ANNUAL REPORT
2017 – 2018

GKB Ophthalmics Ltd.

BOARD OF DIRECTORS:
Mr. K. G. Gupta
Chairman and Managing Director
Mr. K. M. Gupta (upto August 09, 2017)
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
Mr. Prakash V. Joshi (w.e.f. September 23, 2017)
Executive Director

CFO & COMPANY SECRETARY:
Mr. Noel da Silva

STATUTORY AUDITORS:
M/s. Sharp & Tannan LLP
Chartered Accountants
Mumbai

SECRETARIAL AUDITOR:
CS. Girija Nagvekar
Practising Company Secretary
Panaji - Goa

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
	:	investor.grievance@gkb.net
Website	:	www.gkb.net

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NOTICE

NOTICE is hereby given that the THIRTY SIXTH ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Monday, August 27, 2018, 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, 2018, 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, 2018, 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. Appointment of M/s. MSKA & Associates (formerly known as M/s. MZSK & Associates), (FRN 105047 W), as Statutory Auditors of the Company.

"**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and rules made thereunder and other applicable provisions of the Act, if any, read with the Companies (Audit and Auditors) Rules, 2014, including any Statutory modifications, amendments or re-enactment thereof, consent of the members be and is hereby accorded to appoint M/s. MSKA & Associates (formerly known as M/s. MZSK & Associates), (FRN 105047 W), as Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting to be held in the year 2022-23, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors. "

SPECIAL BUSINESS :

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

Ratification of Shareholding Pattern

"**RESOLVED THAT** in partial modification to the shareholding pattern given in Item No. 1 point (e) and Item no. 2 point no. (v) of the Annexure to the Notice of the Extra Ordinary General Meeting of the Company held on 4th June, 2018, the consent of the members of the Company be and is hereby accorded to the Company that the following shareholding pattern in Item No. 1 point (e) and Item No. 2 point (v) shall be inserted in its place and also be ratified:

Shareholding Pattern w.r.t. Item No. 1 Point (e) as follows:

Class of Shareholders	Pre Preferential Issue		Post Preferential Issue (Assuming full allotment of 650,000 Equity Shares	
	No of Shares	% of share capital	No of Shares	% of share capital
A. Promoters & Promoter Group				
a. Indian Promoters	22,46,344	54.082	22,46,344	46.764
b. Foreign Promoter	Nil	Nil	Nil	Nil
Total for Promoter Group	**22,46,344**	**54.082**	**22,46,344**	**46.764**
B. Public Shareholdings				
i Institutional	19,600	0.472	1,19,600	2.490
ii Non Institutional				
- Bodies Corporate	312,909	7.534	340,909	7.097
- Individuals				
a. Individual shareholders holding nominal share capital up to Rs.2 Lakhs	4,38,175	10.549	4,52,839	9.427
b. Individual shareholders holding nominal share capital excess of Rs.2 lakhs	9,81,531	23.631	14,88,867	30.995
- NRIs/ OCBs	4,826	0.116	4,826	0.100
- Clearing Members	1,50,195	3.616	1,50,195	3.127
Total Public Shareholding	**19,07,236**	**45.918**	**25,57,236**	**53.236**
GRAND TOTAL (A) + (B)	**41,53,580**	**100.000**	**48,03,580**	**100.000**

Shareholding Pattern w.r.t Item No. 2 Point (v) as follows:

i) Equity Warrant Pattern before and after the Preferential Issue:

Class of Shareholders	Pre Preferential Issue		Post Issue of preferential allotment before conversion		Post Preferential Issue after conversion	
	No of Equity Shares	% of share capital	No of Warrants	% of share capital	No of Equity Shares	% of share capital
A. Promoters & Promoter Group						
a. Indian Promoters	22,46,344	46.764	2,00,000	26.667	24,46,344	44.050
b. Foreign Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Total for Promoter Group	**22,46,344**	**46.764**	**2,00,000**	**26.667**	**24,46,344**	**44.050**
B. Public Shareholdings						
i Institutional	1,19,600	2.490	Nil	Nil	1,19,600	2.154
ii Non Institutional						
- Bodies Corporate	3,40,909	7.097	14,000	1.867	3,54,909	6.391
- Individuals						
a. Individual shareholders holding nominal share capital up to Rs.2 Lakhs	4,52,839	9.427	83,002	11.066	5,35,841	9.648
b. Individual shareholders holding nominal share capital excess of Rs.2 lakhs	14,88,867	30.995	2,52,998	33.733	17,41,865	31.365
- NRIs/ OCBs	4,826	0.100	Nil	Nil	4,826	0.087
- Others (Foreign Companies)	Nil	Nil	2,00,000	26.667	200,000	3.601
- Clearing Members	1,50,195	3.127	Nil	Nil	1,50,195	2.704
Total Public Shareholding	**25,57,236**	**53.236**	**5,50,000**	**73.333**	**31,07,236**	**55.950**
GRAND TOTAL (A) + (B)	**48,03,580**	**100.000**	**750,000**	**100.000**	**55,53,580**	**100.000**

RESOLVED FURTHER THAT notwithstanding the aforesaid partial modification all actions and decisions taken till date under the resolution of the members passed on 4th June, 2018 shall be valid and in order."

5. To consider and if thought fit to pass, with or without modification, following resolution as a Special Resolution:

"**RESOLVED THAT** in partial modification to Item No. 1 point (k) and Item 2 point k of the Annexure to the Notice of Extra-Ordinary General Meeting of the Company, Compliance Certificate issued by the Practicing Chartered Accountant Mr. Dinesh Heda, a new Compliances Certificate from Statutory Auditor of the Company M/s. MSKA & Associates, Chartered Accountants, be and is hereby taken in terms of regulation 73(2) of SEBI ICDR Regulation, 2009, the consent of the members of the Company be and is hereby accorded the Company to ratify the same.

RESOLVED FURTHER THAT notwithstanding the aforesaid partial modification all actions and decisions taken till date under the resolution of the members passed on 4th June, 2018, shall be valid and in order".

6. To consider and if thought fit to pass, with or without modification, following resolution as a Special Resolution:

"**RESOLVED THAT** the consent of the members of the Company be and is hereby accorded that the name of the proposed allottee POLUS GLOBUS FUND mentioned in the notice of Extra Ordinary General Meeting held on 4th June, 2018, be read as POLUS GLOBAL FUND as per the Resolution No. 1 of the Notice of Extra Ordinary General Meeting of the Company."

"**RESOLVED FURTHER THAT** any of the Director of the Company be and is hereby authorized to do all such acts, deeds, things as it deemed fit."

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 fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. 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 Thursday**, the August 16, 2018 to Monday, the August 27, 2018** (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. Members are also requested to note that, the Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) details of every participant in securities market. Those holding shares in electronic form are requested to submit the PAN to their Depository Participants, with whom they are maintaining their dematerialised accounts. Whereas, members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agent.

7. Electronic copy of the Annual Report 2017-18 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 2017-18, is also available on Company's website www.gkb.net

8. 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.

9. The Company has not declared any dividend since 2010 -11. There are no unclaimed dividends of previous years to be transferred to Investor Education and Protection Fund (IEPF).

10. 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 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 22 years
Directorship held in other Listed companies	Nil *
Membership / Chairmanships of committees in GKB Ophthalmics Limited.	Member of Stakeholder's Relationship Committee
Number of shares held in the Company	3,73,105
Relationship between Directors inter-se	1. Son of Mr. K. G. Gupta, Managing Director 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.

11. Instructions for voting by Electronic means (e-voting).
The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 24.08.2018 at 9:00 A.M. and ends on 26.08.2018 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 20.08.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on shareholders /members.

(iv) 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.

(v) Next enter the Image Verification as displayed and Click on 'Login'.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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)

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **GKB OPHTHALMICS LIMITED** on which you choose to vote.

(xii) 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 ou dissent to the Resolution.

(xiii) Click on the **"RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed 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.

(xviii) 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. Apple and Windows phone users can download the app from the App Store and the windows Phone respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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 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.
- 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 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.

(xx) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.

a) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off-date (record date) of **August 20, 2018.**

b) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-of-date and not casting their vote electronically, may cast their vote at the AGM venue.

c) The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against , if any, forthwith to the Chairman of the Company.

d) The results shall be declared after the AGM of the Company. The results declared along with the scrutinizer's report shall be placed on the Company's website www.gkb.net and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited and Calcutta Stock Exchange Limited.

e) A member can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.

f) The Board of Directors has appointed Mr. Shivaram Bhat, Practising Company Secretary, as a Scrutinizer to scurtinze the voting at the AGM and remote e-voting process in a fair and transparent manner.

12. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working hours and including the date upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 :

The Members of the Company at its Extra Ordinary General Meeting held on 4th June, 2018, passed a resolution under Section 42 & 62 and all other applicable provisions, if any of the Companies Act, 2013, however there are some typographical error in the notice of the Extra Ordinary General Meeting in Item No. 1 point (e) and Item no. 2 point no. (v) of the Annexure to the Notice of the Extra Ordinary General Meeting, as a result the Shareholding Pattern after issue of Equity Shares and Equity Convertible Warrants on preferential allotment was incorrect. In this regard the BSE has raised a query and asked the Company to place the correct shareholding pattern for its ratification at the ensuing Annual General Meeting.

The Board of Directors recommends passing of the Special Resolution for approval of the members, as set out in Item No. 4, here in above.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution in item No. 4 except for the Directors, Mr. K. G. Gupta, Mr. Vikram Gupta, Mr. Gaurav Gupta, who are also the Promoters and are related.

Item No. 5

The Members of the Company at its Extra Ordinary General Meeting held on 4th June, 2018 passed a resolution under Section 42 & 62 and all other applicable provisions, if any of the Companies Act, 2013, the Company has taken a Compliance Certificate from Mr. Dinesh Heda a Practicing Chartered Accountant in terms of Regulation 73(2) of the SEBI ICDR Regulation 2009, for issue and allotment of Equity Shares and Equity Convertible Warrants on a preferential basis.

However the BSE has raised a query that the Company has to take the Compliance Certificate from Statutory Auditor of the Company i.e M/s. MSKA & Associates, Chartered Accountants, in terms of Regulation 73(2) SEBI ICDR Regulation 2009, and the same has to be ratified by the shareholders. The Company in order to comply with the provision, a fresh certificate has been taken from the Statutory Auditor of the Company M/s. MSKA & Associates, Chartered Accountants, vide dated July 11, 2018.

The Board of Directors recommends passing of the Special Resolution for approval of the members, as set out in Item No. 5 here in above.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution in item No. 5.

Item No. 6

The Members of the Company at its Extra Ordinary General Meeting held on 4th June, 2018, passed a resolution under Section 42 and 62 and all other applicable provisions, if any of the Companies Act, 2013, there is a typographical error in Resolution No. 1 of the notice to the Extra Ordinary General Meeting with regards to the name of the proposed allottee POLUS GLOBUS FUND, the actual name is POLUS GLOBAL FUND and the same has to be read as POLUS GLOBAL FUND instead of POLUS GLOBUS FUND.

The Board of Directors recommends passing of the Special Resolution for approval of the members, as set out in Item No.6 here in above.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution in item No. 6.

Registered Office **:**	By order of the Board of Directors
16-A,Tivim Industrial Estate	For GKB Ophthalmics Limited
Mapusa - Goa, 403 526	
Place: Mapusa-Goa	Noel da Silva
Date : July 27, 2018	CFO & Company Secretary
	FCS 3083

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 36th Annual Report and the Audited Accounts of the year ended March 31, 2018.

FINANCIAL RESULTS :

Rs. in lakhs

		2017-18	2016-17
a)	Sales & Other Income	3,848.66	4,214.26
b)	Profit/Loss before Depreciation and Tax	(126.56)	(44.03)
c)	Provision for Depreciation	158.16	133.62
d)	Provision for Tax	19.30	(28.87)
e)	Exceptional Items	-	269.77
f)	Profit after Depreciation and Tax	(265.42)	63.23
g)	Balance from previous years	1,624.76	1,561.52
h)	Balance carried forward	1,359.33	1,624.76

OPERATIONS :
During the year under review, the turnover of the Company was lower to the tune of Rs. 3,848.66 lakhs compared to Rs. 4,214.26 lakhs in the previous financial year. There was a net loss from operations of Rs. 265.42 lakhs during the current financial year compared to a net profit of Rs. 63.23 lakhs during the previous financial year. The demand for glass lenses has dropped drastically. The drop in sales of glass lenses has been partly made up by plastic lenses.

DIVIDEND :
With the view to conserve the resources, your Directors regret their inability to recommend any dividend for the year 2017-18. No amount has been transferred to reserve for the financial year ended March 31, 2018.

SHARE CAPITAL :
The paid up equity share capital as on March 31, 2018 was Rs. 415.35 lakhs. There was no change in the share capital of the Company, during the year under review.

SUBSIDIARIES :
The Company has a Wholly Owned Subsidiary, namely, GKB Ophthalmics Products FZE, Sharjah, UAE. The Lens Company NJ, USA, is a Subsidiary of GKB Ophthalmics Products FZE and a Step Down Subsidiary of the Company. The proposal for winding up of GKB Ophthalmics GmbH, is pending for approval with Reserve Bank of India, Mumbai.

A statement under Section 129(3) of the Companies Act, 2013, containing salient features of the financial statement of subsidiaries in Form AOC-1, is annexed herewith as Annexure - I. In terms of Section 136(1)(a) of the Companies Act, 2013, the Audited Accounts of the subsidiaries are placed on website of the Company at www.gkb.net. A copy of the audited financial statements in respect of each of the subsidiaries will be made available to interested shareholders, upon a written request, as per Section 136(1) (b) of the Act. The audited accounts of the subsidiaries are also available at the Registered Office of the Company for inspection, during business hours.

INDIAN ACCOUNTING STANDARDS (Ind AS)
The Ministry of Corporate Affairs (MCA) , has notified the Companies (Indian Accounting Standards) Rules 2015, under Section 133 of the Companies Act 2013, on February 16, 2015. These are Company's first Financial Statements prepared in accordance with Ind AS. The Company has prepared Ind AS financials for the year ending March 31, 2018, along with comparable financials as on March 31, 2017 with opening statement of Assets and Liabilities as on April 01, 2016.

GOODS AND SERVICES TAX (GST)
The Goods and Services Tax (GST) is levied on the supply of Goods and Services. The GST came into effect from July 01, 2017 and replaces multiple taxes levied by Central and State Governments. The GST has been successfully implemented by the Company.

TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Ministry of Corporate Affairs has set up the Investor Education and Protection Fund for promotion of investor awareness and protection of investor interests.

In terms of Section 124 of the Companies Act, 2013 and the rules made thereunder, the dividends in respect of the shares of the Company which have remained unpaid or unclaimed for seven consecutive years or more, are required to be transferred to IEPF.

The Company has not declared any dividend since 2010-11 and hence there are no unclaimed dividends to be transferred to IEPF.

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

CHANGE IN NATURE OF BUSINESS, IF ANY :
There has been no change in the nature of business of the Company during the year 2017-18.

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. 10 of the Notice for the ensuing Annual General Meeting.

Mr. K. M. Gupta, Non-Executive Director, resigned with effect from August 09, 2017. The Board places on record its appreciation for the guidance provided by him.

Mr. Prakash V. Joshi was appointed as an Executive Director of the Company with effect from September 23, 2017, for a period of three years.

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 .

CHANGE IN PROMOTERS' SHAREHOLDING :
During the year under review, Mr. K. M. Gupta, who ceased to be Director w.e.f. August 09, 2017, together with his family members had applied for reclassification of their shares from Promoter and Promoter Group Category to Public Shareholding under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The same was approved by the members by way of a Postal Ballot. The details are provided in the Corporate Governance Report which is a part of this Report.

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 27, 2018, 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 Listing Regulations, 2015, stating that they meet the criteria of independence as provided therein.

MEETINGS OF THE BOARD OF DIRECTORS :

During the year under review, five 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

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 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 27, 2018.

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 :

M/s. Sharp & Tannan LLP (Firm Registration No. 27145W), Chartered Accountants, have been the Statutory Auditors of the Company. A letter dated May 29, 2018, was received from M/s. Sharp & Tannan LLP, Statutory Auditors, expressing their unwillingness to be re-appointed as the Statutory Auditors of the Company for the financial year 2018-19, due to their administrative reasons.

The Company has received a letter from M/s. MSKA & Associates (formerly known as M/s. MZSK & Associates), (Firm Registration No.105047 W), Chartered Accountants, expressing their willingness to be appointed as Statutory Auditors of the Company. The Audit Committee and the Board of Directors of the Company in their respective meetings held on May 30, 2018, recommended and approved the appointment of M/s. MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Sharp & Tannan, Chartered Accountants.

MSKA & Associates is a large leading Chartered Accountancy firm in India of International repute having expertise across service lines and strong servicing capabilities in Goa and on other multiple geographies. In view of the proposed joint venture with a foreign partner, preferential issue of equity shares/warrants and the international operations of the Group, the Board of Directors have appointed MSKA & Associates in the casual vacancy arising on the resignation of the existing statutory auditors of the Company. M/s. MSKA & Associates, Chartered Accountants, Mumbai, have confirmed that the appointment if made, would be within the limits specified under Section 139 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:
Paragraphs (ii) and (vii)(a) of the Annexure 'A' referred to in paragraph 1 of the Auditor's Report, 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. As per Section 143(3)(i) of the Companies Act, 2013, a report issued by M/s. Sharp & Tannan, Statutory Auditors of the Company is attached with their Independent Auditor's Report, which is self explanatory.

RISK MANAGEMENT POLICY :
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.

PARTICULARS 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 8, 9, 20, 23, 25 and 26 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 arm'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 - II.

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, 2018, forming part of this Annual Report, is annexed herewith as Annexure - III. 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 COMMITTMENTS :
There are no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

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	21:1
Mr. Prakash V. Joshi, Executive Director	*

(ii) (a) 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	2.27%
Mr. Prakash V. Joshi, Executive Director	*
Mr. Noel da Silva, CFO & Company Secretary	5.58%

(ii)(b) The Non-Executive Directors of the Company are entitled to sitting fees within the limits approved by the Board of Directors and shareholders. The details of remuneration of Directors are provided in the Corporate Governance Report.

* Remuneration was paid w.e.f. October 01, 2017 and hence the ratio of his remuneration to median remuneration and percentage increase in remuneration is not comparable.

(iii) the percentage increase in the median remuneration of employees in the financial year : 13.81%

(iv) the number of permanent employees on the rolls of Company : 195

(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 loss for the financial year ended March 31, 2018 was Rs. 265.42 lakhs and there was an average decrease in the remuneration to the extent of 4.83%

(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 2017-18 was Rs.3,848.66 lakhs as compared to Rs. 4,214.26 lakhs for the previous year 2016-17. The Company's performance during the year 2017-18 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 March 31, 2018**	As on March 31, 2017	Remarks
1	Market Capitalisation (Rs. in lakhs)	4,818.15	5,536.71	Company's public offer was in the year April, 1996
2	Price earnings ratio	-18.15	87.90	
3	Closing market price of equity shares (Rs)	116.00	133.33	

(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 annual increase in the salaries of employees was 13.89%. The Managing Director is paid minimum remuneration as per the Companies Act, 2013. Whereas, there is marginal decrease in managerial remuneration of CFO & Company Secretary.

(ix) comparison of each remuneration of the Key Managerial against the performance of the Company:
The 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 net 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 traveling 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 not availed any term loans from Banks during the financial year ended March 31, 2018. Total Fund based exposure of the Company with the Banks was to the tune of Rs. 900.00 lakhs.

CREDIT RATING :
CRISIL has reaffirmed "CRISIL B/Stable" for long term rating and "CRISIL A4" for short term rating.

REPORTING OF FRAUD BY AUDITORS :
During the year under review, no offense involving fraud has been committed against the Company by its employees or officers of the Company in terms of Section 143(12) of the Companies Act, 2013.

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 – IV 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, customers, vendors, regulatory authorities, bankers, shareholders 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, 2018

K. G. GUPTA
CHAIRMAN & MANAGING DIRECTOR
DIN:00051863

Annexure - I

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	GKB Ophthalmics Products,FZE (UAE)	GKB Ophthalmics GmbH, Germany
2	Reporting period of the subsidiary concerned, If different from the holding company reporting		
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 17.74**	**EURO 1 = INR 80.28**
4	Share Capital	2,660,446	2,052,267
5	Reserve & Surplus	184,649,209	263,998
6	Total Assets	396,011,589	2,545,671
7	Total Liabilities	208,701,934	229,406
8	Investments	-	-
9	Turnover	433,676,344	-
10	Profit before taxation	22,542,128	(68,694)
11	Provision for taxation	-	-
12	Profit after taxation	22,542,128	(68,694)
13	Proposed Dividend	6,425,000	-
14	% of shareholding	100.00%	100.00%

Notes : 1. Names of subsidiaries which are yet to commence operation - 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 : May 30, 2018

K. G. Gupta
Managing Director
DIN : 00051863

Gaurav Gupta
Director
DIN : 00051974

Vikram Gupta
Director
DIN : 00052019

Noel da Silva
CFO &
Company Secretary

Annexure - II

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

[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 Mapusa - Goa, 403 526 Tel No. : (0832) 2257253/6714444 Fax No. : (0832) 2257044 Email : gkbophthalmics@gkb.net Website : www.gkb.net
vi	Whether listed company	:	Yes (Listed in BSE Ltd. and Calcutta Stock Exchange Ltd.)
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any	:	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 Website : www.sharexindia.com

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 250, M2 Warehouse A3-083 SAIF ZONE, P.O. Box.9089, Sharjah-U.A.E.	UIN: PJWAZ20040413	Subsidiary Company	100.00%	Section 2 (87)
2	GKB Ophthalmics GmbH 28876 Oyten Germany	UIN: PJWRA19970169	Subsidiary 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	
A. Promoters									
(1) Indian									
a) Individual/HUF	**29,56,010**	0	29,56,010	71.167	22,46,344	--	22,46,344	54.082	-17.085
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
SUB TOTAL : (A)(1)	**29,56,010**	**--**	**29,56,010**	**71.167**	**22,46,344**	**--**	**22,46,344**	**54.082**	**-17.085**
(2) Foreign									
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
SUB TOTAL : (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	**29,56,010**	**–**	**29,56,010**	**71.167**	**22,46,344**	**–**	**22,46,344**	**54.082**	**-17.085**

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. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	19,600	--	19,600	0.472	19,600	--	19,600	0.472	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
SUB TOTAL : (B)(1)	**19,600**	**--**	**19,600**	**0.472**	**19,600**	**–**	**19,600**	**0.472**	**No change**
(2) Non-institutions									
a) Bodies Corporates	2,51,308	1,200	2,52,508	6.079	3,12,909	0	3,12,909	7.533	1.454
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1.00 lakh	2,97,450	71,975	3,69,425	8.894	3,17,700	70,575	3,88,275	9.348	0.454
ii) Individual shareholders holding nominal share capital in excess of Rs. 1.00 lakh	5,35,526	0	5,35,526	12.893	10,31,431	0	10,31,431	24.832	11.939
c) Any other									
Non Resident Indians	5,683	0	5,683	0.137	4,826	0	4,826	0.116	-0.021
clearing Member	14,828	0	14,828	0.357	1,50,195	0	1,50,195	3.616	3.259
SUB TOTAL : (B)(2)	**11,04,795**	**73,175**	**11,77,970**	**28.360**	**18,17,061**	**70,575**	**18,87,636**	**45.445**	**17.085**
Total Public shareholding (B)=(B)(1) + (B)(2)	**11,24,395**	**73,175**	**11,97,570**	**28.830**	**18,36,661**	**70,575**	**19,07,236**	**45.917**	**17.085**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**40,80,405**	**73,175**	**41,53,580**	**100.00**	**40,83,050**	**70,575**	**41,53,580**	**100.00**	0

(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	Mr. Krishna Gopal Gupta	8,00,024	19.261	0	8,00,024	19.261	0	No change
2	Mr. Vikram Gupta	3,73,105	8.983	0	3,73,105	8.983	0	No change
3	Mr. Gaurav Gupta	3,57,966	8.618	0	3,57,966	8.618	0	No change
4	Mr. Krishna Murari Gupta	3,53,207	8.504	0	0	0	0	changed
5	Mrs. Veena Gupta	3,00,753	7.241	0	3,00,753	7.241	0	No change
6	Mrs. Shefali Chawla	2,42,464	5.837	0	2,42,464	5.837	0	No change
7	Mrs. Usha Gupta	2,09,000	5.032	0	0	0	0	changed
8	Mr. Aditya Gupta	75,830	1.826	0	0	0	0	changed
9	Mr. Vivek Gupta	75,375	1.815	0	0	0	0	changed
10	Krishna Gopal Gupta (HUF)	1,68,286	4.052	0	1,72,032	4.142	0	0.086
	TOTAL	**29,56,010**	**71.168**	**0**	**22,46,344**	**54.082**	**0**	**17.086**

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 Murari Gupta							
	At the beginning of the year	3,53,207	8.504	01.04.2017	–	–	–	–
	At the end of the year			**31.03.2018**	–	–	–	0
2	Mrs Usha Gupta							
	At the beginning of the year	2,09,000	5.032	01.04.2017	--	–	–	–
	At the end of the year			**31.03.2018**	–	–	--	0
3	Krishna Gopal Gupta (HUF)							
	At the beginning of the year	1,68,286	4.052	01.04.2017				
				28.04.2017	158	Buy	1,68,444	4.055
				09.03.2017	502	Buy	1,68,946	4.067
				16.03.2017	2,886	Buy	1,71,832	4.137
				23.03.2017	200	Buy	1,72,032	4.142
	At the end of the year			**31.03.2018**			1,72,032	4.142
4	Mr. Aditya Gupta							
	At the beginning of the year	75,830	1.826	01.04.2017	–	–	–	–
	At the end of the year			**31.03.2018**	–	–	–	0
5	Mr. Viviek Gupta							
	At the beginning of the year	75,375	1.815	01.04.2017	–	–	–	–
	At the end of the year			**31.03.2018**	–	–		0

(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	Mr. Krishna Murari Gupta							
	At the beginning of the year	3,53,207	8.504	01.04.2017				
				23.03.2018	-25,000	Sold	3,28,207	7.902
	At the end of the year			**31.03.2018**	–	–	3,28,207	7.902
2	Mr. Brijendra Kumar Gupta							
	At the beginning of the year	1,59,000	3.828	01.04.2017	--	–	–	–
	At the end of the year			**31.03.2018**	–	No change		
							1,59,000	3.828
3	Mrs Usha Gupta							
	At the beginning of the year	2,09,000	5.032	01.04.2017	–	–	–	–
				09.03.2018	-72,226	Sold	1,36,774	3.293
				16.03.2018	-22,267	Sold	1,14,507	2.757
				31.03.2018			1,14,507	2.757
4	Mrs. Uma Gupta							
	At the beginning of the year	79,850	1.922	01.04.2017	–	–	–	–
	At the end of the year			**31.03.2018**	–	No change	79,850	1.922
5	Dhwaja Commodity Services Private Ltd							
	At the beginning of the year	–	–	23.03.2018	72.306	Buy	72,306	1.741
	At the end of the year			**31.03.2018**	–	–	72,306	1.741
6	Mr. Sanjiv Kumar Gupta							
	At the beginning of the year	70,500	1.697	01.04.2017	–	–	–	–
	At the end of the year			**31.03.2018**	–	No change	70,500	1.697

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	New Millenium Technology Management Private Limited							
	At the beginning of the year	61,999	1.493	01.04.2017	–	–	–	–
	At the end of the year			**31.03.2018**	–	No change	61.999	1.493
8	BMA Wealth Creators Ltd							
	At the beginning of the year	–	–	09.03.2018	39,500	Buy	39,500	0.051
				16.03.2018	10,500	Buy	50,000	1.204
				23.03.2018	400	Buy	50,400	1.213
	At the end of the year			**31.03.2018**	100	Buy	50,500	1.216
9	Mr. Lalit Gupta							
	At the beginning of the year	45,800	1.103	01.04.2017	–	–	–	–
	At the end of the year			**31.03.2018**	–	No change	45,800	1.103
10	Raviraj Developers Ltd	25,650	0.618	01.04.2017				
				16.06.2017	-500	Sold	25,150	0.606
				08.09.2017	50	Buy	25,200	0.607
				30.09.2017	7,000	Buy	32,200	0.775
				13.10.2017	226	Buy	32,426	0.781
				03.11.2017	3,955	Buy	36,381	0.876
				10.11.2017	264	Buy	36,645	0.882
				17.11.2017	473	Buy	37,118	0.894
				19.01.2018	-754	Sold	36,364	0.875
				26.01.2018	-1,000	Sold	35,364	0.851
				31.03.2018			35,364	0.851

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	8,00,024	19.261	01.04.2017	--	–	–	–
	At the end of the year	–	--	**31.03.2018**	–	–	8,00,024	19.261
2	Mr. Krishna Murari Gupta		.					
	At the beginning of the year	3,53,207		01.04.2017	–	–	–	–
	At the end of the year	–	8.504	**31.03.2018**	–	–	–	–
			–					
3	Mr. Vikram Gupta							
	At the beginning of the year	3,73,105	8.983	01.04.2017	–	–	–	–
	At the end of the year	–	–	**31.03.2018**			3,73,105	8.983
4	Mr. Gaurav Gupta							
	At the beginning of the year	3,57,966	8.618	01.04.2017	–	–	–	–
	At the end of the year	–	–	**31.03.2018**			3,57,966	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. Prakash V. Joshi	–	–	–	–	–	–	–
	At the beginning of the year	–	–	–	–	–	–	–
	At the end of the year	–	–	**31.03.2018**	–	–	1,200	0.03
11	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	**804.50**	–	–	**804.50**
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**804.50**	–	–	**804.50**
Change in Indebtedness during the financial year				
* Addition	**178.12**	–	–	**178.12**
* Reduction	–	–	–	–
Net Change	**178.12**	–	–	**178.12**
Indebtedness at the end of the year				
i) Principal Amount	**982.62**	–	–	**982.62**
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**982.62**	–	–	**982.62**

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	Mr. Prakash Joshi Director	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income - Tax Act, 1961	30.00	4.50	34.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11.77	11.77	11.77
	(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	–	–	–
	Total (A)	**41.77**	**4.50**	**46.27**
	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 * Fee for attending board/ committee meetings * Commission * Others, please specify	1.50 – –	1.50 – –	1.30 – –	0.60 – –	0.90 – –	5.80 – –
	Total (1)	**1.50**	**1.50**	**1.30**	**0.60**	**0.90**	**5.80**
		Mr. K. M. Gupta	Mr. Vikram Gupta	Mr. Gaurav Gupta			
2	Other Non - Executive Directors * Fee for attending board /committee meetings * Commission * Others, please specify	0.00 –– ––	0.20 –– ––	1.00 –– ––			1.20 –– ––
	Total (2)	**0**	**0.20**	**1.00**			**1.20**
	Total (B)= (1+2)						**7.00**
	Total Managerial Remuneration (A+B)						**53.27**
	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 CFO & Company Secretary	Total Amount
1	Gross Salary (a) Salary as per provisions contained in Section 17(1)of the Income- Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17 (3) Income -tax Act, 1961	10.71 2.91 –	10.71 2.91 –
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission - as % of profit - others, specify	– –	– –
5	Others, please specify	–	–
	Total	**13.62**	**13.62**

VII. PENALITIES / 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)
A. COMPANY					
Penalty Punishment Compounding	-------------- Nil --------------				
B. DIRECTORS					
Penalty Punishment Compounding	-------------- Nil --------------				
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	-------------- Nil --------------				

Annexure - III

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, 2018** 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, 2018** according to the provisions of:

(i) The Companies Act, 2013 (the Act)and the rules made thereunder;
(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 there under 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;…….. (Not Applicable under the period of audit)
  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; …………. (Not Applicable under the period of audit)
  (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; ……………. (Not Applicable under the period of audit)

(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 and as amended
(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) Indian Stamp Act, 1999 and The Indian Stamp(Goa, Daman and Diu Amendment) Act, 1968
(xxx) Negotiable Instrument Act, 1881
(xxxi) Goa Value Added Tax Act, 2005 and rules thereunder
(xxxii) Income Tax Act, 1961 and Indirect Tax Law
(xxxiii) Weekly Holidays Act, 1942
(xxxiv) Registration Act, 1908 and The Registration (Goa, Daman and Diu Amendment) Act, 1985
(xxxv) Goods and Service Tax (GST) Act, 2016 and as amended
(xxxvi) Federal Food, Drug and Cosmetics, Act, USA

I have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India and as revised.
(ii) The Listing Agreements entered into by the Company with Bombay and Calcutta Stock Exchange(s);

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 three factory units: Unit I ,Unit II and Unit III :
(i) renewal of factory license of Unit I and Unit III is still under process due to rejections of structural modifications plans for want of additional information and revision and amendment of plans . The company has however paid renewal of factory license of these units for three calendar years 2018-2020 with additional fees. The company is positive on approval of structural modification after adequate modifications under Factories Act;

(ii) renewal of Factory license for Unit II is still pending with Chief Inspector for want of installation of fire hydrant. Though the installation process has commenced, it is likely to be completed by May, 2018. The company has however paid renewal of factory license of this unit for three calendar years 2018-2020 with additional fees.

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 timely yearly payment of renewal fees with BSE Limited and Calcutta Stock Exchange Limited.

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 Federal Food, Drugs and Cosmetics, Act, USA and has obtained license under U.S. Foods and Drugs Administration, which is renewed on yearly basis. .

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.

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

Date : 30.05.2018
Place: Panaji, Goa

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.

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

Date : 30.05.2018
Place: Panaji, Goa

Annexure - IV

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 low wattage 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	a) Auto Taping Machine b) Printing Pad Machine d) Dust Collector e) Programmable Oval with Accessories	2015-16	Absorbed
2	a) Digital Display Ultrasonic Transducer b) Auto Taping Machine c) Digital Display Ultrasonic Generator d) Ovens	2016-17	Absorbed
3	a) Auto Taping Machines b) Small Ovens and Post Curing Ovens c) Auto Edging Machines d) Hard Coating Machine e) Small and Bigger Polymerisation Ovens	2017-18	Absorbed

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	672.62
Foreign exchange used	1,205.67
Net earnings	(532.95)

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa - Goa
Date : May 30, 2018

K. G. GUPTA
CHAIRMAN & MANAGING DIRECTOR
DIN:00051863

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) Industry Structure and Developments:

In the past all Ophthalmic lenses were made of glass which were mineral lenses. They were single vision glass lenses. Subsequently, bifocal and progressive glass lenses were introduced. Glass lenses have now been replaced by plastic lenses. They are in fact organic lenses made by polymerisation of chemical mixtures consisting mainly of monomer mixed with a initiator. Now, new variants have been introduced by the Industry such as Hi-Index lenses, which are thinner and lighter in nature.

A large section of the population in India, requires vision correction and it is not readily available to them at convenient places and at affordable rates. 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 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 has slowed down due to economic conditions prevailing in the Western World.

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 in a limited way and mainly in plastic lenses both semi-finished and finished forms.

iv) Outlook :

Presently, the company manufactures 18,000 pieces per day of plastic lenses. The production of plastic lenses is expected to increase to 25,000 pieces per day by the end of the current financial year. The increase in capacity will give us the advantage of economies of scale by bringing down the costs.

During the period from April 01, 2018 to May 29, 2018, the Company has posted a turnover of Rs. 630.00 lakhs and the improved trend is expected to continue. The Company is expected to make a turnaround during the current financial year. The expected sales during this financial year is Rs. 4,000.00 lakhs.

The Company is in the process of incorporating a new Joint Venture by the name GSV Ophthalmics Private Limited, with SOMO Vision Co. Ltd., South Korea, in which the Company will hold 50.01% Equity Shares and SOMO Vision Co., Ltd., will hold 30% shares and the remaining by other investors, for manufacture and sale of Hi-Index lenses.

The existing Plant and Machinery of SOMO Group manufacturing Hi-Index lenses will be relocated from South Korea to India and their staff will train our staff to use the machines.

v) Risks and Concerns:

We do not foresee any risks, except for foreign exchange fluctuations. Since the Company also depends on exports, the economic situation in exporting countries is likely 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 Internal Audit is carried out by a firm of Independent Chartered Accountants, along with CFO of the Company. The reports of the Internal Auditors are periodically reviewed by the Audit Committee.

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

There was a net loss of Rs. 265.42 lakhs for the year 2017-18, compared to a net profit of Rs. 63.23 lakhs, during the corresponding previous year. The total sale of lenses has reduced from Rs. 4,067.60 lakhs to Rs. 3,743.28 lakhs, due to drastic drop in sales of glass lenses, which has been partly made up by manufacturing plastic lenses.

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

The Ophthalmic lens industry is labour intensive. Labour relations have been cordial with no interruption of manufacturing activities. The total number of permanent employees of the company as on March 31, 2018, was 195, out of which 169 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 in Chapter IV read with Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), is given below:-

This report on Corporate Governance is as on March 31, 2018.

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 seven are Non-Executive. There are five Independent Directors including one Woman Director. There are two Executive Directors including the Managing 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	Number of equity shares held
Mr. K. G. Gupta	00051863	Managing Director, Promoter & Executive	4	Yes	8,00,024
Mr. K. M. Gupta [1]	00512135	Promoter & Non-Executive	0	No	3,28,207
Mr. Vikram Gupta	00052019	Promoter & Non-Executive	1	No	3,73,105
Mr. Gaurav Gupta	00051974	Promoter & Non-Executive	4	Yes	3,57,966
Mr. Anil Palekar	01987078	Independent & Non-Executive	5	Yes	–
Mr. Sadashiv Shet	02227102	Independent & Non-Executive	5	Yes	–
Mr. Joseph A. A. D'Costa	03489392	Independent & Non-Executive	4	Yes	–
Mr.Christopher Hickman	06574204	Independent & Non-Executive	2	No	–
Mrs. Shashi Kumar Katreddi	07139250	Independent & Non-Executive	4	Yes	–
Mr. Prakash V. Joshi [2]	00051906	Executive Director	2	N.A.	1,200

1 upto August 09, 2017
2 w.e.f. September 23, 2017

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 23, 2017.

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

Five Board Meetings were held during the year under review. They were held on May 29, 2017; August 10, 2017; September 23, 2017; December 11, 2017 and February 08, 2018.

The maximum gap between two Board Meetings held during the year was not more than120 days.

Mr. K. G. Gupta is the father of Mr. Vikram Gupta and Mr. Gaurav 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 provided in the Companies Act, 2013 and the same is placed on website of our Company, 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 and web link thereto(http://gkb.net/en/wp-content/uploads/Accounts/Familiarisation-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 are the permanent invitees to the Audit Committee meetings.

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 statement before submission to the board for approval.
4. Reviewing with the management, the quarterly financial statement before submission to the board for approval.
5. Reviewing and monitoring auditor's independence and performance and effectiveness of audit process.
6. Evaluation of internal financial controls and risk management systems.
7. Scrutiny of inter corporate loans and investments.

c) Meetings and Attendance during the year.

Six meetings were held on May 29, 2017; July 24, 2017; August 10, 2017; December 11, 2017; February 08, 2018 and March 27, 2018.

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	6
Mr. Gaurav Gupta	Promoter & Non-Executive	Member	3
Mr. Anil Palekar	Independent & Non-Executive	Member	6
Mr. Joseph A. A. D'Costa	Independent & Non-Executive	Member	5
Mr. Christopher Hickman	Independent & Non-Executive	Member	3

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	3
Mr. Sadashiv Shet	Independent & Non-Executive	Member	3
Mr. Joseph A. A. D'Costa	Independent & Non-Executive	Member	3

Three meetings were held on September 23, 2017; February 08, 2018 and March 27, 2018.

d) Performance Evaluation of Independent Directors.

In terms of Regulations 17 (10) of Listing Regulations, the performance evaluation of Independent Directors was done by the entire Board (excluding the Director being evaluated). A detailed questionnaire was circulated to all the Independent Directors and written answers were received on a confidential basis.

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, interpersonal relationship, attendance, quality time spent for Board Meetings and leadership and commitment of Directors.

5. REMUNERATION POLICY OF DIRECTORS

Company has formulated Remuneration Policy relating to remuneration of Directors and 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.

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 2017-18 are as under :

Name of the Director	Salary Rs.	Benefits Rs.	Sitting Fees Rs.	Total Rs.
Mr. K.G. Gupta	30,00,000*	11,77,081	—	41,77,081
Mr. K. M. Gupta	—	—	—	—
Mr. Vikram Gupta	—	—	20,000	20,000
Mr. Gaurav Gupta	—	—	1,00,000	1,00,000
Mr. Anil Palekar	—	—	1,50,000	1,50,000
Mr. Sadashiv Shet	—	—	1,50,000	1,50,000
Mr. Joseph A. A. D'Costa	—	—	1,30,000	1,30,000
Mr. Christopher Hickman	—	—	60,000	60,000
Mrs. Shashi K. Katreddi	—	—	90,000	90,000
Mr. Prakash Joshi	3,00,000	1,50,000	—	4,50,000

* fixed component.
Minimum Remuneration paid to the Managing Director. No commission or bonus or incentive pay was paid during the year 2017-18 as the Company did not make profit.

Mr. K. G. Gupta Service Contract	:	April 01, 2018 to March 31, 2021
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 Regulation 20 of Listing Regulations.

a) Meetings and Attendance during the year.

During the year four meetings of the Committee were held on June 19, 2017; September 23, 2017; December 11, 2017 and March 27, 2018.

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

Name of the Director	Category	Designation	No. of Meetings attended
Mr. K. M. Gupta *	Promoter & Non Executive	Member	0
Mr. Gaurav Gupta	Promoter & Non Executive	Chairman	3
Mr. Vikram Gupta	Promoter & Non Executive	Member	1
Mrs. Shashi K. Katreddi	Independent & Non Executive	Member	4

* Mr. K. M. Gupta resigned on August 09, 2017 and Mr. Gaurav Gupta was appointed as Chairman of the Committee w.e.f. August 10, 2017.

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

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

Code of Conduct for Prevention of Insider Trading

The Company has formulated Code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information and Code of Conduct for Prohibition of Insider Trading for its designated employees in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down the procedures to be followed and disclosures to be made by designated employees while dealing with shares of the Company.

The Company has appointed Mr. Noel da Silva, CFO & Company Secretary as the Compliance Officer under the Code to deal with dissemination of unpublished price sensitive information and for complying with the Regulations.

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
2014-2015	September 26, 2015 11.00 A.M.	1. Re-appointment of Mr. K. G. Gupta (DIN : 00051863) as Managing Director. 2 Re-appointment of Mr. Anil Palekar (DIN: 01987078) as an Independent Director. 3. Re-appointment of Mr. Sadashiv Shet (DIN: 02227102) as an Independent Director 4. Amendment to Articles of Association as per Companies Act, 2013.
2015-16	September 24, 2016 11.00 A.M.	Adoption of new set of Articles of Association in form Table "F"
2016-17	September 23, 2017, 11.00 A.M.	None

Details of Special Resolution and Ordinary Resolution passed during the year by Postal Ballot:

During the year under review, the Company had sought the approval of the members by way of :

a) Special Resolution - Reclassification of members from Promoter and Promoter Group category to Public shareholders under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations")

b) Ordinary Resolution - Determination of fee for service of documents to the members of the Company under Section 20 of Companies Act, 2013.

The details of which are given below :

Date of Postal Ballot Notice	:	December 11, 2017
Voting Period	:	December 29, 2017 to January 27, 2018
Date of declaration of results	:	January 29, 2018
Date of approval	:	January 29, 2018

Mr. Shivaram Bhat, Practicing Company Secretary, was appointed by the Board at its meeting held on December 11, 2017, as the Scrutinizer to conduct the Postal Ballot exercise in a fair and transparent manner.

The details of the voting pattern are as under :

Resolution	**Nature of Resolution**	**No of valid votes cast**	**Votes cast in favour**		**Votes cast in against**		**No. of invalid votes cast**
			No. of votes	%	No. of votes	%	
Reclassification of members from Promoter and Promoter Group category to Public	Special Resolution	22,52,880	22,52,880	100	0	0	0
Determination of fee for service of documents to the members of the Company under Section 20 of Companies Act, 2013.	Ordinary Resolution	22,52,880	22,52,880	100	0	0	0

At present, the Company has not proposed any Special Resolution to be passed by Postal Ballot.

Procedure for Postal Ballot :

Postal Ballot is conducted by the Company, pursuant to Sections 108 and 110 of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, which also includes voting by electronic means (e-voting)

For this purpose, the Board of Directors of the Company appoint a Scrutinizer, to conduct the Postal Ballot process and remote e-voting in a fair and transparent manner.

The Postal Ballot Notice, together with the resolutions and Explanatory Statement under Section 102 of the Companies Act, 2013, is sent to all the members whose names appear in the List of Members as on the record date.

Notices are dispatched by Courier/ Registered and Speed post together with Postal ballot forms, self-addressed, pre-paid postage, Business Reply Envelope or through electronic means.

The Notice is also given to the Directors, Auditors and the Secretarial Auditor of the Company. The Notice is also placed on the website of the Company.

The Company publishes the Notice in the Newspapers, giving details about the Postal Ballot as per the requirements of the Companies Act, 2013.

The members are provided an option to exercise their vote either electronically by clicking on Yes/No or by way of Postal Ballot by putting a tick mark in the column provided for assent or dissent.

The voting rights of the members are in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off-date (record date).

After due scrutiny of all Postal Ballot forms/e-votes, the Scrutinizer submits his report . Based on the Scrutinizer's report, the Chairman declares the results of the Postal Ballot.
The results are then intimated to the Stock Exchanges and are published on the website of the Company at www.gkb.net .

The date of declaration of results, is the date of passing of the resolution.

8. MEANS OF COMMUNICATION

Quarterly results are published in The Financial Express 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, which also displays official news releases. No presentations were made to institutional investors or to the analysts during the year.

9. GENERAL SHAREHOLDER INFORMATION

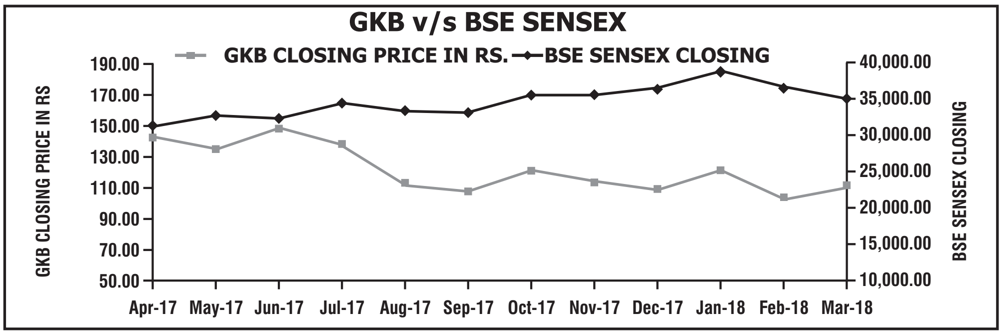
i	**36th Annual General Meeting**		
	Date	:	August 27, 2018
	Time	:	11.00 A.M.
	Venue	:	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate, Mapusa - Goa 403 526
ii	Financial Year	:	The financial year of the Company is from April 1st to March 31st.
iii	Date of Book closure	:	Book Closure is from Thursday, August 16, 2018 to Monday August 27, 2018
iv	Dividend payment date	:	No dividend is proposed
v	Listing on Stock Exchanges	:	BSE Ltd. (BSE) 25th Floor, Phiroze Jeejubhoy Towers, Dalal Street Mumbai - 400 001 Phone : 91 -22-227 21233/4 Fax : 91-22-22721919
		:	Calcutta Stock Exchange Ltd. (CSE) 7, Lyons Range Kolkata 700001. Phones: (033) 4025 3000 FAX: (033) 2210 4500, 4025 3030.
	Fees		Annual Listing fees have been paid to Bombay and Calcutta Stock Exchanges for the year 2018-19.
vi	Stock Code	:	
	BSE		533212
	CSE		017097
	ISIN NUMBER		INE 265 D01015

vii. Market Price Data

High, Low during each month in the last financial year

In Rs.

Month	BSE Equity Shares	
	High	Low
April, 2017	153.25	131.20
May, 2017	152.90	123.25
June, 2017	164.00	128.30
July, 2017	154.00	116.20
August, 2017	144.90	109.45
September, 2017	146.50	108.25
October, 2017	165.95	115.15
November, 2017	140.00	115.00
December, 2017	139.50	108.00
January, 2018	153.90	105.60
February, 2018	126.00	105.00
March, 2018	124.35	96.00



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 Web : 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, 2018 is as under:

Range		Shareholders		Total Amount	
Rs.	Rs.	Number	% to Total Nos	Rs.	% to Total Amount
(1)		(2)	(3)	(4)	(5)
Upto	5,000	934	82.29	13,91,960.00	3.35
5,001 to	10,000	84	7.40	6,99,980.00	1.69
10,001 to	20,000	41	3.61	6,13,870.00	1.48
20,001 to	30,000	17	1.50	4,32,670.00	1.04
30,001 to	40,000	12	1.06	4,36,760.00	1.05
40,001 to	50,000	2	0.18	96,860.00	0.23
50,001 to	1,00,000	9	0.79	6,27,000.00	1.51
1,00,001 and	above	36	3.17	372,36,700.00	89.65
Total		1,135	100.00	415,35,800.00	100.00

xi. The categories of shareholding as on March 31, 2018 are as under:

Sr. No	Category	No of Shares held	Percentage (%)
1	Indian Promoters	22,46,344	54.08
2	Banks, Financial Institutions & Insurance Companies	19,600	0.47
3	Private Corporate Bodies	3,12,909	7.53
4	Indian Public	14,19,706	34.18
5	Others (a) NRI/OCB	4,826	0.12
	(b) CLR	1,50,195	3.62
	TOTAL	41,53,580	100.00

xii. Dematerialization of shares and liquidity :

98.30% 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

Plant Locations :
16-A - Unit I
D2-14, 18 & 19 – Unit II
16 C & D – Unit III
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 39 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 Mechanisim
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 provide 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 SEPCIFIED 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, 2018 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, 2018

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, 2018.

For and on behalf of the Board of Directors

Place : Mapusa - Goa
Date : May 30, 2018

K. G. Gupta
Managing Director
DIN:00051863

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 31st March, 2018, 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.

Place : Panaji, Goa
Date : May 30, 2018

CS GIRIJA NAGVEKAR
Practising Company Secretary
Membership No. 28111
C.P. No. 10335

INDEPENDENT AUDITOR'S REPORT

To The Members of
GKB Ophthalmics Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **GKB Ophthalmics Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

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 standalone Ind AS 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 these standalone Ind AS financial statements 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 thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss(financial performance including other comprehensive income), its cash flows and the changes in equity 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 in terms of sub-section 11 of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements 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:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. 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 LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/ W100218

Darryl Frank
Partner
Membership No. 104096

Place : Mapusa, Goa
Date : 30 May, 2018

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF GKB OPHTHALMICS LIMITED FOR THE YEAR ENDED 31st MARCH, 2018

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report to the members of GKB Ophthalmics Limited on the standalone Ind AS financial statements for the year ended 31st March, 2018]

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of 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. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) of the Order are not applicable to the Company.

iv. According to the information provided to us and explanations given to us, the Company has not granted any loans or made investment or provided any security / guarantee as covered by provisions of sections 185 and 186 of the Act. Accordingly, the provisions stated in paragraph 3 (iv) of the Order are not applicable to the Company.

v. In our opinion and 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. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing statutory dues relating to investor education and protection fund, labour welfare fund 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, Goods and Services tax, duty of customs, duty of excise, 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 the period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, the particulars of income tax, sales tax and duty of excise as at 31st March, 2018 which have not been deposited on account of a dispute pending, are as under:

Name of the statute	Financial year	Nature of dues	Disputed Amount (in Rs. lakhs)	Forum where the dispute is pending
The Central Excise Act, 1944	2005-06	Duty, interest and penalty	17.17	Central Excise and Service Tax Appellate Tribunal (CESTAT)
	2006-07	Duty, interest and penalty	16.45	Joint Commissioner / Commissioner of Customs and Central Excise (Appeals)
	2007-08 to Sept' 2015	Duty, interest and penalty	1,113.48	Commissioner 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
	2013-14	Sales tax, interest and penalty	9.15	Additional Commissioner of Commercial Tax, Panaji
	2014-15	Sales tax, interest and penalty	49.44	Additional Commissioner of Commercial Tax, Panaji
Income Tax Act, 1961	2012-13	Income tax, interest and penalty	41.37	Commissioner of Income Tax (Appeals)
	2013-14	Income tax, interest and penalty	39.25	Commissioner of Income Tax (Appeals)
Goa Tax on Entry of Goods Act, 2000	2013-14	CST and interest	23.29	Additional Commissioner of Commercial Tax, Panaji
Goa Value Added Tax Act, 2005	2014-15	VAT, interest and penalty	0.28	Additional Commissioner of Commercial Tax, Panaji
			1,421.59	

Note: Figures given above are net of deposits / payments made.

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 banks and financial institutions.

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 the 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 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 Section 198 read with Schedule V to the Act

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For Sharp &Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/ W100218

Darryl Frank
Partner
Membership No. 104096

Place : Mapusa, Goa
Date : 30th May, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF GKB OPHTHALMICS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of GKB Ophthalmics Limited on the standalone Ind AS financial statements for the year ended 31st March, 2018]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **GKB Ophthalmics Limited** ("the Company") as of 31stMarch, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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. 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 with reference to financial statements 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 systemwith reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Sharp &Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/ W100218

Darryl Frank
Partner
Membership No. 104096

Place : Mapusa, Goa
Date : 30th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31.03.2018 Rs.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.	As at 01.04.2016 Rs.
ASSETS							
(1) Non-current Assets:							
(a) Property, Plant and Equipment	6		**169,611,169**		163,886,600		124,200,887
(b) Capital work-in-progress	6		**2,396,893**		5,733,416		5,733,416
(c) Other Intangible assets	7		**164,288**		461,342		722,207
(d) Financial Assets							
(i) Investment	8	**2,936,938**		2,938,738		44,698,738	
			2,936,938		2,938,738		44,698,738
(e) Other non-current assets	9		**5,736,090**		9,337,049		4,605,253
(2) Current Assets:							
(a) Inventories	10		**148,412,109**		160,726,781		140,231,535
(b) Financial Assets							
(i) Investment	11		**3,640,380**		34,726,136		59,805,000
(ii) Trade receivables	12	**104,624,999**		73,458,177		79,209,331	
(iii) Cash and cash equivalents	13	**101,549**		329,665		338,680	
(iv) Bank balances other than cash and cash equivalents	14	**3,768,000**		7,172,400		6,829,950	
(v) Loans and advances	15	**859,632**		433,388		362,780	
(vi) Other financial assets	16	**6,425,000**		6,410,000		6,592,000	
			119,419,560		122,529,766		153,137,741
(c) Current Tax Assets (Net)	17		**1,567,738**		383,905		-
(d) Other Current assets	18		**3,941,674**		4,033,924		2,044,125
Total Assets			**454,186,459**		**470,031,521**		**475,373,902**
EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity share capital	19	**41,535,800**		41,535,800		41,535,800	
(b) Other Equity		**227,823,440**		254,365,506		248,042,084	
			269,359,240		295,901,306		289,577,884
LIABILITIES							
(2) Non-current Liabilities:							
(a) Financial Liabilities							
(i) Borrowings	20	**170,395**		672,602		1,345,248	
(ii) Other financial liabilities		-		-		-	
			170,395		672,602		1,345,248
(b) Employee benefit obligations	21		**7,104,920**		6,955,606		6,221,595
(c) Deferred tax liabilities	22		**9,062,820**		10,992,882		9,430,666
(3) Current Liabilities:							
(a) Financial Liabilities							
(i) Borrowings	23	**98,628,933**		70,512,008		71,184,108	
(ii) Trade Payables	24	**47,696,789**		60,550,295		70,263,419	
(iii) Other financial liabilities	25	**8,074,097**		9,168,665		2,960,691	
			154,399,819		140,230,968		144,408,218
(b) Other current liabilities	26		**8,886,394**		12,130,206		12,051,843
(c) Employee benefit obligations	27		**5,202,871**		3,147,951		1,010,430
(d) Current tax Liabilities (Net)	28		**-**		-		11,328,018
Total Equity and Liabilities			**454,186,459**		**470,031,521**		**475,373,902**
CONTINGENT LIABILITIES AND COMMITMENTS	37						
SIGNIFICANT ACCOUNTING POLICIES	1 to 5						

The accompanying notes form an integral part of the financial statements

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

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 : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30h May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars	Note No	For the year ended 31 March 2018		For the year ended 31 March 2017	
			Rs.	Rs.	Rs.	Rs.
(1)	Revenue from operations	29	**374,328,006**		406,760,508	
(2)	Other income	30	**10,537,508**		14,665,970	
(3)	**Total Income**			**384,865,514**		421,426,478
(4)	**Expenses:**					
	Cost of materials consumed	31	**158,635,998**		189,520,350	
	Purchases of stock-in-trade		**-**		22,102,204	
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	**24,683,079**		(4,655,196)	
	Employee benefits expenses	33	**74,208,307**		70,737,176	
	Finance costs	34	**12,275,490**		12,559,408	
	Depreciation and amortisation expense		**15,816,443**		13,362,516	
	Other expenses	35	**126,658,599**		133,595,449	
	Total Expenses			**412,277,916**		437,221,907
(5)	**Profit/ (loss) before exceptional item and tax**			**(27,412,402)**		(15,795,429)
(6)	Exceptional items (refer note 8)	36		**-**		26,976,641
(7)	**Profit/ (loss) before tax**			**(27,412,402)**		11,181,212
(8)	**Tax expense:**					
	Current tax		**-**		1,325,000	
	Deferred tax		**(1,657,183)**		2,244,192	
				(1,657,183)		3,569,192
(9)	**Profit / (loss) for the year from continuing operations**			**(25,755,219)**		7,612,020
(10)	**Other comprehensive Income**					
	A (i) Items that will not be reclassified to profit or loss		**(1,059,726)**		(1,970,574)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**272,879**		681,976	
	B (i) Items that will be reclassified to profit or loss		**-**		-	
	(ii) Income tax relating to items that will be reclassified to profit or loss		-		-	
	Other comprehensive Income for the year			**(786,847)**		(1,288,598)
(11)	**Total Comprehensive income for the year**			**(26,542,066)**		6,323,422
(12)	**Earning per equity share**					
	(i) Basic			**(6.39)**		1.52
	(ii) Diluted			**(6.39)**		1.52
	SIGNIFICANT ACCOUNTING POLICIES	1 to 5				

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

Place : Mapusa, Goa
Date : 30th May, 2018

K. G. Gupta
Managing Director
DIN : 00051863

Place : Mapusa, Goa
Date : 30th May, 2018

Gaurav Gupta
Director
DIN : 00051974

Vikram Gupta
Director
DIN : 00052019

Noel Da Silva
CFO and
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(A) Equity share capital

Particulars	31-Mar-18		31-Mar-17	
	No. of shares	**Amount**	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening	4,153,580	41,535,800	4,153,580	41,535,800
Add: issue during the year	-	-	-	-
Closing	**4,153,580**	**41,535,800**	4,153,580	41,535,800

(B) Other equity

For the year ended 31 March 2017

Particulars	Balance as at 1 April 2016	Total Comprehensive Income /(Loss) for the year	Other Comprehensive Income	Dividends	Others	Balance as at 31 March 2017
Reserves						
Retained earnings	156,151,815	7,612,020	(1,288,598)	-	-	162,475,237
General Reserve	65,056,619	-	-	-	-	65,056,619
Other Reserves						
(i) Capital Reserves	4,328,500	-	-	-	-	4,328,500
(ii) Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
(iii) Capital Redemption Reserve	-	-	-	-	-	-
(iv) Securities Premium Reserve	20,276,000	-	-	-	-	20,276,000
Total Reserves	**248,042,084**	**7,612,020**	**(1,288,598)**	**-**	**-**	**254,365,506**

For the year ended 31 March 2018

Particulars	Balance as at 1 April 2017	Total Comprehensive Income /(Loss) for the year	Other Comprehensive Income	Dividends	Others	Balance as at 31 March 2018
Reserves						
Retained earnings	162,475,237	(25,755,219)	(786,847)	-	-	135,933,171
General Reserve	65,056,619	-	-	-	-	65,056,619
Other Reserves						
(i) Capital Reserves	4,328,500	-	-	-	-	4,328,500
(ii) Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
(iii) Capital Redemption Reserve	-	-	-	-	-	-
(iv) Securities Premium Reserve	20,276,000	-	-	-	-	20,276,000
Total Reserves	**254,365,506**	**(25,755,219)**	**(786,847)**	**-**	**-**	**227,823,440**

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

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 : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

			2017-18 (Rs.)	2016-17 (Rs.)
(A)	**Cash flows from operating activities**			
	Profit/(Loss) before tax and extraordinary items		**(27,412,402)**	11,181,212
	Adjustments for :			
	Depreciation and amortisation		**15,816,443**	13,362,516
	Finance cost		**12,275,490**	12,559,408
	Provision for doubtful debts		**2,406,180**	-
	Bad debts written off		**228,578**	-
	Unrealised exchange loss / (gain) (net)		**4,730,900**	3,888,906
	Loss / (gain) on sale of fixed assets (net)		**(100,000)**	504,279
	Exceptional item - Gain on sale of investment in associate company/ other Company		**-**	(26,976,641)
	Loss on sale of short term investments (net)		**1,799**	-
	Dividend income		**(7,046,745)**	(9,434,885)
	Interest income		**(360,690)**	(388,146)
	Operating profit before working capital changes		**539,553**	4,696,649
	Changes in Working Capital :			
	Increase / (decrease) in trade and other payables		**(20,337,256)**	(13,288,270)
	Increase / (decrease) in provisions		**1,763,535**	1,400,954
	(Increase) / decrease in inventories		**12,314,672**	(20,495,246)
	(Increase) / decrease in trade and other receivables		**(30,239,735)**	(1,314,859)
			(36,498,784)	(33,697,421)
	Cash generated from operations		**(35,959,231)**	(29,000,772)
	Direct taxes paid (net of refunds)		**(1,183,833)**	(13,036,923)
	Net cash generated from / (used) in operations	**(A)**	**(37,143,064)**	(42,037,695)
(B)	**Cash flows from investment activities**			
	Payments for purchase of fixed assets		**(15,733,224)**	(52,264,625)
	Proceeds from sale/disposal of fixed assets		**100,000**	3,450,503
	Purchase of current investments		**(614,245)**	(72,021,136)
	Proceeds from sale of current investments		**31,700,001**	97,100,000
	Proceeds from sale of non current investment in associate company / others		**-**	68,736,641
	Interest received		**306,611**	350,549
	Dividend received		**7,031,745**	9,616,885
	Net cash generated from / (used) in investment activities	**(B)**	**22,790,888**	54,968,817
(C)	**Cash flows from financing activities**			
	Proceeds from long term borrowings		**-**	-
	Repayments of long term borrowings		**(683,331)**	(703,136)
	Proceeds from / (Repayments of) short term borrowings (net)		**27,082,882**	322,407
	Interest paid		**(12,275,490)**	(12,559,408)
	Net cash generated from / (used) in financing activities	**(C)**	**14,124,061**	(12,940,137)
	Net changes in cash and cash equivalents	**(A+B+C)**	**(228,116)**	(9,015)
	Cash and cash equivalents - Opening balance		**329,665**	338,680
	Cash and cash equivalents - Closing balance		**101,549**	329,665
	Net increase / (decrease) in cash and cash equivalents		**(228,116)**	(9,015)

Notes :

1 The aforesaid statement has been prepared under the indirect method, as set out in "Indian Accounting Standard (Ind AS) 7 - "Statement of cash flows", as specified in the Companies (Indian Accounting Standards) Rules, 2015

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, wherever necessary

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

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 : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30h May, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1 General Information

GKB Ophthalmics Limited (the "Company") is a public limited company domiciled in India and was incorporated on 10th December 1981 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at 16-A, Tivim Industrial Estate, Mapusa, Goa 403 526, India.

The company manufactures and deals in unfinished ophthalmic lenses made up of Glass and Plastic.

The financial statements of the Company for the year ended 31 March 2018 were authorised in accordance with a resolution of the directors on 30th May, 2018.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest Rupee, except when otherwise indicated.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention except, certain financial assets and liabilities measured at fair value in accordance with the accounting policy of the Group.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

a) Property, plant and equipment 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

c) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. . Losses arising in case retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

d) Preoperative expenses, including interest on borrowings for a project is capitalised till the project is ready for commercial production.

e) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment

Building	30 to 60 years
Plant & Machinery	1 to 15 years
Furniture and Fixtures	1 to 10 years
Office Equipment	1 to 5 years
Vehicles	8 to 10 years
Computers	1 to 15 years

Leasehold land is amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Fixed assets which are added/ disposed off in the year are depreciated on pro rata basis with reference to the date of addition/ deletion.

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.

2.3 Other Intangible Assets
Other Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Amortisation, estimated useful lives
The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer software	6 years

Impairment of Assets
Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions:

a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

b) Transactions and balances
On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Revenue Recognition

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Rendering of services
Revenue from services is recognised in accordance with the specific terms of contract or performance.

Other Income
Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.
Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

2.6 Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

Current income tax
Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax
Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

As a lessee
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.8 Inventories

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.

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.

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.

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

Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

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

Cost of traded goods is determined on a weighted average basis.

The comparison of cost and net realizable value is made on item by item basis.

2.9 Provisions, Contingent liabilities, Contingent assets and Commitments

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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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.

Contingent assets are neither recognised nor disclosed.

Commitments include the amount of purchase order (net of advance) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.11 Employee Benefits

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.
c) Employee's State Insurance Scheme
Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which 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.

2.12 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.

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

2.13 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.

2.14 Statement of cash flows

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.

2.15 Exceptional items

On 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.

2.16 Segment accounting

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

2.17 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
-Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.18 Financial instruments — initial recognition and subsequent measurement

i) Financial assets

a) **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

b) **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:
• Financial assets at fair value
• Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss under the fair value option.

• **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit and loss under the fair value option

• **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit and loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

c) **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:
• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
a) the Company has transferred substantially all the risks and rewards of the asset, or
b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates and subsidiaries

The Company has accounted for its investment in subsidiaries and associates, at cost.

(d) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses model to the following:
• Financial assets measured at amortised cost;

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

• Financial assets measured at FVTOCI;
Expected credit losses are measured through a loss allowance at an amount equal to:
• The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
• Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).
A loss allowance for full lifetime expected credit losses is made for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with Ind AS 115.
For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

ii) Financial liabilities

a) **Initial recognition and measurement**
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

b) **Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

c) **Loans and borrowings**
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective Interest rate (EIR) method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

d) **De-recognition**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

3 Significant accounting judgments, estimates and assumptions
The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 38.

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

(ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Company is currently evaluating the requirements of amendments. The Company believes that the adoption of this amendment will not have a material effect on its financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31st March 2018, together with the comparative year data as at and for the year ended 31st March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March, 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(c) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(d) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

Reconciliation of equity as at date of transition 1st April 2016

ASSETS	Reference	Indian GAAP as at 1st April, 2016	Adjustments (refer note below)	Ind-AS as at 1st April, 2016
Non-current assets				
Property, plant and equipment		124,200,887	-	124,200,887
Capital work-in-progress		5,733,416	-	5,733,416
Investment Property		-		
Other Intangible assets		722,207	-	722,207
Intangible assets under development		-	-	-
Financial Assets				
(i) Non-current investments		44,698,738	-	44,698,738
(ii) Long-term loans and advances	Note 1	4,605,253	(4,605,253)	-
(iii) Others		-	-	-
Deferred tax assets		-	-	-
Other non-current assets	Note 1	-	4,605,253	4,605,253
Total Non-Current Assets (C)		**179,960,501**	**-**	**179,960,501**
Current Assets				
Inventories		140,231,535	-	140,231,535
Financial Assets				
(i) Current investments		59,805,000	-	59,805,000
(ii) Trade and other receivables	Note 1	79,061,084	148,247	79,209,331
(iii) Cash and cash equivalents	Note 1	7,168,630	(6,829,950)	338,680
(iv) Bank balances other than above	Note 1	-	6,829,950	6,829,950
(v) Short-term loans and advances	Note 1	2,406,905	(2,044,125)	362,780
(vi) Others	Note 1	-	6,592,000	6,592,000
Assets for Current Tax (Net)		-	-	-
Other current assets	Note 1	6,740,247	(4,696,122)	2,044,125
Total Current Assets (D)		**295,413,401**	**-**	**295,413,401**
Non-current assets classified as held for sale (E)		-	-	-
Total assets (C+D+E)		**475,373,902**	**-**	**475,373,902**

EQUITY AND LIABILITIES	Reference	Indian GAAP as at 1st April, 2016	Adjustments (refer note below)	Ind-AS as at 1st April, 2016
Equity				
a) Equity Share Capital		41,535,800	-	41,535,800
b) Other Equity				
i) Retained Earnings		156,151,815	-	156,151,815
ii) Reserves				
- Reserves representing unrealised gains/losses		-	-	-
- Other Reserves		91,890,269	-	91,890,269
Total Equity (A)		**289,577,884**	**-**	**289,577,884**
Non-current liabilities				
Financial Liabilities				
(i) Long-term borrowings		1,345,248	-	1,345,248
(ii) Other financial liabilities		-	-	-
Long-term provisions		6,221,595	-	6,221,595
Deferred tax liabilities		9,430,666	-	9,430,666
Other non-current liabilities		-	-	-
Total non-current liabilities		**16,997,509**	**-**	**16,997,509**
Current liabilities				
Financial Liabilities				
(i) Short Term Borrowings	Note 1	70,189,601	994,507	71,184,108
(ii) Trade and other payables	Note 1	58,788,934	11,474,485	70,263,419
(iii) Other financial liabilities	Note 1	-	2,960,691	2,960,691
Other current liabilities	Note 1	25,698,271	(13,646,428)	12,051,843
Short-term provisions	Note 1	14,121,703	(13,111,273)	1,010,430
Liabilities for Current Tax (Net)	Note 1	-	11,328,018	11,328,018
Total current liabilities		**168,798,509**	**-**	**168,798,509**
Liabilities associated with group(s) of assets held for disposal		-	-	-
Total Liabilities (B)		**185,796,018**	**-**	**185,796,018**
Total equity and liabilities (A+B)		**475,373,902**	**-**	**475,373,902**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Reconciliation of equity as at 31st March, 2017

ASSETS	Reference	Indian GAAP as at 31st March, 2017	Adjustment (refer notes below)	Ind-AS as at 31st March, 2017
Non-current assets				
Property, plant and equipment		163,886,600	-	163,886,600
Capital work-in-progress		5,733,416	-	5,733,416
Investment Property		-	-	-
Other Intangible assets		461,342	-	461,342
Intangible assets under development		-	-	-
Financial Assets			-	-
(i) Non-current investments		2,938,738	-	2,938,738
(ii) Long-term loans and advances	Note 1	4,917,413	(4,917,413)	-
(iii) Others		-	-	-
Deferred tax assets		-	-	-
Other non-current assets	Note 1	-	9,337,049	9,337,049
Total Non-Current Assets (C)		**177,937,509**	**4,419,636**	**182,357,145**
Current Assets				
Inventories		160,726,781	-	160,726,781
Financial Assets			-	
(i) Current investments		34,726,136	-	34,726,136
(ii) Trade and other receivables	Note 1	73,272,333	185,844	73,458,177
(iii) Cash and cash equivalents	Note 1	7,502,065	(7,172,400)	329,665
(iv) Bank balances other than above	Note 1	-	7,172,400	7,172,400
(v) Short-term loans and advances	Note 1	9,270,853	(8,837,465)	433,388
(vi) Others	Note 1	-	6,410,000	6,410,000
Assets for Current Tax (Net)	Note 1	-	383,905	383,905
Other current assets	Note 1	6,595,844	(2,561,920)	4,033,924
Total Current Assets (D)		**292,094,012**	**(4,419,636)**	**287,674,376**
Non-current assets classified as held for sale (E)		**-**	**-**	**-**
Total assets (C+D+E)		**470,031,521**	**-**	**470,031,521**

EQUITY AND LIABILITIES	Reference	Indian GAAP as at 31st March, 2017	Adjustments(refer notes below)	Ind-AS as at 31st March, 2017
Equity				
a) Equity Share Capital		41,535,800	-	41,535,800
b) Other Equity				
i) Retained Earnings		162,475,237	-	162,475,237
ii) Reserves				
- Reserves representing unrealised gains/losses		-	-	-
- Other Reserves		91,890,269	-	91,890,269
Total Equity (A)		**295,901,306**	**-**	**295,901,306**
Non-current liabilities				
Financial Liabilities				
(i) Long-term borrowings		672,602	-	672,602
(ii) Other financial liabilities		-	-	-
Long-term provisions		6,955,606	-	6,955,606
Deferred tax liabilities		10,992,882	-	10,992,882
Other non-current liabilities		-	-	-
Total non-current liabilities		**18,621,090**	**-**	**18,621,090**
Current liabilities				
Financial Liabilities				
(i) Short Term Borrowings		70,512,008	-	70,512,008
(ii) Trade and other payables	Note 1	49,654,327	10,895,968	60,550,295
(iii) Other financial liabilities	Note 1	-	9,168,665	9,168,665
Other current liabilities	Note 1	29,911,588	(17,781,382)	12,130,206
Short-term provisions	Note 1	5,431,202	(2,283,251)	3,147,951
Total current liabilities		**155,509,125**	**-**	**155,509,125**
Liabilities associated with group of assets held for disposal (C)		**-**	**-**	**-**
Total Liabilities (B)		**174,130,215**	**-**	**174,130,215**
Total equity and liabilities (A+B)		**470,031,521**	**-**	**470,031,521**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Reconciliation of profit or loss for the year ended 31st March, 2017

ASSETS	Reference	Indian GAAP as at 31st March, 2017	Adjustment (refer notes below)	Ind-AS as at 31st March, 2017
Revenues				
Revenue from operations	Note 1	383,152,597	23,607,911	406,760,508
Other income		14,665,970	-	14,665,970
Total Revenue (A)		**397,818,567**	**23,607,911**	**421,426,478**
Expenses				
Cost of material consumed		189,520,350	-	189,520,350
Purchases of Stock-in-Trade		22,102,204	-	22,102,204
Changes in inventories of finished goods, Stock-in -Trade and work-in progress		(4,655,196)	-	(4,655,196)
Employee benefits expense	Note 1	72,707,750	(1,970,574)	70,737,176
Finance costs		12,559,408	-	12,559,408
Depreciation and amortization expense		13,362,516	-	13,362,516
Other expenses	Note 1	109,987,538	23,607,911	133,595,449
Total expenses (B)		**415,584,570**	**21,637,337**	**437,221,907**
Profit/loss before exceptional items and tax (A+B)	Note 1	**(17,766,003)**	**1,970,574**	**(15,795,429)**
Exceptional Items		(26,976,641)	-	(26,976,641)
Profit/(loss) before tax		**9,210,638**	**1,970,574**	**11,181,212**
Income taxes				
- Current tax		1,325,000	-	1,325,000
- Deferred tax	Note 1	1,562,216	681,976	2,244,192
Profit (Loss) for the period from continuing operations (C)		**6,323,422**	**1,288,598**	**7,612,020**
Profit/(loss) from discontinued operations		-	-	-
Tax expense of discontinued operations		-	-	-
Profit/(loss) from Discontinued operations (after tax) (D)		**-**	**-**	**-**
Profit/(loss) for the period (E = C+D)		**6,323,422**	**1,288,598**	**7,612,020**
Other Comprehensive Income / (Loss)				
Items that will not be reclassified to profit or loss	Note 1	-	(1,970,574)	(1,970,574)
Income tax relating to items that will not be reclassified to profit or loss	Note 1	-	681,976	681,976
Items that will be reclassified to profit or loss		-	-	-
Income tax relating to items that will be reclassified to profit or loss		-	-	-
Other comprehensive income/(loss) for the period, net of tax (F)	Note 1	**-**	(1,288,598)	(1,288,598)
Total Comprehensive Income for the period (E+F)		**6,323,422**	**-**	**6,323,422**

Note 1:

a) Long term loans and advances reclassified as other non current assets in Ind AS
b) Accrued interest on fixed deposits under other current assets classified as trade and other receivables in Ind AS
c) Bank balances in current account reclassified as bank balances other than cash and cash equivalents in Ind AS
d) Advances (other than staff advances) under short term loans and advances reclassified as other current assets in Ind AS
e) Dividend receivable from subsidiary company under other current assets reclassified as others in Ind AS
f) Overdrawn bank balances under other curent liabilities reclassified as short term borrowings in Ind AS
g) Creditors for expenses under other current liabilities reclassified as trade payables in Ind AS
h) Creditors for capital goods and other liabilities under other current liabilities reclassified as other financial liabilities in Ind AS
i) Superannuation and bonus payable under short term provisions reclassifed as other current laibilities in Ind AS
j) Provision for Income tax under short-term provisions reclassifed as liabilities for current tax in Ind AS
k) Security deposits under short term loans and advances reclassified as other non current assets in Ind AS
l) Excise duty on sales reclassified as other expenses in Ind AS
m) Actuarial gains/losses reclassified as other comprehensive income in Ind AS
n) Deferred tax relating to other comprehensive income reclassified as other comprehensive income in Ind AS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 6
PROPERTY, PLANT AND EQUIPMENT

Figures in Rs.

Particulars	Freeehold Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Capital work in progress	Total
Cost:									
As at 1 April 2016	429,910	895,500	58,251,585	194,784,898	13,950,939	2,899,934	10,178,234	5,733,416	287,124,416
Additions	-	-	12,143,708	41,470,183	1,677,775	782,062	617,580	-	56,691,308
Disposals / Transfers	-	-	-	(9,897,751)	-	-	-	-	(9,897,751)
As at 31 March 2017	**429,910**	**895,500**	**70,395,293**	**226,357,330**	**15,628,714**	**3,681,996**	**10,795,814**	**5,733,416**	**333,917,973**
Additions	-	-	480,365	18,795,888	1,429,456	538,249	-	-	21,243,958
Disposals / Transfers	-	-	-	(3,672,695)	-	-	-	(3,336,523)	(7,009,218)
As at 31 March 2018	**429,910**	**895,500**	**70,875,658**	**241,480,523**	**17,058,170**	**4,220,245**	**10,795,814**	**2,396,893**	**348,152,713**
Accumulated Depreciation:									
As at 1 April 2016	-	131,572	13,541,240	126,471,867	9,760,686	2,383,913	4,900,835	-	157,190,113
Depreciation charge for the year	-	9,426	1,805,929	9,115,770	616,912	240,286	1,262,490	-	13,050,813
Disposals / Transfers	-	-	-	(5,942,969)	-	-	-	-	(5,942,969)
As at 31 March 2017	**-**	**140,998**	**15,347,169**	**129,644,668**	**10,377,598**	**2,624,199**	**6,163,325**	**-**	**164,297,957**
Depreciation charge for the year	-	9,426	2,071,951	10,913,618	786,931	409,648	1,327,816	-	15,519,389
Disposals / Transfers	-	-	-	(3,672,695)	-	-	-	-	(3,672,695)
As at 31 March 2018	**-**	**150,424**	**17,419,120**	**136,885,590**	**11,164,529**	**3,033,847**	**7,491,141**	**-**	**176,144,650**
Net book value									
As at 1 April 2016	429,910	763,928	44,710,345	68,313,031	4,190,253	516,021	5,277,399	5,733,416	129,934,303
As at 31 March 2017	429,910	754,502	55,048,124	96,712,662	5,251,116	1,057,797	4,632,489	5,733,416	169,620,016
As at 31 March 2018	**429,910**	**745,076**	**53,456,538**	**104,594,932**	**5,893,641**	**1,186,398**	**3,304,673**	**2,396,893**	**172,008,062**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 7
OTHER INTANGIBLE ASSETS

Figures in Rs.

Particulars	Computer software	Technical know-how	Commercial rights	Research and development	Concession right	Intangible assets under developlment	Total
Cost:							
As at 1 April 2016	1,832,639	-	-	-	-	-	1,832,639
Additions	50,838	-	-	-	-	-	50,838
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2017	**1,883,477**	**-**	**-**	**-**	**-**	**-**	**1,883,477**
Additions	-	-	-	-	-	-	-
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2018	**1,883,477**	**-**	**-**	**-**	**-**	**-**	**1,883,477**
Accumulated amortisation:							
As at 1 April 2016	1,110,432	-	-	-	-	-	1,110,432
Amortisation charge for the year	311,703	-	-	-	-	-	311,703
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2017	**1,422,135**	**-**	**-**	**-**	**-**	**-**	**1,422,135**
Amortisation charge for the year	297,054	-	-	-	-	-	297,054
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2018	**1,719,189**	**-**	**-**	**-**	**-**	**-**	**1,719,189**
Net book value							
As at 1 April 2016	722,207	-	-	-	-	-	722,207
As at 31 March 2017	461,342	-	-	-	-	-	461,342
As at 31 March 2018	**164,288**	**-**	**-**	**-**	**-**	**-**	**164,288**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 8 FINANCIAL ASSETS - INVESTMENTS	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
Investment in Equity Instruments			
Subsidiaries			
- GKB Ophthalmic Products FZE, Sharjah [1 equity share (31 March 2017: 1 equity share, 01 April 2016: 1 equity share) of nominal value of AED 150,000]	**1,830,150**	1,830,150	1,830,150
- GKB Ophthalmics GmbH, Germany [1 equity share (31 March 2017: 1 equity share, 01 April 2016: 1 equity share) of the capital stock]	**1,081,488**	1,081,488	1,081,488
Others			
- Prime Lenses Private Limited [Nil equity shares (31 March 2017: Nil, 01 April 2016: 1,832,592 equity shares) of Rs 10 each]	**-**	-	41,760,000
- Crysta Lenses Private Limited [Nil equity share (31 March 2017: 1 equity share, 01 April 2016: 1 equity share) of Rs 10 each]	**-**	1,800	1,800
- Saraswat Co-operative Bank Limited [2,500 shares (31 March 2017: 2,500 shares, 01 April 2016: 2500 shares) of Rs 10 each]	**25,300**	25,300	25,300
	2,936,938	**2,938,738**	44,698,738

During financial year 2016-17 the Company sold the entire shareholding in Prime Lenses Private Limited, a company in which the Company was holding 14.26% of the equity paid up share capital. The said shares were sold for a net consideration of Rs 68,736,641/- resulting in a net gain of Rs 26,976,641/- over the book value of the said shares of Rs 41,760,000/-.

Note 9 OTHER NON-CURRENT ASSETS	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
Capital Advances	-	4,917,413	4,605,253
Security deposits	5,181,090	4,419,636	-
Margin money deposits:			
Margin money deposits maturing after 12 months from reporting date	555,000	-	-
	5,736,090	**9,337,049**	**4,605,253**

Note 10 INVENTORIES*	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
Raw Materials	15,092,821	31,204,030	37,302,154
Work in Progress	2,976,132	4,443,005	7,008,045
Finished goods-Manufacturing	32,624,034	53,583,996	48,620,004
Stock in trade	-	2,266,244	-
Stores, spares and packing material	97,719,122	69,239,506	47,301,332
	148,412,109	**160,726,781**	**140,231,535**

*Hypothecated as charge against short term-borrowings. Refer note 23.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 11	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT FINANCIAL ASSETS - INVESTMENTS	**Rs**	**Rs**	**Rs**
Investment in Mutual funds			
JM High Liquidity Fund - Saving Plan - Dividend reinvestment option 547 units (31 March 2017: 500 units, 01 April 2016: 500 units)	5,709	5,000	5,000
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment 3,428 units (31 March 2017: 32,644 units, 01 April 2016: 56,462 units)	3,634,671	34,721,136	59,800,000
	3,640,380	**34,726,136**	**59,805,000**
Aggregate Book value			
Quoted	-	-	-
Unquoted	3,640,380	34,726,136	59,805,000
Aggregate Market value			
Quoted	-	-	-
Unquoted	3,640,380	34,726,136	59,805,000

Note 12	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
TRADE RECEIVABLES	**Rs**	**Rs**	**Rs**
Trade Receivables - at amortised cost			
Unsecured			
Debts overdue for six months			
Considered good			
Related Parties *	-	-	-
Others	2,065,881	3,281,949	14,463,960
Considered doubtful	2,406,180	590,124	590,124
Less: Allowance for doubtful debts	(2,406,180)	(590,124)	(590,124)
	2,065,881	**3,281,949**	**14,463,960**
Others debts			
Considered good			
Related Parties *	53,930,135	35,687,476	33,860,205
Others	48,389,060	34,302,908	30,736,919
Considered doubtful	-	-	-
Less: Allowance for doubtful debts	-	-	-
	102,319,195	**69,990,384**	**64,597,124**
Other Receivables - at amortised cost			
Other financial receivables	239,923	185,844	148,247
	104,624,999	**73,458,177**	**79,209,331**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

* Due to related parties includes receivable from following companies

GKB Ophthalmics Products FZE	**7,594,786**	5,418,754	9,058,865
Prime Lenses Pvt Ltd	**39,829,819**	28,639,013	24,787,415
Lensco- The Lens Company	**4,795,032**	-	-
GKB Vision FZC	**-**	1,629,710	-
GKB Optic Technologies Pvt.Ltd.	**-**	-	13,924
GKB Vision Private Limited	**1,710,498**	-	**-**

Due from others includes reinstated amount of Rs Nil (31 March 2017: Rs 2,79,925, 01 April 2016: Rs. 8,257,690) due from Pamonte SA, Ecuador against exports which are overdue for a period exceeding 12 months.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 13	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CASH AND CASH EQUIVALENTS	**Rs**	**Rs**	**Rs**
Cash at Banks			
Balances with Banks			
- On current accounts	96,813	329,351	338,252
- On margin money deposits	-	-	-
- On deposit Accounts	-	-	-
Cash in hand	4,736	314	428
	101,549	**329,665**	**338,680**

Note 14	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	**Rs**	**Rs**	**Rs**
Other balances			
Earmarked balances with banks:			
Margin money deposits	3,768,000	7,172,400	6,829,950
* Kept as lien against bank guarantee and letter of credit facility	**3,768,000**	**7,172,400**	**6,829,950**

Note 15	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT FINANCIAL ASSETS - LOANS AND ADVANCES	**Rs**	**Rs**	**Rs**
Unsecured, considered good, unless otherwise stated			
Financial assets at Amortised Cost			
(a) Loans and advances to related parties (giving details thereof):			
Subsidiaries	-	-	-
Other related party	-	-	-
	-	-	-
(b) Advances recoverable in cash or in kind or for value to be received			
Considered good	33,049	66,188	24,080
Considered doubtful	-	-	-
Less: Allowance for bad and doubtful advance	-	-	-
	33,049	66,188	24,080
(c) Security deposits			
Considered good	826,583	367,200	338,700
Considered doubtful			
Less: Allowance for bad and doubtful advances			
	826,583	367,200	338,700
	859,632	**433,388**	**362,780**

Note 16	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER FINANCIAL ASSETS	**Rs**	**Rs**	**Rs**
Dividend receivable form subsidiary	6,425,000	6,410,000	6,592,000
	6,425,000	**6,410,000**	**6,592,000**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 17	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT TAX ASSETS (NET)	**Rs**	**Rs**	**Rs**
Provision for taxes	(37,375,215)	(37,375,215)	-
Taxes paid	38,942,953	37,759,120	-
	1,567,738	**383,905**	**-**

Note 18	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER CURRENT ASSETS	**Rs**	**Rs**	**Rs**
Advances recoverable in cash or in kind or for value to be received			
Advance to Suppliers (Considered good)	1,279,468	3,077,901	1,027,623
Prepaid expense	759,456	956,023	1,016,502
Balances with customs, excise, service tax, GST and commercial tax authorities	1,533,017	-	-
Refund receivable towards Merchandise Exported from India Scheme (MEIS)	369,733	-	-
	3,941,674	**4,033,924**	**2,044,125**

Note 19	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
SHARE CAPITAL	**Rs**	**Rs**	**Rs**
Authorised :			
7,000,000 equity shares of Rs 10 each (31 March 2017: 7,000,000, 01 April 2016: 7,000,000) equity shares of Rs 10 each	**70,000,000**	70,000,000	70,000,000
Issued :			
4,199,980 equity shares of Rs 10 (31 March 2017: 4,199,980, 01 April 2016: 4,199,980) equity shares of Rs 10 each)	**41,999,800**	41,999,800	41,999,800
Subscribed and Paid up :			
4,153,580 equity shares of Rs 10 each (31 March 2017: 4,153,580, 01 April 2016:4,153,580) equity shares of Rs 10 each)	**41,535,800**	41,535,800	41,535,800
	41,535,800	**41,535,800**	**41,535,800**

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

		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	Name of Shareholder	**No. of shares**	**%held**	No. of shares	%held	No. of shares	%held
1	Krishna Gopal Gupta	**800,024**	**19.26%**	800,024	19.26%	798,874	19.23%
2	Krishna Murari Gupta	**328,207**	**7.90%**	353,207	8.50%	353,207	8.50%
3	Vikram Gupta	**373,105**	**8.98%**	373,105	8.98%	373,105	8.98%
4	Gaurav Gupta	**357,966**	**8.62%**	357,966	8.62%	357,966	8.62%
5	Veena Gupta	**300,753**	**7.24%**	300,753	7.24%	300,635	7.24%
6	Usha Gupta	**114,507**	**2.76%**	209,000	5.03%	209,000	5.03%
7	Shefali Chawla	**242,464**	**5.84%**	242,464	5.84%	242,464	5.84%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Reconciliation of opening and closing share capital

Particulars	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
Name of Shareholder	No. of shares	Value (Rs)	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	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	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 20	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
LONG TERM BORROWINGS	Rs	Rs	Rs
Secured :			
Term Loans			
a) From Banks (Refer note below)	**170,395**	450,938	776,585
b) From Financial institutions (Refer note below)	**-**	221,664	568,663
	170,395	672,602	1,345,248

(a) Secured term loans from banks:

Vehicle loan of Rs 4,45,152/- (31 March 2017: Rs 6,93,259/-, 01 April 2016: Rs 9,17,654/-) is repayable in 48 equated monthly installments from November, 2015.

Vehicle loan of Rs Nil/- (31 March 2017: Rs 88,225/-,01 April 2016: Rs 2,57,728/-) is repayable in 47 equated monthly installments from November, 2013.

(b) Secured term loans from financial institutions:

Vehicle loan of Rs 2,21,664/- (31 March 2017: Rs 5,68,663/-,01 April 2016: Rs 8,77,901/-) is repayable in 36 equated monthly installments from November, 2015.

Maturity period of principle repayment of term loans	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
a) Term loans form bank			
Maturing within 2019-20	170,395	176,181	170,086
Maturing within 2018-19	-	274,757	274,757
Maturing within 2017-18	-	-	331,742
A	**170,395**	450,938	776,585
b) Term loans from financial institutions			
Maturing within 2018-19	**-**	221,664	221,664
Maturing within 2017-18	**-**	-	346,999
B	**-**	221,664	568,663
(A+B)	**170,395**	672,602	1,345,248
Current maturities of long term borrowings disclosded in Note 26 under - Other current liablities			
a) Term loans from bank	**274,757**	330,546	398,796
b) Term loans from financial institutions	**221,664**	346,999	309,238
C	**496,421**	677,545	708,034
Interest accrued and due on long term borrowings disclosed in Note 26 under - Other current liabilities			
a) Term loans from bank	-	-	-
b) Term loans from financial institutions	-	-	-
D	**-**	-	-
(A+B+C+D)	**666,816**	1,350,147	2,053,282

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Details of security	**Amount outstanding as on 31.03.2018**	Amount outstanding as on 31.03.2017	Amount outstanding as on 01.04.2016
	Rs	Rs	Rs
a) Terms loans from bank / financial institution			
i. Secured by hypothecation of vehicle	**666,816**	1,350,147	2,053,282
	666,816	1,350,147	2,053,282

Note 21	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
LONG TERM EMPLOYEE BENEFIT OBLIGATIONS	**Rs**	**Rs**	**Rs**
Provision for employee benefits (Refer note 38)			
Provision for gratuity	**5,267,308**	5,123,077	4,978,846
Provision for leave encashment	**1,837,612**	1,832,529	1,242,749
	7,104,920	**6,955,606**	**6,221,595**

Note 22
TAXATION

22.1 Income tax related to items charged or credited directly to profit or loss during the year

Particulars	**For the year ended 31st March 2018**	For the year ended 31st March 2017
	Rs	Rs
Current income tax	-	1,325,000
Adjustments in respect of current income tax of previous year	-	-
Deferred tax expense /(benefits)	(1,657,183)	2,244,192
Income tax expense reported in the income statement	**(1,657,183)**	**3,569,192**

22.2 Deferred tax relates to the following

Particulars	Balance sheet			Recognised in statement of profit or loss	
	As at 31 March 2018	**As at 31 March 2017**	**As at 01 April 2016**	**For the year ended 31st March 2018**	**For the year ended 31st March 2017**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**
Expenses allowable for tax purposes when paid / on payment of TDS	(2,560,261)	(3,017,755)	(1,863,738)	457,494	(1,154,017)
Unused tax losses / depreciation	-	-	-	-	-
Other items giving rise to temporary differences	(1,975,923)	(1,772,994)	(1,927,309)	(202,929)	154,315
Accelerated depreciation for tax purposes	13,599,004	15,783,631	13,221,713	(2,184,627)	2,561,918
Effect of transition adjustments:					
Profit /Loss on sale of Fixed assets	-	-	-	-	-
Other items giving rise to temporary differences	-	-	-	-	-
Deferred tax asset / (liability)	**9,062,820**	**10,992,882**	**9,430,666**	-	-
Net deferred tax debited/(credited) to the Statement of Profit and Loss				**(1,930,062)**	**1,562,216**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

22.3 Reconciliation of deferred tax (asset)/liabilities net

Reconciliation of deferred tax (asset)/liabilities net	31st March 2018 Rs	31st March 2017 Rs
Opening balance as of 1 April	**10,992,882**	9,430,666
Tax income/(expense) during the period recognised in profit or loss	**(1,657,183)**	2,244,192
Tax income/(expense) during the period recognised in other comprehensive income	**(272,879)**	(681,976)
Tax income/(expense) during the period recognised in profit or loss from Discontinued operation		
Deferred taxes acquired in business combinations		
Deferred taxes recognised directly in equity		
Closing balance as at 31 March	**9,062,820**	**10,992,882**

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Note 23	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
SHORT TERM BORROWINGS	**Rs**	**Rs**	**Rs**
Secured			
From Banks :			
a) Cash credit	**87,527,860**	42,485,142	41,356,470
b) Packing credit facility	**10,067,030**	28,026,866	28,833,131
c) Overdrawn bank balances	**1,034,043**	-	994,507
	98,628,933	**70,512,008**	**71,184,108**

The above facilities from banks are secured by hypothecation of the Company's entire present and future stocks of raw materials, finished goods, work in progress, consumable stores & spares, book debts, other current assets, mortgage of leasehold land, factory building, plant & machinery and all other fixed assets of the Company.

Note 24	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
TRADE PAYABLES	**Rs**	**Rs**	**Rs**
Financial Liabilities at amortised cost			
Due to micro and small enterprises			
Related parties*	**-**	-	-
Others	**-**	-	-
Due to other than micro and small enterprises			
Related parties*	**7,208,630**	2,933,727	4,677,544
Others	**40,488,159**	57,616,568	65,585,875
	47,696,789	**60,550,295**	**70,263,419**

*Due to related parties includes			
GKB Vision Private Limited	**7,043,630**	-	4,569,544
Lensco - The Lens Company	**-**	2,753,727	-
Veena Gupta	**165,000**	180,000	108,000

Due to others includes reinstated amount of Rs 1,69,13,850 (31 March 2017: Rs 1,68,62,542/-, 01 April 2016: Rs 1,71,62,697/-) due to Alpha Diamond Industry, Japan; Rs Nil (31 March 2017: Rs 50,40,161/-, 01 A[ril 2016: Rs Nil) due to Corning SA-France 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.

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 25	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER FINANCIAL LIABILITIES	**Rs**	**Rs**	**Rs**
Other financial liabilities at amortised cost			
Creditors for capital goods	**3,171,906**	5,915,109	1,125,428
Others liabilities	**4,902,191**	3,253,556	1,835,263
	8,074,097	**9,168,665**	**2,960,691**

Note 26	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER CURRENT LIABILITIES	**Rs**	**Rs**	**Rs**
Advances from customers	1,189,094	1,233,504	2,244,688
Current maturities of long term debt (secured)			
From Bank	274,757	330,546	398,796
From Financial institutions	221,664	346,999	309,238
Statutory dues Payable	273,074	3,439,909	3,368,795
Employee benefits payable			
Salary payable	4,025,526	4,495,997	3,947,071
Bonus payable	2,733,416	2,239,121	1,722,730
Superannuation payable	168,863	44,130	60,525
	8,886,394	**12,130,206**	**12,051,843**

Note 27	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
SHORT TERM EMPLOYEE BENEFIT OBLIGATIONS	**Rs**	**Rs**	**Rs**
Provision for employee benefits (Refer note 38)			
Provision for gratuity	4,364,538	2,316,345	703,881
Provision for leave encashment	838,333	831,606	306,549
	5,202,871	**3,147,951**	**1,010,430**

Note 28	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT TAX LIABILITIES (NET)	**Rs**	**Rs**	**Rs**
Provision for taxes	-	-	36,550,215
Taxes paid	-	-	(25,222,197)
	-	**-**	**11,328,018**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 29	For the year ended 31st March 2018	For the year ended 31 March 2017
REVENUE FROM OPERATIONS	**Rs.**	**Rs.**
Sale of products (including Excise Duty)	367,529,833	406,693,348
Sale of services	175,935	67,160
Other operation income - Sale of raw materials, stores and packing material	6,622,238	-
Gross Sales	**374,328,006**	**406,760,508**

Sale of goods includes excise duty collected from customers of Rs 51,64,073 (31st March, 2017: Rs 2,36,07,911). Sale of goods net of excise duty is Rs 36,23,65,760 (31st March, 2017: Rs 38,30,85,437). Revenue from operations for periods up to 30th June, 2017 includes excise duty. From 1st July, 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for year ended 31st March, 2018 is not comparable to 31st March, 2017.

Note 30	For the year ended 31st March 2018	For the year ended 31 March 2017
OTHER INCOME	**Rs.**	**Rs.**
Finance income		
Interest income on Margin Money Deposits / Others	**360,690**	**388,146**
Other non-operating income		
Dividend income		
from subsidiary company	6,425,000	6,410,000
from others	621,745	3,024,885
Exchange gain	1,177,523	4,842,939
Profit on sale of assets	100,000	
Miscellaneous income	1,852,550	-
	10,537,508	**14,665,970**

Note 31	For the year ended 31st March 2018	For the year ended 31 March 2017
COST OF MATERIALS CONSUMED	**Rs.**	**Rs.**
Opening stock	31,204,030	37,302,154
Add: Purchases	142,524,789	183,422,226
Less: Closing stock	(15,092,821)	(31,204,030)
	158,635,998	189,520,350
Less: Scrap sales	-	-
	158,635,998	**189,520,350**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 32	**For the year ended 31st March 2018**	**For the year ended 31 March 2017**
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	**Rs.**	**Rs.**
Closing stock		
Finished goods (including excise duty)	32,624,034	53,583,996
Work-in-progress	2,976,132	4,433,005
Stock-in-trade	-	2,266,244
	35,600,166	**60,283,245**
Opening stock		
Finished goods	53,583,996	48,620,004
Work-in-progress	4,433,005	7,008,045
Stock-in-trade	2,266,244	-
	60,283,245	55,628,049
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**24,683,079**	**(46,55,196)**

Note 33	**For the year ended 31st March 2018**	**For the year ended 31 March 2017**
EMPLOYEE BENEFIT EXPENSES	**Rs.**	**Rs.**
Salaries, wages, bonus and other allowances	65,549,904	62,282,373
Contribution to Provident fund and other funds (Refer note 38)	6,246,523	5,721,272
Contribution to Gratuity (Refer note 38)	977,580	808,662
Contribution to Leave encashment (Refer note 38)	403,838	458,172
Workmen and staff welfare	1,030,462	1,466,697
	74,208,307	**70,737,176**

Note 34	**For the year ended 31st March 2018**	**For the year ended 31 March 2017**
FINANCE COST	**Rs.**	**Rs.**
Interest on working capital	9,221,912	9,972,563
Interest on term loans	433,189	575,905
Bank charges and other borrowing costs	2,620,389	2,010,940
	12,275,490	**12,559,408**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

NOTE 35	For the year ended 31st March 2018		For the year ended 31st March 2017	
OTHER EXPENSES	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Stores and spares consumed		**52,130,388**		48,748,834
Packing material consumed		**9,105,683**		9,577,669
Power and fuel		**20,029,653**		16,937,768
Other manufacturing expenses		**18,773,953**		13,377,865
Lease rent (refer foot note 1 below)		**588,000**		624,000
Repairs :				
Building	**422,708**		321,214	
Plant and Equipment	**2,742,929**		2,814,811	
Others	**681,943**		629,746	
		3,847,580		3,765,771
Insurance		**542,944**		495,688
Rates and Taxes		**386,368**		184,096
Excise duty (refer foot note 2 below)		**(1,271,990)**		278,211
Excise duty paid on sale of products		**5,164,073**		23,607,911
Freight and forwarding		**1,517,543**		2,534,430
Auditor's Remuneration				
Statutory audit fees	**750,000**		550,000	
Tax audit fees	**195,000**		162,500	
Other matters	**255,000**		187,500	
Out of pocket expenses	**77,195**		29,965	
		1,277,195		929,965
Travelling and conveyance		**2,421,611**		2,422,145
Legal and Professional Charges		**2,531,935**		2,837,425
Provision for doubtful debts		**2,406,180**		-
Loss on sale of fixed assets (net)		**-**		504,279
Loss on sale of investment		**1,799**		-
Directors' fees (including service tax)		**721,440**		529,220
Advertising and sales promotion		**227,273**		340,534
Bad debts write off		**228,578**		-
Security charges		**2,665,576**		2,453,831
Telephone and communication expenses		**1,018,837**		1,352,446
Printing and stationery expenses		**922,328**		819,408
Miscellaneous expenses		**1,421,652**		1,273,953
		126,658,599		133,595,449

Note 1:
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 5,88,000 (31 March 2017: Rs 6,24,000) has been charged to the Statement of Profit and Loss.

Note 2:
The excise duty related to the difference between the opening and closing stock of finished goods is disclosed above as "Excise duty".

Note 36	For the year ended 31st March 2018	For the year ended 31 March 2017
EXCEPTIONAL ITEMS	**Rs.**	**Rs.**
Gain on sale of investments	-	26,976,641
	-	26,976,641

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 37	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
I) CONTINGENT LIABILITIES (to the extent not provided for)	**Rs**	**Rs**	**Rs**
(a) Claims against the Company not acknowledged as debts	**-**	-	-
(b) Sales Tax liability that may arise in respect of matters in appeal	**17,839,555**	11,170,738	12,670,198
(c) Entry Tax liability that may arise in respect of matters in appeal	**2,861,609**	-	119,048,177
(d) Excise duty / service tax liability that may arise in respect of matters in appeal	**119,048,230**	121,218,775	-
(e) Income Tax liability that may arise in respect of matters in appeal	**8,061,660**	8,061,660	4,136,890
(f) Guarantees given on behalf of associate companies	**14,500,000**	198,500,000	363,008,000
(g) Bills discounted	**-**	8,585,818	15,321,484
(h) Letters of credit outstanding	**18,714,458**	18,458,095	15,449,548
(i) Bank guarantees	**7,685,738**	6,685,738	6,685,738

II) COMMITMENTS:	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Rs	**Rs**	**Rs**
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	112,210	2,000	8,883,487
	112,210	**2,000**	**8,883,487**

(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 unfullfilled 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 38
Disclosures as required by Indian Accounting Standard (Ind AS) 19 "Employee Benefits":

a) Defined Contribution Plans :
Contribution to Defined Contribution Plans, recognised as an expense and included under "Employee Benefits Expenses" Note 33 to the Statement of Profit and Loss are as under :
Employer's contribution to Provident Fund and EDLI Rs 20,93,869 (31 March 2017: Rs 17,40,926)
Employer's contribution to Family Pension Scheme Rs 19,15,896 (31 March 2017: Rs 19,29,458)
Employer's contribution to Employees State Insurance Scheme Rs 19,62,265 (31 March 2017: Rs 17,35,077)
Employer's contribution to Superannuation Fund Rs 1,68,863 (31 March 2017: Rs 1,85,316)
Employer's contribution to Labour Welfare Fund Rs 1,05,630 (31 March 2017: Rs 1,30,495)

b) Defined Benefit Plans :
The Company's gratuity and leave encashment plans are defined benefit plans :

		Gratuity (funded) Rs. 2017-18	Gratuity (funded) Rs. 2016-17	**Gratuity (unfunded) Rs. 2017-18**	Gratuity (unfunded) Rs. 2016-17
I	**Change in obligation during the year**				
1	Liability at the beginning of the year	**10,996,853**	9,630,557	**5,123,077**	4,978,846
2	Interest cost	**879,748**	770,445	**-**	-
3	Current service cost	**642,807**	597,411	**144,231**	144,231
4	Past service cost	**-**	-	**-**	-
5	Benefits paid	**(517,410)**	(1,059,381)	**-**	-
6	Actuarial (gain) / losses	**1,399,301**	1,057,821	**-**	-
7	Liability at the end of the year	**13,401,299**	10,996,853	**5,267,308**	5,123,077
II	**Change in assets during the year**				
1	Plan assets at the beginning of the year	**8,680,508**	8,926,677	**-**	-
2	Expected return of plan assets	**689,206**	703,424	**-**	-
3	Contributions	**184,458**	109,788	**-**	-
4	Benefits paid	**(517,410)**	(1,059,381)	**-**	-
5	Actuarial gain / (loss)	**-**	-	**-**	-
6	Plan assets at the end of the year	**9,036,762**	8,680,508	**-**	-
7	Total actuarial gain/(loss) to be recognised	**(1,399,301)**	(1,057,821)	**-**	-
III	**Actual return on plan assets**				
1	Expected return on plan assets	**689,206**	703,424	**-**	-
2	Actuarial gain / (loss)	**-**	-	**-**	-
3	Actual return on plan assets	**689,206**	703,424	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**				
1	Liability at the end of the year	**(13,401,299)**	(10,996,853)	**(5,267,308)**	(5,123,077)
2	Plan assets at the end of the year	**9,036,762**	8,680,508	**-**	-
3	Amount recognised in the balance sheet	**(4,364,537)**	(2,316,345)	**(5,267,308)**	(5,123,077)
V	**Expenses recognised in the statement of profit and loss for the year**				
1	Current service cost	**642,807**	597,411	**144,231**	144,231
2	Interest cost	**879,748**	770,445	**-**	-
3	Expected return on plan assets	**(689,206)**	(703,424)	**-**	-
4	Actuarial (gain) / losses	**1,399,301**	1,057,821	**-**	-
5	Past service cost	**-**	-	**-**	-
6	Total expenses as per actuarial valuation	**2,232,650**	1,722,253	**144,231**	144,231
7	Optional payment	**-**	-	**-**	-
8	Total expenses	**2,232,650**	1,722,253	**144,231**	144,231
VI	**Balance sheet reconciliation**				
1	Opening net liability	**2,316,346**	703,881	**5,123,077**	4,978,846
2	Expenses as above	**2,232,650**	1,722,253	**144,231**	144,231
3	Employer contribution	**(184,458)**	(109,788)	**-**	-
4	Amount recognised in the balance sheet *	**4,364,538**	2,316,346	**5,267,308**	5,123,077
VII	**The major categories of plan assets as a percentage of total :**				
	Insurer Managed Funds	**100%**	100%	**Not applicable**	Not applicable
VIII	**Actuarial assumptions:**				
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 21 - Long Term employee benefit obligations	**-**	-	**5,267,308**	5,123,077
	Disclosed in Note 27 - Short Term employee benefit obligations	**4,364,538**	2,316,346	**-**	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits (contd.)

		Leave encashment (unfunded) Rs. 2017-18	Leave encashment (unfunded) Rs. 2016-17
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	**2,664,135**	1,549,298
2	Interest cost	**200,343**	125,028
3	Current service cost	**203,495**	333,144
4	Past service cost	**-**	-
5	Benefits paid	**(52,453)**	(256,088)
6	Actuarial (gain) / losses	**(339,575)**	912,753
7	Liability at the end of the year	**2,675,945**	2,664,135
II	**Change in assets during the year**		
1	Plan assets at the beginning of the year	**-**	-
2	Expected return of plan assets	**-**	-
3	Contributions	**-**	-
4	Benefits paid	**-**	-
5	Actuarial gain / (loss)	**-**	-
6	Plan assets at the end of the year	**-**	-
7	Total actuarial gain/(loss) to be recognised	**-**	-
III	**Actual return on plan assets**		
1	Expected return on plan assets	**-**	-
2	Actuarial gain / (loss)	**-**	-
3	Actual return on plan assets	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	**(2,675,945)**	(2,664,135)
2	Plan assets at the end of the year	**-**	-
3	Amount recognised in the balance sheet	**(2,675,945)**	(2,664,135)
V	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	**203,495**	333,144
2	Interest cost	**200,343**	125,028
3	Expected return on plan assets	**-**	-
4	Actuarial (gain) / losses	**(339,575)**	912,753
5	Past service cost	**-**	-
6	Total expenses as per actuarial valuation	**64,263**	1,370,925
7	Optional payment	**-**	-
8	Total expenses	**64,263**	1,370,925
VI	**Balance sheet reconciliation**		
1	Opening net liability	**2,664,135**	1,549,298
2	Expenses as above	**64,263**	1,370,925
3	Benefits Paid	**(52,453)**	(256,088)
4	Amount recognised in the balance sheet *	**2,675,945**	2,664,135
VII	**The major categories of plan assets as a percentage of total :**	**Not applicable**	Not applicable
VIII	**Actuarial assumptions:**		
1	Discount rate	**7.85%**	7.52%
2	Rate of return on plan assets	**Not applicable**	Not applicable
3	Rate of mortality	**As per Indian Assured Lives Mortality (2006-08)**	As per Indian Assured Lives Mortality (2006-08)
4	Salary Escalation	**5.00%**	5.00%
	*The closing net liability is disclosed as follows:		
	Disclosed in Note 21 - Long Term employee benefit obligations	**1,837,612**	1,832,529
	Disclosed in Note 27 - Short Term employee benefit obligations	**838,333**	831,606

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 FOR THE YEAR ENDED 31ST MARCH 2018

Note 39
Disclosures as required by Indian Accounting Standard (IAS) 24 - Related Party Disclosures :

(a) Relationships:

List of related parties where control exists:

(i) Subsidiary companies
1 GKB Ophthalmics Products FZE
2 GKB Ophthalmics GmbH

(ii) Associates/ Enterprises in which directors exercise significant influence
1 Prime Lenses Pvt Ltd
2 GKB Vision Private Limited
3 Lensco-The Lens Company
4 GKB Opticals Limited
5 GKB Optic Technologies Pvt.Ltd.
6 GKB Vision FZC

(iii) Key Management Personnel
1 Mr. K.G Gupta - Managing Director

(iv) Relatives of key management personnel
1 Mrs. Veena Gupta
2 Mr. Gaurav Gupta
3 Mr. Vikram Gupta
4 Mr. K. M. Gupta (resigned w.e.f. 9th August, 2017)

(b) The following transactions were carried out with the related parties in the ordinary course of business:

Sr No.	Nature of transaction / relationship	2017-18	2016-17
		Rs	Rs
1	Purchases of goods and services		
	Subsidiary company		
	GKB Ophthalmics Products FZE	**1,093,993**	-
	Associate/Significant influence enterprise		
	GKB Vision Private Limited	**102,307,220**	65,464,804
	Prime Lenses Pvt Ltd	**49,039**	-
	Lensco-The Lens Company	**-**	2,838,354
	Total	**103,450,252**	68,303,158
2	Sales of goods and services		
	Subsidiary company		
	GKB Ophthalmics Products FZE	**20,832,757**	30,677,209
	Associates/ Significant influence enterprise		
	Prime Lenses Pvt Ltd	**135,470,223**	102,502,192
	GKB Vision Private Limited	**123,923,089**	73,906,652
	GKB Optic Technologies Pvt.Ltd.	**-**	1,705,096
	Lensco-The Lens Company	**4,766,969**	-
	GKB Vision FZC	**2,340,486**	2,014,291
	Total	**287,333,524**	210,805,439
3	Sale of fixed asset (inclusive of VAT)		
	Associate/Significant influence enterprise		
	GKB Vision Private Limited	**112,500**	2,598,498
	Prime Lenses Pvt Ltd	**-**	979,161
	Total	**112,500**	3,577,659

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Sr No.	Nature of transaction / relationship	2017-18 Rs	2016-17 Rs
4	Payment of remuneration		
	Key Management Personnel		
	K. G. Gupta	**4,177,081**	4,084,441
	Total	**4,177,081**	4,084,441
5	Rent Paid		
	Relative of Key Management Personnel		
	Veena Gupta	**480,000**	480,000
	Total	**480,000**	480,000
6	Dividend received / receivable		
	Subsidiary company		
	GKB Ophthalmics Products FZE	**6,425,000**	6,410,000
	Total	**6,425,000**	6,410,000
7	Reimbursement of expenses		
	Associate/Significant influence enterprise		
	Prime Lenses Pvt Ltd	**-**	4,528
	GKB Vision Private Limited	**-**	86,862
	Total	**-**	91,390
8	Recovery of expenses		
	Associate/Significant influence enterprise		
	Prime Lenses Pvt Ltd	**-**	1,499,460
	Total	**-**	1,499,460
9	Director's sitting fees		
	Relatives of Key Management Personnel		
	Gaurav Gupta	**100,000**	80,000
	Vikram Gupta	**20,000**	40,000
	K. M. Gupta	**-**	20,000
	Total	**120,000**	140,000

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

c) Amount due to / from related parties

Sr No.	Nature of balance / relationship	2017-18 Rs	2016-17 RS
1	Accounts payable		
	Associate/ Significant influence enterprise		
	GKB Vision Private Limited	**7,043,630**	**-**
	Lensco-The Lens Company	**-**	2,753,727
	Relative of Key Management Personnel		
	Veena Gupta	**165,000**	180,000
	Total	**7,208,630**	2,933,727
2	Advances received remaining unadjusted		
	Subsidiary company		
	GKB Ophthalmics GmbH	**1,189,094**	1,189,094
	Total	**1,189,094**	1,189,094
3	Accounts receivable		
	Subsidiary company		
	GKB Ophthalmics Products FZE	**7,594,786**	5,418,754
	Associate/ Significant influence enterprise		
	Prime Lenses Pvt Ltd	**39,829,819**	28,639,013
	Lensco- The Lens Company	**4,795,032**	
	GKB Vision FZC	**-**	1,629,710
	GKB Optic Technologies Pvt.Ltd.	**-**	-
	GKB Vision Private Limited	**1,710,498**	-
	Total	**53,930,135**	**35,687,476**
4	Other receivables		
	Associate/ Significant influence enterprise		
	Prime Lenses Pvt Ltd	**283,383.00**	283,383
	GKB Vision Private Limited	**-**	849,076
	Total	**283,383**	**1,132,459**

Note 40

Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share		**2017-18 Rs**	2016-17 Rs
Profit after taxes and before extraordinary item	Amount in Rs	**(27,412,402)**	11,181,212
Profit after taxes and extraordinary item	Amount in Rs	**(26,542,066)**	6,323,422
Number of equity shares outstanding	Nos.	**4,153,580**	4,153,580
Face value of equity share	Rs /share	**10**	10
Earnings per share before extraordinary item (basic and diluted)	Rs	**(6.60)**	2.69
Earnings per share after extraordinary item (basic and diluted)	Rs	**(6.39)**	1.52

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 41
Foreign currency transactions, Forward contracts and Derivatives:

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2018 are as under

Sr. No.	Category of Derivative Instruments	As at 31st March 2018	As at 31st March 2017
1	**For hedging foreign currency risks:**		
		Amount in hedged foreign currency*	Amount in hedged foreign currency
	(a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**-**	-
	(b) Option contracts	**-**	-
		Amount in hedged foreign currency*	Amount in hedged foreign currency
	(c) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**-**	-
		Rs	Rs
2	**For hedging commodity price risks**		
	Commodity futures	**-**	-

The particulars of Unhedged foreign currency exposure as at the balance sheet date:

A)	**Trade payables**			Rs	Rs
	Foreign currency	**Amount in foreign currency**		**Amount in Indian Rupees**	
		2017-18	2016-17	**2017-18**	2016-17
	USD	**264,144**	371,337	**17,414,997**	24,407,986
	EURO	**-**	133,821	**-**	9,434,390

B) Advance to Supplier

	Foreign currency	**Amount in foreign currency**		**Amount in Indian Rupees**	
		2017-18	2016-17	**2017-18**	2016-17
	USD	**8,300**	152,171	**538,753**	10,251,418
	EURO		8,190		582,318
	JYP	**474,000**	-	**291,510**	-

C) Trade receivables

	Foreign currency	**Amount in foreign currency**		**Amount in Indian Rupees**	
		2017-18	2016-17	**2017-18**	2016-17
	USD	**255,344**	125,272	**16,405,855**	8,029,944
	EURO	**34,607**	86,596	**2,723,907**	5,898,039

D) Advance from Customers

	Foreign currency	**Amount in foreign currency**		**Amount in Indian Rupees**	
		2017-18	2016-17	**2017-18**	2016-17
	EURO	**20,742**	20,742	**1,189,094**	1,189,094

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 42 No of Employees	As at 31 March 2018	As at 31 March 2017
No of permanent employees	**195**	221

Note 43
Accounting classifications and fair values

The fair value of other current financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and advances, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets are not significantly different from the carrying amount.

Carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for disclosure.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)
.
The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As at 1st April 2016

Particulars	Carrying amount	Fair value		
	As at 1 April 2016	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	79,209,331			
Cash and cash equivalents	338,680			
Bank balances other than cash and cash equivalents	6,829,950			
Loans and advances (Current)	362,780			
Other financial assets	6,592,000			
	93,332,741	**-**	**-**	**-**
Financial assets at fair value through profit or loss				
Investments (Current)		59,805,000		
Investment (Non current)				44,698,738
	-	**59,805,000**	**-**	**44,698,738**
Total	**93,332,741**	**59,805,000**	**-**	**44,698,738**
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	1,345,248			
Working capital loan from bank (Borrowings)	71,184,108			
Trade Payables	70,263,419			
Other financial liabilities (current)	2,960,691			
Total	**145,753,466**	**-**	**-**	**-**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

As at 31st March 2017

Particulars	Carrying amount	Fair value		
	As at 31st March 2017	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	73,458,177			
Cash and cash equivalents	329,665			
Bank balances other than cash and cash equivalents	7,172,400			
Loans and advances (Current)	433,388			
Other financial assets	6,410,000			
	87,803,630	-	-	-
Financial assets at fair value through profit or loss				
Investments (Current)		34,726,136		
Investment (Non current)				2,938,736
	-	**34,726,136**	-	**2,938,738**
Total	**87,803,630**	**34,726,136**	-	**2,938,738**
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	672,602			
Working capital loan from bank (Borrowings)	70,512,008			
Trade Payables	60,550,295			
Other financial liabilities (current)	9,168,665			
Total	**140,903,570**	-	-	-

As at 31st March 2018

Particulars	Carrying amount	Fair value		
	As at 31st March 2018	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	104,624,999			
Cash and cash equivalents	101,549			
Bank balances other than cash and cash equivalents	3,768,000			
Loans and advances (Current)	859,632			
Other financial assets	6,425,000			
	115,779,180	-	-	-
Financial assets at fair value through profit or loss				
Investments (Current)		3,640,380		
Investment (Non current)				2,936,938
	-	**3,640,380**	-	**2,36,938**
Total	**115,779,180**	**3,640,380**	-	**2,36,938**
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	170,395			
Working capital loan from bank (Borrowings)	98,628,933			
Trade Payables	47,696,789			
Other financial liabilities (current)	8,074,097			
Total	**154,570,214**	-	-	-

Note 44
Financial Risk Management

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Foreign currency exposure as at 31st March 2017

Particulars	USD	Euro	JPY	CHF	Total
Trade receivables	8,029,944	5,898,039	-	-	13,927,983
Loans and other receivables	-	-	-	-	-
Bank balances in current accounts and term deposit accounts	-	-	-	-	-
Trade payables	(24,407,986)	(9,434,390)	-	-	(33,842,376)
Forward contracts for receivable	-	-	-	-	-
Forward contracts for payable	-	-	-	-	-
Forward contracts for loan	-	-	-	-	-

Foreign currency exposure as at 31 March 2018

Particulars	USD	Euro	JPY	CHF	Total
Trade receivables	16,405,855	2,723,907	-	-	19,129,761
Loans and other receivables	-	-	-	-	-
Bank balances in current accounts and term deposit accounts	-	-	-	-	-
Trade payables	(17,414,997)	-	-	-	(17,414,997)
Forward contracts for receivable	-	-	-	-	-
Forward contracts for loan	-	-	-	-	-

Foreign currency sensitivity

Particulars	2017-18		2016-17	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	(10,091)	10,091	(163,780)	163,780
Euro	27,239	(27,239)	(35,364)	35,364
JPY	-	-	-	-
CHF	-	-	-	-
Others	-	-	-	-
Increase \(Decrease) in profit or loss	**17,148**	**(17,148)**	**(199,144)**	**199,144**

Equity Price Risk

The company's investment portfolio consists of investments in publicly traded companies, unquoted equity instruments carried at fair value in the balance sheet.The Company has investments in unquoted equity instruments.

(B) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information such as :

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same borrower

(v) Significant changes in the value of the collateral supporting the obligationor in the quality of third-party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Exposure to credit risk

Particulars	As at 31-03-2018	As at 31-03-2017
Long-term loans and advances	-	-
Other long term financial assets	-	-
Trade receivables	104,624,999	73,458,177
Short-term loans and advances	859,632	433,388

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	Amount
31-Mar-18	
Up to 3 months	100,173,901
3 to 6 months	2,145,294
More than 6 months	4,472,061
	106,791,256
31-Mar-17	
Up to 3 months	69,797,457
3 to 6 months	192,927
More than 6 months	3,872,073
	73,862,457

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables measured using life-time expected credit model:

Particulars	Amount
As at 01 April 2016	590,124
Provided during the year	-
Amounts written off	-
Reversals of Provision	-
Unwinding of Discount	-
Transferred on account of Demerger	-
As at 31 March 2017	**590,124**
Provided during the year	2,406,180
Amounts written off	(590,124)
Reversals of Provision	-
Transfer to discontinuing operations	-
Unwinding of Discount	-
As at 31 March 2018	**2,406,180**

(C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Term loans from Financial Institution	-	93,178	128,486	-	-	221,664
Term loans from Banks	-	65,814	208,943	170,395	-	445,152
Obligations under finance leases	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Working capital demand loan from bank	98,628,933	-	-	-	-	98,628,933
Trade payables	-	15,447,983	20,278,158	11,970,649	-	47,696,790
Other financial liabilities	-	4,905,851	3,168,246	-	-	8,074,097
	98,628,933	**20,512,826**	**23,783,834**	**12,141,044**	**-**	**155,066,636**

As at 31 March 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Term loans from Financial Institution	-	83,039	263,960	221,664	-	**568,663**
Term loans from Bank	-	104,953	225,593	450,938	-	**781,484**
Obligations under finance leases	-	-	-	-	-	**-**
Deposits payable	-	-	-	-	-	**-**
Working capital demand loan from bank	70,512,008	-	-	-	-	**70,512,008**
Trade payables	-	41,353,444	6,650,152	12,546,698	-	**60,550,294**
Other financial liabilities	-	7,139,100	1,828,255	201,310	-	**9,168,665**
	70,512,008	**48,680,536**	**8,967,960**	**13,420,610**	**-**	**141,581,114**

Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Particulars	As at 31.03.2018	As at 31.03.2017
Interest-bearing loans and borrowings	99,295,749	71,862,155
Net debt	**99,295,749**	**71,862,155**
Equity + Equity reserves	269,359,240	295,901,306
Capital and net debt	**368,654,989**	**367,763,461**
Gearing ratio	**0.37**	**0.24**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 45
Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Segment Reporting :

a) Operating Segment :
The Company's operations predominantly relate to manufacturing of unfinished ophthalmic lenses made up of Glass and Plastic. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment.

b) Geographical Segment :

	Within India Rs	Outside India Rs	Total Rs
Revenue from external customers*	**301,704,694**	**60,837,000**	**362,541,694**
(excluding other operational revenue)*	(278,818,757)	(104,333,840)	(383,152,597)
Carrying amount of segment assets	**424,889,797**	**29,296,662**	**454,186,459**
	(445,200,652)	(24,830,869)	(470,031,521)
Additions to fixed assets during the year	**21,243,958**	**-**	**21,243,958**
	(56,742,146)	-	(56,742,146)

* Revenue within India includes deemed export sales of Rs 9,14,53,415 (31 March 2017: Rs 13,79,43,004) made to other EOU units in India
Figures in brackets pertain to the previous year

Country wise breakup of revenue and assets outside India

Country	Revenue (Rs) 2017-18	Revenue (Rs) 2016-17	Assets (Rs) 2017-18	Assets (Rs) 2016-17
Australia	95,213	145,326	-	-
Cameroon	-	299,960	-	-
China	-	-	538,753	421,828
Czech Republic	5,780,986	-	1,226,617	-
Ecuador	-	-	-	279,925
Germany	8,570,173	42,914,484	1,096,226	1,837,628
Greece	1,781,524	4,109,468	-	2,030,427
Guyana	-	575,197	-	-
Hong Kong	-	1,974,876	-	-
Iraq	266,020	-	-	-
Italy	2,711,959	7,992,454	-	1,285,989
Japan	5,622,107	3,307,674	1,774,062	-
Malaysia	-	256,724	-	-
Morocco	-	1,837,757	-	1,305,204
Philippines	1,060,412	-	1,048,136	-
Saudi Arabia	4,534,005	1,853,285	2,967,900	877,991
South Africa	1,397,414	-	-	-
South Korea	-	-	-	371,845
Sri Lanka	104,242	98,031	-	145,563
Thailand	812,038	1,920,053	-	632,528
Turkey	-	2,892,655	-	-
UAE	23,409,262	33,277,729	15,849,936	15,493,870
USA	4,691,646	622,860	4,795,032	148,071
Zimbabwe	-	255,308	-	-
	60,837,000	**104,333,840**	**29,296,662**	**24,830,869**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 46 : The products manufactured by the company do not have a warranty period, hence provision for warranty as specified in Accounting Standard (AS) 37 on "Provisions, Contingent Liabilities and Contingent Assets" is not required to be made.

Note 47 : During the year the Company has not capitalised any borrowing costs as per Ind AS 23- "Borrowing costs".

Note 48 : 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 31 March, 2017, 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.

Note 49: Unclaimed dividend: There is no amount due to be credited to the Investors Education & Protection Fund as at 31 March, 2018.

Note 50: As per Ind AS 36 '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 31 March, 2018 (31 March 2017: Rs Nil, 01 April 2016: Rs Nil) in the books.

Note 51: Previous year's figures have been regrouped/ reclassified to correspond to current year's classification/ disclosure.

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank	**K. G. Gupta**	**Gaurav Gupta**	**Vikram Gupta**	**Noel Da Silva**
Partner	Managing Director	Director	Director	CFO and
Membership No. 104096	DIN : 00051863	DIN : 00051974	DIN : 00052019	Company Secretary
Place : Mapusa, Goa	Place : Mapusa, Goa			
Date : 30th May, 2018	Date : 30th May, 2018			

INDEPENDENT AUDITOR'S REPORT

To the Members of
GKB Ophthalmics Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **GKB Ophthalmics Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India. 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 the sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group as at 31st March, 2018, and its consolidated financial performance (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

a. We draw your attention to the fact that the consolidated Ind AS financial statements of one of the subsidiary Company, GKB Ophthalmics Products [FZE] is included in the consolidated Ind AS financial statements of the Group based solely on the financial information certified by the management and not audited by its auditor. These financial statements reflect total assets of Rs. 3,960.12 Lakhs as at 31st March, 2018 total revenue of Rs. 4,325.82 Lakhs and net cash inflows amounting to Rs. 6.89 Lakhs for the year ended on that date as considered in the Statement. Our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the unaudited information certified by the management and provided to us.
   The consolidated Ind AS financial statements includes the financial information of one subsidiary, whose financial statements reflect total assets of Rs. 13.57 Lakhs as at 31stMarch, 2018, total revenue of Rs. 0.18 Lakhs and net cash outflows amounting to Rs. 0.14 Lakhs for the year ended on that date. This financial information has been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the financial information of this subsidiary included in the Statement is based solely on the report of the other auditors.

b. The comparative financial information of these Subsidiaries for the year ended 31st March, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements have been restated by the management so that these confirm to the Indian Accounting Standards as per Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

   Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other Matter' paragraph above, 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 Ind AS financial statements.

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director of that Company in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 38 to the consolidated Ind AS financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For Sharp & Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/W100218

Darryl Frank
Partner
Membership No. 104096

Place : Mapusa, Goa
Date : 30th May, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED Ind AS FINANCIAL STATEMENTS OF GKB OPHTHALMICS LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report to the members of GKB Ophthalmics Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2018]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **GKB Ophthalmics Limited** ("the Holding Company") and its subsidiary companies which are incorporated in India as of 31st March, 2018 in conjunction with our audit of the consolidated Ind AS 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 with reference to financial statements 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 issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements 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. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Sharp & Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/W100218
Darryl Frank
Partner
Membership No. 104096

Place : Mapusa, Goa
Date : 30th May, 2018

Consolidated Balance Sheet as at 31st March 2018

Particulars	Note No.	As at 31.03.2018 Rs.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.	As at 01.04.2016 Rs.
ASSETS							
(1) Non-current Assets:							
(a) Property, Plant and Equipment	6		**175,858,539**		168,207,998		125,917,972
(b) Capital work-in-progress	6		**2,396,893**		5,733,416		5,733,416
(c) Other Intangible assets	7		**7,543,493**		7,840,547		722,207
(d) Financial Assets							
(i) Investment	8	**25,300**		27,100		43,445,324	
			25,300		27,100		43,445,324
(e) Other non-current assets	9		**5,824,024**		9,392,179		4,605,253
(2) Current Assets:							
(a) Inventories	10		**320,144,206**		308,332,169		212,566,658
(b) Financial Assets							
(i) Investment	11	**3,640,380**		34,726,136		59,805,000	
(ii) Trade receivables	12	**274,868,176**		247,181,500		171,139,878	
(iii) Cash and cash equivalents	13	**21,682,244**		21,235,005		31,107,638	
(iv) Bank balances other than cash and cash equivalents	14	**3,768,000**		7,172,400		6,829,950	
(v) Loans and advances	15	**2,805,420**		2,072,160		1,467,416	
(vi) Other financial assets		**-**		-		-	
			306,764,220		312,387,201		270,349,882
(c) Current Tax Assets (Net)	16		**1,567,738**		383,905		-
(d) Other Current assets	17		**9,707,291**		5,414,162		28,725,316
Total Assets			**829,831,704**		**817,718,678**		**692,066,028**
EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity share capital	18	**41,535,800**		41,535,800		41,535,800	
(b) Other Equity		**407,885,028**		426,314,299		406,575,109	
			449,420,828		467,850,099		448,110,909
LIABILITIES							
(2) Non-current Liabilities:							
(a) Financial Liabilities							
(i) Borrowings	19	**170,395**		672,602		1,345,248	
(ii) Other financial liabilities		**-**		-		-	
			170,395		672,602		1,345,248
(b) Employee benefit obligations	20		**7,104,920**		6,955,606		6,221,595
(c) Deferred tax liabilities	21		**9,062,820**		10,992,882		9,430,666
(3) Current Liabilities:							
(a) Financial Liabilities							
(i) Borrowings	22	**98,628,933**		70,512,008		71,184,108	
(ii) Trade Payables	23	**240,319,066**		231,762,825		128,133,210	
(iii) Other financial liabilities	24	**8,719,481**		9,693,821		3,039,895	
			347,667,480		311,968,654		202,357,213
(b) Other current liabilities	25		**9,108,906**		14,600,829		11,204,516
(c) Employee benefit obligations	26		**7,296,355**		4,678,006		2,067,863
(d) Current tax Liabilities (Net)	27		**-**		-		11,328,018
Total Equity and Liabilities			**829,831,704**		**817,718,678**		**692,066,028**
CONTINGENT LIABILITIES AND COMMITMENTS	38						
SIGNIFICANT ACCOUNTING POLICIES	1 to 5						

The accompanying notes form an integral part of the financial statements

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

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 : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30h May, 2018

Consolidated statement of profit and loss for the year ended 31st March 2018

	Particulars	Note No	For the year ended 31 March 2018		For the year ended 31 March 2017	
			Rs.	Rs.	Rs.	Rs.
(1)	Revenue from operations	28	**779,337,410**		764,448,628	
(2)	Other income	29	**4,926,446**		13,031,095	
(3)	**Total Income**			**784,263,856**		777,479,723
(4)	**Expenses:**					
	Cost of materials consumed	30	**159,841,777**		190,398,943	
	Purchases of stock-in-trade		**362,480,474**		343,416,155	
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	**556,370**		(33,704,683)	
	Employee benefits expenses	32	**89,817,937**		86,231,572	
	Finance costs	33	**12,732,705**		12,895,227	
	Depreciation and amortisation expense		**16,969,724**		14,317,053	
	Other expenses	34	**153,228,830**		159,805,758	
	Total Expenses			**795,627,817**		773,360,025
(5)	**Profit / (loss) before exceptional item and tax**			**(11,363,961)**		4,119,698
(6)	Exceptional items	35		**-**		25,318,417
(7)	**Profit / (loss) before tax**			**(11,363,961)**		29,438,115
(8)	**Tax expense:**					
	Current tax		**-**		1,325,000	
	Deferred tax		**(1,657,183)**		2,244,192	
				(1,657,183)		3,569,192
(9)	**Profit/(loss) for the year from continuing operations**			**(9,706,778)**		25,868,923
(10)	**Other comprehensive Income**					
	A (i) Items that will not be reclassified to profit or loss		**(1,059,726)**		(1,970,574)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**272,879**		681,976	
	B (i) Items that will be reclassified to profit or loss		**-**		-	
	(ii) Income tax relating to items that will be reclassified to profit or loss		-		-	
	Other comprehensive Income for the year			**(786,847)**		(1,288,598)
(11)	**Total Comprehensive income for the year**			**(10,493,625)**		24,580,325
(12)	**Earning per equity share**					
	(i) Basic			**(2.53)**		5.92
	(ii) Diluted			**(2.53)**		5.92
	SIGNIFICANT ACCOUNTING POLICIES	1 to 5				

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

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 : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30th May, 2018

Consolidated statement of changes in equity for the year ended 31 March 2018

(A) Equity share capital

Particulars	31-Mar-18		31-Mar-17	
	No. of shares	**Amount**	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening	4,153,580	41,535,800	4,153,580	41,535,800
Add: issue during the year	-	-	-	-
Closing	**4,153,580**	**41,535,800**	4,153,580	41,535,800

(B) Other equity

For the year ended 31 March 2017

Particulars	Balance as at 1 April 2016	Total Comprehensive Income /(Loss) for the year	Other Comprehensive Income	Dividends	Others	Balance as at 31 March 2017
Reserves						
Retained earnings	286,400,542	25,868,923	(1,288,598)	-	-	310,980,867
General Reserve	65,056,619	-	-	-	-	65,056,619
Other Reserves						
(i) Capital Reserves	4,328,500	-	-	-	-	4,328,500
(ii) Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
(iii) Foreign Currency translation reserve	28,284,298	-	-	-	(4,841,135)	23,443,163
(iv) Securities Premium Reserve	20,276,000	-	-	-	-	20,276,000
Total Reserves	**406,575,109**	**25,868,923**	**(1,288,598)**	**-**	**(4,841,135)**	**426,314,299**

For the year ended 31 March 2018

Particulars	Balance as at 1 April 2017	Total Comprehensive Income /(Loss) for the year	Other comprehensive income	Dividends	Others	Balance as at 31 March 2018
Reserves						
Retained earnings	310,980,867	(9,706,778)	(786,847)	-	-	300,487,242
General Reserve	65,056,619	-	-	-	-	65,056,619
Other Reserves						
(i) Capital Reserves	4,328,500	-	-	-	-	4,328,500
(ii) Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
(iii) Foreign Currency translation reserve	23,443,163	-	-	-	(7,935,646)	15,507,517
(iv) Securities Premium Reserve	20,276,000	-	-	-	-	20,276,000
Total Reserves	**426,314,299**	**(9,706,778)**	**(786,847)**	**-**	**(7,935,646)**	**407,885,028**

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

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 : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30th May, 2018

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

		2017-18 (Rs.)	2016-17 (Rs.)
(A) Cash flows from operating activities			
Profit / (Loss) before tax and extraordinary items		**(11,363,961)**	29,438,115
Adjustments for :			
Depreciation and amortisation		**16,969,731**	14,317,053
Finance cost		**12,732,705**	12,895,227
Provision for doubtful debts		**2,828,008**	2,178,950
Bad debts written off		**601,307**	-
Sundry balances written back (net)		**(4)**	(2,570,476)
Unrealised exchange loss / (gain) (net)		**4,730,900**	3,888,906
Loss / (gain) on sale of fixed assets (net)		**(146,507)**	504,279
Exceptional item - Gain on sale of investment in associate company / other Company		**-**	(25,318,417)
Loss on sale of short term investments (net)		**1,799**	-
Dividend income		**(621,745)**	(3,024,885)
Interest income		**(378,930)**	(404,927)
Operating profit before working capital changes		**25,353,303**	31,903,825
Changes in working capital :			
Increase / (decrease) in trade and other payables		**(8,908,270)**	101,547,712
Increase / (decrease) in provisions		**2,326,964**	1,873,576
(Increase) / decrease in inventories		**(11,812,037)**	(95,765,512)
(Increase) / decrease in trade and other receivables		**(32,415,325)**	(60,574,898)
		(50,808,668)	(52,919,122)
Cash generated from operations		**(25,455,365)**	(21,015,297)
Direct taxes paid (net of refunds)		**(1,183,833)**	(13,036,923)
Net cash generated from / (used) in operations	**(A)**	**(26,639,198)**	(34,052,220)
(B) Cash flows from investment activities			
Payments for purchase of fixed assets		**(18,759,268)**	(63,202,680)
Proceeds from sale / disposal of fixed assets		**146,507**	3,450,503
Purchase of current investments		**(614,245)**	(72,021,136)
Proceeds from sale of current investments		**31,700,001**	97,100,000
Proceeds from sale of non current investment in associate company / others		**-**	68,736,641
Interest received		**324,851**	367,330
Dividend received		**621,745**	3,024,885
Net cash generated from / (used) in investment activities	**(B)**	**13,419,591**	37,455,543
(C) Cash flows from financing activities			
Proceeds from long term borrowings		**-**	-
Repayments of long term borrowings		**(683,331)**	(703,136)
Proceeds from / (Repayments of) short term borrowings (net)		**27,082,882**	322,407
Interest paid		**(12,732,705)**	(12,895,227)
Net cash generated from / (used) in financing activities	**(C)**	**13,666,846**	(13,275,956)
Net changes in cash and cash equivalents	**(A+B+C)**	**447,239**	(9,872,633)
Cash and cash equivalents - Opening balance		**21,235,005**	31,107,638
Cash and cash equivalents - Closing balance		**21,682,244**	21,235,005
Net increase / (decrease) in cash and cash equivalents		**447,239**	(9,872,633)

Notes :

1. The aforesaid statement has been prepared under the indirect method, as set out in "Indian Accounting Standard (Ind AS) 7 -"Statement of cash flows", as specified in the Companies (Indian Accounting Standards) Rules, 2015.
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, wherever necessary.

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank
Partner
Membership No. 104096

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 : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30h May, 2018

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

1 General Information

GKB Ophthalmics Limited (the "Company" or "Parent") is a public limited company domiciled in India and was incorporated on 10th December 1981 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at 16-A, Tivim Industrial Estate, Mapusa, Goa 403 526, India.

The Group is engaged in manufacture and sale of ophthalmic lenses made up of Glass and Plastic.

The financial statements of the Group for the year ended 31st March 2018 were authorised in accordance with a resolution of the directors on 30th May, 2018.

2 Significant accounting policies

Significant accounting policies adopted by the Group are as under:

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements of the Group up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements of the Group for the year ended 31 March 2018 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements of the Group are presented in Indian Rupees ("INR") and all values are rounded to the nearest Rupee, except when otherwise indicated.

(b) Basis of measurement

The Consolidated financial statements have been prepared on a historical cost convention except, certain financial assets and liabilities measured at fair value in accordance with the accounting policy of the Group.

All assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of estimates

The preparation of Consolidated financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

(d) Principles of consolidation :

The consolidated financial statements comprise the financial statements of the Parent and its Subsidiaries as at 31st March, 2018. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the invetsee to affect its returns.

  Generally, there is a presumption that a majority voting rights results in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements,
- The Group's voting rights and potenetial voting rights, and
- The size of the Group's holding of voing rights relative to the size and dispension of the holdings of the other voing right holders

The Group re-assesses whether or not it controls an investee it facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control. Consolidation of a subsidiary begins whn the group obtains control over the subsidiary and ceases when the group loses contril of the subsidiary. Assets, liabilities, income and expenses of the subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date group gains control until the date the group ceases to control the subsidiary.

A Change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controling interest and other comprehensive equity while any resultant gain or loss is recognised in statement of profit and loss. Any invesment retained as recognised at fair value.

(e) Basis of consolidation :

The financial statements the parent and its subsidiaries have been consolidtaed on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and unrealised profits resulting there from and are prepared, to the extent possible, in the same form and manner as the Parent's independant financial statements. The profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the group and to the non-controlling interest, even if this results in the non-controlling interest having a defecit balance.

Consolidated financial statements are prepared using uniform accounting policies for like tranactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group members financial statements in preparing the consolidated financial statements to ensur conformity with the Group's accounting policies

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting reporting date as that of parent company i.e. year ended on 31st March, 2017

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

2.2 Property, plant and equipment

a) Property, plant and equipment 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.

b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

c) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. . Losses arising in case retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

d) Preoperative expenses, including interest on borrowings for a project is capitalised till the project is ready for commercial production.

e) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Grouop depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment

Building	30 to 60 years
Plant & Machinery	1 to 15 years
Furniture and Fixtures	1 to 10 years
Office Equipment	1 to 5 years
Vehicles	8 to 10 years
Computers	1 to 15 years

Leasehold land is amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Fixed assets which are added/ disposed off in the year are depreciated on pro rata basis with reference to the date of addition/ deletion.

Incase of foreign subsidiaries / Companies, depreciation on property, plant and equipment has been provided at the rates required / permissible by the GAAPs of the respective countries. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

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.

2.3 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

2.4 Other Intangible Assets

The cost of intangible assets acquired in a business combination is their fair value as at the date of acqusition. Intangible assets acquired seperately are measured on initial recognition at cost. Other Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Amortisation, estimated useful lives

The Group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer software	6 years

Impairment of Assets

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.5 Foreign Currency Transactions:

a) Functional and presentation currency

Items included in the Consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognised in other equity.

Any Goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and tranlated at the closing rate of exchange at the reporting date.

2.6 Revenue Recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

Rendering of services

Revenue from services is recognised in accordance with the specific terms of contract or performance.

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.
Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

2.7 Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

2.8 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.9 Inventories

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.

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.

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.

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

Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Cost of traded goods is determined on a weighted average basis.

The comparison of cost and net realizable value is made on item by item basis.

2.10 Provisions, Contingent liabilities, Contingent assets and Commitments

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

(i) The Group 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.

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.

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;

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

(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.

Contingent assets are neither recognised nor disclosed.

Commitments include the amount of purchase order (net of advance) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.12 Employee Benefits

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 Group's scheme based on expected obligations on undiscounted basis.

Defined Contribution Plan

a) Provident Fund
The Company or Parent 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.

c) Employee's State Insurance Scheme
Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company or Parent has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Defined Benefit Plan

Leave Encashment:

The employees of the Company or Parent 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 or Parent 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.

Gratuity:

The Company's or Parent'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 or Parent 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.

Remeasurements, comprising of acturial gains and losses, the effect of the asset ceiling and the return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset) are recognised immediately in the balance sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee rendered the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

Termination benefits are recognised as an expense in the period in which they are incurred.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

2.13 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.

2.14 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.

2.15 Statement of Cash flows

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 Group are segregated based on the available information.

2.16 Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.17 Segment accounting

The Group operates in one primary segment i.e. Opthalmics lenses, the organisation structure, the internal reporting systems and review by chief operating decision maker. Secondary segments are identified on the basis of geography in which sales have been effected.

2.18 Business combinations

Business combinations are accounted for using acquisition method. The cost of acquisition is measured as aggregate of consideration transferred , measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination , the group elects whether it measures non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classificatiion and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as the acquisition date. This includes the seperation of embedded derivatives in host contracts by the acquiree.
If the business combination is achieved in stages, the fair value on acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit and loss

Any contingent consideration to be transferred by the acquirer will be recognised at the fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of Ind AS 109 , it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

After initial recognition, goodwill is measured at cost less any accumulated impairement losses. For the purpose of impairment testing, goodwill acquired in a business combination is from acquisition date, allocated to each of the groups cash generating units that are expected to benefit from the combination , irrespective of whether other assets or liabilities of the acquiree are assigned to those units.
Where the goodwill forms the part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a Group Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.
The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial satements, irrespective of the actual date of the combination. However , if business had occurred after that date , the prior period information is restated only from that date.

The difference, if any , between the amount recorded as the share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented seperately from other capital reserves with disclosure of its nature and the purpose in the notes.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

2.19 Investment in associates and joint ventures

An associate is an entity which the group has significant influence . Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing

The Group's investments in the associate are accounted by using the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group'S share of the results of operations of the associate or a joint venture. Any change in OCI of those inveatees is presented as part of the Group's OCI . In addition , when there has been a change recognised directly in the equity of the associate or a joint venture, the group recognises it's share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit and loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit and represents profit and loss after tax of the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary , adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associate or a joint venture. At each reporting date, the group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as " Share of profit of an associate or joint venture in the statement of profit and loss.

2.20 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

-In the principal market for the asset or liability, or

-In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

-Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

-Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

2.21 Financial instruments — initial recognition and subsequent measurement

i) Financial assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

• Financial assets at fair value

• Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss under the fair value option.

● **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

● **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit and loss under the fair value option

● **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

● **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit and loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(d) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at FVTOCI;

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit losses is made for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with Ind AS 115.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

ii) Financial liabilities

a) **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

b) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

c) **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective Interest rate (EIR) method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

d) **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosu+B217res, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 39

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

(ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31st March 2018, together with the comparative year data as at and for the year ended 31st March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March, 2017. On transition, the Group did not revise estimates previously made under previous GAAP except where required by Ind AS.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(c) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(d) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

Reconciliation of equity as at date of transition 1st April 2016

ASSETS	Reference	Indian GAAP as at 1st April, 2016	Adjustments (refer notes below)	Ind-AS as at 1st April, 2016
Non-current assets				
Property, plant and equipment		125,917,972	-	125,917,972
Capital work-in-progress		5,733,416	-	5,733,416
Investment Property		-	-	-
Other Intangible assets		722,207	-	722,207
Intangible assets under development		-	-	-
Financial Assets			-	
(i) Non-current investments		43,445,324	-	43,445,324
(ii) Long-term loans and advances	Note 1	4,605,253	(4,605,253)	-
(iii) Others		-	-	-
Deferred tax assets		-	-	-
Other non-current assets	Note 1	-	4,605,253	4,605,253
Total Non-Current Assets (C)		**180,424,172**	**-**	**180,424,172**
Current Assets				
Inventories		212,566,658	-	212,566,658
Financial Assets				
(i) Current investments		59,805,000	-	59,805,000
(ii) Trade and other receivables	Note 1	170,991,631	148,247	171,139,878
(iii) Cash and cash equivalents	Note 1	37,937,588	(6,829,950)	31,107,638
(iv) Bank balances other than above	Note 1	-	6,829,950	6,829,950
(v) Short-term loans and advances	Note 1	30,192,732	(28,725,316)	1,467,416
Assets for Current Tax (Net)		-	-	-
Other current assets	Note 1	148,247	28,577,069	28,725,316
Total Current Assets (D)		**511,641,856**	**-**	**511,641,856**
Non-current assets classified as held for sale (E)		-	-	-
Total assets (C+D+E)		**692,066,028**	**-**	**692,066,028**

EQUITY AND LIABILITIES	Reference	Indian GAAP as at 1st April, 2016	Adjustments (refer notes below)	Ind-AS as at 1st April, 2016
Equity				
a) Equity Share Capital		41,535,800	-	41,535,800
b) Other Equity				
i) Retained Earnings		286,400,542	-	286,400,542
ii) Reserves				
- Reserves representing unrealised gains/losses		-	-	-
- Other Reserves		120,174,567	-	120,174,567
Total Equity (A)		**448,110,909**	**-**	**448,110,909**
Non-current liabilities				
Financial Liabilities				
(i) Long-term borrowings		1,345,248	-	1,345,248
(ii) Other financial liabilities		-	-	-
Long-term provisions		6,221,595	-	6,221,595
Deferred tax liabilities		9,430,666	-	9,430,666
Other non-current liabilities		-	-	-
Total non-current liabilities		**16,997,509**	**-**	**16,997,509**
Current liabilities				
Financial Liabilities				
(i) Short Term Borrowings	Note 1	70,189,601	994,507	71,184,108
(ii) Trade and other payables	Note 1	116,238,355	11,894,855	128,133,210
(iii) Other financial liabilities	Note 1	-	3,039,895	3,039,895
Other current liabilities	Note 1	25,350,518	(14,146,002)	11,204,516
Short-term provisions	Note 1	15,179,136	(13,111,273)	2,067,863
Liabilities for Current Tax (Net)	Note 1	-	11,328,018	11,328,018
Total current liabilities		**226,957,610**	**-**	**226,957,610**
Liabilities associated with group(s) of assets held for disposal		-	-	-
Total Liabilities (B)		**243,955,119**	**-**	**243,955,119**
Total equity and liabilities (A+B)		**692,066,028**	**-**	**692,066,028**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Reconciliation of equity as at 31st March, 2017

ASSETS	Reference	Indian GAAP as at 31st March, 2017	Adjustment (refer notes below)	Ind-AS as at 31st March, 2017
Non-current assets				
Property, plant and equipment		168,207,998	-	168,207,998
Capital work-in-progress		5,733,416	-	5,733,416
Investment Property		-	-	-
Other Intangible assets		7,840,547	-	7,840,547
Intangible assets under development		-	-	-
Financial Assets			-	-
(i) Non-current investments		27,100	-	27,100
(ii) Long-term loans and advances	Note 1	4,917,413	(4,917,413)	-
(iii) Others		-	-	-
Deferred tax assets		-	-	-
Other non-current assets	Note 1	-	9,392,179	9,392,179
Total Non-Current Assets (C)		**186,726,474**	**4,474,766**	**191,201,240**
Current Assets				
Inventories		308,332,169	-	308,332,169
Financial Assets			-	
(i) Current investments		34,726,136	-	34,726,136
(ii) Trade and other receivables	Note 1	246,995,656	185,844	247,181,500
(iii) Cash and cash equivalents	Note 1	28,407,405	(7,172,400)	21,235,005
(iv) Bank balances other than above	Note 1	-	7,172,400	7,172,400
(v) Short-term loans and advances	Note 1	12,344,993	(10,272,833)	2,072,160
Assets for Current Tax (Net)	Note 1	-	383,905	383,905
Other current assets	Note 1	185,844	5,228,318	5,414,162
Total Current Assets (D)		**630,992,204**	**(4,474,766)**	**626,517,438**
Non-current assets classified as held for sale (E)		**-**	**-**	**-**
Total assets (C+D+E)		**817,718,678**	**-**	**817,718,678**

EQUITY AND LIABILITIES	Reference	Indian GAAP as at 31st March, 2017	Adjustments(refer notes below)	Ind-AS as at 31st March, 2017
Equity				
a) Equity Share Capital		41,535,800	-	41,535,800
b) Other Equity				
i) Retained Earnings		310,980,867	-	310,980,867
ii) Reserves				
- Reserves representing unrealised gains/losses		-	-	-
- Other Reserves		115,333,432	-	115,333,432
Total Equity (A)		**467,850,099**	**-**	**467,850,099**
Non-current liabilities				
Financial Liabilities				
(i) Long-term borrowings		-	-	-
(ii) Other financial liabilities		672,602	-	672,602
Long-term provisions		6,955,606	-	6,955,606
Deferred tax liabilities		10,992,882	-	10,992,882
Other non-current liabilities		-	-	-
Total non-current liabilities		**18,621,090**	**-**	**18,621,090**
Current liabilities				
Financial Liabilities				
(i) Short Term Borrowings		70,512,008	-	70,512,008
(ii) Trade and other payables	Note 1	220,558,733	11,204,092	231,762,825
(iii) Other financial liabilities	Note 1	-	9,693,821	9,693,821
Other current liabilities	Note 1	33,215,491	(18,614,662)	14,600,829
Short-term provisions	Note 1	6,961,257	(2,283,251)	4,678,006
Total current liabilities		**331,247,489**	**-**	**331,247,489**
Liabilities associated with group of assets held for disposal (C)		**-**	**-**	**-**
Total Liabilities (B)		**349,868,579**	**-**	**349,868,579**
Total equity and liabilities (A+B)		**817,718,678**	**-**	**817,718,678**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Reconciliation of Consolidated profit or loss for the year ended 31st March, 2017

	Reference	Indian GAAP as at 31st March, 2017	Adjustments (refer notes below)	Ind-AS as at 31st March, 2017
Revenues				
Revenue from operations	Note 1	740,840,717	23,607,911	764,448,628
Other income		13,031,095	-	13,031,095
Total Revenue (A)		**753,871,812**	**23,607,911**	**777,479,723**
Expenses				
Cost of material consumed		190,398,943	-	190,398,943
Purchases of Stock-in-Trade		343,416,155	-	343,416,155
Changes in inventories of finished goods, Stock-in -Trade and work-in progress		(33,704,683)	1	(33,704,682)
Employee benefits expense	Note 1	88,202,145	(1,970,573)	86,231,572
Finance costs		12,895,227	-	12,895,227
Depreciation and amortization expense		14,317,053	-	14,317,053
Other expenses	Note 1	136,197,848	23,607,909	159,805,758
Total expenses (B)		**751,722,688**	**21,637,337**	**773,360,025**
Profit/loss before exceptional items and tax (A+B)		**2,149,124**	1,970,574	4,119,698
Exceptional Items		25,318,417	-	25,318,417
Profit/(loss) before tax		**27,467,541**	**1,970,574**	**29,438,115**
Income taxes				
- Current tax		1,325,000	-	1,325,000
- Deferred tax	Note 1	1,562,216	681,976	2,244,192
Profit/(Loss) for the period from continuing operations ©		**24,580,325**	**1,288,598**	**25,868,923**
Profit/(loss) from discontinued operations		-	-	-
Tax expense of discontinued operations		-	-	-
Profit/(loss) from Discontinued operations (after tax) (D)		**-**	**-**	**-**
Profit/(loss) for the period (E = C+D)		**24,580,325**	**1,288,598**	**25,868,923**
Other Comprehensive Income / (Loss)				
Items that will not be reclassified to profit or loss	Note 1	-	(1,970,574)	(1,970,574)
Income tax relating to items that will not be reclassified to profit or loss	Note 1	-	681,976	681,976
Items that will be reclassified to profit or loss		-	-	-
Income tax relating to items that will be reclassified to profit or loss		-	-	-
Other comprehensive income/(loss) for the period, net of tax (F)		**-**	(1,288,598)	(1,288,598)
Total Comprehensive Income for the period (E+F)		**24,580,325**	**-**	**24,580,325**

Note 1:

a) Long term loans and advances reclassified as other non current assets in Ind AS
b) Accrued interest on fixed deposits under other current assets classified as trade and other receivables in Ind AS
c) Bank balances in current account reclassified as bank balances other than cash and cash equivalents in Ind AS
d) Advances (other than staff advances) under short term loans and advances reclassified as other current assets in Ind AS
e) Overdrawn bank balances under other curent liabilities reclassified as short term borrowings in Ind AS
f) Creditors for expenses under other current liabilities reclassified as trade payables in Ind AS
g) Creditors for capital goods and other liabilities under other current liabilities reclassified as other financial liabilities in Ind AS
h) Superannuation and bonus payable under short term provisions reclassifed as other current laibilities in Ind AS
i) Provision for Income tax under short-term provisions reclassifed as liabilities for current tax in Ind AS
j) Capital Advance under Long term loans and advances reclassified as other non current assets under Ind AS
k) Security Deposits under Short Term Loans and Advances reclassified as other non current assets in IND AS
l) Balance with income tax classified as Assets for current tax in Ind AS
m) Advances (other than staff advances) under short term loans and advances classified as other current assets in Ind AS
n) Excise duty on sales reclassified as other expenses in Ind AS
o) Actuarial gains/losses reclassified as other comprehensive income in Ind AS
p) Deferred tax relating to other comprehensive income reclassified as other comprehensive income in Ind AS

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 6
PROPERTY, PLANT AND EQUIPMENT

Figures in Rs.

Particulars	Freeehold Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Capital work in progress	Total
Cost:									
As at 1 April 2016	429,910	895,500	58,251,585	194,784,899	15,174,539	4,244,272	14,053,675	5,733,416	293,567,796
On Acquisition of new subsidiary	-	3,222,206	-	399,368	3,529,020	-	4,787,184	-	11,937,778
Additions	-	-	12,143,708	41,470,183	2,399,965	1,017,372	617,580	-	57,648,808
Disposals / Transfers	-	-	-	(9,897,751)	-	-	-	-	(9,897,751)
Translation Adjustment	-	(64,096)	-	(7,944)	(110,218)	(34,868)	(172,213)	-	(389,339)
As at 31 March 2017	**429,910**	**4,053,610**	**70,395,293**	**226,748,755**	**20,993,306**	**5,226,776**	**19,286,226**	**5,733,416**	**352,867,292**
Additions	-	-	480,365	18,795,888	1,611,875	801,467	2,654,667.00	-	24,344,262
Disposals / Transfers	-	-	-	(3,672,695)	(136,627)	(509,493)	(1,002,103)	(3,336,523)	(8,657,441)
Translation Adjustment	-	(13,521)	-	(1,676)	(17,502)	(3,024)	2,477	-	(33,246)
As at 31 March 2018	**429,910**	**4,040,089**	**70,875,658**	**241,870,272**	**22,451,052**	**5,515,726**	**20,941,267**	**2,396,893**	**368,520,867**
Accumulated Depreciation:									
As at 1 April 2016	-	131,572	13,541,240	126,471,867	10,869,038	3,265,085	7,637,606	-	161,916,408
On Acquisition of new subsidiary	-	801,978	-	399,368	3,415,454	-	4,639,547	-	9,256,347
Depreciation charge for the year	-	88,484	1,805,929	9,115,770	654,775	381,975	1,958,417	-	14,005,350
Disposals / Transfers	-	-	-	(5,942,969)	-	-	-	-	(5,942,969)
Translation Adjustment	-	(18,542)	-	(7,944)	(91,197)	(22,142)	(169,433)	-	(309,258)
As at 31 March 2017	**-**	**1,003,492**	**15,347,169**	**130,036,092**	**14,848,070**	**3,624,918**	**14,066,137**	**-**	**178,925,878**
Depreciation charge for the year	-	104,446	2,071,951	10,913,618	962,834	577,566	2,042,256	-	16,672,670
Disposals / Transfers	-	-	-	(3,672,695)	(136,627)	(509,493)	(1,002,103)	-	(5,320,918)
Translation Adjustment	-	(992)	-	-	(1,841)	(1,783)	(7,579)	-	(12,195)
As at 31 March 2018	**-**	**1,106,946**	**17,419,120**	**137,277,014**	**15,672,436**	**3,691,208**	**15,098,711**	**-**	**190,265,434**
Net book value									
As at 1 April 2016	429,910	763,928	44,710,345	68,313,032	4,305,501	979,187	6,416,069	5,733,416	131,651,388
As at 31 March 2017	429,910	3,050,118	55,048,124	96,712,663	6,145,236	1,601,858	5,220,089	5,733,416	173,941,414
As at 31 March 2018	**429,910**	**2,933,143**	**53,456,538**	**104,593,257**	**6,778,616**	**1,824,518**	**5,842,556**	**2,396,893**	**178,255,432**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 7
OTHER INTANGIBLE ASSETS

Figures in Rs.

Particulars	Computer software	Goodwill	Commercial rights	Research and development	Concession right	Intangible assets under developlment	Total
Cost:							
As at 1 April 2016	1,832,639	-	-	-	-	-	1,832,639
On Acquisition of new subsidiary -	-	7,379,205	-	-	-		7,379,205
Additions	50,838	-	-	-	-	-	50,838
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2017	**1,883,477**	**7,379,205**	**-**	**-**	**-**	**-**	**9,262,682**
Additions	-	-	-	-	-	-	-
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2018	**1,883,477**	**7,379,205**	**-**	**-**	**-**	**-**	**9,262,682**
Accumulated amortisation:							
As at 1 April 2016	1,110,432	-	-	-	-	-	1,110,432
Amortisation charge for the year	311,703	-	-	-	-	-	311,703
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2017	**1,422,135**	**-**	**-**	**-**	**-**	**-**	**1,422,135**
Amortisation charge for the year	297,054	-	-	-	-	-	297,054
Disposals / Transfers	-	-	-	-	-	-	-
As at 31 March 2018	**1,719,189**	**-**	**-**	**-**	**-**	**-**	**1,719,189**
Net book value							
As at 1 April 2016	722,207	-	-	-	-	-	722,207
As at 31 March 2017	461,342	7,379,205	-	-	-	-	7,840,547
As at 31 March 2018	**164,288**	**7,379,205**	**-**	**-**	**-**	**-**	**7,543,493**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 8 FINANCIAL ASSETS- INVESTMENTS	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
Investment in Equity Instruments			
Associates			
Fully paid equity shares of associate companies	-	-	162,508,884
Add/(Less):			
- Adjustment pursuant to dilution of stake in associates	-	-	(43,418,224)
- Adjustment pursuant to divestment of stake in associates	-	-	(119,090,660)
	-	-	-
Others			
- Prime Lenses Private Limited			
Fully paid equity shares of associate companies		43,418,224	43,418,224
- Adjustment pursuant to divestment of stake in associates [Nil equity shares (31 March 2017: Nil, 31 March 2016: 1,832,592 equity shares) of Rs 10 each]		(43,418,224)	
- Crysta Lenses Private Limited [Nil equity share (31 March 2017: 1 equity share, 31 March 2016: 1 equity share) of Rs 10 each]	-	1,800	1,800
- Saraswat Co-operative Bank Limited [2,500 shares (31 March 2017: 2,500 shares, 31 March 2016: 2,500 shares) of Rs 10 each]	**25,300**	25,300	25,300
	25,300	27,100	43,445,324

Note :
During financial year ending 31st March, 2017 the Company sold the entire shareholding in Prime Lenses Private Limited, a company in which the Company was holding 14.26% of the equity paid up share capital. The said shares were sold for a net consideration of Rs. 68,736,641/-, resulting in a net gain of Rs. 25,318,417/- over the book value of the said shares of Rs. 43,418,224/-

Note 9 OTHER NON-CURRENT ASSETS	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
Capital Advances	-	4,917,413	4,605,253
Security deposits	5,269,024	4,474,766	-
Margin money deposits:			
Margin money deposits maturing after 12 months from reporting date	555,000	-	-
	5,824,024	**9,392,179**	**4,605,253**

Note 10 INVENTORIES	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
Raw Materials	15,092,821	31,204,030	37,302,154
Work in Progress	2,976,132	4,443,005	7,008,045
Finished goods-Manufacturing	32,624,034	53,583,996	48,620,004
Stock in trade	171,732,097	149,871,632	72,335,123
Stores, spares and packing material	97,719,122	69,239,506	47,301,332
	320,144,206	**308,332,169**	**212,566,658**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 11	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
CURRENT INVESTMENTS	**Rs**	**Rs**	**Rs**
(at lower of cost or market value)			
Investment in Mutual funds			
JM High Liquidity Fund - Saving Plan - Dividend reinvestment option 547 units (31 March 2017 : 500 units, 01 April 2016: 500 units)	5,709	5,000	5,000
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment 3,428 units (31 March 2017 : 32,644 units, 01 April 2016: 56,462 units)	3,634,671	34,721,136	59,800,000
	3,640,380	**34,726,136**	**59,805,000**

Aggregate Book value			
Quoted			
Unquoted	3,640,380	34,726,136	59,805,000
Aggregate Market value			
Quoted			
Unquoted	3,640,380	34,726,136	59,805,000

Note 12	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
TRADE RECEIVABLES	**Rs**	**Rs**	**Rs**
Trade Receivables - at amortised cost			
Unsecured			
Debts overdue for six months			
Considered good			
Related Parties *	-	-	-
Others	69,103,844	43,595,687	40,573,116
Considered doubtful	4,470,623	2,645,570	921,005
Less: Allowance for doubtful debts	(4,470,623)	(2,645,570)	(921,005)
	69,103,844	**43,595,687**	**40,573,116**
Other debts			
Considered good			
Related Parties *	74,253,705	47,565,575	47,485,974
Others	131,270,704	155,834,394	82,932,541
Considered doubtful	-	-	-
Less: Allowance for doubtful debts	-	-	-
	205,524,409	**203,399,969**	**130,418,515**
Other Receivables - at amortised cost			
Other financial receivables	239,923	185,844	148,247
	274,868,176	**247,181,500**	**171,139,878**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

* Due to related parties includes receivable from following companies			
Prime Lenses Pvt Ltd	**39,829,819**	28,936,092	24,787,415
Lensco- The Lens Company	**-**	-	22,684,635
GKB Vision FZC	**32,713,388**	6,681,296	-
GKB Optic Technologies Pvt.Ltd.	**-**	11,948,187	13,924
GKB Vision Private Limited	**1,710,498**	-	-

Due from others includes reinstated amount of Rs Nil (31 March 2017: Rs 2,79,925, 01 April 2016: Rs 82,57,690) due from Pamonte SA, Ecuador against exports which are overdue for a period exceeding 12 months.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 13	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CASH AND CASH EQUIVALENTS	**Rs**	**Rs**	**Rs**
Cash at Banks			
Balances with Banks			
- On current accounts	21,304,649	21,095,598	30,242,317
- On margin money deposits	-	-	-
- On deposit Accounts	-	-	-
Cash in hand	377,595	139,407	865,321
	21,682,244	**21,235,005**	**31,107,638**

Note 14	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	**Rs**	**Rs**	**Rs**
Other balances			
Earmarked balances with banks:			
Margin money deposits	3,768,000	7,172,400	6,829,950
* Kept as lien against bank guarantee and letter of credit facility	**3,768,000**	**7,172,400**	**6,829,950**

Note 15	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT FINANCIAL ASSETS - LOANS AND ADVANCES	**Rs**	**Rs**	**Rs**
Unsecured, considered good, unless otherwise stated			
Financial assets at Amortised Cost			
(a) Loans and advances to related parties (giving details therefo):			
Subsidiaries	-	-	-
Other related party	-	-	-
	-	-	-
(b) Advances recoverable in cash or in kind or for value be received			
Considered good	252,456	99,915	24,080
Considered doubtful	-	-	-
Less: Allowance for bad and doubtful advance	-	-	-
	252,456	99,915	24,080
(c) Security deposits			
Considered good	2,552,964	1,972,245	1,443,336
Considered doubtful			
Less: Allowance for bad and doubtful advances			
	2,552,964	1,972,245	1,443,336
	2,805,420	**2,072,160**	**1,467,416**

Note 16	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT TAX LIABILITIES (NET)	**Rs**	**Rs**	**Rs**
Provision for taxes	(37,375,215)	(37,375,215)	-
Taxes paid	38,942,953	37,759,120	-
	1,567,738	**383,905**	**-**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 17	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER CURRENT ASSETS	**Rs**	**Rs**	**Rs**
Advances recoverable in cash or in kind or for value to be received			
Advance to Suppliers (Considered good)	5,165,481	3,483,153	27,107,383
Prepaid expense	2,775,033	1,931,009	1,617,933
Balances with customs, excise, service tax, GST and commercial tax authorities	1,397,044	-	-
Refund receivable towards Merchandise Exported from India Scheme (MEIS)	369,733	-	-
	9,707,291	**5,414,162**	**28,725,316**

Note 18	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
SHARE CAPITAL	**Rs**	**Rs**	**Rs**
Authorised :			
7,000,000 equity shares of Rs 10 each (31 March 2017 : 70,00,000, 01 April 2016 : 70,00,000) equity shares of Rs 10 each	**70,000,000**	70,000,000	70,000,000
Issued :			
41,99,980 equity shares of Rs 10 each (31 March 2017 : 41,99,980, 01 April 2016 : 41,99,980) equity shares of Rs 10 each	**41,999,800**	41,999,800	41,999,800
Subscribed and Paid up :			
41,53,580 equity shares of Rs 10 each (31 March 2017 :41,53,580, 01 April 2016 : 41,53,580)equity shares of Rs 10 each	**41,535,800**	41,535,800	41,535,800
	41,535,800	41,535,800	41,535,800

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

		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	Name of Shareholder	**No. of shares**	**%held**	No. of shares	%held	No. of shares	%held
1	Krishna Gopal Gupta	**800,024**	**19.26%**	800,024	19.26%	798,874	19.23%
2	Krishna Murari Gupta	**328,207**	**7.90%**	353,207	8.50%	353,207	8.50%
3	Vikram Gupta	**373,105**	**8.98%**	373,105	8.98%	373,105	8.98%
4	Gaurav Gupta	**357,966**	**8.62%**	357,966	8.62%	357,966	8.62%
5	Veena Gupta	**300,753**	**7.24%**	300,753	7.24%	300,635	7.24%
6	Usha Gupta	**114,507**	**2.76%**	209,000	5.03%	209,000	5.03%
7	Shefali Chawla	**242,464**	**5.84%**	242,464	5.84%	242,464	5.84%

Reconciliation of opening and closing share capital

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
Particulars	**No. of shares**	**Value (Rs)**	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	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	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 Consolidated Financial Statements for the year ended 31st March 2018

Note 19	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
LONG TERM BORROWINGS	**Rs**	**Rs**	**Rs**
Secured :			
Term Loans			
a) From Banks (Refer note below)	**170,395**	450,938	776,585
b) From Financial institutions (Refer note below)	**-**	221,664	568,663
	170,395	672,602	1,345,248

(a) Secured term loans from banks:
Vehicle loan of Rs 4,45,152/- (31 March 2017 : Rs 6,93,259/-, 01 April 2016 : Rs 9,17,654/-) is repayable in 48 equated monthly installments from November, 2015.
Vehicle loan of Rs Nil/- (31 March 2017 : Rs 88,225/-, 01 April 2016 : 2,57,728) is repayable in 47 equated monthly installments from November, 2013.

(b) Secured term loans from financial institutions:
Vehicle loan of Rs 2,21,664/- (31 March 2017: Rs 5,68,663/-, 01 April 2016: Rs 8,77,901) is repayable in 36 equated monthly installments from November, 2015.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Maturity period of principle repayment of term loans	**Rs**	**Rs**	**Rs**
a) Term loans form bank			
Maturing within 2019-20	170,395	176,181	170,086
Maturing within 2018-19	-	274,757	274,757
Maturing within 2017-18	-	-	331,742
A	**170,395**	450,938	776,585
b) Term loans from financial institutions			
Maturing within 2018-19	**-**	221,664	221,664
Maturing within 2017-18	**-**	-	346,999
B	**-**	221,664	568,663
(A+B)	**170,395**	672,602	1,345,248
Current maturities of long term borrowings disclosded in Note 25 under - Other current liablities			
a) Term loans from bank	**274,757**	330,546	398,796
b) Term loans from financial institutions	**221,664**	346,999	309,238
C	**496,421**	677,545	708,034
Interest accrued and due on long term borrowings disclosed in Note 25 under - Other current liabilities			
a) Term loans from bank	-	-	-
b) Term loans from financial institutions	-	-	-
D	**-**	-	-
(A+B+C+D)	**666,816**	1,350,147	2,053,282

	Amount outstanding as on 31.03.2018	Amount outstanding as on 31.03.2017	Amount outstanding as on 01.04.2016
Details of security	**Rs**	Rs	Rs
a) Term loans from bank / financial institution			
i. Secured by hypothecation of vehicle	**666,816**	1,350,147	2,053,282
	666,816	1,350,147	2,053,282

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 20	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
LONG TERM EMPLOYEE BENEFIT OBLIGATIONS	**Rs**	**Rs**	**Rs**
Provision for employee benefits (Refer note 39)			
Provision for gratuity	**5,267,308**	5,123,077	4,978,846
Provision for leave encashment	**1,837,612**	1,832,529	1,242,749
	7,104,920	6,955,606	6,221,595

Note 21
TAXATION

21.1 Income tax related to items charged or credited directly to profit or loss during the year

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
	Rs	Rs
Current income tax	-	1,325,000
Adjustments in respect of current income tax of previous year	-	-
Deferred tax expense /(benefit)	(1,657,183)	2,244,192
Income tax expense reported in the income statement	**(1,657,183)**	**3,569,192**

21.2 Deferred tax relates to the following

Particulars	Balance sheet			Recognised in statement of profit or loss	
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	For the year ended 31st March 2018	For the year ended 31st March 2017
	Rs	Rs	Rs	Rs	Rs
Expenses allowable for tax purposes when paid / on payment of TDS	(2,560,261)	(3,017,755)	(1,863,738)	457,494	(1,154,017)
Unused tax losses / depreciation	-	-	-	-	-
Other items giving rise to temporary differences	(1,975,923)	(1,772,994)	(1,927,309)	(202,929)	154,315
Accelerated depreciation for tax purposes	13,599,004	15,783,631	13,221,713	(2,184,627)	2,561,918
Effect of transition adjustments:					
Profit /Loss on sale of Fixed assets	-	-	-	-	-
Other items giving rise to temporary differences	-	-	-	-	-
Deferred tax (asset) / liability	**9,062,820**	**10,992,882**	**9,430,666**	-	-
Net deferred tax debited/ (credited) to the Statement of Profit and Loss				**(1,930,062)**	**1,562,216**

21.3 Reconciliation of deferred tax (asset)/liabilities net

Reconciliation of deferred tax (asset)/liabilities net	31st March 2018	31st March 2017
	Rs	Rs
Opening balance as of 1 April	**10,992,882**	9,430,666
Tax income/(expense) during the period recognised in profit or loss	**(1,657,183)**	2,244,192
Tax income/(expense) during the period recognised in other comprehensive income	**(272,879)**	(681,976)
Tax income/(expense) during the period recognised in profit or loss from Discontinued operation		
Deferred taxes acquired in business combinations		
Deferred taxes recognised directly in equity		
Closing balance as at 31 March	**9,062,820**	**10,992,882**

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 22	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
SHORT TERM BORROWINGS	**Rs**	**Rs**	**Rs**
Secured			
From Banks :			
a) Cash credit	**87,527,860**	42,485,142	41,356,470
b) Packing credit facility	**10,067,030**	28,026,866	28,833,131
c) Overdrawn bank balances	**1,034,043**	-	994,507
	98,628,933	**70,512,008**	**71,184,108**

Note 23	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
TRADE PAYABLES	**Rs**	**Rs**	**Rs**
Trade Payables at amortised cost			
Due to micro and small enterprises			
Related parties*	**-**	-	-
Others	**-**	-	-
Due to other than micro and small enterprises			
Related parties*	**131,629,236**	88,924,855	23,313,863
Others	**108,689,830**	142,837,970	104,819,347
	240,319,066	**231,762,825**	**128,133,210**

*Due to related parties includes			
GKB Vision Private Limited	**131,464,236**	87,691,126	22,978,270.00
Lensco - The Lens Company	**-**	-	227,593.00
GKB Vision FZC	-	1,053,729	-
Veena Gupta	**165,000**	180,000	108,000

Due to others includes reinstated amount of Rs 1,69,13,850 (31 March 2017: Rs 1,68,62,542/-, 01 April 2016: Rs 1,71,62,697/-) due to Alpha Diamond Industry, Japan; Rs Nil (31 March 2017: Rs 50,40,161/-, 01 April 2016: Rs Nil) due to Corning SA-France 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.

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Note 24	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER FINANCIAL LIABILITIES	**Rs**	**Rs**	**Rs**
Other financial liabilities at amortised cost			
Creditors for capital goods	**3,225,115**	5,915,109	1,125,428
Others liabilities	**5,494,366**	3,778,712	1,914,467
	8,719,481	**9,693,821**	**3,039,895**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 25	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER CURRENT LIABILITIES	**Rs**	**Rs**	**Rs**
Advances from customers	530,382	3,426,121	1,187,036
Current maturities of long term debt (secured)			
From Bank	274,757	330,546	398,796
From Financial institutions	221,664	346,999	309,238
Statutory dues Payable	273,074	3,439,909	3,368,795
Employee benefits payable			
Salary payable	4,906,750	4,774,003	4,157,396
Bonus payable	2,733,416	2,239,121	1,722,730
Superannuation payable	168,863	44,130	60,525
	9,108,906	**14,600,829**	**11,204,516**

Note 26	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
SHORT TERM EMPLOYEE BENEFIT OBLIGATIONS	**Rs**	**Rs**	**Rs**
Provision for employee benefit (Refer note 39)			
Provision for gratuity	6,458,022	3,846,400	1,761,314
Provision for leave encashment	838,333	831,606	306,549
	7,296,355	**4,678,006**	**2,067,863**

Note 27	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT TAX LIABILITIES (NET)	**Rs**	**Rs**	**Rs**
Provision for taxes	-	-	36,550,215
Taxes paid	-	-	(25,222,197)
	-	**-**	**11,328,018**

Note 28	For the year ended 31st March 2018	For the year ended 31 March 2017
REVENUE FROM OPERATIONS	**Rs.**	**Rs.**
Sale of products (including Excise Duty)	772,539,237	764,381,468
Sale of services	175,935	67,160
Other operating income - Sale of raw materials, stores and packing material	6,622,238	-
Gross Sales	**779,337,410**	**764,448,628**

Sale of goods includes excise duty collected from customers of Rs 51,64,073 (31 March, 2017: Rs 2,36,07,911). Sale of goods net of excise duty is Rs 76,73,75,164 (31 March, 2017: Rs 74,07,73,557). Revenue from operations for periods up to 30th June, 2017 includes excise duty. From 1st July, 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Services Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31st March, 2018 is not comparable to 31st March, 2017.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 29	**For the year ended 31st March 2018**	**For the year ended 31 March 2017**
OTHER INCOME	**Rs.**	**Rs.**
Finance income		
Interest income or Margin Money Deposits	**378,930**	**404,927**
Other non-operating income		
Dividend income	621,745	3,024,885
Exchange gain	-	4,637,871
Profit on sale of assets	146,507	-
Sundry balances written back (net)	4	2,570,476
Commission on sales	542,316	701,214
Miscellaneous income	3,236,944	1,691,722
	4,926,446	**13,031,095**

Note 30	**For the year ended 31st March 2018**	**For the year ended 31 March 2017**
COST OF MATERIALS CONSUMED	**Rs.**	**Rs.**
Opening stock	31,204,030	37,302,154
Add: Purchases	143,730,568	184,300,819
Less: Closing stock	(15,092,821)	(31,204,030)
	159,841,777	190,398,943
Less: Scrap sales	-	-
	159,841,777	**190,398,943**

Note 31	**For the year ended 31st March 2018**	**For the year ended 31 March 2017**
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	**Rs.**	**Rs.**
Closing stock		
Finished goods (including excise duty)	32,624,034	53,583,996
Work-in-progress	2,976,132	4,433,005
Stock-in-trade	171,732,097	149,871,632
	207,332,263	**207,888,633**
Opening stock		
Finished goods	53,583,996	48,620,004
Work-in-progress	4,433,005	7,008,045
Stock-in-trade	149,871,632	118,555,902
	207,888,633	174,183,951
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**556,370**	**(33,704,682)**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 32	For the year ended 31st March 2018	For the year ended 31 March 2017
EMPLOYEE BENEFIT EXPENSES	**Rs.**	**Rs.**
Salaries, wages and bonus	80,421,406	75,960,797
Contribution to Provident fund and other funds (Refer note 39)	6,246,523	5,721,272
Contribution to Gratuity (Refer note 39)	1,528,463	1,318,992
Contribution to Leave encashment (Refer note 39)	403,838	458,172
Workmen and staff welfare	1,217,707	2,772,339
	89,817,937	**86,231,572**

Note 33	For the year ended 31st March 2018	For the year ended 31 March 2017
FINANCE COST	**Rs.**	**Rs.**
Interest on working capital	9,221,912	9,972,563
Interest on term loans	433,189	575,905
Bank charges and other borrowing costs	3,077,604	2,346,759
	12,732,705	**12,895,227**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

NOTE 34	For the year ended 31 March 2018		For the year ended 31 March 2017	
OTHER EXPENSES	**Rs.**	**Rs.**	Rs.	Rs.
Stores and spares consumed		**52,130,388**		48,748,834
Packing material consumed		**9,165,296**		9,591,024
Power and fuel		**21,057,273**		17,811,699
Other manufacturing expenses		**18,773,953**		13,377,865
Lease rent (refer foot note 1 below)		**12,250,768**		9,679,944
Repairs :				
Building	**422,708**		321,214	
Plant and Equipment	**2,742,929**		2,814,811	
Others	**1,407,321**		1,595,844	
		4,572,958		4,731,869
Insurance		**1,511,759**		1,381,655
Rates and Taxes		**3,488,980**		3,504,342
Excise duty (refer foot note 2 below)		**(1,271,990)**		-
Excise duty paid on sale of products		**5,164,073**		23,607,911
Freight and forwarding		**1,958,026**		3,818,343
Auditor's Remuneration				
Audit fees	**1,065,000**		550,000	
Tax audit fees	**50,000**		162,500	
Other matters	**85,000**		187,500	
Out of pocket expenses	**77,195**		29,965	
		1,277,195		929,965
Commission		**2,268,922**		1,788,623
Travelling and conveyance		**3,599,428**		3,153,777
Legal and Professional Charges		**3,105,934**		4,382,272
Provision for doubtful debts		**2,828,008**		2,178,950
Loss on sale of fixed assets (net)		**-**		504,279
Loss on sale of investment		**1,799**		-
Exchange loss (net)		**253,943**		-
Directors' fees (including service tax)		**721,440**		529,220
Advertising and sales promotion		**327,384**		2,061,313
Bad debts write off		**601,307**		-
Security charges		**2,875,549**		2,519,542
Telephone and communication expenses		**1,848,207**		2,034,969
Printing and stationery expenses		**1,062,871**		940,251
Donations		**5,265**		1,826
Miscellaneous expenses		**3,650,094**		2,527,285
		153,228,830		159,805,757

Note 1:
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 1,22,50,768 (01 April 2016: Rs 96,79,944) has been charged to the Statement of Profit and Loss.

Note 2:
The excise duty related to the difference between the opening and closing stock of finished goods is disclosed above as "Excise duty".

Note 35	For the year ended 31st March 2018	For the year ended 31 March 2017
EXCEPTIONAL ITEMS	**Rs.**	**Rs.**
Gain on sale of investments	-	25,318,417
	-	25,318,417

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 36
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 of the financial statements of GKB Ophthalmics Limited and its subsidiaries. References in these notes to GKB, Company, Companies, Parent Company or Group shall mean to include GKB Ophthalmics Limited or any of its subsidiaries, 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.

c) 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%

d) During the previous year the Company sold the entire shareholding in Prime Lenses Private Limited, a company in which the Company was holding 14.26% of the equity paid up share capital. The said shares were sold for a net consideration of Rs. 68,736,641/-, resulting in a net gain of Rs. 25,318,417/- over the book value of the said shares of Rs. 43,418,224/-

Note 37

Consolidated financial statements were prepared for the first time in the previous 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 for the year ended 31st March 2018

Note 38 I) CONTINGENT LIABILITIES (to the extent not provided for)	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
(a) Claims against the Company not acknowledged as debts	**-**	-	-
(b) Sales Tax liability that may arise in respect of matters in appeal	**17,839,555**	11,170,738	12,670,198
© Entry Tax liability that may arise in respect of matters in appeal	**2,861,609**	-	-
(d) Excise duty / service tax liability that may arise in respect of matters in appeal	**119,048,230**	121,218,775	119,048,177
(e) Income Tax liability that may arise in respect of matters in appeal	**8,061,660**	8,061,660	4,136,890
(f) Guarantees given on behalf of associate companies	**14,500,000**	198,500,000	363,008,000
(g) Bills discounted	**-**	8,585,818	15,321,484
(h) Letters of credit outstanding	**18,714,458**	18,458,095	15,449,548
(i) Bank guarantees	**7,685,738**	6,685,738	6,685,738

II) COMMITMENTS:	As at 31st March 2018 Rs	As at 31st March 2017 Rs	As at 1st April 2016 Rs
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	112,210	2,000	8,883,487
	112,210	**2,000**	**8,883,487**

(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 unfullfilled 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.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

39 Disclosures as required by Indian Accounting Standard (Ind AS) 19 "Employee Benefits":

a) Defined Contribution Plans :

Contribution to Defined Contribution Plans, recognised as an expense and included under "Employee Benefits Expenses" Note 32 to the Statement of Profit and Loss are as under :

Employer's contribution to Provident Fund and EDLI Rs 20,93,869 (31 March 2017: Rs 17,40,926)
Employer's contribution to Family Pension Scheme Rs 19,15,896 (31 March 2017: Rs 19,29,458)
Employer's contribution to Employees State Insurance Scheme Rs 19,62,265 (31 March 2017: Rs 17,35,077)
Employer's contribution to Superannuation Fund Rs1,68,863 (31 March 2017: Rs 1,85,316)
Employer's contribution to Labour Welfare Fund Rs 1,05,630 (31 March 2017: Rs 1,30,495)

b) Defined Benefit Plans :

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

		Gratuity (funded) Rs. 2017-18	Gratuity (funded) Rs. 2016-17	Gratuity (unfunded) Rs. 2017-18	Gratuity (unfunded) Rs. 2016-17
I	**Change in obligation during the year**				
1	Liability at the beginning of the year	**10,996,853**	9,630,557	**6,653,131**	6,036,279
2	Interest cost	**879,748**	770,445	**-**	-
3	Current service cost	**642,807**	597,411	**695,114**	654,561
4	Past service cost	**-**	-	**-**	-
5	Benefits paid	**(517,410)**	(1,059,381)	**12,546**	(37,709)
6	Actuarial (gain) / losses	**1,399,301**	1,057,821	**-**	-
7	Liability at the end of the year	**13,401,299**	10,996,853	**7,360,791**	6,653,131
II	**Change in assets during the year**				
1	Plan assets at the beginning of the year	**8,680,508**	8,926,677	**(82,271)**	(44,562)
2	Expected return of plan assets	**689,206**	703,424	**-**	-
3	Contributions	**184,458**	109,788	**-**	-
4	Benefits paid	**(517,410)**	(1,059,381)	12,546	(37,709)
5	Actuarial gain / (loss)	**-**	-	**-**	-
6	Plan assets at the end of the year	**9,036,762**	8,680,508	**(69,725)**	(82,271)
7	Total actuarial gain/(loss) to be recognised	**(1,399,301)**	(1,057,821)	**-**	-
III	**Actual return on plan assets**				
1	Expected return on plan assets	**689,206**	703,424	**-**	-
2	Actuarial gain / (loss)	**-**	-	**-**	-
3	Actual return on plan assets	**689,206**	703,424	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**				
1	Liability at the end of the year	**(13,401,299)**	(10,996,853)	**(7,360,791)**	(6,653,131)
2	Plan assets at the end of the year	**9,036,762**	8,680,508	**-**	-
3	Amount recognised in the balance sheet	**(4,364,537)**	(2,316,345)	**(7,360,791)**	(6,653,131)
V	**Expenses recognised in the statement of profit and loss for the year**				
1	Current service cost	**642,807**	597,411	**695,114**	654,561
2	Interest cost	**879,748**	770,445	**-**	-
3	Expected return on plan assets	**(689,206)**	(703,424)	**-**	-
4	Actuarial (gain) / losses	**1,399,301**	1,057,821	**-**	-
5	Past service cost	**-**	-	**-**	-
6	Total expenses as per actuarial valuation	**2,232,650**	1,722,253	**695,114**	654,561
7	Optional payment	**-**	-	**-**	-
8	Total expenses	**2,232,650**	1,722,253	**695,114**	654,561
VI	**Balance sheet reconciliation**				
1	Opening net liability	**2,316,346**	703,881	**6,653,131**	6,036,279
2	Expenses as above	**2,232,650**	1,722,253	**695,114**	654,561
3	Employer contribution	**(184,458)**	(109,788)	**12,546**	(37,709)
4	Amount recognised in the balance sheet *	**4,364,538**	2,316,346	**7,360,791**	6,653,131
VII	**The major categories of plan assets as a percentage of total :**				
	Insurer Managed Funds	**100%**	100%	**Not applicable**	Not applicable
VIII	**Actuarial assumptions:**				
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 20 - Long Term employee benefit obligations	**-**	-	**5,267,308**	5,123,077
Disclosed in Note 26 - Short Term employee benefit obligations	**4,364,538**	2,316,346	**2,093,483**	1,530,054

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits (contd.)

		Leave encashment (unfunded) Rs. 2017-18	Leave encashment (unfunded) Rs. 2016-17
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	**2,664,135**	1,549,298
2	Interest cost	**200,343**	125,028
3	Current service cost	**203,495**	333,144
4	Past service cost	**-**	-
5	Benefits paid	**(52,453)**	(256,088)
6	Actuarial (gain) / losses	**(339,575)**	912,753
7	Liability at the end of the year	**2,675,945**	2,664,135
II	**Change in assets during the year**		
1	Plan assets at the beginning of the year	**503,211**	247,123
2	Expected return of plan assets	**-**	-
3	Contributions	**-**	-
4	Benefits paid	**52,453**	256,088
5	Actuarial gain / (loss)	**-**	-
6	Plan assets at the end of the year	**555,664**	503,211
7	Total actuarial gain/(loss) to be recognised	**339,575**	(912,753)
III	**Actual return on plan assets**		
1	Expected return on plan assets	**-**	-
2	Actuarial gain / (loss)	**-**	-
3	Actual return on plan assets	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	**(2,675,945)**	(2,664,135)
2	Plan assets at the end of the year	**-**	-
3	Amount recognised in the balance sheet	**(2,675,945)**	(2,664,135)
V	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	**203,495**	333,144
2	Interest cost	**200,343**	125,028
3	Expected return on plan assets	**-**	-
4	Actuarial (gain) / losses	**(339,575)**	912,753
5	Past service cost	**-**	-
6	Total expenses as per actuarial valuation	**64,263**	1,370,925
7	Optional payment	**-**	-
8	Total expenses	**64,263**	1,370,925
VI	**Balance sheet reconciliation**		
1	Opening net liability	**2,664,135**	1,549,298
2	Expenses as above	**64,263**	1,370,925
3	Benefits Paid	**(52,453)**	(256,088)
4	Amount recognised in the balance sheet *	**2,675,945**	2,664,135
VII	**The major categories of plan assets as a percentage of total :**	**Not applicable**	Not applicable
VIII	**Actuarial assumptions:**		
1	Discount rate	**7.85%**	7.52%
2	Rate of return on plan assets	**Not applicable**	Not applicable
3	Rate of mortality	**As per Indian Assured Lives Mortality (2006-08)**	As per Indian Assured Lives Mortality (2006-08)
4	Salary Escalation	**5.00%**	5.00%
	*The closing net liability is disclosed as follows:		
	Disclosed in Note 20 - Long Term employee benefit obligations	**1,837,612**	**1,832,529**
	Disclosed in Note 26 - Short Term employee benefit obligations	**838,333**	**831,606**

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 Consolidated Financial Statements for the year ended 31st March 2018

Note 40
Disclosures as required by India Accounting Standard (IndAS) 24 - Related Party Disclosures :

(a) Relationships:

List of related parties where control exists:

(i) Enterprises in which directors exercise significant influence
1 Prime Lenses Pvt Ltd
2 GKB Vision Private Limited
3 GKB Opticals Limited
4 GKB Optic Technologies Pvt.Ltd.
5 GKB Vision FZC

(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 (resigned w.e.f. 9th August, 2017)

(b) The following transactions were carried out with the related parties in the ordinary course of business:

Sr No.	Nature of transaction / relationship	2017-18	2016-17
		Rs	Rs
1	Purchases of goods and services		
	Significant influence enterprise		
	GKB Vision Private Limited	**270,902,540**	158,984,177
	Prime Lenses Pvt Ltd	**49,039**	18,533,586
	GKB Vision FZC	**-**	4,503,774
	Total	**270,951,579**	182,021,537
2	Sales of goods and services		
	Significant influence enterprise		
	Prime Lenses Pvt Ltd	**135,470,223**	103,890,571
	GKB Vision Private Limited	**123,923,089**	73,906,652
	GKB Optic Technologies Pvt.Ltd.	**-**	14,057,543
	GKB Vision FZC	**52,056,980**	7,266,919
	Total	**311,450,292**	199,121,685
3	Sale of fixed asset (inclusive of VAT)		
	Significant influence enterprise		
	GKB Vision Private Limited	**112,500**	2,598,498
	Prime Lenses Pvt Ltd	**-**	979,161
	Total	**112,500**	3,577,659
4	Commission income		
	Significant influence enterprise		
	GKB Vision Private Limited	**542,316**	350,391
	Total	**542,316**	350,391

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Sr No.	Nature of transaction / relationship	2017-18 Rs	2016-17 Rs
5	Payment of remuneration		
	Key Management Personnel		
	K. G. Gupta	**4,177,081**	4,084,441
	Total	**4,177,081**	4,084,441
6	Rent Paid		
	Relative of Key Management Personnel		
	Veena Gupta	**480,000**	480,000
	Total	**480,000**	480,000
7	Reimbursement of expenses		
	Significant influence enterprise		
	Prime Lenses Pvt Ltd	**-**	4,528
	GKB Vision Private Limited	**275,006**	86,862
	Total	**275,006**	91,390
8	Recovery of expenses		
	Significant influence enterprise		
	Prime Lenses Pvt Ltd	**-**	1,499,460
	Total	**-**	1,499,460
9	Director's sitting fees		
	Relatives of Key Management Personnel		
	Gaurav Gupta	**100,000**	80,000
	Vikram Gupta	**20,000**	40,000
	K. M. Gupta	**-**	20,000
	Total	**120,000**	140,000

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

(c) Amount due to / from related parties

Sr No.	Nature of balance / relationship	2017-18 Rs	2016-17 Rs
1	Accounts payable		
	Significant influence enterprise		
	GKB Vision Private Limited	**131,464,236**	87,691,126
	GKB Vision FZC	-	1,053,729
	Relative of Key Management Personnel		
	Veena Gupta	**165,000**	180,000
	Total	**131,629,236**	88,924,855
2	Accounts receivable		
	Significant influence enterprise		
	Prime Lenses Pvt Ltd	**39,829,819**	28,936,092
	GKB Vision FZC	**32,713,388**	6,681,296
	GKB Optic Technologies Pvt.Ltd.	**-**	11,948,187
	GKB Vision Private Limited	**1,710,498**	-
	Total	**74,253,705**	47,565,575
3	Other receivables		
	Significant influence enterprise		
	Prime Lenses Pvt Ltd	**283,383**	283,383
	GKB Vision Private Limited	**-**	849,076
	Total	**283,383**	1,132,459

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 41 **Disclosure as required by Indian Accounting Standard (Ind AS) 33** **Earnings Per Share**		**2017-18** **Rs**	**2016-17** **Rs**
Profit after taxes and before extraordinary item	Amount in Rs	**(11,363,961)**	4,119,698
Profit after taxes and extraordinary item	Amount in Rs	**(10,493,625)**	24,580,325
Number of equity shares outstanding	Nos.	**4,153,580**	4,153,580
Face value of equity share	Rs /share	**10**	10
Earnings per share before extraordinary item (basic and diluted)	Rs	**(2.53)**	5.92
Earnings per share after extraordinary item (basic and diluted)	Rs	**(2.53)**	5.92

Note 42
Financial Instruments
Accounting classifications and fair values

The fair value of other current financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and advances, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets are not significantly different from the carrying amount.

Carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for disclosure.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As at 1st April 2016

Particulars	**Carrying amount**	**Fair value**		
	As at 1 April 2016	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost				
Trade receivables	171,139,878			
Cash and cash equivalents	31,107,638			
Cash and bank balances	6,829,950			
Loans and other receivables (Non-Current)	-			
Loans and other receivables (Current)	1,467,416			
	210,544,882	**-**	**-**	**-**
Financial assets at fair value through profit or loss				
Investments (Current)		59,805,000		
Investment (Non current)				43,445,324
	-	**59,805,000**	**-**	**43,445,324**
Total	**210,544,882**	**59,805,000**	**-**	**43,445,324**
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	1,345,248			
Working capital loan from bank	71,184,108			
Trade and other payables	128,133,210			
Other financial liabilities (Non - Current)	3,039,895			
Other financial liabilities (Current)				
Total	**203,702,461**	**-**	**-**	**-**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

As at 31 March 2017

Particulars	Carrying amount As at 31 March 2017	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets at amortised cost				
Trade receivables	247,181,500			
Cash and cash equivalents	21,235,005			
Cash and bank balances	7,172,400			
Loans and other receivables (Non-Current)	-			
Loans and other receivables (Current)	2,072,160			
	277,661,065	**-**	**-**	**-**
Financial assets at fair value through profit or loss				
Investments (Current)		34,726,136		
Investment (Non current)				27,100
	-	**34,726,136**	**-**	**27,100**
Total	**277,661,065**	**34,726,136**	**-**	**27,100**
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	672,602			
Working capital loan from bank	70,512,008			
Trade and other payables	231,762,825			
Other financial liabilities (Non - Current)	-			
Other financial liabilities (Current)	9,693,821			
Total	**312,641,256**	**-**	**-**	**-**

As at 31 March 2018

Particulars	Carrying amount As at 31 March 2018	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets at amortised cost				
Trade receivables	274,868,176			
Cash and cash equivalents	21,682,244			
Cash and bank balances	3,768,000			
Loans and other receivables (Non-Current)	-			
Loans and other receivables (Current)	2,805,420			
	303,123,840	**-**	**-**	**-**
Financial assets at fair value through profit or loss				
Investments (Current)		3,640,380		
Investment (Non current)				25,300
	-	**3,640,380**	**-**	**25,300**
Total	**303,123,840**	**3,640,380**	**-**	**25,300**
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	170,395			
Working capital loan from bank	98,628,933			
Trade and other payables	240,319,066			
Other financial liabilities (Non - Current)	-			
Other financial liabilities (Current)	8,719,481.00			
Total	**347,837,875**	**-**	**-**	**-**

Note 43
Financial Risk Management

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk
'Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Foreign currency exposure as at 31st March 2017

Particulars	USD	Euro	JPY	CHF	Total
Trade receivables	2,611,190	5,898,039	-	-	8,509,228
Loans and other receivables	-	-	-	-	-
Bank balances in current accounts and term deposit accounts	-	-	-	-	-
Trade payables	21,654,259	9,434,390	-	-	31,088,649
Forward contracts for receivable	-	-	-	-	-
Forward contracts for payable	-	-	-	-	-
Forward contracts for loan	-	-	-	-	-

Foreign currency exposure as at 31 March 2018

Particulars	USD	Euro	JPY	CHF	Total
Trade receivables	4,016,036	2,723,907	-	-	6,739,943
Loans and other receivables	-	-	-	-	-
Bank balances in current accounts and term deposit accounts	-	-	-	-	-
Trade payables	17,414,997	-	-	-	17,414,997
Forward contracts for receivable	-	-	-	-	-
Forward contracts for loan	-	-	-	-	-

Foreign currency sensitivity

Particulars	2017-18		2016-17	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	214,310	(214,310)	242,655	(242,655)
Euro	27,239	(27,239)	153,324	(153,324)
JPY	-	-	-	-
CHF	-	-	-	-
Others	-	-	-	-
Increase \(Decrease) in profit or loss	**241,549**	**(241,549)**	**395,979**	**(395,979)**

Equity Price Risk

The company's investment portfolio consists of investments in publicly traded companies, unquoted equity instruments carried at fair value in the balance sheet.

The Company has investments in unquoted equity instruments.

(B) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information such as :

(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same borrower
(v) Significant changes in the value of the collateral supporting the obligationor in the quality of third-party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Exposure to credit risk

Particulars	As at 31-03-2018	As at 31-03-2017
Long-term loans and advances	-	-
Other long term financial assets	-	-
Trade receivables	274,868,176	247,181,500
Cash at bank	25,072,649	28,267,998
Short-term loans and advances	2,805,420	2,072,160

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	Amount
31-Mar-18	
Up to 3 months	168,488,087
3 to 6 months	49,136,930
More than 6 months	61,473,859
	279,098,876
31-Mar-17	
Up to 3 months	153,277,898
3 to 6 months	49,501,841
More than 6 months	46,861,488
	249,641,227

The following table summarizes th changes in the allowances for doubtful accounts for trade receivables measured using life-time expected credit model:

Particulars	Amount	
As at 01 April 2016	921,005	
Provided during the year	1,724,565	
Amounts written off	-	
Reversals of Provision	-	
Unwinding of Discount	-	
Transferred on account of Demerger	-	
As at 31 March 2017	**2,645,570**	
Provided during the year	2,406,180	
Amounts written off	(590,124)	
Reversals of Provision	-	
Transfer to discontinuing operations	-	
Translation of Foreign currency	8,997	
As at 31 March 2018	**4,470,623**	Exchange difference

(C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Term loans from Financial Institution	-	93,178	128,486	-	-	221,664
Term loans from Banks	-	65,814	208,943	170,395	-	445,152
Obligations under finance leases	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Working capital demand loan from bank	98,628,933	-	-	-	-	98,628,933
Trade payables	-	64,719,836	163,465,739	12,133,490	-	240,319,066
Other financial liabilities	-	5,321,829	3,397,652	-	-	8,719,481
	98,628,933	**70,200,657**	**167,200,820**	**12,303,885**	**-**	**348,334,297**

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Term loans from Financial Institution	-	83,039	263,960	221,664	-	**568,663**
Interest-free sales tax deferral loans from State Government	-	104,953	225,593	450,938	-	**781,484**
Obligations under finance leases	-	-	-	-	-	**-**
Deposits payable	-	-	-	-	-	**-**
Working capital demand loan from bank	70,512,008	-	-	-	-	**70,512,008**
Trade payables	-	88,426,567	127,767,075	15,569,184	-	**231,762,825**
Other financial liabilities	-	7,531,429	1,828,255	334,137	-	**9,693,821**
	70,512,008	**96,145,988**	**130,084,883**	**16,575,923**	**-**	**313,318,801**

Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The company includes interest bearing loans and borrowings, trade and other payables and cash and short terms deposits excluding discontinued operations within net debt.

Particulars	As at 31.03.2018	As at 31.03.2017
Interest-bearing loans and borrowings	99,295,749	71,862,155
Net debt	**99,295,749**	**71,862,155**
Equity	449,420,828	467,850,099
Capital and net debt	**548,716,577**	**539,712,254**
Gearing ratio	**0.22**	**0.15**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2018

Note 44
Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Segment Reporting :

a) **Primary Segment :**

The Company's operations predominantly relate to manufacturing of unfinished ophthalmic lenses made up of Glass and Plastic. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment.

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

	Within India Rs.	**Outside India** Rs.	**Total** Rs.
Revenue from external customers * (excluding other operational revenue) *	**301,704,694** (278,818,757)	**465,846,405** (462,021,960)	**767,551,099** (740,840,717)
Carrying amount of segment assets	**425,720,060** (446,781,896)	**404,111,644** (370,936,782)	**829,831,704** (817,718,678)
Additions to fixed assets during the year	**21,243,958** (56,742,146)	**3,100,304** (8,336,705)	**24,344,262** (65,078,851)

* Revenue within India includes deemed export sales of Rs. 91,453,415 (31 March 2017: Rs 13,79,43,004) made to other EOU units in India
Figures in brackets pertain to the previous year

Note 45: During the year the Company has not capitalised any borrowing costs as per Ind AS 23 - "Borrowing costs".

Note 46: 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 legistation u/s. 92-92F of the Income Tax Act, 1961. Up to 31 March, 2017, 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 amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

Note 47: Unclaimed dividend: There is no amount due to be credited to the Investors Education & Protection Fund as at 31st March, 2018.

Note 48 : As per Ind As 36 "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 31 March, 2018 (31 March 2017 : Rs Nil, 31 March 2016 Rs Nil) in the books.

Note 49: The products manufactured by the company do not have a warranty period, hence provision for warranty as specified in Indian Accounting Standard (Ind As) 37 on "Provisions, Contingent Liabilities and Contingent Assets" is not required to be made.

Note 50: Previous year's figures have been regrouped/reclassified, to correspond to current year's classification/disclousure.

As per our report attached
For **SHARP & TANNAN LLP**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No. : 127145W/W100218

For and on behalf of the Board

Darryl Frank	**K. G. Gupta**	**Gaurav Gupta**	**Vikram Gupta**	**Noel Da Silva**
Partner	Managing Director	Director	Director	CFO and
Membership No. 104096	DIN : 00051863	DIN : 00051974	DIN : 00052019	Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2018

Place : Mapusa, Goa
Date : 30th May, 2018

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 :	**GKB OPHTHALMICS LIMITED**
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 27th day of August, 2018, 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).	**Ordinary Business - Ordinary Resolution** :Consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018, together with the Reports of the Directors and Auditors thereon.
1(b).	**Ordinary Business - Ordinary Resolution** :Consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2018, together with the Auditors Report thereon.
2	**Ordinary Business - Ordinary Resolution** :Re-appointment of Mr. Vikram Gupta (DIN : 00052019) who retires by rotation.
3	**Ordinary Business - Ordinary Resolution**: Appointment of M/s. MSKA & Associates (formerly known as M/s. MZSK & Associates), (FRN 105047 W), as Statutory Auditors of the Company.
4	**Special Business - Special Resolution** : Ratification of corrected Shareholding Pattern in the EGM Notice dated May 10, 2018
5	**Special Business - Special Resolution :** Ratification of Compliance Certificate issued by Statutory Auditors.
6	**Special Business - Special Resolution :** Ratification of the correction in the name of Polus Global Fund

Signed this .... day of .... 2018.

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.