

G K B OPHTHALMICS PRODUCTS [FZE]

(LIMITED LIABILITY ESTABLISHMENT)

SHARJAH - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS

31st DECEMBER, 2015

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

FINANCIAL STATEMENTS
31st DECEMBER, 2015

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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, 2015 and the statements of income and statement of changes in equity, cash flow statement for the year ended 31st December, 2015 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, 2015, 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: 8th March, 2016
UNITED ARAB EMIRATES


Khalil Al Rahman
Registration No. 194



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

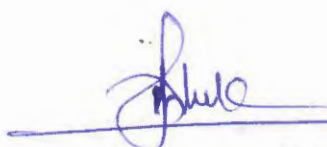
BALANCE SHEET AS AT 31st DECEMBER, 2015

(Amount expressed in United Arab Emirates Dirhams)

	NOTE	31-12-2015 AED	31-12-2014 AED
<u>EMPLOYMENT OF CAPITAL</u>			
<u>CURRENT ASSETS</u>			
Inventory		3,264,848	2,351,132
Trade Debtors	4	3,398,190	4,001,639
Advances, Deposits, Prepayments	5	1,411,719	119,243
Cash and Bank Balances	6	1,188,992	1,985,880
Total Current Assets		9,263,749	8,457,894
<u>CURRENT LIABILITIES</u>			
Trade Creditors		636,976	651,411
Other Payables , Accruals	7	34,842	36,970
Dividend payable	8	367,300	
Total Current Lialities		1,039,118	688,381
NET CURRENT ASSETS		8,224,631	7,769,513
PROPERTY ,PLANT & EQUIPMENT	2(k)&9	103,569	112,261
		8,328,200	7,881,774
<u>NON CURRENT LIABILITY</u>			
Employees gratuity provision	2(g)	44,348	163,914
TOTAL ASSETS		8,283,852	7,717,860
<u>REPRESENTED BY</u>			
Capital	10	150,000	150,000
Profit and loss account		8,133,852	7,567,860
		8,283,852	7,717,860

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)

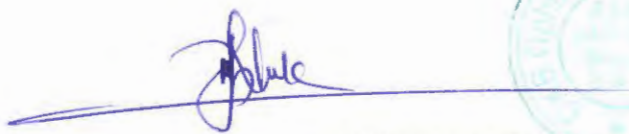
TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR
31st DECEMBER, 2015

(Amount expressed in United Arab Emirates Dirhams)

	NOTE	Year ended 31-12-2015 AED	1st Dec.2013 To 31-12-2014 AED
Net Sales		6,410,484	7,131,060
Less - Cost of Sales	11	4,647,617	5,244,048
Gross Profit		1,762,867	1,887,012
Deduct -			
General , Selling and Administrative Expenses	12	863,201	821,098
Financial charges		9,825	10,054
Depreciation		36,046	36,529
Total operating expenses		909,072	867,681
		853,795	1,019,331
Other income		79,497	139,103
Net Profit for the Year /period		933,292	1,158,434
Less :proposed dividend		(367,300)	(367,300)
		565,992	791,134
Add: Retained earnings brought forward		7,567,860	6,776,726
Retained Earnings Carried Forward		8,133,852	7,567,860

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, 2015

	Share Capital	Retained Earnings	Total
	<u>AED</u>	<u>AED</u>	<u>AED</u>
Balance as at January 01, 2012	150,000	5,749,702	5,899,702
Net Profit for the Year		796,046	796,046
Dividend for the year		(367,300)	(367,300)
Balance as at December 31, 2012	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)
Balance as at November 30, 2013	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)
Balance as at December 31, 2014	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)
Balance as at December 31, 2015	150,000	8,133,852	8,283,852

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, 2015

	Year ended 31-12-2015	Period ended 31-12-2014
	AED	AED
Cash Flow from operating activities		
Net profit for the year /period	933,292	1,158,434
Add: Items not involving movement of cash		
Depreciation	36,046	36,529
Gratuity provision	23,136	22,739
Operating profit before working capital changes	992,474	1,217,702
(Increase) / Decrease in operating assets		
Inventory	(913,716)	(9,736)
Trade Debtors	603,449	667,725
Advances, Deposit & Prepayments	(1,292,476)	(9,241)
Increase / (Decrease) in operating liabilities		
Trade Creditors	(14,435)	(104,770)
Provisions & accruals	(2,128)	(136,477)
Net cash flow from operating activities (A)	(626,832)	1,625,203
Cash Flow from investing activities		
Purchase of property, plant & equipment	(27,354)	(8,524)
Disposal of operating asset	-	1,520
Cash Flow used for investing activities (B)	(27,354)	(7,004)
Cash Flow From Financing Activities		
Movement in dividend account	0	(734,600)
Movement in gratuity provision account	(142,702)	
Cash flow used in financing activities (C)	(142,702)	(734,600)
Net increase (decrease) in cash & cash equivalent (A-B+C)	(796,888)	883,599
Cash and cash equivalent at the beginning of the year	1,985,880	1,102,281
Cash and cash equivalent at December 31, 2015	1,188,992	1,985,880

Represented by:

Cash in hand	31,124	11,623
Cash at bank	1,157,868	1,974,257
	<u>1,188,992</u>	<u>1,985,880</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 , 2015**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, 2015

(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.

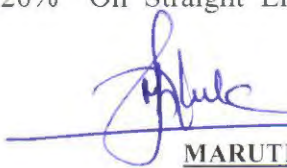
(j) Trade payables

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, 2015

(1) 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> AED	<u>Balance Outstanding</u> AED
1. GKB Ophthalmics Limited	Purchase	2,657,286	443,035
"	Sale	Nil	Nil
2. GKB Vision Limited	Purchase	1,616,965	67,624
"	Sale	Nil	Nil
3. Key Management Personnel	Salaries & Allowances	137,400	

4. TRADE DEBTORS

	<u>31-12-2015</u> AED	<u>31-12-2014</u> AED
Trade debtors	3,398,190	4,001,639
<u>Aging analysis</u>	AED	AED
Upto 6 months	1,826,198	1,522,383
Above 6 months and less than one year	849,807	1,782,882
Above one year	722,185	696,374
	<u>3,398,190</u>	<u>4,001,639</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
YEAR ENDED 31ST DECEMBER, 2015

	Year ended 31-12-2015 AED	Period ended 31-12-2014 AED
5. <u>ADVANCES, DEPOSITS, PREPAYMENTS</u>		
ADVANCES- STAFF	3,014	3,100
LOAN TO- M/S LENSCO -USA (US Dollar- 350,000.) (5.1)	1,285,550	-
DEPOSITS - Etisalat	55,865	53,441
-Visa, Immigration & other Authorities		
PREPAYMENTS -Office / ware house rent, other expenses	67,290	62,702
Other expenses		
	<u>1,411,719</u>	<u>119,243</u>

5.1 LOAN TO LENSCO-USA

On March 14th, 2015 an amount of US \$350,000- equivalent to AED 1,285,550. has been granted as loan to M/S LENSCO -USA, which is one of the group company entity

The agreed terms ,repayment schedule ,interest rate of the loan are :

1. Loan period- 10 years from the 1st repayment instalment
2. Repayment Schedule- 1st repayment instalment of principal amount and interest due on or before 31st March, 2016 and the subsequent repayments will be on quarterly basis.
3. Interest Rate- 6 percent

	31-12-2015 AED	31-12-2014 AED
6. <u>CASH AND BANK BALANCES</u>		
Cash in Hand	31,124	11,623
Cash at Banks - on Current account	1,157,868	1,974,257
	<u>1,188,992</u>	<u>1,985,880</u>

	31-12-2015 AED	31-12-2014 AED
7. <u>OTHER PAYABLES, ACCRUALS</u>		
Sales commission	13,271	5,854
Staff salary	11,501	13,330
Others	10,070	17,786
	<u>34,842</u>	<u>36,970</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, 2015

	<u>Year ended</u> <u>31-12-2015</u> <u>AED</u>	<u>period ended</u> <u>31-12-2014</u> <u>AED</u>
8. DIVIDEND PAYABLE		
Opening balance at 1st January	0	367,300
Dividend for the current year	367,300	367,300
	367,300	734,600
Less: paid	-	(734,600)
Dividend payable- at year end	367,300	-

9. **PROPERTY, PLANT & EQUIPMENT**


	Furniture and Fixtures	Office Equipments	Motor Vehicles	Total
<u>C O S T</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
At 1st December, 2015	65,144	48,481	215,100	328,725
Additions	2,770	24,584		27,354
At 31st December, 2015	67,914	73,065	215,100	356,079
<u>DEPRECIATION</u>				
At 1st December 2015	60,388	43,676	112,400	216,464
For the year	836	3,610	31,600	36,046
At 31st December, 2015	61,224	47,286	144,000	252,510
<u>WRITTEN DOWN VALUE</u>				
At 31st December, 2015	6,690	25,779	71,100	103,569
At 31st December, 2014	4,756	4,805	102,700	112,261

10. **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.

	<u>Year ended</u> <u>31-12-2015</u> <u>AED</u>	<u>Period ended</u> <u>31-12-2014</u> <u>AED</u>
11. COST OF SALES		
Opening stock	2,351,132	2,341,396
Purchases & direct expenses	5,561,333	5,253,784
	7,912,465	7,595,180
Less -closing stock	(3,264,848)	(2,351,132)
	4,647,617	5,244,048




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, 2015**

	Year ended	1st December,
	31-12-2015	2013, To
	AED	31-12-2014
	AED	AED
12. GENERAL, SELLING & ADMINISTRATIVE EXPENSES		
Staff salaries and benefits	279,692	254,556
Rent - Office /warehouse	69,000	71,750
Rent - Staff Accommodation	74,718	73,192
Electricity and water	33,506	22,538
Telephone / Fax	24,640	30,609
Insurance	21,876	17,541
Chamber / Trade license Fee and Taxes	9,015	9,000
Air fare / Travelling	26,438	21,446
Leave travel allowance	19,330	2,180
Travelling & conveyance	6,734	9,542
Printing and Stationery	3,646	4,583
Entertainment	8,727	8,150
Visa expenses	9,986	17,306
Legal and Professional Charges	5,200	5,590
Misc. Expenses [12.1]	68,345	73,839
Repairs & Maintanance	11,640	3,601
Sales Commission	71,725	47,310
Bad debts	27,407	29,383
Vehicle expenses	16,924	38,561
Exhibition expenses	47,405	44,195
Staff gratuity provision	23,136	22,739
Medical	4,111	13,487
	<u>863,201</u>	<u>821,098</u>

12.1 Miscellaneous expenses

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

	AED	AED
Raj Kumar hospitalisation and body transportation charges	—	18,077
Staff Vehicle driving fees	8,260	8,350
Staff welfare expenses	2,713	8,260
Child allowance to General Manager	21,000	0
	<u>31,973</u>	<u>34,687</u>
Other miscellaneous expenses	36,372	39,152
	<u>68,345</u>	<u>73,839</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 , 2015

13. 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.

14. ROUNDING OFF

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

15. 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

