161</u></b> | <u>155,765,486</u> |
| * Includes purchases from other EOUs | <b>35,552,894</b>         | 66,725,931         |

**39 Particulars of sales, closing stock and opening stock of Manufactured goods :**

|                   | 2015-16     |               |               | 2014-15     |               |               |
|-------------------|-------------|---------------|---------------|-------------|---------------|---------------|
|                   | Sales       | Closing Stock | Opening Stock | Sales       | Closing Stock | Opening Stock |
|                   | Rs.         | Rs.           | Rs.           | Rs.         | Rs.           | Rs.           |
| Ophthalmic lenses | 297,875,924 | 48,620,004    | 71,177,974    | 271,403,535 | 71,177,974    | 76,382,778    |

**40 Particulars of sales, purchases, closing stock and opening stock of traded goods :**

|                   | 2015-16    |            |               |               | 2014-15    |            |               |               |
|-------------------|------------|------------|---------------|---------------|------------|------------|---------------|---------------|
|                   | Sales      | Purchases  | Closing Stock | Opening Stock | Sales      | Purchases  | Closing Stock | Opening Stock |
|                   | Rs.        | Rs.        | Rs.           | Rs.           | Rs.        | Rs.        | Rs.           | Rs.           |
| Ophthalmic lenses | 13,824,542 | 12,401,703 | -             | 857,868       | 26,306,529 | 26,295,688 | 857,868       | 1,038,046     |

**41 Particulars of closing Work in Progress :**

|                   | 31.03.2016 | 31.03.2015 |
|-------------------|------------|------------|
|                   | Rs.        | Rs.        |
| Ophthalmic lenses | 7,008,045  | 3,272,495  |

**42 Particulars of services rendered :**

|                                    | 2015-16 | 2014-15 |
|------------------------------------|---------|---------|
|                                    | Rs.     | Rs.     |
| Processing of Semi Finished Lenses | -       | 764,215 |

**43 Raw Materials and components consumed :**

|                            | 2015-16     | 2014-15     |
|----------------------------|-------------|-------------|
|                            | Rs.         | Rs.         |
| Blanks, lenses and monomer | 147,272,777 | 120,360,609 |

**44 Value of Imported and indigenous raw material and components and stores and spares consumed and percentage thereof to total consumption**

|                                    | 2015-16                |                    | 2014-15                |                    |
|------------------------------------|------------------------|--------------------|------------------------|--------------------|
|                                    | % of total consumption | Rs.                | % of total consumption | Rs.                |
| <b>Raw Material and components</b> |                        |                    |                        |                    |
| Indigenous                         | 21                     | 30,493,833         | 23                     | 27,594,827         |
| Imported                           | 79                     | 116,778,944        | 77                     | 92,765,782         |
|                                    | <u>100</u>             | <u>147,272,777</u> | <u>100</u>             | <u>120,360,609</u> |
| <b>Stores and Spares</b>           |                        |                    |                        |                    |
| Indigenous                         | 26                     | 10,040,547         | 31                     | 12,525,076         |
| Imported                           | 74                     | 28,736,090         | 69                     | 28,119,392         |
|                                    | <u>100</u>             | <u>38,776,637</u>  | <u>100</u>             | <u>40,644,468</u>  |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**45 Expenditure in foreign currency charged to accounts :**

|  | 2015-16<br>Rs. | 2014-15<br>Rs. |
|--|----------------|----------------|
| Foreign travel                             | 191,110        | 56,430         |
| Commission on sales                        | 6,897          | -              |
| Legal & professional charges               | 75,790         | 128,325        |
| Miscellaneous expenses (Registration fees) | 308,720        | 275,219        |
|  | <u>582,517</u> | <u>459,974</u> |

**46 Earning in foreign currency :**

|   | 2015-16<br>Rs.     | 2014-15<br>Rs.     |
|---|--------------------|--------------------|
| Export of goods (on FOB basis) *            | 258,966,297        | 230,428,107        |
| Freight, insurance etc. *                   | 3,339,502          | 4,211,011          |
| Dividends                                   | 6,592,000          | 6,0698,605         |
|   | <u>268,897,799</u> | <u>240,737,723</u> |
| * includes deemed export made to other EoUs | 61,247,181         | 37,961,333         |

**46** The products manufactured by the company do not have a warranty period, hence provision for warranty as specified in Accounting Standard (AS) 29 on "Provisions, Contingent Liabilities and Contingent Assets" is not required to be made.

**47** The Company's international and domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to March 31, 2015, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered into with 'associated enterprises' as defined in section 92A of the Income Tax Act, 1961. The Management believes that the international transactions and specified domestic transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

**48** Previous year's figures have been regrouped/reclassified, to correspond to current year's classification/disclosure.

As per our report attached of even date

**SHARP & TANNAN**

Chartered Accountants

Firm Registration No. 109982W

By the hand of

**Edwin P. Augustine**

Partner

Membership No. 43385

**K. G. Gupta**

Managing Director

DIN : 00051863

**Gaurav Gupta**

Director

DIN : 00051974

**Vikram Gupta**

Director

DIN : 00052019

**Noel Da Silva**

CFO and

Company Secretary

Place : Mumbai, Maharashtra

Date : 30th May, 2016

Place : Mapusa, Goa

Date : 30th May, 2016



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of GKB Ophthalmics Limited**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **GKB Ophthalmics Limited** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as The 'Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (the 'consolidated financial statements').

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## **Other Matters**

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 2,335.966 lakhs as at 31<sup>st</sup> March 2016, total revenues of Rs. 1,618.13 lakhs and net cash inflows amounting to Rs. 38.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. The aforesaid financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company none of the directors of the Group companies, incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A'
- (g) 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:
- 1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group companies incorporated in India. (Refer Note 29 of the consolidated financial statements);
  - 2) the Holding Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
  - 3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

Place : Mumbai, Maharashtra  
Date : 30<sup>th</sup> May, 2016

**EDWIN P. AUGUSTINE**  
Partner  
Membership No.043385



## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **GKB Ophthalmics Limited** ("the Holding Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Holding 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the 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 its 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 Companies Act, 2013 (the 'Act').

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 internal financial control over financial reporting includes 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, 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 SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W  
By the hand of

**EDWIN P. AUGUSTINE**  
Partner  
(Membership No. 43385)

Place : Mumbai, Maharashtra  
Date : 30<sup>th</sup> May, 2016



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

| Particulars  | Note No. | As at 31.03.2016<br>Rs. | As at 31.03.2015<br>Rs. |
|--|----------|-------------------------|-------------------------|
| <b>I EQUITY &amp; LIABILITIES</b>                  |          |                         |                         |
| <b>1 Shareholder's funds</b>                       |          |                         |                         |
| (a) Share Capital                                  | 1        | <b>41,535,800</b>       | 41,535,800              |
| (b) Reserves and Surplus                           | 2        | <b>406,575,109</b>      | 358,568,964             |
| <b>Total Shareholders Funds</b>                    |          | <b>448,110,909</b>      | 400,104,764             |
| <b>2 Share application money pending allotment</b> |          | -                       | -                       |
| <b>3 Non-current Liabilities</b>                   |          |                         |                         |
| (a) Long term borrowings                           | 3        | <b>1,345,248</b>        | 4,849,722               |
| (b) Deferred Tax Liabilities (net)                 | 4        | <b>9,430,666</b>        | 6,359,938               |
| (c) Other Long term liabilities                    |          | -                       | -                       |
| (d) Long Term Provisions                           | 5        | <b>6,221,595</b>        | 5,460,750               |
| <b>Total Non Current Liabilities</b>               |          | <b>16,997,509</b>       | 16,670,410              |
| <b>4 Current Liabilities</b>                       |          |                         |                         |
| (a) Short term borrowings                          | 6        | <b>70,189,601</b>       | 70,964,765              |
| (b) Trade payables                                 | 7        | <b>116,238,355</b>      | 171,363,421             |
| (c) Other current liabilities                      | 8        | <b>25,350,518</b>       | 37,629,386              |
| (d) Short Term Provisions                          | 9        | <b>15,179,136</b>       | 53,016,824              |
| <b>Total Current Liabilities</b>                   |          | <b>226,957,610</b>      | 332,974,396             |
| <b>Total Liabilities</b>                           |          | <b>243,955,119</b>      | 349,644,806             |
| <b>Total Liabilities and Equity</b>                |          | <b>692,066,028</b>      | 749,749,570             |
| <b>II ASSETS</b>                                   |          |                         |                         |
| <b>1 Non-current Assets</b>                        |          |                         |                         |
| (a) Fixed Assets                                   |          |                         |                         |
| (i) Tangible assets                                | 10       | <b>125,917,972</b>      | 117,994,433             |
| (ii) Intangible assets                             | 10       | <b>722,207</b>          | 990,416                 |
| (iii) Capital work-in-progress                     | 10       | <b>5,733,416</b>        | 5,733,416               |
| (iv) Intangible assets under development           | 10       | -                       | -                       |
| (b) Non-current investments                        | 11       | <b>43,445,324</b>       | 162,535,984             |
| (c) Long-term loans and advances                   | 12       | <b>4,605,253</b>        | 3,659,759               |
| (d) Other non-current assets                       |          | -                       | -                       |
| <b>Total Non-current assets</b>                    |          | <b>180,424,172</b>      | 290,914,008             |
| <b>2 Current Assets</b>                            |          |                         |                         |
| (a) Current investments                            | 13       | <b>59,805,000</b>       | -                       |
| (b) Inventories                                    | 14       | <b>212,566,658</b>      | 211,671,323             |
| (c) Trade receivables                              | 15       | <b>170,991,631</b>      | 183,802,296             |
| (d) Cash and bank balances                         | 16       | <b>37,937,588</b>       | 31,925,589              |
| (e) Short-term loans and advances                  | 17       | <b>30,192,732</b>       | 30,289,945              |
| (f) Other current assets                           | 18       | <b>148,247</b>          | 1,146,409               |
| <b>Total Current Assets</b>                        |          | <b>511,641,856</b>      | 458,835,562             |
| <b>Total Assets</b>                                |          | <b>692,066,028</b>      | 749,749,570             |
| <b>Significant Accounting Policies</b>             | A        |                         |                         |

The accompanying notes are an integral part of the financial statements

As per our report attached of even date  
**SHARP & TANNAN**  
Chartered Accountants  
Firm Registration No. 109982W  
By the hand of

For and on behalf of the Board

**Edwin P. Augustine**  
Partner  
Membership No. 43385

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Gaurav Gupta**  
Director  
DIN : 00051974

**Vikram Gupta**  
Director  
DIN : 00051019

**Noel Da Silva**  
CFO and  
Company Secretary

Place : Mumbai, Maharashtra  
Date : 30th May, 2016

Place : Mapusa, Goa  
Date : 30th May, 2016



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars   | Note No  | 2015-16             |                     | 2014-15     |              |
|---|----------|---------------------|---------------------|-------------|--------------|
|   |          | Rs.                 | Rs.                 | Rs.         | Rs.          |
| <b>Income</b>   |          |                     |                     |             |              |
| Revenue from operations (Gross)   | 19       | <b>455,902,710</b>  |                     | 368,833,850 |              |
| Less : Excise duty  |          | <b>18,315,144</b>   |                     | 17,020,147  |              |
| Revenue from operations (Net)   |          |                     | <b>437,587,566</b>  |             | 351,813,703  |
| Other income  | 20       |                     | <b>17,924,889</b>   |             | 6,157,321    |
| Total Revenue   |          |                     | <b>455,512,455</b>  |             | 357,971,024  |
| <b>Expenses</b>   |          |                     |                     |             |              |
| Cost of materials consumed  | 21       | <b>147,272,777</b>  |                     | 120,360,609 |              |
| Purchase of stock in trade  | 21       | <b>118,784,412</b>  |                     | 66,339,753  |              |
| Changes in inventories of finished goods (including excise duty) and work in progress | 21       | <b>6,277,179</b>    |                     | (4,432,302) |              |
| Employee benefits expenses  | 22       |                     | <b>272,334,368</b>  |             | 182,268,060  |
| Finance costs   | 23       |                     | <b>68,587,868</b>   |             | 67,296,439   |
| Depreciation and amortisation   | 24       |                     | <b>16,310,084</b>   |             | 24,985,259   |
| Other expenses  | 25       |                     | <b>14,889,083</b>   |             | 15,520,172   |
|   |          |                     | <b>114,097,692</b>  |             | 93,851,445   |
|   |          |                     | <b>486,219,095</b>  |             | 383,921,375  |
| <b>Profit / (Loss) before exceptional and extraordinary items and tax</b>             |          |                     | <b>(30,706,640)</b> |             | (25,950,351) |
| Exceptional items (Refer note 11)   |          |                     | <b>109,710,322</b>  |             | 5,120,156    |
| <b>Profit before extraordinary items and tax</b>                                      |          |                     | <b>79,003,682</b>   |             | (20,830,195) |
| Extraordinary items   |          |                     |                     |             |              |
| <b>Profit/ (Loss) before tax</b>  |          |                     | <b>79,003,682</b>   |             | (20,830,195) |
| Tax Expense :   |          |                     |                     |             |              |
| Current Tax   |          | <b>(36,400,000)</b> |                     | -           |              |
| Taxation adjustment of previous years   |          | <b>(17,627)</b>     |                     | 6,682,052   |              |
| Deferred Tax  | 4        | <b>(3,070,728)</b>  |                     | 979,687     |              |
|   |          |                     | <b>(39,488,355)</b> |             | 7,661,739    |
| <b>Profit after tax</b>   |          |                     | <b>39,515,327</b>   |             | (13,168,456) |
| <b>Add: Share in profit/(loss) (net) of associates</b>                                |          |                     | -                   |             | 13,210,951   |
| <b>Profit/(loss) attributable to group shareholders</b>                               |          |                     | <b>39,515,327</b>   |             | 42,495       |
| <b>Earnings per Equity Share (Refer note 37)</b>                                      |          |                     |                     |             |              |
| - Basic   | Rs.      |                     | <b>9.51</b>         |             | 0.01         |
| - Diluted   | Rs.      |                     | <b>9.51</b>         |             | 0.01         |
| Face value per Equity Share   | Rs.      |                     | <b>10</b>           |             | 10           |
| <b>Significant Accounting Policies</b>  | <b>A</b> |                     |                     |             |              |

The accompanying notes are an integral part of the financial statements

As per our report attached of even date  
**SHARP & TANNAN**  
Chartered Accountants  
Firm Registration No. 109982W  
By the hand of

For and on behalf of the Board

**Edwin P. Augustine**  
Partner  
Membership No. 43385

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Gaurav Gupta**  
Director  
DIN : 00051974

**Vikram Gupta**  
Director  
DIN : 00051019

**Noel Da Silva**  
CFO and  
Company Secretary

Place : Mumbai, Maharashtra  
Date : 30th May, 2016

Place : Mapusa, Goa  
Date : 30th May, 2016



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

|  | <b>2015-16<br/>(Rs.)</b> | <b>2014-15<br/>(Rs.)</b> |
|--|--------------------------|--------------------------|
| <b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |                          |                          |
| Profit/(Loss) before tax and extraordinary items                   | <b>79,003,682</b>        | (20,830,195)             |
| Depreciation and amortisation                                      | <b>14,889,083</b>        | 15,520,172               |
| Finance cost   | <b>16,310,083</b>        | 24,985,259               |
| Provision for doubtful debts                                       | <b>1,078,433</b>         | 488,259                  |
| Unrealised exchange loss / (gain) (net)                            | <b>4,260,262</b>         | 4,502,539                |
| Profit on sale of assets (net)                                     | <b>(3,268,933)</b>       | (2,730)                  |
| Loss on sale of short term investments (net)                       | <b>10,411,435</b>        | -                        |
| Exceptional item - Gain on sale of investment in associate company | <b>(109,710,322)</b>     | -                        |
| Sundry balances written back (net)                                 | <b>(1,330,634)</b>       | -                        |
| Dividend income  | <b>(6,713,854)</b>       | (2,500)                  |
| Interest income  | <b>(374,386)</b>         | (361,280)                |
| <b>Operating profit before working capital changes</b>             | <b>4,554,849</b>         | 24,299,524               |
| Adjustments for :  |                          |                          |
| Increase / (decrease) in trade and other payables                  | <b>(53,795,338)</b>      | 87,012,593               |
| Increase / (decrease) in provisions                                | <b>(5,756,881)</b>       | 1,864,030                |
| (Increase) / decrease in inventories                               | <b>(895,334)</b>         | (17,809,462)             |
| (Increase) / decrease in trade and other receivables               | <b>11,152,040</b>        | (1,517,460)              |
|  | <b>(49,295,513)</b>      | 69,549,701               |
| Cash generated from operations                                     | <b>(44,740,664)</b>      | 93,849,225               |
| Direct taxes paid (net of refunds)                                 | <b>(69,693,395)</b>      | (21,528,408)             |
| <b>Net cash generated from / (used) in operations</b>              | <b>(114,434,059)</b>     | 72,320,817               |
| <b>(B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>                   |                          |                          |
| Payments for purchase of fixed assets                              | <b>(31,606,856)</b>      | (6,639,237)              |
| Proceeds from sale of fixed assets                                 | <b>11,686,274</b>        | 110,863                  |
| Purchase of current investments                                    | <b>(124,805,000)</b>     | -                        |
| Proceeds from sale of current investments                          | <b>54,588,565</b>        | -                        |
| Proceeds from sale of investment in associate company              | <b>228,800,982</b>       | -                        |
| Interest received  | <b>1,372,548</b>         | 293,930                  |
| Dividend received  | <b>6,713,854</b>         | 1,273,283                |
| <b>Net cash generated from / (used) in investment activities</b>   | <b>146,750,367</b>       | (4,961,161)              |
| <b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |                          |                          |
| Proceeds from long term borrowings                                 | <b>1,795,555</b>         | -                        |
| Repayments of long term borrowings                                 | <b>(14,962,934)</b>      | (11,588,911)             |
| Proceeds from / (Repayments of) short term borrowings              | <b>(775,164)</b>         | (27,276,648)             |
| Interest paid  | <b>(14,354,278)</b>      | (21,258,047)             |
| <b>Net cash generated from / (used) in financing activities</b>    | <b>(28,296,821)</b>      | (60,123,606)             |
| <b>Net changes in cash and cash equivalents</b>                    | <b>4,019,487</b>         | 7,236,050                |
| Cash and cash equivalents - Opening balance                        | <b>27,088,151</b>        | 19,852,101               |
| Cash and cash equivalents - Closing balance                        | <b>31,107,638</b>        | 27,088,151               |
| <b>Net increase / (decrease) in cash and cash equivalents</b>      | <b>4,019,487</b>         | 7,236,050                |

**Notes:** 1 The aforesaid statement has been prepared under the indirect method, as set out in "Accounting Standard (AS) 3 - "Cash Flow Statement", as specified in the Companies (Accounting Standards) Rules, 2006 (as amended) 2 Additions to fixed assets are stated inclusive of movements in capital work in progress between the beginning and end of the year and treated as part of investment activities. 3 Figures for the previous year have been regrouped/reclassified, wherever necessary, to conform to current year's presentation.

As per our report attached of even date

For and on behalf of the Board

**SHARP & TANNAN**

Chartered Accountants Firm Registration No. 109982W

By the hand of

**Edwin P. Augustine**

Partner  
Membership No. 43385

**K. G. Gupta**

Managing Director  
DIN : 00051863

**Gaurav Gupta**

Director  
DIN : 00051974

**Vikram Gupta**

Director  
DIN : 00051019

**Noel Da Silva**

CFO and Company Secretary

Place : Mumbai, Maharashtra  
Date : 30th May, 2016

Place : Mapusa, Goa  
Date : 30th May, 2016



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE A - Significant Accounting Policies**

**1 Basis of preparation of Financial Statements:**

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ('the Act'), and the accounting principles generally accepted in India (Indian GAAP) and comply with the Accounting Standards ('AS') specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. The accounts of associates have been prepared in compliance with the Accounting Standards ('AS') as specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014, and those of the foreign subsidiaries have been prepared in compliance with local laws and applicable accounting standards. Necessary adjustments for differences in accounting policies, wherever material and applicable, have been made in the consolidated financial statements.

**2 Use of estimates :**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to the accounting estimates is recognised prospectively in current and future periods.

**3 Principles of consolidation :**

- i) The financial statements of the Parent Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- ii) Investment in associate companies have been accounted for by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognise any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually.

**4 Fixed Assets:**

- a) Tangible assets:
  - i) Fixed assets are stated at cost net of tax/duty credit availed, if any, including directly attributable costs such as freight, insurance, specific installation charges, etc. for bringing the assets to working condition for use.
  - ii) Expenditure relating to existing fixed assets is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.
  - iii) Fixed assets are eliminated from financial statements on disposal or when retired from active use.
  - iv) Preoperative expenses, including interest on borrowings for a project is capitalised till the project is ready for commercial production.
  - v) Capital work-in-progress includes cost of fixed assets under installation/ under development as at the Balance Sheet date.
  - vi) The assets acquired under hire-purchase agreement are included in the fixed assets of the Company, where the terms of the agreement provide that the assets shall eventually become the property of the hirer or confer on him an option to purchase the assets.
- b) Intangible assets:

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 on "Intangible Assets".



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**5 Depreciation**

i) Indian Companies

a) Tangible assets :

Owned assets :

Depreciation is provided on the Straight line method over the estimated useful life of the asset in the manner specified in Schedule II of the Companies Act, 2013. Fixed assets which are added/ disposed off in the year are depreciated on pro rata basis with reference to the date of addition/ deletion.

Leased assets :

Leasehold land is amortised over the period of lease.

b) Intangible assets :

Intangible assets are amortised on a straight line method basis over the best estimate of useful life.

ii) Foreign Companies

Depreciation has been provided by the foreign companies on methods and the rates required/permissible by the local laws so as to write off the assets over their useful life.

**6 Impairment of Assets :**

As at each Balance Sheet date, the carrying amount of assets (other than inventory) is tested for impairment, so as to determine :

i) the provision for impairment loss, if any.

ii) the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

The recoverable amount of the asset (or where applicable that of the cash generating unit to which the asset belongs) is determined at the higher of the net selling price and the value in use.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

**7 Inventories:**

i) Raw materials, stores, spares and consumable tools, packing materials, work-in-process and finished goods are valued at lower of cost or net realisable value.

ii) In case of raw materials, stores, spares, consumable tools and packing materials, cost represents purchase price and other costs incurred for bringing the inventories to their present location and conditions and is determined on "weighted average" basis.

iii) In case of work-in-process and finished goods, cost represents cost of raw material, cost of conversion such as direct labour, direct expenses, etc. and production overheads which are based on normal level of production.

iv) Finished goods at lower of weighted average cost or net realisable value, cost includes related overheads and excise duty paid/ payable on such goods.

**8 Employee Benefits**

i) All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits at the balance sheet date, are recognised as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

Defined Contribution Plan

a) Provident Fund

The Company contributes to the government administered provident fund. The fixed contributions to these funds are charged to the Statement of Profit and Loss.

b) Superannuation

Contributions to the superannuation fund, which is administered by Life Insurance Corporation of India, are charged to the Statement of Profit and Loss.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**Defined Benefit Plan**

**Leave Encashment:**

The employees of the company are entitled to encashment of un-availed leave. The employees can carry forward a portion of the unutilised leave and receive cash compensation at retirement or termination of employment. The Company records an obligation for encashment of un-availed leave in the period in which the employee renders the services, based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. Actuarial gain or loss is recognised in the Statement of Profit or Loss as income or expense.

**Gratuity**

The Company's contribution towards gratuity made under Group Gratuity Scheme with Life Insurance Corporation of India (LIC) is determined based on the amount recommended by LIC as per Actuarial valuation. The whole time Directors of the Company are not covered by the gratuity trust created under Group Gratuity Fund. Provision for their gratuity liability has been provided for according to the actuarial valuation carried out by the independent Actuary. Gratuity liability in case of foreign subsidiaries has been provided as per applicable local laws.

**9 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or Production of a Qualifying asset are capitalised as part of cost of such Asset till such time as the asset is ready for its intended use or sale. A Qualifying Asset is an Asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**10 Foreign Currency Transactions:**

i) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are :

- a) adjusted in the cost of Fixed Assets specifically financed by borrowing contracted up to 31st March, 2007 and to which the exchange differences relate, provided the assets are acquired from outside India.
- b) recognised as income or expense in the period in which they arise, in cases other than (a) above.

ii) Financial statements of overseas non-integral foreign operations are translated as under:

- a) Assets and liabilities at the rate prevailing at the end of the year.
- b) Revenues and expenses at yearly average exchange rates prevailing during the year.

Exchange differences arising on translation of non integral foreign operations are accumulated in the foreign currency translation reserve until disposal of such operations.

**11 Research & Development:**

- a) Revenue expenditure on research and development is charged under the respective heads of account.
- b) Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

**12 Investments:**

- a) Long term Investments

Long term investments are valued at cost. A provision for diminution in value is made only if such decline is other than temporary.

- b) Current Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are carried at cost or fair value, whichever is lower. The comparison of cost and carrying amount is done separately for each category of investments based on the market value of the investments.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**13 Taxes on Income:**

- i) Indian Companies
  - a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments / appeals.
  - b) Deferred tax is recognized on timing differences between the accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
  - c) Deferred tax assets (other than on account of brought forward business losses and unabsorbed depreciation) are recognized and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets relating to brought forward business losses and unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- ii) Foreign Companies
  - Taxes on Income and deferred tax liabilities and assets in respect of foreign subsidiaries are recognised in accordance with applicable local laws.

**14 Revenue Recognition:**

- i) Revenue from Sale of product is recognised on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty, cess and insurance charges and freight recoverable from the customers but net of Vat, Sales Tax and Sales returns.
- ii) Revenue from services is recognised in accordance with the specific terms of contract or performance.
- iii) Interest income on deposits is recognised at the agreed rate on time proportionate basis.
- iv) Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

**15 Earning Per Share:**

Basic earning per share is calculated by dividing net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**16 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary item and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**17 Cash and Cash Equivalents:**

- (i) Cash comprises of cash on hand and demand deposits with banks.
- (ii) Cash equivalents are short-term, highly liquid investment that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

**18 Provisions, Contingent liabilities, Contingent assets and Commitments:**

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:
  - (i) The Company has a present obligation as a result of past event;
  - (ii) A probable outflow of resources is expected to settle the obligation; and
  - (iii) The amount of the obligation can be reliably estimated.
- (b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if, obligation is settled.





**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

- (c) Contingent liability is disclosed in case of:
  - (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - (ii) a present obligation when no reliable estimate is possible;
  - (iii) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Commitments includes the amount of purchase order (net of advance) issued to parties for completion of asset.
- (f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**19 Extraordinary and exceptional items:**

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosures of such events/transactions are made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**20 Segment accounting:**

The Company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected.

| <b>NOTE 1 : SHARE CAPITAL</b>   | <b>As at 31.03.2016</b> | As at 31.03.2015 |
|---|-------------------------|------------------|
|   | <b>Rs.</b>              | Rs.              |
| <b>Authorised :</b>   |                         |                  |
| 7,000,000 equity shares of Rs.10 each<br>(Previous year 7,000,000 equity shares of Rs. 10 each) | <b>70,000,000</b>       | 70,000,000       |
| <b>Issued :</b>   |                         |                  |
| 4,199,980 equity shares of Rs.10 each<br>(Previous year 4,199,980 equity shares of Rs. 10 each) | <b>41,999,800</b>       | 41,999,800       |
| <b>Subscribed and Paid up :</b>   |                         |                  |
| 4,153,580 equity shares of Rs.10 each<br>(Previous year 4,153,580 equity shares of Rs. 10 each) | <b>41,535,800</b>       | 41,535,800       |
|   | <b>41,535,800</b>       | 41,535,800       |

**List of shareholders holding more than 5% along with number of shares held.**

| <b>Name of Shareholder</b> | <b>As at 31.03.2016</b> |               | <b>As at 31.03.2015</b> |               |
|----------------------------|-------------------------|---------------|-------------------------|---------------|
|                            | <b>No. of shares</b>    | <b>% held</b> | <b>No. of shares</b>    | <b>% held</b> |
| 1 Krishna Gopal Gupta      | <b>798,874</b>          | <b>19.23%</b> | 796,674                 | 19.20%        |
| 2 Krishna Murari Gupta     | <b>353,207</b>          | <b>8.50%</b>  | 353,207                 | 8.50%         |
| 3 Vikram Gupta             | <b>373,105</b>          | <b>8.98%</b>  | 373,105                 | 8.98%         |
| 4 Gaurav Gupta             | <b>357,966</b>          | <b>8.62%</b>  | 357,966                 | 8.62%         |
| 5 Veena Gupta              | <b>300,635</b>          | <b>7.24%</b>  | 300,635                 | 7.24%         |
| 6 Usha Gupta               | <b>209,000</b>          | <b>5.03%</b>  | 209,000                 | 5.03%         |
| 7 Shefali Chawla           | <b>242,464</b>          | <b>5.84%</b>  | 242,464                 | 5.84%         |

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**Other disclosures (for 5 years immediately preceding 31.03.2016)**

| Particulars  | FY 2015-16 | FY 2014-15 | FY 2013-14 | FY 2012-13 | FY 2011-12 |
|--|------------|------------|------------|------------|------------|
| i. Shares issued pursuant to a contract without payment being received in cash | -          | -          | -          | -          | -          |
| ii. Shares issued as fully paid up bonus shares                                | -          | -          | -          | -          | -          |
| iii. Shares bought back  | -          | -          | -          | -          | -          |

**Reconciliation of opening and closing share capital**

| Particulars                                | As at 31.03.2016 |             | As at 31.03.2015 |             |
|--|------------------|-------------|------------------|-------------|
|  | No. of shares    | Value (Rs.) | No. of shares    | Value (Rs.) |
| Equity shares at the beginning of the year | 4,153,580        | 41,535,800  | 4,153,580        | 41,535,800  |
| Equity shares issued during the year       | -                | -           | -                | -           |
| Equity shares at the close of the year     | 4,153,580        | 41,535,800  | 4,153,580        | 41,535,800  |

**Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

| NOTE 2 : RESERVES AND SURPLUS   | As at 31.03.2016               |             | As at 31.03.2015                     |             |
|---|--------------------------------|-------------|--------------------------------------|-------------|
|   | Rs.                            | Rs.         | Rs.                                  | Rs.         |
| <b>Capital Reserve</b><br>- As per last Balance Sheet   |                                | 4,328,500   |                                      | 4,328,500   |
| <b>Securities Premium Account</b><br>- As per last Balance Sheet  |                                | 20,276,000  |                                      | 20,276,000  |
| <b>Investment Allowance (Utilised) Reserve</b><br>- As per last Balance Sheet   |                                | 2,229,150   |                                      | 2,229,150   |
| <b>Foreign Currency Translation Reserve</b><br>- As per last Balance Sheet<br>Addition / (Deduction) during the year  | 19,793,480<br>8,490,818        |             | 14,356,865<br>5,436,615              |             |
|   |                                | 28,284,298  |                                      | 19,793,480  |
| <b>Retained Earnings</b><br>- As per last Balance Sheet<br>Less: Transfer from Statement of Profit and Loss<br>Less: Net impact of assets having no balance useful life and residual value adjusted pursuant to the transitional provisions of Schedule II to the Companies Act, 2013, net of deferred tax of Rs. Nil (Previous year Rs. 1,948,145) | 311,941,834<br>39,515,327<br>- |             | 316,255,871<br>42,495<br>(4,356,532) |             |
|   |                                | 351,457,161 |                                      | 311,941,834 |
|   |                                | 406,575,109 |                                      | 358,568,964 |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| <b>NOTE 3 : LONG TERM BORROWINGS</b>               | <b>As at 31.03.2016<br/>Rs.</b> | As at 31.03.2015<br>Rs. |
|--|---------------------------------|-------------------------|
| <b>Secured :</b>                                   |                                 |                         |
| Term Loans   |                                 |                         |
| a) From Banks (Refer note below)                   | <b>776,585</b>                  | 4,849,722               |
| b) From Financials Institutions (Refer note below) | <b>568,663</b>                  | -                       |
|  | <b>1,345,248</b>                | 4,849,722               |

| <b>Details of security</b>   | <b>Amount Outstanding<br/>As at 31.03.2016<br/>Rs.</b> | <b>Amount Outstanding<br/>As at 31.03.2015<br/>Rs.</b> |
|--|--|--|
| a) Term loans from bank / financial institution  |  |  |
| i. Secured by hypothecation of vehicle   | <b>2,053,283</b>                                       | 539,050  |
| ii. Secured by mortgage of land and building   | -  | 2,848,448  |
| iii. Secured by hypothecation of imported plant and machinery  | -  | 10,999,989   |
| iv. Secured by hypothecation of fixed assets other than imported plant and machinery (Sr. nos. ii, iii and iv are also secured by personal guarantee of three directors and corporate guarantee of GKB Vision Limited) | -  | 833,175  |
| b) Term loans from financial institutions  |  |  |
| i. Secured by hypothecation of vehicle   | -  | -  |
| ii. Secured by hypothecation of machinery and personal guarantee of two directors  | -  | -  |
|  | <b>2,053,283</b>                                       | 15,220,662   |

**Note****(a) Secured term loans from banks:**

Vehicle loan of Rs. 917,654/- (previous year Rs. Nil) is repayable in 48 equated monthly installment from November, 2015.  
Vehicle loan of Rs. 257,728/- (previous year Rs. 410,452) is repayable in 47 equated monthly installment from November, 2013.

Vehicle loan of Rs. Nil (previous year Rs. 128,598) is repayable in 48 equated monthly installment from April, 2012.

Term loan of Rs. Nil (Previous year Rs. 3,681,623) is repayable in 28 monthly installments from January, 2014.

Term loan of Rs. Nil (Previous year Rs. 9,438,022) is repayable in 35 monthly installments from January, 2014.

Term loan of Rs. Nil (Previous year Rs. 1,561,967) is repayable in 34 monthly installments from January, 2014.

**(b) Secured term loans from financial institutions:**

Vehicle loan of Rs. 877,901/- (previous year Rs. Nil) is repayable in 36 equated monthly installment from November, 2015.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 4 : DEFERRED TAX**

The major components of deferred tax assets and deferred tax liabilities are as under:-

**in Rs.**

|  | As at 31.03.2016    |                          | As at 31.03.2015    |                          |
|--|---------------------|--------------------------|---------------------|--------------------------|
|  | Deferred Tax Assets | Deferred Tax Liabilities | Deferred Tax Assets | Deferred Tax Liabilities |
| Difference between book and tax written down value                                       |                     | <b>13,221,713</b>        |                     | 11,052,030               |
| Expenses allowable for tax purposes when paid/on payment of TDS                          | <b>3,791,047</b>    |                          | 4,692,092           |                          |
|  | <b>3,791,047</b>    | <b>13,221,713</b>        | 4,692,092           | 11,052,030               |
| Net deferred tax liability / (asset)   | <b>9,430,666</b>    |                          | 6,359,938           |                          |
| Liability (charged) / credited for the year  | <b>(3,070,728)</b>  |                          | 2,927,832           |                          |
| Deferred tax impact of Schedule II transferred to retained earnings                      |                     |                          | (1,948,145)         |                          |
| Net deferred tax (liability debited)/ asset credited to the Statement of Profit and Loss | <b>(3,070,728)</b>  |                          | 979,687             |                          |

**NOTE 5 : LONG TERM PROVISIONS**

|  | As at 31.03.2016 |                  | As at 31.03.2015 |           |
|--|------------------|------------------|------------------|-----------|
|  | Rs.              | Rs.              | Rs.              | Rs.       |
| <b>Provision for Employee Benefits</b> |                  |                  |                  |           |
| - Gratuity                             | <b>4,978,846</b> |                  | 3,969,231        |           |
| - Leave encashment {Refer note 32}     | <b>1,242,749</b> |                  | 1,491,519        |           |
|  |                  | <b>6,221,595</b> |                  | 5,460,750 |
|  |                  | <b>6,221,595</b> |                  | 5,460,750 |

**NOTE 6 : SHORT TERM BORROWINGS**

|                            | As at 31.03.2016  |                   | As at 31.03.2015 |            |
|----------------------------|-------------------|-------------------|------------------|------------|
|                            | Rs.               | Rs.               | Rs.              | Rs.        |
| <b>Secured :</b>           |                   |                   |                  |            |
| From Banks :               |                   |                   |                  |            |
| a) Cash credit             | <b>41,356,470</b> |                   | 60,271,581       |            |
| b) Packing credit facility | <b>28,833,131</b> |                   | 10,693,184       |            |
|                            |                   | <b>70,189,601</b> |                  | 70,964,765 |
|                            |                   | <b>70,189,601</b> |                  | 70,964,765 |

**Nature of security :**

The above short term borrowings from banks are secured by hypothecation of the inventories, book debts receivable and other current assets, and personal guarantees of three directors and corporate guarantee of GKB Vision Limited, an associate company.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

| <b>NOTE 7 : TRADE PAYABLES</b>                          | <b>As at 31.03.2016</b> |                    | <b>As at 31.03.2015</b> |             |
|---|-------------------------|--------------------|-------------------------|-------------|
|   | <b>Rs.</b>              | <b>Rs.</b>         | <b>Rs.</b>              | <b>Rs.</b>  |
| - Due to micro and small enterprises<br>(Refer note 35) | -                       |                    | -                       |             |
| - Due to related parties                                | <b>23,205,863</b>       |                    | 121,378,496             |             |
| - Due to others<br>(Refer footnote below)               | <b>93,032,492</b>       |                    | 49,984,925              |             |
|   |                         | <b>116,238,355</b> |                         | 171,363,421 |
|   |                         | <b>116,238,355</b> |                         | 171,363,421 |

Note :

Due to others includes reinstated amount of Rs. 17,162,697 (previous year Rs. 16,210,924) due to Alpha Diamond Industry, Japan; Rs. 1,180,741 (previous year Rs. Nil) due to Barberini - GmbH and Rs. Nil (previous year Rs. 211,645) due to Satisloh - GmbH against imports which is overdue for a period exceeding 6 months. The Company proposes to apply to the Reserve Bank of India (RBI), seeking extension to effect the payment.

| <b>NOTE 8 : OTHER CURRENT LIABILITIES</b>                | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |            |
|--|-------------------------|-------------------|-------------------------|------------|
|  | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b> |
| <b>Current maturities of long debt</b><br>Secured :      |                         |                   |                         |            |
| From Banks   | <b>398,796</b>          |                   | 10,370,940              |            |
| From Financial Institutions                              | <b>309,238</b>          |                   | -                       |            |
|  |                         | <b>708,034</b>    |                         | 10,370,940 |
| <b>Overdrawn bank balances as per book</b>               |                         | <b>994,507</b>    |                         | 2,020,432  |
| <b>Other liabilities</b>                                 |                         |                   |                         |            |
| - Statutory dues   | <b>3,368,795</b>        |                   | 1,978,221               |            |
| - Creditors for capital goods                            | <b>1,125,428</b>        |                   | 825,035                 |            |
| - Others   | <b>17,966,718</b>       |                   | 19,512,312              |            |
|  |                         | <b>22,460,941</b> |                         | 22,315,568 |
| <b>Unpaid dividend</b>                                   |                         | -                 |                         | -          |
| <b>Advance form customers<br/>(Refer footnote below)</b> |                         |                   |                         |            |
| - Related parties  | -                       |                   |                         |            |
| - Others   | <b>1,187,036</b>        |                   | 2,922,446               |            |
|  |                         | <b>1,187,036</b>  |                         | 2,922,446  |
|  |                         | <b>25,350,518</b> |                         | 37,629,386 |

Note :

Advance from customers includes interest free unadjusted amount of Euro 20,742, equivalent to Rs. 1,189,094 received in financial year 2006-07 from GKB Ophthalmics GmbH, a wholly owned subsidiary, and an amount of USD 7,158 equivalent to Rs. 382,987 received in financial year 2013-14 from M. Wiseman & Co as advance against future supplies. However, no supplies were made upto 31st March 2016. The Company proposes to apply to the Reserve Bank of India (RBI), to regularise the transaction. Pending outcome of the application, the amount has been shown at the original rate of conversion.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| NOTE 9 : SHORT TERM PROVISIONS   | As at 31.03.2016 |                   | As at 31.03.2015 |            |
|--|------------------|-------------------|------------------|------------|
|  | Rs.              | Rs.               | Rs.              | Rs.        |
| <b>Provisions for Employee Benefits</b>  |                  |                   |                  |            |
| - Gratuity   | <b>1,761,314</b> |                   | 6,151,385        |            |
| - Leave encashment {Refer note 32}   | <b>306,549</b>   |                   | 632,727          |            |
| - Superannuation   | <b>60,525</b>    |                   | 1,660,909        |            |
| - Bonus  | <b>1,722,730</b> |                   | 999,305          |            |
|  |                  | <b>3,851,118</b>  |                  | 9,444,326  |
| <b>Provision for Income Taxes</b><br>(net of advance tax and tax deducted at source) |                  | <b>11,328,018</b> |                  | 43,572,498 |
|  |                  | <b>15,179,136</b> |                  | 53,016,824 |

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 10 : FIXED ASSETS**

in Rs.

| DESCRIPTION OF ASSETS                     | Gross Block              |                   |                   |                        |                          | Depreciation / Amortisation |                  |                   |                        |                          | Net Block          |                    |
|---|--------------------------|-------------------|-------------------|------------------------|--------------------------|-----------------------------|------------------|-------------------|------------------------|--------------------------|--------------------|--------------------|
|   | Opening As at 01.04.2015 | Additions         | Deductions        | Translation Adjustment | Closing As at 31.03.2016 | Opening As at 01.04.2015    | On Deductions    | For the Year      | Translation Adjustment | Closing As at 31.03.2016 | As at 31.03.2016   | As at 31.03.2015   |
| (A) Tangible Assets                       |                          |                   |                   |                        |                          |                             |                  |                   |                        |                          |                    |                    |
| Freehold Land                             | 429,910                  | -                 | -                 | -                      | 429,910                  | -                           | -                | -                 | -                      | -                        | 429,910            | 429,910            |
| Leasehold land                            | 895,500                  | -                 | -                 | -                      | 895,500                  | 122,146                     | -                | 9,426             | -                      | 131,572                  | 763,928            | 773,354            |
| Buildings                                 | 51,759,786               | 6,491,799         | -                 | -                      | 58,251,585               | 12,029,911                  | -                | 1,511,329         | -                      | 13,541,240               | 44,710,345         | 39,729,875         |
| Plant and Machinery                       | 191,120,345              | 18,357,695        | 14,693,141        | -                      | 194,784,899              | 122,375,547                 | 6,275,799        | 10,372,119        | -                      | 126,471,867              | 68,313,032         | 68,744,798         |
| Furniture and Fixtures                    | 12,514,484               | 2,595,451         | -                 | 64,604                 | 15,174,539               | 10,110,112                  | -                | 698,456           | 60,470                 | 10,869,038               | 4,305,501          | 2,404,372          |
| Office Equipment                          | 3,694,675                | 503,793           | -                 | 45,804                 | 4,244,272                | 2,901,185                   | -                | 318,931           | 44,969                 | 3,265,085                | 979,187            | 793,490            |
| Vehicles                                  | 11,732,758               | 2,884,542         | 777,677           | 214,052                | 14,053,675               | 6,614,124                   | 777,677          | 1,675,129         | 126,030                | 7,637,606                | 6,416,069          | 5,118,634          |
|   | <b>272,147,458</b>       | <b>30,833,280</b> | <b>15,470,818</b> | <b>324,460</b>         | <b>287,834,380</b>       | <b>154,153,025</b>          | <b>7,053,476</b> | <b>14,585,390</b> | <b>231,469</b>         | <b>161,916,408</b>       | <b>125,917,972</b> | <b>117,994,433</b> |
| Previous year                             | 270,103,910              | 2,272,282         | 479,262           | 250,528                | 272,147,458              | 132,836,730                 | 371,129          | 21,531,811        | 155,613                | 154,153,025              | 117,994,433        |                    |
| Add : Capital Work in Progress            |                          |                   |                   |                        |                          |                             |                  |                   |                        |                          | 5,733,416          | 5,733,416          |
| Sub-total (A)                             | <b>272,147,458</b>       | <b>30,833,280</b> | <b>15,470,818</b> | <b>324,460</b>         | <b>287,834,380</b>       | <b>154,153,025</b>          | <b>7,053,476</b> | <b>14,585,390</b> | <b>231,469</b>         | <b>161,916,408</b>       | <b>131,651,388</b> | <b>123,727,849</b> |
| (B) Intangible Assets                     |                          |                   |                   |                        |                          |                             |                  |                   |                        |                          |                    |                    |
| Computer Software                         | 1,797,155                | 35,484            | -                 | -                      | 1,832,639                | 806,739                     | -                | 303,693           | -                      | 1,110,432                | 722,207            | 990,416            |
|   | <b>1,797,155</b>         | <b>35,484</b>     | -                 | -                      | <b>1,832,639</b>         | <b>806,739</b>              | -                | <b>303,693</b>    | -                      | <b>1,110,432</b>         | <b>722,207</b>     | <b>990,416</b>     |
| Previous year                             | 1,653,362                | 143,793           | -                 | -                      | 1,797,155                | 513,702                     | -                | 293,037           | -                      | 513,702                  | 990,416            |                    |
| Add : Intangible assets under development |                          |                   |                   |                        |                          |                             |                  |                   |                        |                          | -                  | -                  |
| Sub-total (B)                             | <b>1,797,155</b>         | <b>35,484</b>     | -                 | -                      | <b>1,832,639</b>         | <b>806,739</b>              | -                | <b>303,693</b>    | -                      | <b>1,110,432</b>         | <b>722,207</b>     | <b>990,416</b>     |
| Total (A + B)                             | <b>273,944,613</b>       | <b>30,868,764</b> | <b>15,470,818</b> | <b>324,460</b>         | <b>289,667,019</b>       | <b>154,959,764</b>          | <b>7,053,476</b> | <b>14,889,083</b> | <b>231,469</b>         | <b>163,026,840</b>       | <b>132,373,595</b> | <b>124,718,265</b> |
| Previous year                             | 271,757,272              | 2,416,075         | 479,262           | 250,528                | 273,944,613              | 133,350,432                 | 371,129          | 21,824,848        | 155,613                | 154,959,764              | 124,718,265        |                    |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| NOTE 11 : NON CURRENT INVESTMENTS<br>(at cost, unquoted)   | As at 31.03.2016     |                   | As at 31.03.2015 |                    |
|--|----------------------|-------------------|------------------|--------------------|
|  | Rs.                  | Rs.               | Rs.              | Rs.                |
| <b>TRADE INVESTMENTS</b>   |                      |                   |                  |                    |
| <b>Investment in Equity Instruments</b>  |                      |                   |                  |                    |
| <b>Associates</b>  |                      |                   |                  |                    |
| Fully paid equity shares of associate companies  | <b>162,508,884</b>   |                   | 150,568,716      |                    |
| Add/(Less):  |                      |                   |                  |                    |
| - Dividend adjustment  | -                    |                   | (1,270,783)      |                    |
| - Share in profit/(loss) (net) of associates for the current year  | -                    |                   | 13,210,951       |                    |
| - Adjustment pursuant to dilution of stake in associates   | <b>(43,418,224)</b>  |                   | -                |                    |
| - Adjustment pursuant to divestment of stake in associates   | <b>(119,090,660)</b> |                   | -                |                    |
|  |                      | -                 |                  | 162,508,884        |
| <b>Others</b>  |                      |                   |                  |                    |
| - Prime Lenses Private Limited [1,832,592 equity share (Previous year 1,832,592) equity share) of Rs. 10 each] |                      | <b>43,418,224</b> |                  | -                  |
| - Crysta Lenses Private Limited [1 equity share (Previous year 1 equity share) of Rs. 10 each]                 |                      | <b>1,800</b>      |                  | 1,800              |
| - Saraswat Co-operative Bank Limited [2,500 shares (Previous year 2,500 of Rs. 10 each)]                       |                      | <b>25,300</b>     |                  | 25,300             |
|  |                      | <b>43,445,324</b> |                  | <b>162,535,984</b> |

## Note 1:

During the year, the Company has sold the entire shareholding in GKB Vision Limited, an associate company, in which the Company was holding 36.47% of the equity paid up share capital. The said shares were sold on 02nd July 2015 for a net consideration of Rs. 228,800,982/-, resulting in a net gain of Rs. 109,710,322 over the book value of the said shares of Rs. 119,090,660.

## Note 2:

During the year, consequent to issue of additional equity shares by Prime Lenses Private Limited (PLPL), without a change in the holding of the Company, the shareholding of the Company in PLPL has reduced to 14.26% consequent to which PLPL has ceased to be an associate company.

| NOTE 12 : LONG TERM LOANS AND ADVANCES<br>(unsecured, considered good) | As at 31.03.2016 |                  | As at 31.03.2015 |                  |
|--|------------------|------------------|------------------|------------------|
|  | Rs.              | Rs.              | Rs.              | Rs.              |
| Capital Advances   |                  | <b>4,605,253</b> |                  | 3,659,759        |
|  |                  | <b>4,605,253</b> |                  | <b>3,659,759</b> |





**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

| <b>NOTE 13 : CURRENT INVESTMENT</b><br>(at lower of cost or market value)                                     | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |            |
|---|-------------------------|-------------------|-------------------------|------------|
|   | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b> |
| <b>NON TRADE INVESTMENTS</b>  |                         |                   |                         |            |
| <b>Investment in Mutual funds</b>   |                         |                   |                         |            |
| JM High Liquidity Fund - Saving Plan<br>- Dividend reinvestment option<br>500 units (previous year - Nil)     | <b>5,000</b>            |                   |                         |            |
| HDFC Cash management Fund -Saving Plan<br>- Daily Dividend Reinvestment<br>56,462 units (previous year - Nil) | <b>59,800,000</b>       |                   | -                       |            |
|   |                         | <b>59,805,000</b> |                         | -          |
|   |                         | <b>59,805,000</b> |                         | -          |

| <b>NOTE 14 : INVENTORIES</b><br>(at lower of cost or net realisable value) | <b>As at 31.03.2016</b> |                    | <b>As at 31.03.2015</b> |             |
|--|-------------------------|--------------------|-------------------------|-------------|
|  | <b>Rs.</b>              | <b>Rs.</b>         | <b>Rs.</b>              | <b>Rs.</b>  |
| Raw materials  | <b>37,302,154</b>       |                    | 31,586,237              |             |
| Add : Goods in transit   | -                       | <b>37,302,154</b>  | -                       | 31,586,237  |
| Work-in-process  |                         | <b>7,008,045</b>   |                         | 3,272,495   |
| Finished goods   |                         | <b>48,620,004</b>  |                         | 71,177,974  |
| Stock in trade   |                         | <b>72,335,123</b>  |                         | 59,789,882  |
| Stores, spares and packing material  | <b>47,301,332</b>       |                    | 45,844,735              |             |
| Add : Goods in transit   | -                       | <b>47,301,332</b>  | -                       | 45,844,735  |
|  |                         | <b>212,566,658</b> |                         | 211,671,323 |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

| <b>NOTE 15 : TRADE RECEIVABLES</b><br>(unsecured considered good, unless otherwise stated)                                       | <b>As at 31.03.2016</b>             |  | <b>As at 31.03.2015</b> |                            |
|--|-------------------------------------|--|-------------------------|----------------------------|
|  | <b>Rs.</b>                          | <b>Rs.</b>                               | <b>Rs.</b>              | <b>Rs.</b>                 |
| -Debts outstanding for a period exceeding six months from the date due for payment<br>Considered good<br>(Refer Foot note below) | <b>40,573,116</b>                   |  | 77,326,240              |                            |
| Considered doubtful  | <b>921,005</b>                      |  | 312,605                 |                            |
| Less : Provision for bad and doubtful debts  | <b>41,494,121</b><br><b>921,005</b> |  | 77,638,845<br>312,605   |                            |
|  |                                     | <b>40,573,116</b>                        |                         | 77,326,240                 |
| - Other Debts<br>Considered good   |                                     | <b>130,418,515</b><br><b>170,991,631</b> |                         | 106,476,056<br>183,802,296 |

**Note :**

Due from others includes reinstated amount of Rs. Nil (net of provision of Rs. 590,124) (previous year Rs. 623,536) due from Sarl Imol (Bengherbia), Algeria; Rs. 3,887,099 (previous year Rs. 1,780,338) due from Precision Optical, U.K; Rs. 264,633 (previous year Rs. Nil) due from International Co. for Optical & Hearing Aids Ind., Jordan; Rs. 3,228,180 (previous year Rs. Nil) due from Dehlawi Optical Industry, Saudi Arabia and Rs. 287,654 (previous year Rs. 272,784) due from Pamonte SA, Ecuador against exports which are overdue for a period exceeding 12 months. The Company proposes to apply to the Reserve Bank of India (RBI), to regularise the transaction.

| <b>NOTE 16 : CASH AND BANK BALANCES</b>   | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |            |
|---|-------------------------|-------------------|-------------------------|------------|
|   | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b> |
| <b>Cash and cash equivalents</b>  |                         |                   |                         |            |
| Cash on hand  | <b>865,321</b>          |                   | 355,169                 |            |
| Balances with banks<br>- on current account   | <b>30,242,317</b>       |                   | 26,732,982              |            |
|   |                         | <b>31,107,638</b> |                         | 27,088,151 |
| <b>Other bank balances</b>  |                         |                   |                         |            |
| Balance with banks<br>- on margin money deposit accounts<br>(pledged against bank guarantee and<br>letters of credit) | <b>6,829,950</b>        |                   | 4,837,438               |            |
| - on unpaid dividend account  | -                       |                   | -                       |            |
|   |                         | <b>6,829,950</b>  |                         | 4,837,438  |
|   |                         | <b>37,937,588</b> |                         | 31,925,589 |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

| <b>Details of maturity of margin money deposit accounts</b> | <b>As at<br/>31.03.2016<br/>Rs.</b> | <b>As at<br/>31.03.2015<br/>Rs.</b> |
|---|-------------------------------------|-------------------------------------|
|   | Bank deposits                       |                                     |
| - Maturity after 12 months                                  | -                                   | -                                   |
| - maturity within 12 months                                 | <b>6,829,950</b>                    | 4,837,438                           |
|   | <b>6,829,950</b>                    | 4,837,438                           |

| <b>NOTE 17 : SHORT TERM LOANS AND<br/>ADVANCES</b><br>(unsecured considered good) | <b>As at 31.03.2016</b> |                   | <b>As at 31.03.2015</b> |            |
|---|-------------------------|-------------------|-------------------------|------------|
|   | <b>Rs.</b>              | <b>Rs.</b>        | <b>Rs.</b>              | <b>Rs.</b> |
| Security Deposits   |                         | <b>1,443,336</b>  |                         | 1,163,829  |
| Advances recoverable in cash or in kind or<br>for value to be received            |                         |                   |                         |            |
| - Due from related parties  | -                       |                   | -                       |            |
| - Due from others   | <b>28,749,396</b>       |                   | 29,126,116              |            |
|   |                         | <b>28,749,396</b> |                         | 29,126,116 |
|   |                         | <b>30,192,732</b> |                         | 30,289,945 |

| <b>NOTE 18 : OTHER CURRENT ASSETS</b>        | <b>As at 31.03.2016</b> |                | <b>As at 31.03.2015</b> |            |
|--|-------------------------|----------------|-------------------------|------------|
|  | <b>Rs.</b>              | <b>Rs.</b>     | <b>Rs.</b>              | <b>Rs.</b> |
| Interest accrued on margin deposits / others |                         | <b>148,247</b> |                         | 1,146,409  |
|  |                         | <b>148,247</b> |                         | 1,146,409  |

| <b>NOTE 19 : REVENUE FROM OPERATIONS</b> | <b>2015-2016</b> |                    | <b>2014-2015</b> |             |
|--|------------------|--------------------|------------------|-------------|
|  | <b>Rs.</b>       | <b>Rs.</b>         | <b>Rs.</b>       | <b>Rs.</b>  |
| <b>Sale of Products</b>                  |                  | <b>455,902,710</b> |                  | 368,069,635 |
| <b>Other operational revenue</b>         |                  |                    |                  |             |
| - Processing charges                     |                  | -                  |                  | 764,215     |
| <b>Gross Revenue from operations</b>     |                  | <b>455,902,710</b> |                  | 368,833,850 |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| NOTE 20 : OTHER INCOME  | 2015-2016        |                   | 2014-2015 |           |
|---|------------------|-------------------|-----------|-----------|
|   | Rs.              | Rs.               | Rs.       | Rs.       |
| <b>Interest income</b><br>from margin money deposits / others             |                  | <b>374,386</b>    |           | 361,280   |
| <b>Dividend income</b><br>from others                                     | <b>6,713,854</b> | <b>6,713,854</b>  | 2,500     | 2,500     |
| <b>Exchange gain (net)</b>  |                  | <b>1,912,876</b>  |           | 4,197,305 |
| <b>Doubtful debts written back</b>  |                  |                   |           | 38,026    |
| <b>Other non operating income</b><br>Profit on sale of fixed assets (net) | <b>3,268,933</b> |                   | 2,730     |           |
| Sundry balances written back (net)  | <b>1,330,634</b> |                   | 537,905   |           |
| Miscellaneous Income - others   | <b>4,324,206</b> |                   | 1,055,601 |           |
|   |                  | <b>8,923,773</b>  |           | 1,596,237 |
|   |                  | <b>17,924,889</b> |           | 6,157,321 |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

| <b>NOTE 21 : COST OF GOODS SOLD</b>  | <b>2015-2016</b>   |                    | <b>2014-2015</b> |             |
|--|--------------------|--------------------|------------------|-------------|
|  | <b>Rs.</b>         | <b>Rs.</b>         | <b>Rs.</b>       | <b>Rs.</b>  |
| <b>Cost of materials consumed :</b>  |                    |                    |                  |             |
| <b>Opening stock</b>   | <b>31,586,237</b>  |                    | 23,886,744       |             |
| Add : Purchases  | <b>152,988,694</b> |                    | 128,060,102      |             |
|  | <b>184,574,931</b> |                    | 151,946,846      |             |
| Less : Closing stock   | <b>37,302,154</b>  | <b>147,272,777</b> | 31,586,237       | 120,360,609 |
| <b>Purchase of stock in trade</b>  |                    | <b>118,784,412</b> |                  | 66,339,753  |
| Changes in inventories of finished goods<br>(including excise duty) and work in progress : |                    |                    |                  |             |
| <b>Closing stock :</b>   |                    |                    |                  |             |
| Work-in-process  | <b>7,008,045</b>   |                    | 3,272,495        |             |
| Finished goods   | <b>47,348,014</b>  |                    | 70,356,597       |             |
| Trading goods  | <b>72,335,123</b>  |                    | 59,789,882       |             |
|  | <b>126,691,182</b> |                    | 133,418,974      |             |
| <b>Opening stock :</b>   |                    |                    |                  |             |
| Work-in-process  | <b>3,272,495</b>   |                    | 5,830,890        |             |
| Finished goods   | <b>70,356,597</b>  |                    | 80,282,927       |             |
| Trading goods  | <b>59,789,882</b>  |                    | 43,474,225       |             |
|  | <b>133,418,974</b> |                    | 129,588,042      |             |
| <b>Excise duty</b>   |                    |                    |                  |             |
| on closing stock of finished goods   | <b>1,271,990</b>   |                    | 821,377          |             |
| on opening stock of finished goods   | <b>821,377</b>     |                    | 220,007          |             |
|  | <b>(450,613)</b>   | <b>6,277,179</b>   | (601,370)        | (4,432,302) |
|  |                    | <b>272,334,368</b> |                  | 182,268,060 |

| <b>NOTE 22 : EMPLOYEE BENEFITS EXPENSES</b>    | <b>2015-2016</b> |                   | <b>2014-2015</b> |            |
|--|------------------|-------------------|------------------|------------|
|  | <b>Rs.</b>       | <b>Rs.</b>        | <b>Rs.</b>       | <b>Rs.</b> |
| Salaries, Wages and Bonus                      |                  | <b>60,125,926</b> |                  | 57,035,510 |
| Contribution to Provident fund and other funds |                  | <b>4,599,253</b>  |                  | 4,812,345  |
| Gratuity                                       |                  | <b>2,395,811</b>  |                  | 3,398,694  |
| Leave encashment                               |                  | -                 |                  | 573,762    |
| Workmen and Staff Welfare                      |                  | <b>1,466,878</b>  |                  | 1,476,128  |
|  |                  | <b>68,587,868</b> |                  | 67,296,439 |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| NOTE 23 : FINANCE COSTS                | 2015-2016         |                   | 2014-2015  |            |
|--|-------------------|-------------------|------------|------------|
|  | Rs.               | Rs.               | Rs.        | Rs.        |
| Interest expenses :                    |                   |                   |            |            |
| - Borrowings                           | <b>11,773,479</b> |                   | 18,023,572 |            |
| - Income tax and wealth tax            | <b>1,955,806</b>  |                   | 4,074,658  |            |
|  |                   | <b>13,729,285</b> |            | 22,098,230 |
| Other borrowing costs and bank charges |                   | <b>2,580,799</b>  |            | 2,887,029  |
|  |                   | <b>16,310,084</b> |            | 24,985,259 |

| NOTE 24 : DEPRECIATION               | 2015-2016         |                   | 2014-2015  |            |
|--------------------------------------|-------------------|-------------------|------------|------------|
|                                      | Rs.               | Rs.               | Rs.        | Rs.        |
| Depreciation on tangible assets      | <b>14,585,390</b> |                   | 21,531,811 |            |
| Amortisation of intangible assets    | <b>303,693</b>    | <b>14,889,083</b> | 293,037    | 21,824,848 |
| Less : Transfer to retained earnings |                   | -                 |            | 6,304,676  |
|                                      |                   | <b>14,889,083</b> |            | 15,520,172 |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| NOTE 25 : OTHER EXPENSES                | 2015-16          |                    | 2014-15   |            |
|---|------------------|--------------------|-----------|------------|
|   | Rs.              | Rs.                | Rs.       | Rs.        |
| Stores and spares consumed              |                  | <b>38,776,637</b>  |           | 40,644,468 |
| Packing material consumed               |                  | <b>7,375,789</b>   |           | 6,634,839  |
| Power and fuel                          |                  | <b>12,991,368</b>  |           | 11,019,963 |
| Other manufacturing expenses            |                  | <b>12,903,586</b>  |           | 6,025,319  |
| Lease rent (refer foot note below)      |                  | <b>3,246,239</b>   |           | 3,238,386  |
| Repairs :-                              |                  |                    |           |            |
| Building                                | <b>160,608</b>   |                    | 210,972   |            |
| - Plant and Equipment                   | <b>2,555,859</b> |                    | 2,448,280 |            |
| - Others                                | <b>1,764,359</b> |                    | 1,601,268 |            |
|   |                  | <b>4,480,826</b>   |           | 4,260,520  |
| Insurance                               |                  | <b>838,171</b>     |           | 834,147    |
| Rates and Taxes                         |                  | <b>2,071,787</b>   |           | 1,023,806  |
| Freight and forwarding                  |                  | <b>3,392,189</b>   |           | 4,298,697  |
| Auditor's Remuneration                  |                  |                    |           |            |
| - Audit fees                            | <b>550,000</b>   |                    | 500,000   |            |
| - Tax audit fees                        | <b>162,500</b>   |                    | 162,500   |            |
| - Other matters                         | <b>187,500</b>   |                    | 175,000   |            |
| - Out of pocket expenses                | <b>31,532</b>    |                    | 40,203    |            |
| - Service Tax                           |                  |                    | -         |            |
|   |                  | <b>931,532</b>     |           | 877,703    |
| Commission                              |                  | <b>1,562,001</b>   |           | 836,925    |
| Travelling and conveyance               |                  | <b>3,052,045</b>   |           | 2,265,457  |
| Legal and Professional Charges          |                  | <b>1,765,515</b>   |           | 2,142,827  |
| Provision for doubtful debts            |                  | <b>1,078,433</b>   |           | 488,259    |
| Loss on sale of mutual funds(net)       |                  | <b>10,411,435</b>  |           | -          |
| Directors' fees (including service tax) |                  | <b>708,150</b>     |           | 370,788    |
| Advertising and sales promotion         |                  | <b>1,589,824</b>   |           | 1,448,728  |
| Bad debts write off                     |                  | -                  |           | 763,992    |
| Security charges                        |                  | <b>1,867,704</b>   |           | 1,666,725  |
| Telephone and communication expenses    |                  | <b>1,814,809</b>   |           | 1,851,946  |
| Printing and stationery expenses        |                  | <b>1,572,223</b>   |           | 1,379,041  |
| Miscellaneous expenses                  |                  | <b>1,667,429</b>   |           | 1,778,909  |
|   |                  | <b>114,097,692</b> |           | 93,851,445 |

**Note:****Operating Lease**

The Company has taken warehouses and a residential apartment on operating lease. The Company also pays lease rent on the factory premises. Lease rent amounting to Rs. 3,246,239 (previous year Rs. 3,238,386) has been charged to the Statement of Profit and Loss.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**26 Basis of preparation of Consolidated Financial Statements (CFS) :**

- a) The Consolidated Financial Statements (CFS) are prepared in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (AS) 27 as specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. The CFS comprises the financial statements of GKB Ophthalmics Limited, its subsidiaries and associates. References in these notes to GKB, Company, Companies, Parent Company or Group shall mean to include GKB Ophthalmics Limited or any of its subsidiaries and associates, unless otherwise stated.
- b) The notes and significant accounting policies to the CFS are intended to serve as a guide for better understanding of the GKB Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

**27 a) The list of subsidiaries and associates included in the consolidated financial statements are as under:**

| Sr. No. | Name of the Company   | Relationship | Country of incorporation | Proportion of ownership interest |
|---------|---|--------------|--------------------------|----------------------------------|
| 1       | GKB Ophthalmics Products [FZE], Sharjah (Limited Liability Establishment) | Subsidiary   | United Arab Emirates     | 100%                             |
| 2       | GKB Ophthalmics GmbH, Oyten   | Subsidiary   | Germany                  | 100%                             |

- b) During the year, the Company has sold the entire shareholding in GKB Vision Limited, an associate company, in which the Company was holding 36.47% of the equity paid up share capital. The said shares were sold on 02nd July 2015 for a net consideration of Rs. 228,800,982/-, resulting in a net gain of Rs. 109,710,322 over the book value of the said shares of Rs. 119,090,660. During the year, consequent to issue of additional equity shares by Prime Lenses Private Limited (PLPL), without a change in the holding of the Company, the shareholding of the Company in PLPL has reduced to 14.26% consequent to which PLPL has ceased to be an associate company.

**28 Consolidated financial statements were prepared for the first time in the financial year 2011-12 in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006. Since consolidated financial statements were not been prepared for the earlier years, certain information as mentioned below could not be ascertained.**

- a) Identification of Goodwill or Capital Reserve in the carrying cost of investment in associates
- b) Determination of balance as at April 01, 2011 of the foreign currency translation reserves in respect of the Company's 'non-integral' foreign subsidiaries and opening balance of retained earnings which has been considered as a balancing figure.
- c) Unrealised profits / losses (if any) in respect of intra group transactions which should have been eliminated
- d) Adjustments required in respect of 'b' and 'c' above, which have an impact on opening retained earnings, has not been given effect in the absence of information.





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| 29 Contingent Liabilities and Commitments :                             | 31.03.2016         | 31.03.2015  |
|---|--------------------|-------------|
| <b>Contingent Liabilities</b>   |                    |             |
|   | <b>Rs.</b>         | <b>Rs.</b>  |
| a) Sales tax liability that may arise in respect of matters in appeal   | <b>12,670,198</b>  | 11,170,738  |
| b) Excise duty liability that may arise in respect of matters in appeal | <b>119,048,177</b> | 51,747,843  |
| c) Income tax liability that may arise in respect of matters in appeal  | <b>4,136,890</b>   | -           |
| d) Guarantees given on behalf of associate companies                    | <b>363,008,000</b> | 363,008,000 |
| f) Bills discounted   | <b>15,321,484</b>  | 9,615,392   |
| g) Letters of credit outstanding  | <b>15,449,548</b>  | 21,619,309  |
| h) Bank guarantees  | <b>6,685,738</b>   | 5,229,403   |

**Note :**

It is not practical to estimate the timing of outflows in respect of 'a', 'b' and 'c' above pending resolution of legal proceedings.

**Commitments**

|   | <b>Rs.</b>       | <b>Rs.</b> |
|---|------------------|------------|
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | <b>8,883,487</b> | -          |

## b) Other commitments

The Company is a 100% EOU registered under the SEEPZ Special Economic Zone. As per the amendment to Letter of Permission dated November 20, 2008, the Company was required to achieve export turnover of USD 35.82 million and Net Foreign Exchange Earning (NFE) of USD 3.26 million during the period April 1, 2008 to March 31, 2013. Although the Company achieved Net Foreign Exchange Earnings (NFE) as required, export turnover obligation remained unfulfilled to the extent of USD 8.03 million. By letter dated May 27, 2013, the EOU status of the Company has been further extended by a period of 5 years. However, the letter granting the extension does not make any mention of export turnover obligation. The Company is of the view that the condition of achieving export turnover no longer applies and the only requirement is that the Company should be NFE positive.

**30 Particulars of un-hedged foreign currency exposures as at 31st March, 2016 :****Trade Receivables**

| Foreign currency | <b>Amount in foreign currency 2015-16</b> | <b>Amount in Rs. 2015-16</b> | Amount in foreign currency 2014-15 | Amount in Rs. 2014-15 |
|------------------|---|------------------------------|------------------------------------|-----------------------|
| USD              | 175,207                                   | 11,540,954                   | 466,141                            | 28,984,641            |
| EURO             | 387,373                                   | 28,388,379                   | 215,931                            | 14,432,845            |
|                  |   | <b>39,929,333</b>            |                                    | <b>43,417,487</b>     |

**Trade Payables (including payable for expenses)**

| Foreign currency | <b>Amount in foreign currency 2015-16</b> | <b>Amount in Rs. 2015-16</b> | Amount in foreign currency 2014-15 | Amount in Rs. 2014-15 |
|------------------|---|------------------------------|------------------------------------|-----------------------|
| USD              | 382,675                                   | 25,600,927                   | 449,190                            | 28,384,336            |
| EURO             | 292,122                                   | 22,180,801                   | 169,393                            | 11,613,591            |
|                  |   | <b>47,781,728</b>            |                                    | <b>39,997,927</b>     |

**31 Trade receivable, loans and advances and trade payable balances are subject to confirmation, reconciliation and consequent adjustments, if any.**



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**32 Disclosures as required by Accounting Standard (AS) 15 "Employee Benefits":**

**a) Defined Contribution Plans :**

Contribution to Defined Contribution Plans, recognised as an expense and included under "Employee Benefits Expenses" Note 21 to the Statement of Profit and Loss are as under :

- Employer's contribution to Provident Fund and EDLI Rs.15,95,721 (Previous year Rs.1,434,650)
- Employer's contribution to Family Pension Scheme Rs.14,46,389 (Previous year Rs.1,326,089 )
- Employer's contribution to Employees State Insurance Scheme Rs.13,49,228 (Previous year Rs. 1,555,731 )
- Employer's contribution to Superannuation Fund Rs.157,050 (Previous year Rs.437,495)
- Employer's contribution to Labour Welfare Fund Rs.50,865 (Previous year Rs.58,380)

**b) Defined Benefit Plans :**

The Company's gratuity and leave encashment plans are defined benefit plans :

|   | Gratuity (funded)<br>Rs.<br>2015-16          | Gratuity (funded)<br>Rs.<br>2014-15          | Gratuity (unfunded)<br>Rs.<br>2015-16 | Gratuity (unfunded)<br>Rs.<br>2014-15 |
|---|--|--|---------------------------------------|---------------------------------------|
| <b>I Change in obligation during the year</b>                                 |  |  |                                       |                                       |
| 1 Liability at the beginning of the year                                      | 9,155,628                                    | 7,921,987                                    | 4,509,369                             | 4,895,263                             |
| 2 Interest cost   | 732,450                                      | 633,759                                      | -                                     | -                                     |
| 3 Current service cost  | 581,974                                      | 548,413                                      | 1,571,472                             | 1,846,817                             |
| 4 Past service cost   | -  | -  | -                                     | -                                     |
| 5 Benefits paid   | (977,761)                                    | (568,114)                                    | (44,562)                              | (2,232,711)                           |
| 6 Actuarial (gain) / losses   | 138,266                                      | 619,583                                      | -                                     | -                                     |
| 7 Translation adjustments   | -  | -  | -                                     | -                                     |
| 8 Liability at the end of the year  | 9,630,557                                    | 9,155,628                                    | 6,036,279                             | 4,509,369                             |
| <b>II Change in assets during the year</b>                                    |  |  |                                       |                                       |
| 1 Plan assets at the beginning of the year                                    | 3,544,381                                    | 3,362,617                                    | -                                     | -                                     |
| 2 Expected return of plan assets  | 628,351                                      | 249,878                                      | -                                     | -                                     |
| 3 Contributions   | 5,731,706                                    | 500,000                                      | -                                     | -                                     |
| 4 Benefits paid   | (977,761)                                    | (568,114)                                    | (44,562)                              | (2,232,711)                           |
| 5 Actuarial gain / (loss)   | -  | -  | -                                     | -                                     |
| 6 Plan assets at the end of the year  | 8,926,677                                    | 3,544,381                                    | (44,562)                              | (2,232,711)                           |
| 7 Total actuarial gain/(loss) to be recognised                                | (138,266)                                    | (619,583)                                    | -                                     | -                                     |
| <b>III Actual return on plan assets</b>                                       |  |  |                                       |                                       |
| 1 Expected return on plan assets  | 628,351                                      | 249,878                                      | -                                     | -                                     |
| 2 Actuarial gain / (loss)   | -  | -  | -                                     | -                                     |
| 3 Actual return on plan assets  | 628,351                                      | 249,878                                      | -                                     | -                                     |
| <b>IV Net asset / (liability) recognised in the balance sheet</b>             |  |  |                                       |                                       |
| 1 Liability at the end of the year  | (9,630,557)                                  | (9,155,628)                                  | (6,036,279)                           | (4,509,369)                           |
| 2 Plan assets at the end of the year  | 8,926,677                                    | 3,544,381                                    | -                                     | -                                     |
| 3 Amount recognised in the balance sheet                                      | (703,880)                                    | (5,611,247)                                  | (6,036,279)                           | (4,509,369)                           |
| <b>V Expenses recognised in the statement of profit and loss for the year</b> |  |  |                                       |                                       |
| 1 Current service cost  | 581,974                                      | 548,413                                      | 1,571,472                             | 1,846,817                             |
| 2 Interest cost   | 732,450                                      | 633,759                                      | -                                     | -                                     |
| 3 Expected return on plan assets  | (628,351)                                    | (249,878)                                    | -                                     | -                                     |
| 4 Actuarial (gain) / losses   | 138,266                                      | 619,583                                      | -                                     | -                                     |
| 5 Past service cost   | -  | -  | -                                     | -                                     |
| 6 Total expenses as per actuarial valuation                                   | 824,339                                      | 1,551,877                                    | 1,571,472                             | 1,846,817                             |
| 7 Optional payment  | -  | -  | -                                     | -                                     |
| 8 Total expenses  | 824,339                                      | 1,551,877                                    | 1,571,472                             | 1,846,817                             |
| <b>VI Balance sheet reconciliation</b>  |  |  |                                       |                                       |
| 1 Opening net liability   | 5,611,247                                    | 4,559,370                                    | 4,509,369                             | 4,895,263                             |
| 2 Expenses as above   | 824,339                                      | 1,551,877                                    | 1,571,472                             | 1,846,817                             |
| 3 Employer contribution   | (5,731,705)                                  | (500,000)                                    | -                                     | -                                     |
| 4 Benefits Paid   | -  | -  | (44,562)                              | (2,232,711)                           |
| 5 Translation Adjustment  | -  | -  | -                                     | -                                     |
| 6 Amount recognised in the balance sheet *                                    | 703,881                                      | 5,611,247                                    | 6,036,279                             | 4,509,369                             |
| <b>VII The major categories of plan assets as a percentage of total :</b>     |  |  |                                       |                                       |
| Insurer Managed Funds   | 100%   | 100%   | Not applicable                        | Not applicable                        |
| <b>VIII Actuarial assumptions:</b>  |  |  |                                       |                                       |
| 1 Discount rate   | 8.00%  | 8.00%  | 8.25%                                 | 8.25%                                 |
| 2 Rate of return on plan assets   | Not determined                               | Not determined                               | Not applicable                        | Not applicable                        |
| 3 Rate of mortality   | As per mortality table LIC(1994-96) Ultimate | As per mortality table LIC(1994-96) Ultimate | -                                     | -                                     |
| 4 Salary Escalation   | 6.00%  | 6.00%  | -                                     | -                                     |
| *The closing net liability is disclosed as follows:                           |  |  |                                       |                                       |
| Disclosed in Note 5 - Long Term Provisions                                    | -  | -  | 4,978,846                             | 3,969,231                             |
| Disclosed in Note 9 - Short Term Provisions                                   | 703,881                                      | 5,611,247                                    | 1,057,433                             | 540,138                               |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Disclosures as required by Accounting Standard (AS) 15 Employee Benefits (contd.)**

|   | Leave encashment (unfunded)<br>Rs.<br>2015-2016  | Leave encashment (unfunded)<br>Rs.<br>2014-2015  |
|---|--|--|
| <b>I Change in obligation during the year</b>                                 |  |  |
| 1 Liability at the beginning of the year                                      | 2,124,246  | 1,690,937  |
| 2 Interest cost   | 168,665  | 157,426  |
| 3 Current service cost  | 277,120  | 203,598  |
| 4 Past service cost   | -  | -  |
| 5 Benefits paid   | (247,123)  | (140,453)  |
| 6 Actuarial (gain) / losses   | 773,610  | 212,738  |
| 7 Liability at the end of the year  | 1,549,298  | 2,124,246  |
| <b>II Change in assets during the year</b>                                    |  |  |
| 1 Plan assets at the beginning of the year                                    | -  | -  |
| 2 Expected return of plan assets  | -  | -  |
| 3 Contributions   | -  | -  |
| 4 Benefits paid   | 247,123  | -  |
| 5 Actuarial gain / (loss)   | -  | -  |
| 6 Plan assets at the end of the year  | 247,123  | -  |
| 7 Total actuarial gain/(loss) to be recognised                                | 773,610  | (212,738)  |
| <b>III Actual return on plan assets</b>                                       |  |  |
| 1 Expected return on plan assets  | -  | -  |
| 2 Actuarial gain / (loss)   | -  | -  |
| 3 Actual return on plan assets  | -  | -  |
| <b>IV Net asset / (liability) recognised in the balance sheet</b>             |  |  |
| 1 Liability at the end of the year  | (1,549,298)                                      | (2,124,246)                                      |
| 2 Plan assets at the end of the year  | -  | -  |
| 3 Amount recognised in the balance sheet                                      | (1,549,298)                                      | (2,124,246)                                      |
| <b>V Expenses recognised in the statement of profit and loss for the year</b> |  |  |
| 1 Current service cost  | 277,120  | 203,598  |
| 2 Interest cost   | 168,665  | 157,426  |
| 3 Expected return on plan assets  | -  | -  |
| 4 Actuarial (gain) / losses   | (773,610)  | 212,738  |
| 5 Past service cost   | -  | -  |
| 6 Total expenses as per actuarial valuation                                   | (327,825)  | 573,762  |
| 7 Optional payment  | -  | -  |
| 8 Total expenses  | (327,825)  | 573,762  |
| <b>VI Balance sheet reconciliation</b>  |  |  |
| 1 Opening net liability   | 2,124,246  | 1,690,937  |
| 2 Expenses as above   | (327,825)  | 573,762  |
| 3 Benefits Paid   | (247,123)  | (140,453)  |
| 4 Amount recognised in the balance sheet *                                    | 1,549,298  | 2,124,246  |
| <b>VII The major categories of plan assets as a percentage of total :</b>     | Not applicable                                   | Not applicable                                   |
| <b>VIII Actuarial assumptions:</b>  |  |  |
| 1 Discount rate   | 8.07%  | 7.94%  |
| 2 Rate of return on plan assets   | Not applicable                                   | Not applicable                                   |
| 3 Rate of mortality   | As per mortality table LIC<br>(1994-96) Ultimate | As per mortality table LIC<br>(1994-96) Ultimate |
| 4 Salary Escalation   | 5.00%  | 5.00%  |
| *The closing net liability is disclosed as follows:                           |  |  |
| Disclosed in Note 5 - Long Term Provisions                                    | 1,242,749  | 1,491,519  |
| Disclosed in Note 9 - Short Term Provisions                                   | 306,549  | 632,727  |

**General description of the defined benefit plans :**

- 1) The Company operates a gratuity scheme, which is a funded scheme for qualifying employees, except in the case of directors of the holding company and employees of the subsidiary company' where the scheme is unfunded. The scheme provides for lump sum payment to employees on retirement, death, while in employment or termination of employment or an amount equivalent to 15 days salary for every completed year of service or part thereof in six months, provided the employee has completed 5 years of service.
- 2) The Company operates a leave encashment scheme, which is a unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**33 During the year the Company has not capitalised any borrowing costs as per Accounting Standard (AS) 16 - "Borrowing costs".**

**34 Disclosures as required by Accounting Standard (AS) 17 - Segment Reporting :**

a) Primary Segment

The Company operates in one primary segment i.e. ophthalmic lenses, and that is the only primary reportable segment.

b) Secondary Segment (Geographical Segment) :

|   | <b>Within India<br/>Rs.</b>         | <b>Outside India<br/>Rs.</b>        | <b>Total<br/>Rs.</b>                |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from external customers *<br>(excluding other operational revenue)* | <b>110,641,848</b><br>(101,032,279) | <b>326,945,718</b><br>(250,017,209) | <b>437,587,566</b><br>(351,049,488) |
| Carrying amount of segment assets   | <b>418,540,286</b><br>(442,881,607) | <b>273,525,742</b><br>(199,640,578) | <b>692,066,028</b><br>(642,522,185) |
| Additions to fixed assets during the year                                   | <b>30,345,332</b><br>(2,281,803)    | <b>523,432</b><br>(134,272)         | <b>30,868,764</b><br>(2,416,075)    |

\* Revenue within India includes deemed export sales of Rs. 61,247,181 (Previous Year Rs. 37,961,333) made to other EOU units in India

Figures in brackets pertain to the previous year

**35 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2016, as per information available with the Company.**

|  | <b>2015-16<br/>Rs.</b> | <b>2014-15<br/>Rs.</b> |
|--|------------------------|------------------------|
| a) Principal amount due to supplier under MSMED Act, 2006                                    | -                      | -                      |
| b) Interest accrued, due to supplier under MSMED Act on the above amount and unpaid          | -                      | -                      |
| c) Payment made to suppliers (other than interest) beyond the appointed day during the year  | -                      | -                      |
| d) Interest paid to supplier under MSMED Act (Other than section 16)                         | -                      | -                      |
| e) Interest paid to supplier under MSMED Act (section 16)                                    | -                      | -                      |
| f) Interest due and payable to suppliers under MSMED Act for payments already made           | -                      | -                      |
| g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act | -                      | -                      |

The above information and that given in Note 7 - "Trade Payables" pertaining to micro and small enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**36 Disclosures as required by Accounting Standard (AS) 18 - Related Party Disclosures :****(a) Relationships:**

**List of related parties with whom transactions were carried out during the year or previous year:**

**(i) Associates/ Enterprises in which directors exercise significant influence**

- 1 Prime Lenses Pvt Ltd
- 2 GKB Vision Limited
- 3 Lensco-The Lens Company
- 4 GKB Optical Limited
- 5 GKB Optic Technologies Pvt.Ltd.

**(ii) Key Management Personnel**

- 1 Mr. K.G Gupta - Managing Director

**(iii) Relatives of key management personnel**

- 1 Mrs. Veena Gupta
- 2 Mr. Gaurav Gupta
- 3 Mr. Vikram Gupta
- 4 Mr. K. M. Gupta

**(b) The following transactions were carried out with the related parties:***in Rs.*

| Sr No. | Nature of transaction / relationship / party  | 2015-16  | 2014-15   |
|--------|---|--|---|
| 1      | Purchases of goods and services<br>Associates/ Significant influence enterprise<br>Prime Lenses Pvt Ltd<br>GKB Vision Limited<br>Lensco - The Lens Company                              | -<br><b>77,107,481</b><br><b>225,068</b>                                     | 749,657<br>89,767,005<br>-                        |
|        | <b>Total</b>  | <b>77,332,549</b>  | 90,516,662  |
| 2      | Sales of goods and services<br>Associates/ Significant influence enterprise<br>Prime Lenses Pvt Ltd<br>GKB Vision Limited<br>GKB Optic Technologies Pvt.Ltd.<br>Lensco-The Lens Company | <b>87,237,843</b><br><b>35,102,431</b><br><b>100,298</b><br><b>9,842,969</b> | 71,421,262<br>14,633,601<br>875,066<br>17,930,818 |
|        | <b>Total</b>  | <b>132,283,541</b>   | 104,860,747                                       |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| Sr No. | Nature of transaction / relationship / party   | <i>in Rs.</i>                                   |                            |
|--------|--|---|----------------------------|
|        |  | 2015-16   | 2014-15                    |
| 3      | Sale of Fixed asset (Inclusive of VAT)<br>Associate/Significant influence enterprises<br>GKB Vision Limited                  | <b>11,614,300</b>                               | -                          |
|        | <b>Total</b>   | <b>11,614,300</b>                               | -                          |
| 4      | Payment of remuneration<br>Key Management Personnel<br>K. G. Gupta   | <b>4,178,365</b>                                | 3,840,693                  |
|        | <b>Total</b>   | <b>4,187,365</b>                                | 3,840,693                  |
| 5      | Rent Paid<br>Relative of Key Management Personnel<br>Veena Gupta   | <b>480,000</b>                                  | 480,000                    |
|        | <b>Total</b>   | <b>480,000</b>                                  | 480,000                    |
| 6      | Dividend received / receivable<br>Associate/Significant influence enterprises<br>GKB Vision Limited                          | -   | 1,270,783                  |
|        | <b>Total</b>   | -   | 1,270,783                  |
| 7      | Interest earned<br>Associates/ Significant influence enterprise<br>Lensco - The lens Company                                 | <b>342,916</b>                                  | -                          |
|        | <b>Total</b>   | <b>342,916</b>                                  | -                          |
| 8      | Reimbursement of expenses<br>Associate/Significant influence enterprises<br>Prime Lenses Pvt Ltd<br>Lensco- The Lens Company | -<br>-  | 86,361<br>302,480          |
|        | <b>Total</b>   | -   | 388,841                    |
| 9      | Director's sitting fees<br>Relatives of Key Management Personnel<br>Gaurav Gupta<br>Vikram Gupta<br>K. M. Gupta              | <b>90,000</b><br><b>20,000</b><br><b>20,000</b> | 50,000<br>10,000<br>10,000 |
|        | <b>Total</b>   | <b>130,000</b>                                  | 70,000                     |

Note: Amounts paid/received includes amounts charged/credited to the statement of profit and loss.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|        |   | <i>in Rs.</i>   |  |
|--------|---|---|--|
| Sr No. | Nature of balance / relationship / party  | 2015-16   | 2014-15                                    |
| 1      | Accounts payable<br>Associate/ Significant influence enterprise<br>GKB Vision Limited<br>Lensco - The Lens Company<br><br>Relative of Key Management Personnel<br>Veena Gupta   | <b>22,978,270</b><br><b>227,593</b><br><br><b>108,000</b>       | 121,378,496<br><br><br>364,000             |
|        | <b>Total</b>  | <b>23,313,863</b>   | 121,742,496                                |
| 2      | Accounts receivable/Loans and advances<br><br>Associate/ Significant influence enterprise<br>Prime Lenses Pvt Ltd<br>Lensco-The Lens Company<br>GKB Optic Technologies Pvt.Ltd. | <br><br><b>24,787,415</b><br><b>22,684,635</b><br><b>13,924</b> | <br><br>88,383,482<br>8,978,473<br>437,662 |
|        | <b>Total</b>  | <b>47,485,974</b>   | 97,799,617                                 |

**37 Disclosures as required by Accounting Standard (AS) 20 - Earning per share :**

| Particulars   |      | 2015-16           | 2014-15   |
|---|------|-------------------|-----------|
| Profit/(Loss) after tax as per Statement of Profit and Loss | Rs.  | <b>39,515,327</b> | 42,495    |
| Number of equity shares outstanding                         | Nos. | <b>4,153,580</b>  | 4,153,580 |
| Face value of equity share                                  | Rs.  | <b>10</b>         | 10        |
| Earnings per share (basic and diluted) :                    |      |                   |           |
| - Basic   | Rs.  | <b>9.51</b>       | 0.01      |
| - Diluted   | Rs.  | <b>9.51</b>       | 0.01      |

**38 As per Accounting Standard (AS) 28 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended March 31, 2016 (previous year - Nil) in the books.**



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

- 39** The products manufactured by the company do not have a warranty period, hence provision for warranty as specified in Accounting Standard (AS) 29 on "Provisions, Contingent Liabilities and Contingent Assets" is not required to be made.
- 40** The Company's international and domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to March 31, 2015, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered into with 'associated enterprises' as defined in section 92A of the Income Tax Act, 1961. The Management believes that the international transactions and specified domestic transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.
- 41** Previous year's figures have been regrouped/reclassified, to correspond to current year's classification/disclosure.

As per our report attached of even date

**SHARP & TANNAN**

Chartered Accountants

Firm Registration No. 109982W

By the hand of

**Edwin P. Augustine**

Partner

Membership No. 43385

Place: Mumbai, Maharashtra

Date: 30th May, 2016

**For and on behalf of the Board**

**K. G. Gupta**

Managing Director

DIN : 00051863

Place: Mapusa, Goa

Date: 30th May, 2016

**Gaurav Gupta**

Director

DIN : 00051974

**Vikram Gupta**

Director

DIN : 00052019

**Noel Da Silva**

CFO and

Company Secretary



**FORM AOC - 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

**Part "A" : Subsidiaries**

In Rupees

| 1  | Name of the Subsidiary  | <b>GKB Ophthalmics Products,<br/>FZE (U.A.E.)</b> | <b>GKB Ophthalmics<br/>GmbH (Germany)</b> |
|----|---|---|---|
| 2  | Reporting period for the subsidiary concerned, if different from the holding company' reporting period                      | -   | -   |
| 3  | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | AED 1=INR 18.02                                   | EURO 1 = INR 75.37                        |
| 4  | Share Capital   | 2,702,538.90                                      | 1,926,735.71                              |
| 5  | Reserves & Surplus  | 154,751,079.58                                    | 380,473.29                                |
| 6  | Total Assets  | 232,414,609.10                                    | 2,370,894.42                              |
| 7  | Total Liabilities   | 74,960,990.62                                     | 63,685.42                                 |
| 8  | Investments   | -   | -   |
| 9  | Turnover  | 160,387,907.02                                    |   |
| 10 | Profit before taxation  | 18,033,955.29                                     | (57,071.93)                               |
| 11 | Provision for taxation  | -   |   |
| 12 | Profit after taxation   | 18,033,955.29                                     | (57,071.93)                               |
| 13 | Proposed Dividend   | 6,544,192.21                                      | -   |
| 14 | % of shareholding   | 100%  | 100%                                      |

- Notes: 1. Names of subsidiaries which are yet to commence operations - NIL  
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

**Part "B" : Associates and Joint Ventures - Not Applicable****For and on behalf of Board of Directors**

Place : Mapusa - Goa  
Date : 30<sup>th</sup> May, 2016

**K. G. Gupta**  
Managing Director  
DIN : 00081863

**Gaurav Gupta**  
Director  
DIN : 00051974

**Vikram Gupta**  
Director  
DIN : 00052019

**Noel da Silva**  
CFO &  
Company Secretary

**Form No. MGT - 11  
PROXY FORM**

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules , 2014]

|                          |   |
|--------------------------|---|
| CIN :                    | L26109GA1981PLC000469                                 |
| Name of the Company :    | <b>GKB OPHTHALMICS LIMITED</b>                        |
| Registered Office :      | 16-A, Tivim Industrial Estate, Mapusa, Goa - 403 526. |
| Name of the member (s) : |   |
| Registered address :     |   |
| E-mail ID :              |   |
| Folio No. / Client ID    |   |
| DP / ID :                |   |

I/We, being the member (s) of .....shares of the above named company, hereby appoint

|   |           |  |
|---|-----------|--|
| 1 | Name :    |  |
|   | Address   |  |
|   | E-mail ID |  |
|   | Signature |  |
| 2 | Name :    |  |
|   | Address   |  |
|   | E-mail ID |  |
|   | Signature |  |
| 3 | Name :    |  |
|   | Address   |  |
|   | E-mail ID |  |
|   | Signature |  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the 24th day of September, 2016, at 11.00 A.M. at the Registered Office of the Company, 16-A, Tivim Industrial Estate, Mapusa, Goa – 403 526 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Particulars   |
|----------------|---|
| 1(a).          | <b>Ordinary Business - Ordinary Resolution</b> : Consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016, together with the Reports of the Directors and Auditors thereon. |
| 1(b).          | <b>Ordinary Business - Ordinary Resolution</b> : Consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2016, together with the Auditors Report thereon.          |
| 2.             | <b>Ordinary Business - Ordinary Resolution</b> : R-appointment of Mr. Vikram Gupta (DIN : 00052019) who retires by rotation.  |
| 3.             | <b>Ordinary Business - Ordinary Resolution</b> : Ratification on re-appointment of M/s. Sharp & Tannan, Chartered Accountants, as Statutory Auditor of the Company.   |
| 4.             | <b>Special Business - Special Resolution</b> : Adoption of new set of Articles of Association in Form Table F   |

Signed this ..... day of ..... 2016.

Signature of shareholder

Signature of the Proxy holder (s)

**Note :** This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.