

**G K B OPHTHALMICS PRODUCTS [FZE]**  
**(LIMITED LIABILITY ESTABLISHMENT)**  
**SHARJAH - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS**  
**31st DECEMBER, 2016**

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### Independent Auditors' Report

To  
The Proprietor  
GKB Ophthalmics Products (FZE)  
Sharjah - United Arab Emirates.

We have audited the accompanying financial statements of **GKB Ophthalmics Products (FZE)**, which comprise the balance sheet as at December 31, 2016 and the statements of income and statement of changes in equity ,cash flow statement for the year ended 31<sup>st</sup>December, 2016 and a summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standard of Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, 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.

**(Independent Auditor Report continued)**

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the establishment as of December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) and comply with the Saif Zone Authority requirements.

**SHARJAH: 4th May, 2017**  
**UNITED ARAB EMIRATES**

  
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**Khalil Al Rahman**  
**Registration No. 194**



**G K B OPHTHALMICS PRODUCTS (FZE)**  
**SHARJAH - UNITED ARAB EMIRATES**  
**( LIMITED LIABILITY ESTABLISHMENT )**

**BALANCE SHEET AS AT 31st DECEMBER, 2016**  
**( Amount expressed in United Arab Emirates Dirhams )**

	NOTE	31-12-2016 AED	31-12-2015 AED
<b><u>EMPLOYMENT OF CAPITAL</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Inventory		4,185,150	3,264,848
Trade Debtors	4	6,096,363	3,398,190
Advances, Deposits, Prepayments	5	139,414	126,169
Cash and Bank Balances	6	952,336	1,188,992
Due from related Party	7	1,111,082	1,285,550
Investment	8	110,194	-
<b>Total Current Assets</b>		<b>12,594,539</b>	<b>9,263,749</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade Creditors		3,202,278	636,976
Other Payables , Accruals	9	97,409	34,842
Dividend payable	10	367,300	367,300
<b>Total Current Lialities</b>		<b>3,666,987</b>	<b>1,039,118</b>
<b>NET CURRENT ASSETS</b>		<b>8,927,552</b>	<b>8,224,631</b>
<b>PROPERTY ,PLANT &amp; EQUIPMENT</b>	<b>11</b>	<b>77,952</b>	<b>103,569</b>
		<b>9,005,504</b>	<b>8,328,200</b>
<b><u>NON CURRENT LIABILITY</u></b>			
Employees gratuity provision	2(g)	73,879	44,348
<b>TOTAL ASSETS</b>		<b>8,931,625</b>	<b>8,283,852</b>
<b><u>REPRESENTED BY</u></b>			
Capital	12	150,000	150,000
Profit and loss account		8,781,625	8,133,852
		<b>8,931,625</b>	<b>8,283,852</b>

1 The attached notes on pages ( 7 ) to ( 13 ) form an integral part of these Financial Statements.

2 Auditors report is set out on page ( 1-2 ).

  
  
**MARUTI NAIK**  
 General Manager

**G K B OPHTHALMICS PRODUCTS (FZE)**  
**SHARJAH - UNITED ARAB EMIRATES**  
**(LIMITED LIABILITY ESTABLISHMENT)**

**TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR**  
**ENDED 31st DECEMBER, 2016**  
**( Amount expressed in United Arab Emirates Dirhams )**

	NOTE	Year ended 31-12-2016 AED	Year ended 31-12-2015 AED
Net Sales		15,150,184	6,410,484
Less - Cost of Sales	13	12,987,583	4,647,617
Gross Profit		2,162,601	1,762,867
<b>Deduct -</b>			
General , Selling and Administrative Expenses	14	1,155,283	863,201
Financial charges		10,412	9,825
Depreciation		40,030	36,046
Total operating expenses		1,205,725	909,072
		956,876	853,795
Other income		58,197	79,497
Net Profit for the Year		1,015,073	933,292
Less :proposed dividend		(367,300)	(367,300)
		647,773	565,992
Add: Retained earnings brought forward		8,133,852	7,567,860
Retained Earnings Carried Forward		8,781,625	8,133,852

- 1 The attached notes on pages ( 7 ) to (13 ) form an integral part of these Financial Statements.  
2 Auditors Report is set out on page ( 1-2 ).

  
  
**MARUTI NAIK**  
General Manager

**GKB OPHTHALMICS PRODUCTS (FZE)**  
**SHARJAH-UNITED ARAB EMIRATES**  
**(LIMITED LIABILITY ESTABLISHMENT)**  
**STATEMENT OF CHANGES IN EQUITY AS AT 31st DECEMBER, 2016**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	<u>AED</u>	<u>AED</u>	<u>AED</u>
Balance as at January 01, 2013	150,000	6,178,448	6,328,448
Net Profit for the period 30-11-2013		965,578	965,578
Dividend for the period		(367,300)	(367,300)
<b>Balance as at November 30, 2013</b>	150,000	6,776,726	6,926,726
Net Profit for the period 31-12-2014		1,158,434	1,158,434
Dividend for the period		(367,300)	(367,300)
<b>Balance as at December 31, 2014</b>	150,000	7,567,860	7,717,860
Net Profit for the year		933,292	933,292
Dividend for the year		(367,300)	(367,300)
<b>Balance as at December 31, 2015</b>	150,000	8,133,852	8,283,852
Net Profit for the year		1,015,073	1,015,073
Dividend for the year		(367,300)	(367,300)
<b>Balance as at December 31, 2016</b>	150,000	8,781,625	8,931,625

1. The accompanying notes form an integral part of these financial Statements
2. The Report of the Auditors is set out on page ( 1-2 )

  
  
**MARUTI NAIK**  
 General Manager

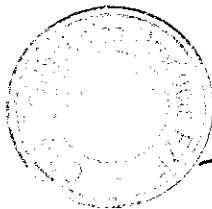
**SHARJAH - UNITED ARAB EMIRATES  
(LIMITED LIABILITY ESTABLISHMENT)**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Year ended 31-12-2016	Year ended 31-12-2015
	AED	AED
<b><u>Cash Flow from operating activities</u></b>		
Net profit for the year	1,015,073	933,292
Add: Items not involving movement of cash		
Depreciation	40,030	36,046
Gratuity provision	29,531	23,136
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	1,084,634	992,474
<b><u>(Increase) / Decrease in operating assets</u></b>		
Inventory	(920,302)	(913,716)
Trade Debtors	(2,698,173)	603,449
Advances, Deposit & Prepayments	(13,245)	(1,292,476)
Due from related Party	174,468	
<b><u>Increase / (Decrease) in operating liabilities</u></b>		
Trade Creditors	2,565,302	(14,435)
Provisions & accruals	62,567	(2,128)
	<hr/>	<hr/>
<b>Net cash flow from operating activities (A)</b>	255,251	(626,832)
<b><u>Cash Flow from investing activities</u></b>		
Purchase of property, plant & equipment	(14,413)	(27,354)
Purchase of Shares(Lensco)	(110,194)	-
	<hr/>	<hr/>
<b>Cash Flow used for investing activities (B)</b>	(124,607)	(27,354)
<b><u>Cash Flow From Financing Activities</u></b>		
Movement in dividend account	(367,300)	0
Movement in gratuity provision account	-	(142,702)
	<hr/>	<hr/>
<b>Cash flow used in financing activities (C)</b>	(367,300)	(142,702)
<b>Net increase (decrease) in cash &amp; cash equivalent (A-B+C)</b>	(236,656)	(796,888)
<b>Cash and cash equivalent at the beginning of the year</b>	1,188,992	1,985,880
	<hr/>	<hr/>
<b>Cash and cash equivalent at December 31,2016</b>	952,336	1,188,992
	<hr/>	<hr/>

Represented by:

Cash in hand	8,509	31,124
Cash at bank	943,827	1,157,868
	<hr/>	<hr/>
	952,336	1,188,992
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**MARUTI NAIK - General Manager**

**G K B OPHTHALMICS PRODUCTS (FZE)****SHARJAH - UNITED ARAB EMIRATES**  
**(LIMITED LIABILITY ESTABLISHMENT)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST DECEMBER, 2016****1. STATUS AND PRINCIPAL ACTIVITIES**

**GKB OPHTHALMICS PRODUCTS (FZE)** is a Limited Liability Establishment incorporated on 29th February 2004 and Licensed at Sharjah International Airport Free Zone (Saif Zone) Sharjah, Pursuant to Emiri Decree No.2 of 1995.

The principal activities of the Establishment are import / export and distribution of Optical products.

- 1.1 The registered office of the establishment is 250 M2 warehouse A3- 083 Saif Zone P.O.Box 9089, Sharjah, United Arab Emirates .
- 1.2 The establishment is managed by Mr. Gaurav Gupta.
- 1.3 These financial statements incorporate the operating results of trade licence No.02142

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and the applied requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied , are set out below.

**a) Accounting convention**

These financial statements have been prepared under the historical cost convention.

**b) Associated Companies**

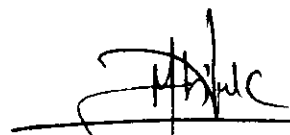
Associated companies are those companies in which the group holds a long term interest, has representation on the board of directors and is in a position to exercise significant influence in their management over their financial and operating policies.

**c) Revenue recognition**

Income is recognised when invoices are raised and acknowledged by the customers.

**d) Financial expenses**

Financial expenses ,if any, are accounted for in the statement of income in the period in which these are incurred.

  
  
**MARUTI NAIK**  
 General Manager



**GKB OPHTHALMICS PRODUCTS ( FZE )**  
**SHARJAH - UNITED ARAB EMIRATES**  
**( LIMITED LIABILITY ESTABLISHMENT )**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST DECEMBER, 2016**

**(e) Foreign currencies**

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date. Gains and losses, if any, arising are included in the statement of income .

**(f) Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event , which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

**(g) Employees' Terminal Benefits**

The company provides for employees end of service benefits to its employees in compliance with UAE Labour Law. The entitlement to these benefits is based upon the employees' length of service and the completion of a minimum service period.

**(h) Inventory**

Stocks are stated at the lower of cost and net realisable value using the FIFO pricing method. Cost comprises direct material and ,where applicable ,direct labour costs and the overheads that have been incurred in bringing the stock to their present location and condition. Net realisable value represents the estimated selling prices less estimated costs to completion and cost to disposable.

**(i) Trade Receivables**

Receivables are stated at their nominal values and an allowance is made for any receivables considered to be doubtful for collection.

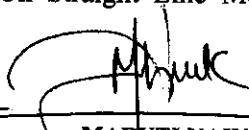
**(j) Trade payables**

Trade payables are stated at their nominal , which are the fair values of the consideration to be paid in the future for the goods and services received.

**(k) Property, plant and equipment**

Fixed assets are stated at cost and depreciation is calculated so as to write off the assets over their estimated useful lives . Depreciation is calculated from the date of acquisition of the asset to the year end using the straight line method . The annual rates of depreciation are as follows :-

	<u>Rate %</u>	<u>Basis</u>
Furniture and Fixtures	15%	On Straight Line Method
Office Equipments	20%	On Straight Line Method
Computers / Air conditioners	20%	On Straight Line Method
Motor Vehicle	20%	On Straight Line Method

  
**MARUTI NAIK**  
 General Manager

**G K B OPHTHALMICS PRODUCTS (FZE)**  
**SHARJAH - UNITED ARAB EMIRATES**  
**( LIMITED LIABILITY ESTABLISHMENT )**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST DECEMBER, 2016**

**(i) Impairment of assets**

Property , plant and equipment are reviewed for impairment ,whenever events may change or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where the carrying amount of an assets exceeds its recoverable amount, an impairment loss is recognised in the statement of income.

**3. Other significant disclosures**

**Related Party Transactions**

The company has entered into the following trade transactions with other companies/ persons that fall within the definition of related party as contained in International Financial Reporting Standards(IFRS).

<u>Name of related party</u>	<u>Nature of Transaction</u>	<u>Amount of Transaction</u> <u>AED</u>	<u>Balance Outstanding</u> <u>AED</u>
1. GKB Ophthalmics Limited	Purchase	1,866,239	502,994
"	Sale	1,402	1,402
2. Key Management Personnel	Salaries & Allowances	183,600	

**4. TRADE DEBTORS**

	<u>31-12-2016</u> <u>AED</u>	<u>31-12-2015</u> <u>AED</u>
Trade debtors	<u>6,096,363</u>	<u>3,398,190</u>
<u>Aging analysis</u>	<u>AED</u>	<u>AED</u>
Upto 6 months	4,566,513	1,826,198
Above 6 months and less than one year	1,354,935	849,807
Above one year	<u>174,915</u>	<u>722,185</u>
	<u>6,096,363</u>	<u>3,398,190</u>

  
**MARUTI NAIK**  
 General Manager

**G K B OPHTHALMICS PRODUCTS (FZE )**  
**SHARJAH - UNITED ARAB EMIRATES**  
**( LIMITED LIABILITY ESTABLISHMENT )**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE**  
**YEAR ENDED 31ST DECEMBER, 2016**

	Year ended 31-12-2016	Year ended 31-12-2015
<b>5. <u>ADVANCES, DEPOSITS, PREPAYMENTS</u></b>	<b><u>AED</u></b>	<b><u>AED</u></b>
ADVANCES- STAFF	1,845	3,014
DEPOSITS     - Etisalat, visa, Immigration & other Authorities	63,391	55,865
PREPAYMENTS   -Office / ware house rent, other expenses	74,178	67,290
	<u>139,414</u>	<u>126,169</u>
<b>6. <u>CASH AND BANK BALANCES</u></b>	<b><u>AED</u></b>	<b><u>AED</u></b>
Cash in Hand	8,509	31,124
Cash at Banks - on Current account	943,827	1,157,868
	<u>952,336</u>	<u>1,188,992</u>
<b>7. <u>DUE FROM RELATED PARTY-(LOAN TO M/S LENSCO -USA)</u></b>	<b><u>AED</u></b>	<b><u>AED</u></b>
<u>Opening Balance at 1st Jan *</u>	1,285,550	
14th March ,2015 loan granted to Lensco -USA (US\$350,000/-)	,	1,285,550
12th March 2016 Loan repayment first instalment (US\$ 8,750/-)	(32,139)	
16 June 2016 Loan repayment first instalment (US\$ 8,750/-)	(32,135)	
Investment in Lensco- USA against purchase of shares(US\$30,000/-)	(110,194)	
	<u>1,111,082</u>	<u>1,285,550</u>
Repayment schedule and interest rate of the loan are as follows:		
1) Loan term - 10 years from First repayment of the loan i.e 31 March ,2016		
2) Interest rate - 6%		
3) Repayment schedule - quarterly repayment alongwith principal amount and interest		
Upto Dec 31 ,2016 only two repayment have been received for the period ended June 30 , 2016.		
<b>8. <u>INVESTMENT -AED 110,194.</u></b>		
* During Year 2016 USD 30,000 equivalent to AED 110,194- of above loan amount has been utilised for the purchase of Shares of M/S Lensco-USA		
<b>9. <u>OTHER PAYABLES , ACCRUALS</u></b>	<b><u>AED</u></b>	<b><u>AED</u></b>
Sales commission	14,962	13,271
Staff salary	14,521	11,501
Others	8,255	10,070
Due to related party	59,671	
	<u>97,409</u>	<u>34,842</u>

  
**MARUTI NAIK**  
General Manager

**G K B OPHTHALMICS PRODUCTS (FZE)**  
**SHARJAH - UNITED ARAB EMIRATES**  
**(LIMITED LIABILITY ESTABLISHMENT)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST DECEMBER, 2016**

	31-12-2016	31-12-2015
	<u>AED</u>	<u>AED</u>
<b>10. <u>DIVIDEND PAYABLE</u></b>		
Opening balance at 1st January	367,300	0
Dividend for the current period	367,300	367,300
	<u>734,600</u>	<u>367,300</u>
Less: paid	(367,300)	-
Dividend payable- at period end	<u>367,300</u>	<u>367,300</u>

**11. PROPERTY, PLANT & EQUIPMENT**

	Furniture and Fixtures	Office Equipments	Motor Vehicles	Total
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
<b><u>C O S T</u></b>				
At 1st January, 2016	67,914	73,065	215,100	356,079
Additions		14,413		14,413
At 31st December, 2016	<u>67,914</u>	<u>87,478</u>	<u>215,100</u>	<u>370,492</u>
<b><u>DEPRECIATION</u></b>				
At 1st January 2016	61,224	47,286	144,000	252,510
For the year	1,171	7,259	31,600	40,030
At 31st December, 2016	<u>62,395</u>	<u>54,545</u>	<u>175,600</u>	<u>292,540</u>
<b><u>WRITTEN DOWN VALUE</u></b>				
At 31st December, 2016	<u>5,519</u>	<u>32,933</u>	<u>39,500</u>	<u>77,952</u>
At 31st December, 2015	<u>6,690</u>	<u>25,779</u>	<u>71,100</u>	<u>103,569</u>

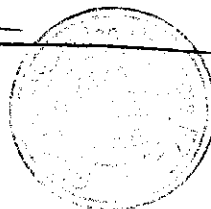
**12. CAPITAL**

The capital of the Company consists one share of the nominal value of AED.150,000/-.

The capital has been fully paid in cash and is in the name of M/S GKB OPHTHALMICS Limited, registered in India.

	Year ended	Year ended
	31-12-2016	31-12-2015
	<u>AED</u>	<u>AED</u>
<b>13. <u>COST OF SALES</u></b>		
Opening stock	3,264,848	2,351,132
Purchases & direct expenses	13,907,885	5,561,333
	<u>17,172,733</u>	<u>7,912,465</u>
Less -closing stock	(4,185,150)	(3,264,848)
	<u>12,987,583</u>	<u>4,647,617</u>

  
**MARUTI NAIK**  
 General Manager



**G K B OPHTHALMICS PRODUCTS (FZE)**  
**SHARJAH - UNITED ARAB EMIRATES**  
**(LIMITED LIABILITY ESTABLISHMENT)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST DECEMBER, 2016**

	Year ended	Year ended
	<u>31-12-2016</u>	<u>31-12-2015</u>
	<u>AED</u>	<u>AED</u>
<b>14. GENERAL, SELLING &amp; ADMINISTRATIVE EXPENSES</b>		
Staff salaries and benefits	353,110	279,692
Rent - Office /warehouse	128,671	69,000
Rent - Staff Accommodation	74,854	74,718
Electricity and water	35,828	33,506
Telephone / Fax	22,046	24,640
Insurance	25,044	21,876
Chamber / Trade license Fee and Taxes	9,015	9,015
Air fare / Travelling	26,089	26,438
Leave travel allowance	26,530	19,330
Travelling & conveyance	6,363	6,734
Printing and Stationery	4,373	3,646
Entertainment	8,958	8,727
Visa expenses	9,290	9,986
Legal and Professional Charges	4,500	5,200
Misc. Expenses [14.1]	88,940	68,345
Repairs & Maintanance	7,970	11,640
Sales Commission	92,294	71,725
Stock items written off	18,500	
Bad debts	119,352	27,407
Vehicle expenses	27,412	16,924
Exhibition expenses	35,195	47,405
Staff gratuity provision	29,531	23,136
Medical	1,418	4,111
	<u>1,155,283</u>	<u>863,201</u>

**14.1 Miscellaneous expenses**

The following major expenses are included in the miscellaneous expenses account:

	<u>AED</u>	<u>AED</u>
Staff Vehicle driving fees	4,915	8,260
Staff welfare expenses	2,516	2,713
Child allowance to General Manager	42,000	21,000
	<u>49,431</u>	<u>31,973</u>
Other miscellaneous expenses	39,509	36,372
	<u>88,940</u>	<u>68,345</u>

**14.2** As per agreement made on 26th may 2016 between GKB ophthalmics(FZE) and GKB vision (FZC) ,the rent expenses AED 59,671- and salaries AED:4,000/- of GKB vision for year 2016 have been absorbed by GKB ophthalmics (FZE).

MARUTI NAIK- General Manager

**G K B OPHTHALMICS PRODUCTS (FZE)**  
**SHARJAH - UNITED ARAB EMIRATES**  
**( LIMITED LIABILITY ESTABLISHMENT )**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31st DECEMBER, 2016**

**15. Financial instruments**

Financial instruments of the company comprise of cash at bank, Trade receivables ,and other assets, Trade payables,and other liabilities.

**Currency risk**

there are no significant exchange risks as substantially all financial assets and financial liabilities are dollar denominated in Arab Emirates Dirham or US dollars to which the conversion of Dirham into US Dollars is fixed.

**Interest rate risk**

The company is not exposed to any significant interest rate risk.

**Fair value**

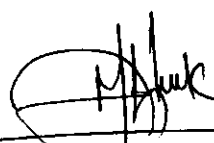
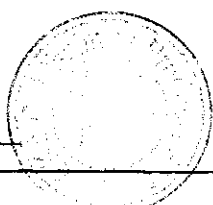
At the balance sheet date, the fair values of the financial assets and financial liabilities at the period end approximate to their carrying amount.

**16. ROUNDING OFF**

Figures in these financial statements have been rounded off to the nearest U.A.E. Dirham .

**17. COMPARATIVE AMOUNTS**

Previous year's comparative amounts have been re-arranged or reclassified ,wherever necessary, to conform to the current period presentation.

  
  
**MARUTI NAIK**  
General Manager