

Annual Report 2012-13



GKB Ophthalmics Ltd.



BOARD OF DIRECTORS:

K. G. Gupta Chairman & Managing Director
K. M. Gupta
Vikram Gupta
Gaurav Gupta
Somnath Sinai Priolkar upto 14.02.2013
Anil Palekar
Sadashiv Shet
Joseph A. A. D'Costa
Christopher Hickman w.e.f. 28.05.2013

CFO & COMPANY SECRETARY:

Noel da Silva

AUDITORS:

M/s Sharp & Tannan
Chartered Accountants
Mumbai

BANKERS:

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

REGISTERED OFFICE:

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

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

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NOTICE

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Saturday, August 31, 2013 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. To consider and adopt the audited Balance Sheet as at March 31, 2013, the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Palekar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sadashiv Shet, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Joseph A.A. D'Costa, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if, thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Christopher Hickman who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation.”

Registered Office :

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

By order of the Board of Directors
For **GKB Ophthalmics Limited**

May 28, 2013

Noel da Silva
CFO & Company Secretary



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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the August 23, 2013 to Saturday, the August 31, 2013 (both days inclusive)
3. 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. Copies of the Annual Report will not be distributed at the meeting.
4. 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.
5. 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.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at this AGM is annexed.
7. Dividends which remain unpaid/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund (IEPF) as per Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the shareholders shall lie for the unclaimed dividend transferred by the Company to IEPF.



8. Appointment/Re-appointment of the Directors

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement :

Name of the Director	Anil Palekar	Sadashiv Shet	Joseph A.A. D'Costa	Christopher Hickman
Date of Birth	15.06.1949	22.02.1951	02.11.1947	14.12.1950
Date of Appointment on the Board	26.05.2010	26.05.2010	31.03.2011	28.05.2013
Qualifications	Engineering Graduate from IIT Mumbai & PGDM	B.A., B.Com., LL.B., F.C.S.	B.Sc.	B.Sc., B.Ed.
Expertise	Wide range of experience in Corporate Management in various Companies of Government of Goa.	Company Secretarial	Vast experience in Banking field	Vast experience in Banking field
Directorship held in other public companies (excluding foreign and private companies)	Nil	1	Nil	Nil
Membership/Chairmanships of committees in GKB Ophthalmics Limited	1. Chairman – Remuneration Committee 2. Member - Audit Committee	1. Chairman - Audit Committee 2. Member - Remuneration Committee	1. Member – Audit Committee 2. Member - Remuneration Committee	Member – Audit Committee
Shareholding of Non-Executive Directors	Nil	Nil	Nil	Nil

9. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, between 11.00 A.M. to 1.00 P.M., upto the date of the Annual General Meeting.

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

By order of the Board of Directors
For **GKB Ophthalmics Limited**

May 28, 2013

Noel da Silva
CFO & Company Secretary



Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6 .

Pursuant to Article 130 of the Articles of Association of the Company and in terms of Section 260 of the Companies Act 1956, Mr. Christopher Hickman was appointed as Additional Director w.e.f. May 28, 2013, on the Board of the Company.

Pursuant to provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, from a shareholder proposing the name of Mr. Christopher Hickman as Director of the Company. A brief resume of Mr. Christopher Hickman as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice.

The Board of Directors of your Company recommends this resolution for your approval.

Mr. Christopher Hickman is interested in the resolution to the extent of his appointment as Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.

Registered Office :

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

By order of the Board of Directors
For **GKB Ophthalmics Limited**

May 28, 2013

Noel da Silva
CFO & Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 31st Annual Report and the Audited Accounts of the year ended March 31, 2013.

FINANCIAL RESULTS :

		Rs. in lakhs	
		2012-13	2011-12
a)	Sales & Other Income	3,346.01	3,233.65
b)	Profit before Depreciation and Tax	72.13	334.64
c)	Provision for Depreciation	115.02	82.99
d)	Provision for Tax	(13.00)	80.66
e)	Profit after Depreciation and Tax	(118.77)	171.00
f)	Balance from previous years	500.75	329.75
g)	Balance carried forward	381.93	500.75

OPERATIONS :

During the year under review, the turnover of the Company increased to Rs. 3,346.01 lakhs compared to Rs. 3,233.65 lakhs in the previous financial year. However, there was a net loss of Rs. 118.77 lakhs, during the current financial year compared to a net profit of Rs. 171.00 lakhs during the previous financial year, mainly due to steep decline of some items of glass lenses and our devaluing the glass lens stock to a realistic level.

CURRENT YEAR :

The Company's Unit I, manufactures single vision glass lenses. As expected, sales of glass lenses has been declining, to compensate loss of business of glass, production of plastic lenses has been increased. Unit II, manufactures single vision, bifocal and photochromic plastic lenses.

Unit II, presently manufactures, apart from standard plastic lenses, 2,000 pieces per day of photochromic lenses, which is sought to be increased to 3,000 pieces per day during the current financial year. This is a high value, high realisation product.

Trial runs for high index 1.6 plastic lenses have been deferred due to increase in input costs.



DIVIDEND :

With the view to conserve the resources, your Directors regret their inability to recommend any dividend for the year 2012-13.

ASSOCIATES AND SUBSIDIARIES :

Your Directors wish to inform you that our Associate Company GKB Vision Limited which has its manufacturing unit at Pilerne Industrial Estate, Goa continues to do well in sustaining its market share in bifocals, progressive lenses and moulds of glass.

The Company's Wholly Owned Subsidiary (WOS) in Sharjah, UAE, a Free Trade Zone Establishment, has achieved a turnover of Dirhams 9.61 million for the year ended December 31, 2012 as compared to Dirhams 10.65 million during the previous year. The net profit is Dirhams 0.79 million as compared to Dirhams 1.61 million during the previous year and has declared a dividend which entails an outflow of Dirhams 0.37 million.

The Joint Venture Company, Indo Prime Visual Technologies Pvt. Ltd., has been mutually called off and the name of the Company has since been struck off, by the Registrar of Companies, Goa, Daman and Diu, under the Fast Track Exit Scheme, 2012.

CORPORATE GOVERNANCE :

A report on Corporate Governance is enclosed as part of Annual Report along with a Certificate from a Practising Company Secretary, on its compliance.

SOCIAL RESPONSIBILITY :

Disposal of garbage, hazardous and bio-medical waste, continues to be a serious environmental problem in Goa. Company has been raising these issues through various Trade Organisations.

Scholarships are being disbursed to deserving SC/ST students studying in surrounding schools.

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.

PARTICULARS OF EMPLOYEES :

Provisions of Section 217 (2A) (a) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, are not applicable to the Company.

FINANCE :

The Company has not availed any additional loans from financial institutions during the financial year ended March 31, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to provision of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby state and confirm:

- a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from them;
- b) that they 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 of the Company for the year;
- c) that they have taken sufficient care for the maintenance of adequate accounting records in



accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing fraud and other irregularities ; and

d) that they have prepared the Annual Accounts on a going concern basis.

DIRECTORS :

Mr. Anil Palekar, Mr. Sadashiv Shet and Mr. Joseph A. A. D'Costa will retire by rotation, pursuant to Articles of Association of the Company being eligible offer themselves for re-appointment.

Mr. Somnath Sinai Priolkar, an Independent, Non Executive Director has resigned w.e.f. February 14, 2013.

Mr. Christopher Hickman who was appointed as an Additional Director holds office up to the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Hickman as a Director, at the forthcoming Annual General Meeting.

With the appointment of Mr. Hickman to the Board as an Independent Director, the Composition of the Board is now in conformity with the Clause 49(I) (A)(ii) of the Listing Agreement.

AUDITORS :

The term of M/s Sharp & Tannan, Chartered Accountants, Mumbai, as Statutory Auditors, expires at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Auditors have given a certificate that the re-appointment, if made, will be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT :

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

- I) With regard to paragraph (iv) of the Annexure referred to in paragraph 1 of the Auditors' Report, (hereinafter referred to as the said Annexure), efforts are being made to improve the internal control procedures.



- ii) With regard to paragraph (v)(b) of the said Annexure, comparable open market prices are not readily available.
- iii) Paragraphs (ix)(a) and (b) and (xv) of the said Annexure are self explanatory.
- iv) With regards to paragraphs (xi) of the said Annexure, the over dues to Bank have since been regularised.

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

Particulars required to be disclosed under the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 are annexed and forms an integral part of this report.

ACKNOWLEDGEMENT :

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa – Goa.
Date : May 28, 2013

K. G. GUPTA
CHAIRMAN & MANAGING DIRECTOR



ANNEXURE TO DIRECTORS' REPORT

Information in accordance with Section 217(1)(e) of the Companies Act 1956, read with (Disclosure of Particulars in the Report of Board of Directors) Rules 1988

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.

(a) Energy Conservation measures taken :

- (i) Scheduled and planned maintenance programme has resulted in improved performance of equipment.
- (ii) Special analysis methods are used to improve performance of utilities like compressors, chillers, etc.

(b) Additional investments and proposals being implemented for reduction of consumption of energy are :

- (i) Use of Turbo Ventilators.
- (ii) Automatic timer for street lights.
- (iii) Installation of APFC (Automatic Power Factor Controller) panels in power circuits. Thus improving its power factor and enabling to claim rebate in energy bills.
- (iv) Replacement of older air conditioners with energy efficient star rated air conditioners.

(c) The measures taken in (a) and (b) above have resulted in lower consumption of energy and has helped the Company to improve productivity.

(d) The Company is not covered under the list of Industries which should furnish information in Form 'A'.

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption as per Form 'B'

Research and Development (R & D)

1. The specific areas where R & D is carried out are as follows:

- (i) Sustaining quality, improvement and upgradation of production process of plastic lenses.
- (ii) New products have been introduced.
- (iii) Moulds manufacturing has been stabilised and volumes have increased.



2. Benefit derived as a result of above R & D :
 - (i) Import substitution at a low cost.
 - (ii) Increase in productivity.
3. Future plan of action:
 - (i) Continuous indigenization of imported spares.
 - (ii) Introduction of new products / product range considering market requirements.
4. Expenditure on R & D (Rs. in lakhs):

No expenses have been incurred under head R & D during the financial year.

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The technology we have adapted, is best suited for our products and it is absorbed in full. The Company is however, on look out for ways and means to further improve productivity by introducing innovations and developments in the Company's line of business.

2. Benefit derived as a result of the above efforts :

Product quality improvement and import substitution.

3. Information regarding technology imported during the last 5 years:

Sr. No.	Technology Imported	Year of import	Status
1	CEDI-LX-10 water Purifier/De - ionizer	2008-09	Absorbed
2	Taping Machine	2009-10	Absorbed
3	Polymerization Plant	2010 -11	Most of the machines have been commissioned and their technology absorbed
4	Hard Coating Machine	2010-11	Machine not yet commissioned
5	Satis AR Coating Machine	2010-11	Machine not yet commissioned
6	Chillers	2012-13	Absorbed



C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (f) Activities relating to exports, initiatives taken to increase exports development of new export markets for products and services and export plans:

The Company has Wholly Owned Subsidiary (WOS) in Sharjah to boost exports. The Company is intensifying exports in marketing its products in several other countries and exploring new markets.

The Company regularly participates in International Optical exhibitions in France, Italy, USA, Dubai and other places, besides conducting market survey and direct mail campaigns.

- (g) Total foreign exchange used and earned.

	Rs. in lakhs
Foreign exchange earned	2,032.70
Foreign exchange used	1,475.95
Net earnings	556.75

Detailed information on foreign exchange earning and outgo is given in Notes 36, 43 and 44 to the financial statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa – Goa
Date : May 28, 2013

K. G. GUPTA
CHAIRMAN & MANAGING DIRECTOR



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAUTIONARY STATEMENT :

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

I i) Industry Structure and Development :

Glass lenses are being fast replaced by plastic lenses worldwide and this has resulted in slowing in demand for glass.

In India, a large section of the population require Vision Correction, but the demand is comparatively still low due to lack of awareness, ignorance and poverty.

ii) Opportunities and Threats :

There is growing demand for prescription lenses all over the world particularly in developing countries. Opportunities also lie, in manufacture of glass moulds used in the production of plastic lenses. The Company has embarked on backward integration by manufacturing glass moulds which gives it an added advantage in manufacture of plastic lenses.

The threat arises for CR lenses from China, which has been flooding the Ophthalmic market all over the world including India, with cheap lenses.

iii) Segment-wise or Product-wise Performance :

The Company deals with, manufacture of single vision lenses of glass and in single vision, bifocal and progressive lenses of plastic.

iv) Outlook :

Presently, Unit II manufactures 2,000 pieces per day of photochromic lenses. This is sought to be increased to 3,000 pieces per day during the current financial year. Apart from this, Unit II will continue to manufacture 7,000 pieces per day of standard plastic lenses.



v) Risks and Concerns :

The blanks which are raw glass lenses are mainly imported from Europe, and exports are done to Europe, America, Africa, Middle East and Far East. The Dollar and Euro fluctuation plays an important role in influencing the margins. Also sometimes, there are cross currency transactions. With demand for raw blank glass lenses going down, the cost of blanks is escalating as there is no advantage of economies of scale in their production. Continued slow down in USA and recession in Europe are also cause for concern.

vi) Internal Control Systems and its Adequacy :

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

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

As expected, there has been decrease in sales of glass lens and increase in sales of plastic lens. Sales of plastic lenses have increased to Rs. 1,376.70 lakhs during the year under review, compared to Rs. 834.38 lakhs during the previous financial year. Export of plastic lenses were to the tune of Rs. 461.00 lakhs, during the year under review and the trend is encouraging.

The Company is a 100% Export Oriented Unit (EOU) and has earned net foreign exchange of Rs. 556.75 lakhs during the financial year 2012-13.

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

Labour relations have been cordial with no interruption of manufacturing activities. The total number of permanent employees of the company as on March 31, 2013 was 313 out of which 163 employees are working for more than 10 years.

II Disclosures by Senior Management Personnel (i.e.) One level below the Board including all HODs:

None of the Senior Management personnel has Financial and Commercial transactions with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.



REPORT ON CORPORATE GOVERNANCE

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.

This report on Corporate Governance is as on March 31, 2013.

1. BOARD OF DIRECTORS

a) Composition of Board

The Board of Directors comprises of seven members, out of which six are Non-Executive. The Chairman of the Board is an Executive Director and three members of the Board are Independent Directors

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

Name of the Director	Category	No. of Board Meetings Attended	Whether attended the last AGM
K. G. Gupta	Chairman, Managing Director, Promoter & Executive	4	Yes
K. M. Gupta	Promoter & Non Executive	1	Yes
Vikram Gupta	Promoter & Non Executive	0	No
Gaurav Gupta	Promoter & Non Executive	2	No
Somnath Sinai Priolkar ¹	Independent & Non Executive	0	No
Anil Palekar	Independent & Non Executive	3	No
Sadashiv Shet	Independent & Non Executive	4	Yes
Joseph A. A. D'Costa	Independent & Non Executive	4	Yes

¹ upto February 14, 2013

None of the Directors hold membership or chairmanship in any other public limited Company except Mr. Sadashiv Shet, who holds a directorship, in PHIL Corporation Limited.

Last AGM was held on August 13, 2012.



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

Four Board Meetings were held during the year under review. They were held on May 30, 2012; August 13, 2012; November 14, 2012 and February 14, 2013.

The maximum gap between two Board Meetings held during the year was not more than 4 (four) months.

2. AUDIT COMMITTEE

a) Composition

The Composition of the Audit Committee is in compliance with Clause 49 of the Listing Agreement. The Audit Committee comprises of three Non-Executive Independent Directors and one Non-Executive Promoter Director. Mr. Somnath SinaiPriolkar, was the Chairman of the Audit Committee upto August 13, 2012. Mr. Sadashiv Shet is the Chairman of the Audit Committee w.e.f. August 13, 2012. All these Directors possess knowledge of Corporate Finance, Accounts and Company Law. Mr. Noel da Silva, CFO and Company Secretary, acts as the Secretary of the Committee.

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

b) The terms of reference include :-

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

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

During the financial year ended March 31, 2013, four meetings were held on May 30, 2012; August 13, 2012; November 14, 2012 and February 14, 2013.

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

Name	Category	No. of Meetings attended
Somnath SinaiPriolkar ¹	Independent & Non-Executive	0
Gaurav Gupta	Promoter & Non-Executive	2
Anil Palekar	Independent & Non-Executive	3
Sadashiv Shet ²	Independent & Non-Executive	4
Joseph A. A. D'Costa	Independent & Non-Executive	4

¹ was Chairman of the Committee upto August 13, 2012

² is Chairman of the Committee w.e.f. August 13, 2012

3. REMUNERATION COMMITTEE (Non Mandatory)**a) Terms of reference**

The Remuneration Committee has been constituted to recommend /review the remuneration of the Managing Director and Wholetime Directors, if any, based i n t e r alia on their experience, qualifications, individual and company performance a n d comparable industry practices.

b) Composition :

Name of the Director	Category	Designation
Anil Palekar	Independent & Non-Executive	Chairman
Sadashiv Shet	Independent & Non-Executive	Member
Joseph A. A. D'Costa	Independent & Non-Executive	Member

No Remuneration Committee meeting was held during the year under review.

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 and number of equity shares held by them are as under :-

Name of the Director	Salary Rs.	Benefits Rs.	Sitting fees Rs.	Total Rs.	Number of equity shares held
K.G. Gupta	15,00,000	5,96,697	--	20,96,697	7,56,909
K. M. Gupta	--	--	10,000	10,000	3,53,207
Vikram Gupta	--	--	10,000	10,000	3,58,061
Gaurav Gupta	--	--	20,000	20,000	3,57,966
Somnath SinaiPriolkar ¹	--	--	--	--	1,200
Anil Palekar	--	--	30,000	30,000	--
Sadashiv Shet	--	--	40,000	40,000	--
Joseph A. A. D'Costa	--	--	40,000	40,000	--

¹ upto February 14, 2013

4. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders/Investors' Grievance Committee comprises of two Non - Executive Directors. Mr. K. M. Gupta is the Chairman and Mr. Vikram Gupta is a member of the Committee.

During the year two complaints were received and all were resolved to investors' satisfaction.

During the year three meetings of the Committee were held on July 05, 2012; August 13, 2012 and February 25, 2013.

In order to expedite the process of share transfers, the Board has delegated the power to Mr. Noel da Silva, CFO and Company Secretary, who is also the Compliance Officer of the Company.



5. 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 resolution passed
2009-2010	September 30, 2010 11.00 A.M.	Increasing the sitting fees of the Directors.
2010-2011	December 29, 2011 11.00 A.M.	None
2011-2012	August 13, 2012 11.00 A.M.	Re-appointment of Mr. K. G. Gupta as Managing Director

No special resolution was passed through postal ballot during the last year and no special resolution is proposed to be passed through postal ballot during this year.

6. DISCLOSURES

- (i) There were no significant transactions of related nature with the related parties viz promoters, directors or the management or their subsidiaries or relatives during the year that have potential conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS-18) have been made in the Annual Report.
- (ii) There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have potential conflict with the interest of the Company at large.
- (iii) 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.
- (iv) Disclosures regarding appointment/re-appointment of Directors.
The details appear under Note 8 to the Notice for the Annual General Meeting.

7. MEANS OF COMMUNICATION

Quarterly, half yearly and annual results are normally published in the Economic Times and The Mint and promptly submitted to the Stock Exchanges for display on their respective websites. The results are also displayed in Company's website, www.gkb.net, which also displays official news releases.

**8. GENERAL SHAREHOLDER INFORMATION**

i.	31st Annual General Meeting		
	Date	:	August 31, 2013
	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	:	August 23, 2013 to August 31, 2013 (both days inclusive)
iv.	Dividend payment date	:	No dividend is proposed
v.	Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd. (BSE) Madras Stock Exchange Ltd. (MSE) Delhi Stock Exchange Ltd.(DSE) Calcutta Stock Exchange Ltd.(CSE) Annual Listing fee for the year 2013-14, has been paid to all the Exchanges
	Trading on Stock Exchange	:	National Stock Exchange of India Ltd.(NSE) (Permitted to trade and admitted to dealings in the Capital Market Segment) in terms of agreement between NSE and MSE.
vi	Stock Code :		
	BSE	:	533212
	NSE /MSE	:	GKB
	DSE	:	9179
	CSE	:	017097
	ISIN NUMBER	:	INE 256D01015

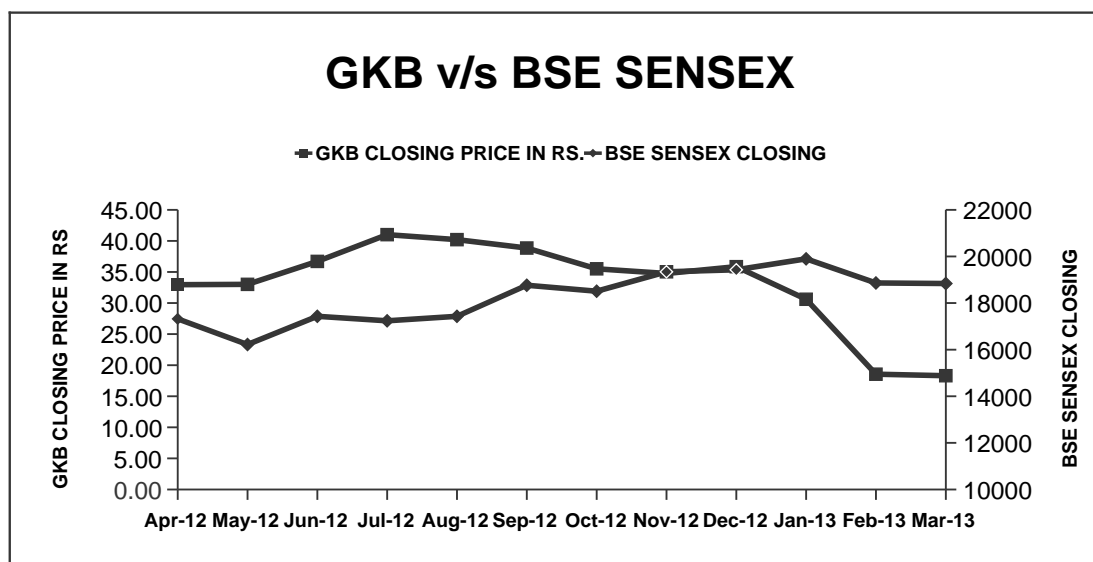


vii Market Price Data

In Rs.

Month	BSE		NSE	
	Equity Shares		Equity Shares	
	High	Low	High	Low
April, 2012	35.65	31.40	34.00	31.00
May, 2012	35.00	28.00	34.40	27.60
June, 2012	39.20	33.50	38.50	34.35
July, 2012	44.95	36.25	44.45	35.00
August, 2012	43.00	36.05	43.30	36.80
September, 2012	42.90	35.00	43.00	35.00
October, 2012	42.45	34.20	44.45	32.40
November, 2012	43.00	32.75	40.80	31.65
December, 2012	38.95	32.00	39.00	31.00
January, 2013	40.00	26.40	39.00	26.00
February, 2013	30.85	17.25	30.00	17.40
March, 2013	25.05	15.10	23.80	15.25

The performance comparison of GKB Ophthalmics Limited's closing share prices in each month with BSE SENSEX are presented as follows :





viii Share Registrars & Transfer Agents

SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit -1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool

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, 2013 is as under:

Range		Shareholders		Total Amount	
Rs.	Rs.	Number	Percentage	Rs.	Percentage
Upto	5,000	1035	79.07	20,17,820	4.86
5,001 to	10,000	121	9.24	10,19,300	2.45
10,001 to	20,000	66	5.04	9,57,830	2.31
20,001 to	30,000	22	1.68	5,51,660	1.33
30,001 to	40,000	8	0.61	2,84,520	0.68
40,001 to	50,000	11	0.84	5,15,090	1.24
50,001 to	1,00,000	18	1.38	13,02,770	3.14
1,00,001 and above		28	2.14	3,48,86,810	83.99
Total		1309	100.00	415,35,800	100.00

xi The categories of shareholding as on March 31, 2013 are as under:-

Sr. No.	Category	No of Shares held	Percentage
1	Indian Promoters	27,12,603	65.31
2	Banks, Financial Institutions & Insurance Companies	25,412	0.61
3	Private Corporate Bodies	1,93,176	4.65
4	Indian Public	12,02,979	28.97
5	Other (a) NRI/OCB	7,041	0.17
	(b) CLR	12,369	0.29
	TOTAL	41,53,580	100.00



xii Dematerialization of shares and liquidity :

97.42% of the Company's equity shares were dematerialised and the shares are traded daily on the BSE and NSE.

xiii Address for correspondence and Plant Locations :

Address for correspondence :

GKB Ophthalmics Limited
16-A, Tivim Industrial Estate.
Mapusa – Goa 403 526

Plant Locations :

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

Phone : +91 832 2257253/ 335/ 336

Fax : +91 832 2257044

Email : gkbophthalmics@gkb.net

9. CEO /CFO CERTIFICATION

A certificate from the Chief Executive Officer and Chief Financial Officer on the financial statements of the Company was placed before the Board, in terms of Clause – 49 V of the Listing Agreement.

10. CODE OF CONDUCT

The Company has framed and adopted a Code of Conduct, which is applicable to all the Directors and members of the Senior Management in terms of Clause-49 I (D) of the Listing Agreement. The said code, which came into effect from September 4, 2004, lays the general principles designed to guide all Directors and members of the Senior Management in making ethical decisions.

All Directors and members of the Senior Management have confirmed their adherence to the provisions of the said code.



DECLARATION

As provided under Clause-49 of the Listing Agreement with the Stock Exchanges, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code for the year ended March 31, 2013.

FOR GKB OPHTHALMICS LIMITED

Place : Mapusa – Goa
Date : May 28 , 2013

K. G. GUPTA
CHAIRMAN & MANAGING DIRECTOR



COMPLIANCE CERTIFICATE FROM PRACTISING COMPANY SECRETARY

TO THE MEMBERS OF GKB OPHTHALMICS LIMITED

I have examined the compliance of conditions of Corporate Governance by **GKB OPHTHALMICS LIMITED**, 16-A, Tivim Industrial Estate, Mapusa, Goa 403 526, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

Based on the records and documents maintained, information provided by the Company and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, *except in appointment of required number of Independent Directors as per clause 49(I)(A)(ii) of Listing Agreement which relates to composition of Board.*

I state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investor Grievance Committee.

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

Date : May 28, 2013
Place : Corlim, Goa

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



INDEPENDENT AUDITOR'S REPORT

To the Members of GKB Ophthalmics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GKB Ophthalmics Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;



INDEPENDENT AUDITOR'S REPORT To the Members of GKB Ophthalmics Limited

- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Companies Act, 1956 we report that:
 - (a) We have obtained all 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 appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account; and
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

SHARP & TANNAN

Chartered Accountants

Firm Registration No.: 109982W

By the hand of

Place: Mumbai, Maharashtra

Date : 28th May, 2013

Edwin P. Augustine

Partner

(Membership No. 43385)



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of “Report on Legal and Regulatory Requirements” of our report of even date)

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.
- (b) As per explanation given to us, these fixed assets have been physically verified by the management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies between the physical stocks and the book stocks, which were not material, have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
- (iv) *In our opinion, and according to the information and explanations given to us, the internal control procedures for the purchase of inventory and fixed assets and for the sale of goods and services need to be further improved to make them commensurate with the size of the Company and nature of its business. During the course of audit, we have not come across instances of continuing failures to correct weaknesses in the aforesaid internal control system.*



- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) *We are unable to comment whether the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time given the specialized nature of items and their quality/condition.*
- (vi) During the year, the Company has neither accepted nor renewed any deposits from the public under the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and hence the directives issued by the Reserve Bank of India and the rules framed there under, do not apply to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) Based on the certificate issued by the Cost Accountant of the Company, we report that the prescribed accounts and records have been made and maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. However, the contents of these accounts and records have not been examined by us.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues relating to investor education and protection fund, custom duty, excise duty and other statutory dues, as applicable, with the appropriate authorities. *However, there have been delays in depositing statutory dues relating to provident fund, employees state insurance, income-tax, sales tax, service tax, wealth tax and value added tax with the appropriate authorities.*
- (b) *According to the information and explanations given to us, undisputed statutory dues of income tax, fringe benefit tax and wealth tax amounting to Rs. 519.34 lakhs, Rs. 0.26 lakhs and Rs. 4.33 lakhs respectively were in arrears and were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.*



- (c) According to the information and explanations given to us, the dues of sales tax and excise duty which have not been deposited on account of disputes and the forum where the dispute is 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)
The Central Sales Tax Act, 1956	2008-09	Sales tax , interest and penalty	111.71	Additional Commissioner of Commercial Tax, Panaji
			145.33	

- (x) The Company has no accumulated losses as at 31st March, 2013, and it has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (xi) The Company has not issued any debentures. There was no default on repayment of loans obtained from financial institutions. *However, the Company has defaulted in repayment of dues to banks (including interest) during the year as follows:*

Sr. No.	Period of default	Amount (in Rs. Lakhs)
1.	April 2012 to March 2013	99.11
2.	Overdue as on March 31, 2013	42.43

- (xii) In our opinion, the provisions of clause 4 (xii) of the Order are not presently applicable to the Company, since the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares debentures and other securities.
- (xiii) The Company is not a Chit Fund, Nidhi / Mutual Benefit Fund / Society and hence the provisions of clause 4 (xiii) of the Order are not presently applicable to the Company.



- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the provisions of clause 4 (xiv) of the Order are not presently applicable to the Company.
- (xv) According to the information provided to us and explanations given to us, the Company has given guarantees amounting to Rs. 3,061.08 lakhs to banks for loans taken by associate companies. *However, we are unable to comment whether the terms and conditions on which the Company has given guarantees are prejudicial to the interest of the Company, since the guarantees give the power to the banks to attach the assets of the Company on default by associate companies, without attempting to recover in the first instance from the associate companies.*
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies to be covered in the register maintained under Section 301 of the Companies Act, 1956. Hence in our opinion, the provision of clause 4 (xviii) of the Order is not presently applicable to the Company.
- (xix) During the financial year, the Company has not issued any debentures. Hence in our opinion, the provision of clause 4 (xix) of the Order is not presently applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly the provision of clause 4 (xx) of the Order is not presently applicable to the Company.
- (xxi) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

SHARP & TANNAN

Chartered Accountants

Firm Registration No.: 109982W

By the hand of

Edwin P. Augustine

Partner

(Membership No. 43385)

Place: Mumbai, Maharashtra

Date : 28th May, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
I EQUITY & LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	1	41,535,800	41,535,800
(b) Reserves and Surplus	2	130,087,928	141,965,194
Total Shareholders Funds		171,623,728	183,500,994
2 Share application money pending allotment		-	-
3 Non-current Liabilities			
(a) Long term borrowings	3	24,509,529	30,200,960
(b) Deferred Tax Liabilities (net)	4	6,910,863	8,313,172
(c) Other Long term liabilities		-	-
(d) Long Term Provisions	5	4,019,972	3,837,162
Total Non Current Liabilities		35,440,364	42,351,294
4 Current Liabilities			
(a) Short term borrowings	6	113,363,490	90,639,718
(b) Trade payables	7	83,962,137	81,188,512
(c) Other current liabilities	8	56,110,883	35,122,729
(d) Short Term Provisions	9	59,589,960	61,178,739
Total Current Liabilities		313,026,470	268,129,698
Total Liabilities		348,466,834	310,480,992
Total Liabilities and Equity		520,090,562	493,981,986
II ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	10	125,333,185	115,932,386
(ii) Intangible assets	10	1,344,274	1,053,518
(iii) Capital work-in-progress	10	22,933,908	26,752,363
(iv) Intangible assets under development	10	-	-
(b) Non-current investments	11	42,308,598	42,721,658
(c) Long-term loans and advances	12	20,001	850,016
(d) Other non-current assets		-	-
Total Non-current assets		191,939,966	187,309,941
2 Current Assets			
(a) Current investments		-	-
(b) Inventories	13	174,276,079	150,788,814
(c) Trade receivables	14	136,392,426	139,478,017
(d) Cash and bank balances	15	5,188,430	3,903,855
(e) Short-term loans and advances	16	5,526,894	6,457,114
(f) Other current assets	17	6,766,767	6,044,245
Total Current Assets		328,150,596	306,672,045
Total Assets		520,090,562	493,981,986
Significant Accounting Policies	A		

The accompanying notes are an integral part of the financial statements

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

For and on behalf of the Board

Edwin P. Augustine
Partner
Membership No. 43385

K. G. Gupta
Chairman and
Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary

Place: Mumbai, Maharashtra
Date: 28th May, 2013

Place: Mapusa, Goa
Date: 28th May, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	2012-13		2011-12	
		Rs.	Rs.	Rs.	Rs.
Income					
Revenue from operations (Gross)	18	329,601,333		317,785,571	
Less : Excise duty		7,518,885		6,531,101	
Revenue from operations (Net)			322,082,448		311,254,470
Other income	19		12,518,073		12,110,88
Total Revenue			334,600,521		323,365,353
Expenses					
Cost of materials consumed	20	154,068,130		145,701,622	
Purchase of stock in trade	20	5,761,576		14,395,405	
Changes in inventories of finished goods (including excise duty) and work in progress	20	(12,551,501)		(13,861,465)	
			147,278,205		146,235,562
Employee benefits expenses	21		46,219,496		43,627,514
Finance costs	22		28,768,648		26,589,863
Depreciation and amortisation	10		11,501,867		8,298,504
Other expenses	23		105,121,043		73,447,957
			338,889,259		298,199,400
Profit / (Loss) before exceptional and extraordinary items and tax			(4,288,738)		25,165,953
Exceptional item (Refer note 13)			(8,888,837)		-
Profit before extraordinary items and tax			(13,177,575)		25,165,953
Extraordinary items			-		-
Profit/ (Loss) before tax			(13,177,575)		25,165,953
Tax Expense :					
Current Tax		(102,000)		(10,243,120)	
Deferred Tax	4	1,402,309		2,177,216	
			1,300,309		(8,065,904)
Profit after tax			(11,877,266)		17,100,049
Earnings per Equity Share (Refer note 34)					
- Basic	Rs.		(2.86)		4.12
- Diluted	Rs.		(2.86)		4.12
Face value per Equity Share	Rs.		10		10
Significant Accounting Policies	A				

The accompanying notes are an integral part of the financial statements

As per our report attached of even date

SHARP & TANNAN

Chartered Accountants

Firm Registration No. 109982W

By the hand of

For and on behalf of the Board

Edwin P. Augustine
Partner
Membership No. 43385

Place: Mumbai, Maharashtra
Date: 28th May, 2013

K. G. Gupta
Chairman and
Managing Director

Place: Mapusa, Goa
Date: 28th May, 2013

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary



Notes Forming Part of the Financial Statements

NOTE A - Significant Accounting Policies

1 Basis of preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards ('AS') prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') to the extent applicable.

2 Use of estimates :

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

3 Fixed Assets:

- i) Fixed assets are capitalised at acquisition cost (net of duty / tax credits availed, if any) including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to working condition for use.
- ii) Administrative & other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.
- iii) The assets acquired under hire-purchase agreement are included in the fixed assets of the Company, where the terms of the agreement provide that the assets shall eventually become the property of the hirer or confer on him an option to purchase the assets.

4 Depreciation :

- i) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956, except for leasehold land which is amortised over the period of the lease.
- ii) Fixed Assets individually costing Rs. 5,000/- or less, are depreciated fully in the year of purchase.

5 Impairment of Assets :

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

- i) the provision for impairment loss, if any.
- ii) the reversal of impairment loss recognised in previous periods, if any.

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

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

6 Inventories:

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

7 Employee Benefits:

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



Defined Contribution Plan

a) Provident Fund

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

b) Superannuation

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

Defined Benefit Plan

Leave Encashment:

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

Gratuity

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

8 Borrowing Costs:

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

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

9 Foreign Currency Transactions:

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

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

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

a) adjusted in the cost of Fixed Assets specifically financed by borrowing contracted up to 31st March, 2007 and to which the exchange differences relate, provided the assets are acquired from outside India.

b) recognised as income or expense in the period in which they arise, in cases other than (a) above.

10 Research & Development:

a) Revenue expenditure on research and development is charged under the respective heads of account.

b) Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

11 Investments:

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

12 Deferred Taxation:

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.



13 Revenue Recognition:

- i) Revenue from Sale of product is recognised on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty, cess and insurance charges and freight recoverable from the customers but net of Vat, Sales Tax and Sales returns.
- ii) Revenue from services is recognised in accordance with the specific terms of contract or performance.

14 Accounting for interest in joint ventures:

Interest in jointly controlled entities:

- (a) Incorporated jointly controlled entities:
 - (i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established.
 - (ii) Investment in such joint ventures is carried at cost after providing for any diminution in value which is other than temporary in nature.

15 Cash flow statement:

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

16 Cash and cash equivalents:

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

17 Provisions, Contingent liabilities, Contingent assets and Commitments:

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



Notes Forming Part of the Financial Statements

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
NOTE 1 : SHARE CAPITAL		
Authorised : 7,000,000 equity shares of Rs.10 each (Previous year 7,000,000 equity shares of Rs. 10 each)	70,000,000	70,000,000
Issued : 4,199,980 equity shares of Rs.10 each (Previous year 4,199,980 equity shares of Rs. 10 each)	41,999,800	41,999,800
Subscribed and Paid up : 4,153,580 equity shares of Rs.10 each (Previous year 4,153,580 equity shares of Rs. 10 each)	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.

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of shares	% held	No. of shares	% held
1. Krishna Gopal Gupta	756,909	18.22%	753,909	18.15%
2. Krishna Murari Gupta	353,207	8.50%	418,557	10.08%
3. Vikram Gupta	358,061	8.62%	344,797	8.30%
4. Gaurav Gupta	357,966	8.62%	344,790	8.30%
5. Veena Gupta	285,900	6.88%	285,900	6.88%
6. Usha Gupta	209,000	5.03%	209,000	5.03%

Other disclosures (for 5 years immediately preceding 31.03.2013)

Particulars	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
i. Shares issued pursuant to a contract without payment being received in cash	-	-	-	-	-
ii. Shares issued as fully paid up bonus shares	-	-	-	-	-
iii. Shares bought back	-	-	-	-	-

Reconciliation of opening and closing share capital

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of shares	Value (Rs.)	No. of shares	Value (Rs.)
Equity shares at the beginning of the year	4,153,580	41,535,800	4,153,580	41,535,800
Equity shares issued during the year	-	-	-	-
Equity shares at the close of the year	4,153,580	41,535,800	4,153,580	41,535,800

Rights, preferences and restrictions attached to shares

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



Notes Forming Part of the Financial Statements

NOTE 2 : RESERVES AND SURPLUS	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Capital Reserve - As per last Balance Sheet		4,328,500		4,328,500
Securities Premium Account - As per last Balance Sheet		20,276,000		20,276,000
Investment Allowance (Utilised) Reserve - As per last Balance Sheet		2,229,150		2,229,150
General Reserve - As per last Balance Sheet		65,056,619		65,056,619
Balance in Statement of Profit and Loss - As per last Balance Sheet	50,074,925		32,974,876	
Add: Transfer from Statement of Profit and Loss	(11,877,266)		17,100,049	
		38,197,659		50,074,925
		130,087,928		141,965,194



Notes Forming Part of the Financial Statements

NOTE 3 : LONG TERM BORROWINGS		As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Secured :			
Term Loans			
a) From Banks		24,509,529	30,104,050
b) From Financial institutions		-	96,910
		24,509,529	30,200,960

Maturity period of principal repayment of term loans		As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
a) Term loans from bank			
Maturing within 2017-18		1,030,505	-
Maturing within 2016-17		6,255,977	4,292,115
Maturing within 2015-16		8,763,699	6,685,466
Maturing within 2014-15		8,459,348	8,289,719
Maturing within 2013-14		-	10,836,750
	A	24,509,529	30,104,050
b) Term loans from financial institutions			
Maturing within 2013-14		-	96,910
	B	-	96,910
	(A+B)	24,509,529	30,200,960
Current maturities of long term borrowings disclosed in Note 8 under - Other Current Liabilities			
a) Term loans from bank		12,907,368	15,046,361
b) Term loans from financial institutions		96,910	500,351
	C	13,004,278	15,546,712
Interest accrued and due on long term borrowings disclosed in Note 8 under - Other Current Liabilities			
a) Term loans from bank		491,365	539,503
b) Term loans from financial institutions		-	5,316
	D	491,365	544,819
	(A+B+C+D)	38,005,172	46,292,491

Details of continuing default	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
a) Term loans from bank	3,752,092	997,591
b) Interest accrued and outstanding on above loans	491,365	544,819
	4,243,457	1,542,410

Details of security	Amount outstanding as on 31.03.2013 Rs.	Amount outstanding as on 31.03.2012 Rs.
a) Term loans from bank		
i. Secured by hypothecation of vehicle	675,320	1,984,247
ii. Secured by mortgage of building and personal guarantee of three directors	-	-
iii. Secured by mortgage of land and building	9,115,155	9,397,099
iv. Secured by hypothecation of imported plant and machinery	25,793,680	31,324,430
v. Secured by hypothecation of fixed assets other than imported plant and machinery (Sr. nos. iii, iv and v are also secured by personal guarantee of three directors and corporate guarantee of GKB Vision Ltd., an associate company)	2,324,107	2,984,138
b) Term loans from financial institutions		
i. Secured by hypothecation of vehicle	96,910	182,261
ii. Secured by hypothecation of machinery and personal guarantee of two directors	-	420,316
	38,005,172	46,292,491



Notes Forming Part of the Financial Statements

NOTE 4 : DEFERRED TAX

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

in Rs.

	As at 31.03.2013		As at 31.03.2012	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book and tax written down value		13,378,432		12,251,886
Expenses allowable for tax purposes when paid/on payment of TDS	3,409,760		3,611,998	
Provision for doubtful debts and provision for inventory write down	3,057,809		326,716	
	6,467,569	13,378,432	3,938,714	12,251,886
Net deferred tax liability / (asset)	6,910,863		8,313,172	
Net liability (charged)/credited to the statement of profit and loss	1,402,309			



Notes Forming Part of the Financial Statements

NOTE 5 : LONG TERM PROVISIONS	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Provision for Employee Benefits				
- Gratuity	2,526,923		2,454,808	
- Leave encashment { Refer note 27 }	1,493,049		1,382,354	
		4,019,972		3,837,162
		4,019,972		3,837,162

NOTE 6 : SHORT TERM BORROWINGS	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Secured :				
From Banks :				
a) Cash credit	40,757,278		30,351,317	
b) Packing credit facility	60,303,798		60,288,401	
c) Buyers credit facility	12,302,414		-	
		113,363,490		90,639,718
		113,363,490		90,639,718

Nature of security :

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

NOTE 7 : TRADE PAYABLES	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
- Due to micro and small enterprises (Refer note 30)	-		-	
- Due to others (Refer footnote below)	83,962,137		81,188,512	
		83,962,137		81,188,512
		83,962,137		81,188,512

Note :

Due to others includes reinstated amount of Rs. 14,086,751 due to Alpha Diamond Industry, Japan against imports which is overdue for a period exceeding 6 months. The Company proposes to apply to the Reserve Bank of India (RBI), seeking extension to effect the payment.



Notes Forming Part of the Financial Statements

NOTE 8 : OTHER CURRENT LIABILITIES	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Current maturities of long term debt				
Secured :				
From Banks	12,907,368		15,046,361	
From Financial Institutions	96,910		500,351	
Interest accrued and due on borrowings		13,004,278		15,546,712
		491,365		544,819
Overdrawn bank balances as per books		3,540,688		1,046,822
Other liabilities				
- Statutory dues	1,898,216		1,657,960	
- Creditors for capital goods	4,043,372		3,041,605	
- Others	23,461,956		5,770,682	
		29,403,544		10,470,247
Unpaid dividend (Refer note 33)		-		58,510
Advance from customers (Refer footnote below)		9,671,008		7,455,619
		56,110,883		35,122,729

Note :

Advance from customers includes interest free unadjusted amount of Euro 20,742, equivalent to Rs. 1,189,094 originally received in financial year 2006-07 from GKB Ophthalmics GmbH, a wholly owned subsidiary, as advance against future supplies. However, no supplies were made upto 31st March 2013. The Company proposes to apply to the Reserve Bank of India (RBI), to regularise the transaction. Pending outcome of the application the amount has been shown at the original rate of conversion and the unrealised reinstatement loss recognised in earlier years has been reversed.

NOTE 9 : SHORT TERM PROVISIONS	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Provision for Employee Benefits				
- Gratuity	4,306,367		4,032,917	
- Leave encashment	241,207		235,732	
- Superannuation	912,511		1,147,607	
- Bonus	1,554,764		1,829,261	
		7,014,849		7,245,517
Provision for Income Taxes (net of advance tax and tax deducted at source)		52,575,111		53,933,222
		59,589,960		61,178,739



Notes Forming Part of the Financial Statements

NOTE 10 : FIXED ASSETS

in Rs.

DESCRIPTION OF ASSETS	Gross Block			Depreciation / Amortisation				Net Block	
	Opening As at 01.04.2012	Additions	Deductions	Closing As at 31.03.2013	Opening As at 01.04.2012	On Deductions	For the year	Closing As at 31.03.2013	As at 31.03.2013
(A) Tangible Assets									
Freehold Land	429,910	-	-	429,910	-	-	-	-	429,910
Leasehold land	895,500	-	-	895,500	93,868	-	9,426	103,294	801,632
Buildings	39,613,533	205,845	-	39,819,378	8,176,259	-	1,132,517	9,308,776	31,437,274
Plant and Machinery	163,299,467	19,084,218	-	182,383,685	88,819,740	-	8,439,488	97,259,228	74,479,727
Furniture and Fixtures	9,015,092	1,321,294	-	10,336,386	6,845,962	-	850,497	7,696,459	2,169,130
Office Equipment	2,060,851	56,596	-	2,117,447	1,201,166	-	89,791	1,290,957	859,685
Vehicles	9,126,666	-	-	9,126,666	3,371,638	-	745,435	4,117,073	5,009,593
Previous year	224,441,019	20,667,953	-	245,108,972	108,508,633	-	11,267,154	119,775,787	125,333,185
Add : Capital Work in Progress	198,220,337	27,082,291	861,609	224,441,019	100,750,486	520,818	8,278,965	108,508,633	115,932,386
Sub-total (A)	224,441,019	20,667,953	-	245,108,972	108,508,633	-	11,267,154	119,775,787	22,933,908
(B) Intangible Assets									
Computer Software	1,073,057	525,469	-	1,598,526	19,539	-	234,713	254,252	1,344,274
Previous year	1,073,057	525,469	-	1,598,526	19,539	-	234,713	254,252	1,344,274
Add : Intangible assets under development	-	1,073,057	-	1,073,057	-	-	19,539	19,539	1,053,518
Sub-total (B)	1,073,057	525,469	-	1,598,526	19,539	-	234,713	254,252	1,053,518
Total (A + B)	225,514,076	21,193,422	-	246,707,498	108,528,172	-	11,501,867	120,030,039	143,738,267
Previous year	198,220,337	28,155,348	861,609	225,514,076	100,750,486	520,818	8,298,504	108,528,172	143,738,267

Note :

Depreciation for the year includes reversal on account of excess depreciation charged in earlier years of Rs. Nil (Previous year Rs. 1,315,424)



Notes Forming Part of the Financial Statements

NOTE 11 : NON CURRENT INVESTMENTS (at cost, unquoted)	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Investment in Equity Instruments				
Subsidiaries				
- GKB Ophthalmic Products FZE, Sharjah [1 equity share (Previous year 1 equity share) of nominal value of AED 150,000]		1,830,150		1,830,150
- GKB Ophthalmics GmbH, Germany [1 equity share (Previous year 1 equity share) of the capital stock]		1,081,488		1,081,488
Associates				
- Prime Lenses Private Limited [532,592 equity shares (Previous year 532,592 equity shares) of Rs. 10 each]		28,760,000		28,760,000
- GKB Vision Limited [1,058,986 equity shares (Previous year 1,058,986 equity share) of Rs. 10 each]		10,609,860		10,609,860
Joint Venture				
- Indo Prime Visual Technologies Private Limited * [161,306 equity shares (Previous year 161,306 equity shares) of Rs. 10 each] Less: Provision for diminution in value	- -		1,613,060 1,200,000	
		-		413,060
Others				
- Crysta Lenses Private Limited [1 equity share (Previous year 1 equity share) of Rs. 10 each]		1,800		1,800
- Saraswat Co-operative Bank Limited [2,500 shares (Previous year 2,500 shares) of Rs. 10 each]		25,300		25,300
		42,308,598		42,721,658
* During the year, the Company terminated the Joint venture agreement and an application has been made to the Ministry of Corporate Affairs (MCA) under the Easy Exit Scheme for the de-registration and dissolution of the Joint Venture entity. Accordingly, the value of investment in the Joint venture entity has been written off during the year after considering the realisation proceeds of Rs. 185,656/-.				

NOTE 12 : LONG TERM LOANS AND ADVANCES (unsecured, considered good)	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Capital Advances		20,001		850,016
		20,001		850,016



Notes Forming Part of the Financial Statements

NOTE 13 : INVENTORIES (at lower of cost or net realisable value)	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Raw materials	38,417,268		36,633,066	
Add : Goods in transit	7,225,603		9,441,940	
		45,642,871		46,075,006
Work-in-Process		4,195,068		4,975,421
Finished goods	82,626,050			69,294,196
Less : Provision for writedown of inventories to net realisable value*	8,888,837			
		73,737,213		
Stock in trade		-		-
Stores, spares and packing material	50,700,927		30,444,191	
Add : Goods in transit	-			
		50,700,927		30,444,191
		174,276,079		150,788,814
* The Company has made a provision towards write down of closing inventory of finished goods to its net realisable value. This write down has been treated as an exceptional item in the Statement of Profit and Loss				

NOTE 14 : TRADE RECEIVABLES (unsecured considered good, unless otherwise stated)	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
- Debts outstanding for a period exceeding six months from the date due for payment				
Considered good *	75,271,997		73,649,672	
Considered doubtful	1,006,984		1,006,984	
	76,278,981		74,656,656	
Less: Provision for bad and doubtful debts	1,006,984		1,006,984	
		75,271,997		73,649,672
- Other Debts				
Considered good *		61,120,429		65,828,345
		136,392,426		139,478,017
* Trade receivables include dues from:				
- Prime Lenses Private Limited				
- GKB Rx Lens Private Limited				
which are private limited companies in which a director of the Company is a director				
		74,782,376		74,583,472
		7,812,452		1,644,788



Notes Forming Part of the Financial Statements

NOTE 15 : CASH AND BANK BALANCES	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents				
Cash on hand	1,498		2,196	
Balance with banks -on current account	24,091		38,856	
		25,589		41,052
Other bank balances				
Balance with banks -on margin money deposit accounts (pledged against bank guarantee and letters of credit)	5,162,841		3,804,293	
-on unpaid dividend account	-		58,510	
		5,162,841		3,862,803
		5,188,430		3,903,855

Details of maturity of margin money deposit accounts	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Bank deposits :		
- Maturity after 12 months	-	-
- Maturity within 12 months	5,162,841	3,804,293
	5,162,841	3,804,293



Notes Forming Part of the Financial Statements

NOTE 16 : SHORT TERM LOANS AND ADVANCES (unsecured considered good)	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Security Deposits		356,845		356,845
Advances recoverable in cash or in kind or for value to be received				
- Due from associates*	467,333		43,358	
- Due from others	4,702,716		6,021,273	
		5,170,049		6,064,631
Balances with Excise and VAT authorities				35,638
		5,526,894		6,457,114
* Due from associates comprise advances to - Prime Lenses Pvt. Ltd. which is private limited company in which a director of the Company is a director.		467,333		43,358

NOTE 17 : OTHER CURRENT ASSETS	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Interest accrued on margin money deposits / others		1,368,767		1,071,003
Dividend receivable from subsidiary		5,398,000		4,973,242
		6,766,767		6,044,245



Notes Forming Part of the Financial Statements

NOTE 18 : REVENUE FROM OPERATIONS	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Sale of Products				
- Export Sales	219,150,312		251,992,576	
- Domestic Sales	109,607,957		63,855,641	
		328,758,269		315,848,217
Other operational revenue				
- Processing charges		843,064		1,937,354
Gross Revenue from operations		329,601,333		317,785,571

NOTE 19 : OTHER INCOME	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Interest income				
from margin money deposits / others		514,777		610,428
Dividend income				
from subsidiary company	5,398,000		10,141,232	
from others	5,000		2,500	
		5,403,000		10,143,73
Exchange gain (net)		3,710,454		1,329,093
Other non operating income				
Sundry balances written back (net)	2,889,842		-	
Miscellaneous Income - others	-		27,630	
		2,889,842		27,630
		12,518,073		12,110,883



Notes Forming Part of the Financial Statements

NOTE 20 : COST OF GOODS SOLD	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Cost of materials consumed :				
Opening stock	46,075,006		68,316,268	
Add : Purchases	153,635,995		123,460,360	
	199,711,001		191,776,628	
Less : Closing stock	45,642,871		46,075,006	
		154,068,130		145,701,622
Purchase of stock in trade		5,761,576		14,395,405
Changes in inventories of finished goods (including excise duty) and work in progress:				
Closing stock :				
Work-In-Process	4,195,068		4,975,421	
Finished goods	82,452,827		69,085,654	
	86,647,895		74,061,075	
Opening stock :				
Work-In-Process	4,975,421		3,521,542	
Finished goods	69,085,654		56,859,329	
	74,061,075		60,380,871	
Excise duty				
on closing stock of finished goods	173,223		208,542	
on opening stock of finished goods	208,542		27,281	
	35,319	(12,551,501)	(181,261)	(13,861,465)
		147,278,205		146,235,562



Notes Forming Part of the Financial Statements

NOTE 21 : EMPLOYEE BENEFITS EXPENSES	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Salaries, Wages and Bonus		40,577,694		38,001,405
Contribution to Provident fund and other funds		3,877,915		3,767,966
Gratuity		400,520		816,877
Leave encashment		311,155		247,466
Workmen and Staff Welfare		1,052,212		793,800
		46,219,496		43,627,514

NOTE 22 : FINANCE COSTS	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Interest expenses:				
- Borrowings	21,243,919		16,936,564	
- Income tax *	4,821,745		6,945,780	
- Others	89		4,417	
		26,065,753		23,886,761
Other borrowing costs and bank charges		2,702,895		2,703,102
		28,768,648		26,589,863

*Interest expenses on account of Income Tax includes interest related to earlier years Rs. Nil (previous year Rs. 6,229,000)



Notes Forming Part of the Financial Statements

NOTE 23 : OTHER EXPENSES	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Stores and spares consumed		41,146,780		29,224,671
Packing material consumed		8,449,573		6,846,981
Power and fuel		11,933,985		8,645,100
Other manufacturing expenses		20,591,958		9,276,390
Rent		484,013		544,678
Repairs :				
- Building	155,071		188,224	
- Plant and Equipment	1,718,005		1,758,970	
- Others	864,692		760,554	
		2,737,768		2,707,748
Insurance		708,195		557,779
Rates and Taxes		1,080,051		820,767
Freight and forwarding		7,565,977		5,286,087
Auditor's Remuneration				
- Audit fees	400,000		400,000	
- Tax audit fees	100,000		100,000	
- Other matters	150,000		150,000	
- Out of pocket expenses	72,297		12,056	
- Service Tax	77,093		-	
		799,390		662,056
Commission		166,647		110,173
Travelling and conveyance		1,832,625		1,756,350
Legal and Professional Charges		2,048,092		1,004,030
Provision for doubtful debts		-		503,123
Loss on sale of fixed assets (net)		-		60,791
Directors' fees (including service tax)		163,720		390,000
Advertising and sales promotion		224,610		627,551
Security charges		1,487,726		1,431,383
Telephone and communication expenses		1,501,283		1,421,987
Printing and stationery expenses		754,370		654,736
Write off of investment in joint venture (Refer note 45)		227,404		-
Miscellaneous expenses		1,216,876		915,576
		105,121,043		73,447,957



Notes Forming Part of the Financial Statements

24 Contingent Liabilities and Commitments : 31.03.2013 31.03.2012

Contingent Liabilities

	Rs.	Rs.
a) Sales tax liability that may arise in respect of matters in appeal	11,170,738	11,170,738
b) Excise duty liability that may arise in respect of matters in appeal	3,361,887	3,361,887
c) Other claims against the Company not acknowledged as debts	7,525,000	7,140,000
d) Guarantees given on behalf of associate companies.	306,108,000	306,108,000
e) Bills discounted	14,898,384	22,500,515
f) Letters of credit outstanding	15,710,536	19,841,978
g) Bank guarantees	5,379,403	5,252,568

Note :

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

Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

Rs. Rs.
- -

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 specified export turnover and Net Foreign Exchange Earning (NFE) targets during the period April 1, 2008 to March 31, 2013. The specified targets and the actual turnover and NFE as at March 31, 2013 are as under:

Figures in USD Million

Financial Year	Export Turnover		NFE	
	Target	Actual	Target	Actual
2008-09		4.10		(1.66)
2009-10		7.24		3.44
2010-11	35.82	4.21	3.26	0.40
2011-12		4.90		2.92
2012-13		3.95		0.55
Total	35.82	24.40	3.26	5.65
		11.42		-

Shortfall in Export Turnover below the stipulated target*.

* Although the Company has achieved the Net Foreign Exchange Earnings (NFE) as required, it has not met the export turnover obligation. However, the Company does not foresee any adverse impact on this account.

25 Particulars of un-hedged foreign currency exposures as at 31st March, 2013 :

Trade Receivables

Foreign currency	Amount in foreign currency 2012-13	Amount in Rs. 2012-13	Amount in foreign currency 2011-12	Amount in Rs. 2011-12
USD	691,474	37,325,741	911,223	46,171,670
EURO	121,008	8,312,063	389,155	26,225,159
GBP	480	39,107	3,181	256,670
		45,676,910		72,653,499

Trade Payables

Foreign currency	Amount in foreign currency 2012-13	Amount in Rs. 2012-13	Amount in foreign currency 2011-12	Amount in Rs. 2011-12
USD	449,191	24,665,053	396,317	20,461,661
EURO	144,785	10,195,781	337,004	23,313,928
JPY	332,000	194,486	513,600	325,109
		35,055,319		44,100,698

Bank balance

Foreign currency	Amount in foreign currency 2012-13	Amount in Rs. 2012-13	Amount in foreign currency 2011-12	Amount in Rs. 2011-12
USD	32	1,732	74	3,754
EURO	12	823	35	2,373
		2,555		6,127

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



Notes Forming Part of the Financial Statements

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

a) Defined Contribution Plans :

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

- Employer's contribution to Provident Fund and EDLI Rs.1,278,195 (Previous year Rs. 1,139,840)
- Employer's contribution to Family Pension Scheme Rs. 1,056,240 (Previous year Rs. 1,025,332)
- Employer's contribution to Employees State Insurance Scheme Rs. 1,178,245 (Previous year Rs. 1,151,033)
- Employer's contribution to Superannuation Fund Rs. 322,225 (Previous year Rs. 318,344)

b) Defined Benefit Plans :

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

	Gratuity (funded) Rs. 2012-2013	Gratuity (funded) Rs. 2011-2012	Gratuity (unfunded) Rs. 2012-2013	Gratuity (unfunded) Rs. 2011-2012
I Change in obligation during the year				
1 Liability at the beginning of the year	6,608,802	6,038,493	2,454,808	2,382,692
2 Interest cost	528,704	483,079	-	-
3 Current service cost	521,370	506,230	72,115	72,116
4 Past service cost	-	-	-	-
5 Benefits paid	(217,263)	(393,505)	-	-
6 Actuarial (gain) / losses	(492,049)	(25,495)	-	-
7 Liability at the end of the year	6,949,564	6,608,802	2,526,923	2,454,808
II Change in assets during the year				
1 Plan assets at the beginning of the year	2,575,885	2,494,923	-	-
2 Expected return of plan assets	229,620	219,053	-	-
3 Contributions	54,955	255,414	-	-
4 Benefits paid	(217,263)	(393,505)	-	-
5 Actuarial gain / (loss)	-	-	-	-
6 Plan assets at the end of the year	2,643,197	2,575,885	-	-
7 Total actuarial gain/(loss) to be recognised	492,049	25,495	-	-
III Actual return on plan assets				
1 Expected return on plan assets	229,620	219,053	-	-
2 Actuarial gain / (loss)	-	-	-	-
3 Actual return on plan assets	229,620	219,053	-	-
IV Net asset / (liability) recognised in the balance sheet				
1 Liability at the end of the year	(6,949,564)	(6,608,802)	(2,526,923)	(2,454,808)
2 Plan assets at the end of the year	2,643,197	2,575,885	-	-
3 Amount recognised in the balance sheet	(4,306,367)	(4,032,917)	(2,526,923)	(2,454,808)
V Expenses recognised in the statement of profit and loss for the year				
1 Current service cost	521,370	506,230	72,115	72,116
2 Interest cost	528,704	483,079	-	-
3 Expected return on plan assets	(229,620)	(219,053)	-	-
4 Actuarial (gain) / losses	(492,049)	(25,495)	-	-
5 Past service cost	-	-	-	-
6 Total expenses as per actuarial valuation	328,405	744,761	72,115	72,116
7 Optional payment	-	-	-	-
8 Total expenses	328,405	744,761	72,115	72,116
VI Balance sheet reconciliation				
1 Opening net liability	4,032,917	3,543,570	2,454,808	2,382,692
2 Expenses as above	328,405	744,761	72,115	72,116
3 Employer contribution	(54,955)	(255,414)	-	-
4 Amount recognised in the balance sheet *	4,306,367	4,032,917	2,526,923	2,454,808
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%	8.75%
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		
* Pursuant to revised schedule VI, the closing net liability is disclosed as follows:				
Disclosed in Note 5 - Long Term Provisions	-	-	2,526,923	2,454,808
Disclosed in Note 9 - Short Term Provisions	4,306,367	4,032,917	-	-



Notes Forming Part of the Financial Statements

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

	Leave encashment (unfunded) Rs. 2012-2013	Leave encashment (unfunded) Rs. 2011-2012
I Change in obligation during the year		
1 Liability at the beginning of the year	1,618,086	1,459,040
2 Interest cost	141,583	120,371
3 Current service cost	299,426	306,659
4 Past service cost	-	-
5 Benefits paid	(194,985)	(88,420)
6 Actuarial (gain) / losses	(129,854)	(179,564)
7 Liability at the end of the year	1,734,256	1,618,086
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	129,854	179,564
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	(1,734,256)	(1,618,086)
2 Plan assets at the end of the year	-	-
3 Amount recognised in the balance sheet	(1,734,256)	(1,618,086)
V Expenses recognised in the statement of profit and loss for the year		
1 Current service cost	299,426	306,659
2 Interest cost	141,583	120,371
3 Expected return on plan assets	-	-
4 Actuarial (gain) / losses	(129,854)	(179,564)
5 Past service cost	-	-
6 Total expenses as per actuarial valuation	311,155	247,466
7 Optional payment	-	-
8 Total expenses	-	-
VI Balance sheet reconciliation		
1 Opening net liability	1,618,086	1,459,040
2 Expenses as above	311,155	247,466
3 Employer contribution	(194,985)	(88,420)
4 Amount recognised in the balance sheet *	1,734,256	1,618,086
VII The major categories of plan assets as a percentage of total :	Not applicable	Not applicable
VIII Actuarial assumptions:		
1 Discount rate	8.25%	8.75%
2 Rate of return on plan assets	Not applicable	Not applicable
3 Rate of mortality	As per mortality table LIC (1994-96) Ultimate	As per mortality table LIC (1994-96) Ultimate

* Pursuant to revised schedule VI, the closing net liability is disclosed as follows:

Disclosed in Note 5 - Long Term Provisions	1,493,049	1,382,354
Disclosed in Note 9 - Short Term Provisions	241,207	235,732

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

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

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

a) Primary Segment :

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

b) Secondary Segment (Geographical Segment) :

	Within India Rs.	Outside India Rs.	Total Rs.
Revenue from external customers * (excluding other operational revenue) *	123,366,885 (93,748,016)	197,872,499 (215,569,100)	321,239,384 (309,317,116)
Carrying amount of segment assets	471,502,014 (418,416,849)	48,588,548 (75,565,137)	520,090,562 (493,981,986)
Additions to fixed assets during the year	17,374,967 (15,863,778)	- -	17,374,967 (15,863,778)

* Revenue within India includes deemed export sales of Rs. 21,277,813 (Previous Year Rs. 36,423,476) made to other EOU units in India
Figures in brackets pertain to the previous year

30 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2013, as per information available with the Company.

	2012-13 Rs.	2011-12 Rs.
a) Principal amount due to supplier under MSMED Act, 2006	-	-
b) Interest accrued, due to supplier under MSMED Act on the above amount and unpaid	-	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year		44,798
d) Interest paid to supplier under MSMED Act (Other than section 16)	-	-
e) Interest paid to supplier under MSMED Act (section 16)		7,973
f) Interest due and payable to suppliers under MSMED Act for payments already made	-	-
g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

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



Notes Forming Part of the Financial Statements

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

(a) Relationships:

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

(i) Subsidiary companies

- 1 GKB Ophthalmics Products FZE
- 2 GKB Ophthalmics GmbH

(ii) Associates/Joint venture/Enterprises in which directors exercise significant influence

- 1 Prime Lenses Pvt Ltd
- 2 GKB Vision Limited
- 3 GKB Rx Lens Pvt Ltd
- 4 Indo Prime Visual Technologies Pvt Ltd
- 5 Lensco-The Lens Company
- 6 GKB Opticals Limited

(iii) Key Management Personnel

- 1 Mr. K.G Gupta - Chairman and 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

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

in Rs.

Sr No.	Nature of transaction / relationship /party	2012-13	2011-12
1	Purchases of goods and services Subsidiary company GKB Ophthalmics Products FZE	8,994,224	19,890,724
	Associates Prime Lenses Pvt Ltd	112,453	635,684
	GKB Vision Limited	38,798,501	42,019,720
	Total	47,905,178	62,546,128
2	Sales of goods and services Subsidiary company GKB Ophthalmics Products FZE	22,590,809	32,471,374
	Associates/ Significant influence enterprise Prime Lenses Pvt Ltd	44,099,181	49,058,709
	GKB Vision Limited	17,387,979	20,144,185
	GKB Rx Lens Pvt Ltd	36,018,750	6,294,284
	Lensco-The Lens Company	23,323,262	6,134,176
	Total	143,419,981	114,102,728
3	Purchase of fixed assets Joint Venture Indo Prime Visual Technologies Pvt Ltd	-	1,251,834
	Total	-	1,251,834
4	Payment of remuneration Key Management Personnel K. G. Gupta	1,921,316	1,921,316
	Total	1,921,316	1,921,316
5	Rent Paid Relative of Key Management Personnel Veena Gupta	480,000	300,000
	Total	480,000	300,000



Notes Forming Part of the Financial Statements

Sr No.	Nature of transaction / relationship /party	2012-13	2011-12
6	Sale/(cancellation of sale) of Investment Associate GKB Vision Limited	-	(28,760,000)
	Total	-	(28,760,000)
7	Dividend received / receivable Subsidiary company GKB Ophthalmics Products FZE	5,398,000	10,141,232
	Total	5,398,000	10,141,232
8	Recovery of expenses Associates/ Significant influence enterprise GKB Vision Limited Prime Lenses Pvt. Ltd GKB Rx Lens Pvt. Ltd. Indo Prime Visual Technologies Pvt Ltd	- - 374,865 72,000	34,579 9,140
	Total	446,865	43,719
9	Reimbursement of expenses Associates/ Joint Venture Prime Lenses Pvt Ltd Indo Prime Visual Technologies Pvt Ltd GKB Vision Limited	29,704 5,216 9,887	44,569 482,872 -
	Total	44,807	527,441
10	Director's sitting fees Relatives of Key Management Personnel Gaurav Gupta Vikram Gupta K. M. Gupta	20,000 10,000 10,000	85,000 30,000 10,000
	Total	40,000	125,000

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

Sr No.	Nature of balance / relationship /party	in Rs.	
		As at 31.03.2013	As at 31.03.2012
1	Accounts payable Associate/ Joint Venture/ Significant influence Prime Lenses Pvt Ltd GKB Vision Limited Indo Prime Visual Technologies Pvt Ltd GKB Rx Lens Pvt Ltd Relative of Key Management Personnel Veena Gupta	- 39,354,514 - 5,388,264 324,000	1,071,738 18,799,766 66,784 -
	Total	45,066,778	20,185,788
2	Advances received remaining unadjusted Subsidiary company GKB Ophthalmics GmbH	1,189,094	1,504,112
	Total	1,189,094	1,504,112
3	Accounts receivable/Loans and advances Subsidiary company GKB Ophthalmics Products FZE Associate/ Joint Venture/ Significant influence enterprise Prime Lenses Pvt Ltd GKB Optical Limited GKB Rx Lens Pvt Ltd Lensco-The Lens Company	312,112 75,249,709 - 7,812,452 29,737,300	17,296,851 74,626,830 2,037,196 1,644,788 20,999,731
	Total	113,111,573	116,605,396



Notes Forming Part of the Financial Statements

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

33 Unclaimed dividend: There is no amount due to be credited to the Investors Education & Protection Fund as at 31st March, 2013

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

Particulars		2012-13	2011-12
Profit/(Loss) after tax as per Statement of Profit and Loss	Rs.	(11,877,266)	17,100,049
Number of equity shares outstanding	Nos.	4,153,580	4,153,580
Face value of equity share	Rs.	10	10
Earnings per share (basic and diluted) :			
- Basic	Rs.	(2.86)	4.12
- Diluted	Rs.	(2.86)	4.12

35 As per Accounting Standard (AS) 28 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended March 31, 2013 (previous year - Nil) in the books.

36 Value of imports on C.I.F. basis :	2012-13 Rs.	2011-12 Rs.
Blanks, lenses and monomer *	130,295,280	112,687,446
Stores and consumables	31,251,869	13,773,631
Spare parts	11,335,195	9,097,762
Capital goods	11,716,175	19,717,347
	184,598,519	155,276,186
* Includes purchases from other EOUs	38,208,465	26,425,794
* Includes goods in transit	7,225,603	9,441,940

37 Particulars of sales, closing stock and opening stock of Manufactured goods :

	Sales Rs.	2012-13 Closing stock Rs.	Opening stock Rs.	Sales Rs.	2011-12 Closing stock Rs.	Opening stock Rs.
Ophthalmic lenses	314,523,546	73,737,213	69,294,196	290,725,232	69,294,196	56,886,610

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

	Sales Rs.	Purchases Rs.	2012-13 Closing stock Rs.	Opening stock Rs.	Sales Rs.	Purchases Rs.	2011-12 Closing stock Rs.	Opening stock Rs.
Ophthalmic Lenses	6,715,839	5,761,576	-	-	18,591,884	14,395,405	-	-



Notes Forming Part of the Financial Statements

39 Particulars of closing Work in Progress :

	31.03.2013 Rs.	31.03.2012 Rs.
Ophthalmic Lenses	4,195,068	4,975,421

40 Particulars of services rendered :

	2012-13 Rs.	2011-12 Rs.
Processing of Semi Finished Lenses	843,064	1,937,354

41 Raw materials and components consumed :

	2012-13 Rs.	2011-12 Rs.
Blanks, lenses and monomer	154,068,130	145,701,622

42 Value of imported and indigenous raw material and components and stores and spares consumed and percentage thereof to total consumption :

	2012-13		2011-12	
	% of total consumption	Rs.	% of total consumption	Rs.
Raw Material and components				
Indigenous	15	22,768,827	9	12,713,644
Imported	85	131,299,303	91	132,987,978
	<u>100</u>	<u>154,068,130</u>	<u>100</u>	<u>45,701,622</u>
Stores and Spares :				
Indigenous	44	18,001,746	58	16,948,985
Imported	56	23,145,034	42	12,275,686
	<u>100</u>	<u>41,146,780</u>	<u>100</u>	<u>29,224,671</u>

43 Expenditure in foreign currency charged to accounts :

	2012-13 Rs.	2011-12 Rs.
Sales promotion	-	354,031
Foreign travel	505,187	358,241
Commission on sales	166,647	110,17
Legal & professional charges	350,110	-
Miscellaneous expenses (Registration fees)	182,793	-
	<u>1,204,737</u>	<u>822,445</u>



Notes Forming Part of the Financial Statements

44 Earnings in foreign currency :

	2012-13 Rs.	2011-12 Rs.
Export of goods (on FOB basis) *	212,837,615	236,792,477
Freight, insurance, etc. *	6,312,697	15,200,099
Dividends	5,398,000	10,141,232
	<u>224,548,312</u>	<u>262,133,808</u>
* Includes deemed export made to other EoUs	21,277,813	36,423,476

45 Disclosure as required by Accounting Standard (AS) 27 - " Financial Reporting of Interests in Joint Ventures"

a) Details of Investment in Joint Venture *

Name of the Joint Venture Entity : Indo Prime Visual Technologies Private Limited

Description of Interest : Incorporated Joint Venture
(Sale of Indo equipment in India)

Proportion of Interest : 48.50%

Country of incorporation : India

b) Financial interest in the jointly controlled entity

Particulars	As at 31.03.2013	(in Rs.) As at 31.03.2012
Assets	-	277,965
Liabilities	-	-
		(in Rs.)
Particulars	2012-13	2011-12
Income	-	3,009,237
Expenses	-	2,905,183

* During the year, the Company terminated the joint venture agreement and an application has been made to the Ministry of Corporate Affairs (MCA) under the Easy Exit Scheme for the de-registration and dissolution of the Joint Venture entity. Accordingly, the value of investment in the Joint Venture entity has been written off during the year after considering the realisation proceeds of Rs. 185,656/-.

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

47 The Company's international and domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to March 31, 2012, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered into with 'associated enterprises' as defined in section 92A of the Income Tax Act, 1961. The Management believes that the international transactions and specified domestic transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

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

As per our report attached of even date

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

For and on behalf of the Board

Edwin P. Augustine
Partner
Membership No. 43385

K. G. Gupta
Chairman
Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary

Place: Mumbai, Maharashtra
Date: 28th May, 2013

Place: Mapusa, Goa
Date: 28th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 (Rs.)	2011-12 (Rs.)
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax and extraordinary items	(13,177,575)	25,165,953
Depreciation and amortisation	11,501,867	8,298,504
Finance cost	28,768,648	26,589,863
Provision for doubtful debts	-	503,123
Unrealised exchange loss / (gain) (net)	1,781,494	(348,024)
Write off of long term investments	227,404	-
Loss on sale of fixed assets (net)	-	60,791
Dividend income	(5,403,000)	(10,143,732)
Interest income	(514,777)	(610,428)
Operating profit before working capital changes	23,184,061	49,516,050
Adjustments for :		
Increase / (decrease) in trade and other payables	22,699,542	(17,606,889)
Increase / (decrease) in provisions	147,911	688,820
(Increase) / decrease in inventories	(23,487,265)	4,951,010
(Increase) / decrease in trade and other receivables	3,649,147	(10,183,415)
	3,009,335	(22,150,474)
Cash generated from operations	26,193,396	27,365,576
Direct taxes paid (net of refunds)	(6,477,625)	(136,476)
Net cash generated from / (used) in operations (A)	19,715,771	27,229,100
(B) CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments for purchase of fixed assets	(15,543,185)	(52,719,428)
Proceeds from sale of fixed assets	-	280,000
Purchase of long term investments	-	-
Proceeds from long term investments	185,656	-
Payments to Associate Company on cancellation of sale of shares	-	(1,048,200)
Interest received	217,013	3,789,267
Dividend received	4,978,242	5,170,490
Net cash generated from / (used) in investment activities (B)	(10,162,274)	(44,527,871)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,615,819	46,971,305
Repayments of long term borrowings	(9,849,684)	(9,401,175)
Proceeds from / (Repayments of) short term borrowings	22,723,772	(1,138,335)
Interest paid	(24,000,357)	(19,143,592)
Dividend paid (including tax on dividend)	(58,510)	(980)
Net cash generated from / (used) in financing activities (C)	(9,568,960)	17,287,223
Net changes in cash and cash equivalents (A+B+C)	(15,463)	(11,548)
Cash and cash equivalents - Opening balance	41,052	52,600
Cash and cash equivalents - Closing balance	25,589	41,052
Net increase / (decrease) in cash and cash equivalents	(15,463)	(11,548)

Notes :

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

As per our report attached of even date

SHARP & TANNAN

Chartered Accountants

Firm Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 43385

Place: Mumbai, Maharashtra

Date: 28th May, 2013

For and on behalf of the Board

K. G. Gupta

Chairman and

Managing Director

Place: Mapusa, Goa

Date: 28th May, 2013

Gaurav Gupta

Director

Noel Da Silva

CFO and
Company Secretary



INDEPENDENT AUDITOR'S REPORT To the Board of Directors of GKB Ophthalmics Limited

We have audited the accompanying consolidated financial statements of **GKB Ophthalmics Limited** (the 'Company'), its subsidiaries, associates and joint venture (the Company, its subsidiaries, associates and joint venture constitute the 'GKB Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of the 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 specified by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and on the basis of the separate audited financial statements of the GKB Group included in the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the GKB Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

We report that on the basis of the information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint venture, as noted below, the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:



INDEPENDENT AUDITOR'S REPORT

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the GKB Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the GKB Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the GKB Group for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiaries, associates and joint venture whose financial statements have been audited by other auditors and whose reports have been furnished to us and insofar as it relates to the amounts included in respect of the subsidiaries, associates and joint venture are based solely on the reports of the other auditors. The details of total assets, total revenues and net cash flows in respect of these subsidiaries and joint venture, and the net carrying cost of investment and current year share of profit or loss in respect of these associates, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:			
			Rs. Lakhs
	Total assets	Total revenues	Net cash inflows
Foreign subsidiaries	1,320.43	1,276.91	81.31
Joint venture	-	-	-

	Net carrying cost of investment	Current year share of profit or (loss)
Indian associates	1,236.48	46.69

Our opinion is not qualified in respect of these matters.

SHARP & TANNAN
Chartered Accountants
Firm Registration no.:109982W
By the hand of

Place: Mumbai, Maharashtra
Date: 28th May, 2013

Edwin P. Augustine
Partner
Membership no.43385

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
I EQUITY & LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	1	41,535,800	41,535,800
(b) Reserves and Surplus	2	308,089,801	311,205,421
Total Shareholders Funds		349,625,601	352,741,221
2 Share application money pending allotment		-	-
3 Non-current Liabilities			
(a) Long term borrowings	3	24,509,529	30,200,960
(b) Deferred Tax Liabilities (net)	4	6,910,863	8,313,172
(c) Other Long term liabilities		-	-
(d) Long Term Provisions	5	4,019,972	3,837,162
Total Non Current Liabilities		35,440,364	42,351,294
4 Current Liabilities			
(a) Short term borrowings	6	113,363,490	90,639,718
(b) Trade payables	7	106,483,368	111,430,644
(c) Other current liabilities	8	61,626,023	48,523,259
(d) Short Term Provisions	9	61,251,382	62,545,124
Total Current Liabilities		342,724,263	313,138,745
Total Liabilities		378,164,627	355,490,039
Total Liabilities and Equity		727,790,228	708,231,260
II ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	10	125,665,336	116,528,991
(ii) Intangible assets	10	1,344,274	1,053,518
(iii) Capital work-in-progress	10	22,933,908	26,752,363
(iv) Intangible assets under development	10	-	-
(b) Non-current investments	11	123,675,035	119,942,318
(c) Long-term loans and advances	12	20,001	850,016
(d) Other non-current assets			
Total Non-current assets		273,638,554	265,127,206
2 Current Assets			
(a) Current investments		-	-
(b) Inventories	13	230,314,355	227,653,481
(c) Trade receivables	14	184,298,520	187,686,574
(d) Cash and bank balances	15	28,237,671	18,909,138
(e) Short-term loans and advances	16	9,932,361	7,783,858
(f) Other current assets	17	1,368,767	1,071,003
Total Current Assets		454,151,674	443,104,054
Total Assets		727,790,228	708,231,260
Significant Accounting Policies	A		

The accompanying notes are an integral part of the consolidated financial statements

As per our report attached of even date

SHARP & TANNAN

Chartered Accountants

Firm Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 43385

K. G. Gupta

Chairman and
Managing Director

For and on behalf of the Board

Gaurav Gupta

Director

Noel Da Silva

CFO and
Company Secretary

Place : Mumbai, Maharashtra
Date : 28th May, 2013

Place : Mapusa, Goa
Date : 28th May, 2013

**CONSOLIDATED STATEMENT PROFIT AND LOSS AS AT 31ST MARCH, 2013**

Particulars	Note No.	2012-13 Rs.	2012-13 Rs.	2011-12 Rs.	2011-12 Rs.
Income					
Revenue from operations (Gross)	18	435,535,388		393,863,996	
Less : Excise duty		7,518,885		6,531,101	
Revenue from operations (Net)			428,016,503		387,332,895
Other income	19		6,286,098		7,112,869
Total Revenue			434,302,601		394,445,764
Expenses					
Cost of materials consumed	20	145,073,906		128,051,832	
Purchase of stock in trade	20	78,874,481		96,044,313	
Changes in inventories of finished goods (including excise duty) and work in progress	20	8,274,890		(38,766,332)	
			232,223,277		185,329,813
Employee benefits expenses	21		52,841,978		50,976,375
Finance costs	22		28,825,560		26,701,408
Depreciation and amortisation	10		11,841,551		8,681,636
Other expenses	23		111,861,419		82,390,727
			437,593,785		354,079,959
Profit/(Loss) before exceptional and extraordinary items and tax			(3,291,184)		40,365,805
Exceptional item (Refer note 13)			(8,888,837)		-
Profit/(Loss) before extraordinary items and tax			(12,180,021)		40,365,805
Extraordinary items			-		-
Profit/(Loss) before tax			(12,180,021)		40,365,805
Tax Expense :					
Current Tax		(102,000)		(10,243,120)	
Deferred Tax	4	1,402,309		2,177,216	
			1,300,309		(8,065,904)
Profit/(Loss) after tax			(10,879,712)		32,299,901
Add: Share in profit/(loss) (net) of associates			4,669,029		(1,495,671)
Profit/(Loss) attributable to group shareholders			(6,210,683)		30,804,230
Earnings per Equity Share					
- Basic	Rs.		(1.50)		7.42
- Diluted	Rs.		(1.50)		7.42
Face value per Equity Share	Rs.		10		10
Significant Accounting Policies	A				

The accompanying notes are an integral part of the consolidated financial statements

As per our report attached of even date

SHARP & TANNAN

Chartered Accountants

Firm Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 43385

K. G. Gupta
Chairman and
Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary

Place : Mumbai, Maharashtra
Date : 28th May, 2013

Place : Mapusa, Goa
Date : 28th May, 2013

For and on behalf of the Board



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - Significant Accounting Policies

1 Basis of preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards ('AS') prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') to the extent applicable.

The accounts of associates and the joint venture have been prepared in compliance with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government, and those of the foreign subsidiaries have been prepared in compliance with local laws and applicable accounting standards. Necessary adjustments for differences in accounting policies, wherever material and applicable, have been made in the consolidated financial statements.

2 Use of estimates :

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

3 Principles of consolidation :

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

4 Fixed Assets:

- i) Fixed assets are capitalised at acquisition cost (net of duty / tax credits availed, if any) including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to working condition for use.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- ii) Administrative & other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.
- iii) The assets acquired under hire-purchase agreement are included in the fixed assets of the Company, where the terms of the agreement provide that the assets shall eventually become the property of the hirer or confer on him an option to purchase the assets.

5 Depreciation :

i) Indian Companies

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956, except for leasehold land which is amortised over the period of the lease. Fixed Assets individually costing Rs. 5,000/- or less, are depreciated fully in the year of purchase.

ii) Foreign Companies

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

6 Impairment of Assets :

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

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

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

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

7 Inventories:

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

8 Employee Benefits

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

Defined Contribution Plan

- a) Provident Fund

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

- b) Superannuation

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

Defined Benefit Plan

Leave Encashment:

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

Gratuity

The Company's contribution towards gratuity made under Group Gratuity Scheme with Life Insurance Corporation of India

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

9 Borrowing Costs:

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10 Foreign Currency Transactions:

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

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

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

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

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

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

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

11 Research & Development:

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

12 Investments:

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

13 Deferred Taxation:

- i) Indian Companies

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

- ii) Foreign Companies

Deferred tax liabilities and assets in respect of foreign subsidiaries are recognised in accordance with applicable local laws.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

14 Revenue Recognition:

- i) Revenue from Sale of product is recognised on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty, cess and insurance charges and freight recoverable from the customers but net of Vat, Sales Tax and Sales returns.
- ii) Revenue from services is recognised in accordance with the specific terms of contract or performance.

15 Cash flow statement:

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

16 Cash and Cash Equivalents:

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

17 Provisions, Contingent liabilities, Contingent assets and Commitments :

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

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 1 : SHARE CAPITAL**

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Authorised :		
7,000,000 equity shares of Rs.10 each (Previous year 7,000,000 equity shares of Rs. 10 each)	70,000,000	70,000,000
Issued :		
4,199,980 equity shares of Rs.10 each (Previous year 4,199,980 equity shares of Rs. 10 each)	41,999,800	41,999,800
Subscribed and Paid up :		
4,153,580 equity shares of Rs.10 each (Previous year 4,153,580 equity shares of Rs. 10 each)	41,535,800	41,535,800
	<u>41,535,800</u>	<u>41,535,800</u>

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

	Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
		No. of shares	% held	No. of shares	% held
1	Krishna Gopal Gupta	756,909	18.22%	753,909	18.15%
2	Krishna Murari Gupta	353,207	8.50%	418,557	10.08%
3	Vikram Gupta	358,061	8.62%	344,797	8.30%
4	Gaurav Gupta	357,966	8.62%	344,790	8.30%
5	Veena Gupta	285,900	6.88%	285,900	6.88%
6	Usha Gupta	209,000	5.03%	209,000	5.03%

Other disclosures (for 5 years immediately preceding 31.03.2013)

Particulars	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
i. Shares issued pursuant to a contract without payment being received in cash	-	-	-	-	-
ii. Shares issued as fully paid up bonus shares	-	-	-	-	-
iii. Shares bought back	-	-	-	-	-

Reconciliation of opening and closing share capital

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of shares	Value (Rs.)	No. of shares	Value (Rs.)
Equity shares at the beginning of the year	4,153,580	41,535,800	4,153,580	41,535,800
Equity shares issued during the year	-	-	-	-
Equity shares at the close of the year	4,153,580	41,535,800	4,153,580	41,535,800

Rights, preferences and restrictions attached to shares

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 : RESERVES AND SURPLUS

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Capital Reserve				
- As per last Balance Sheet		4,328,500		4,328,500
Securities Premium Account				
- As per last Balance Sheet		20,276,000		20,276,000
Investment Allowance (Utilised) Reserve				
- As per last Balance Sheet		2,229,150		2,229,150
Foreign Currency Translation Reserve				
- As per last Balance Sheet	1,011,734		-	
Addition / (Deduction) during the year	3,896,253	4,907,987	1,011,734	1,011,734
Retained Earnings				
- As per last Balance Sheet	283,360,037		164,144,288	-
Addition / (Deduction) during the year				
- Share in profit / (loss) of associates till 31st March 2011 on first time adoption of Accounting Standard (AS) 23	-		82,041,029	
- Provision for diminution in the value of investment in Joint Venture reversed on consolidation	-		1,200,000	
- Reversal of provision for diminution in the value of investment in Joint Venture reinstated (Refer note 25b)	(1,200,000)		-	
- Adjustment of retained earnings of Joint Venture (Refer note 25b)	1,335,122		-	
- Share of profit/(loss) (net) of associates for the year ended 31st March 2012 short accounted (Refer note 25c)	(936,312)		-	
- Dividend received from subsidiaries in the current year pertaining to the previous year reversed on consolidation	-		5,170,490	
- Transferred from Statement of Profit and Loss	(6,210,683)	276,348,164	30,804,230	283,360,037
		308,089,801		311,205,421

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 3 : LONG TERM BORROWINGS**

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Secured :		
Term Loans		
a) From Banks	24,509,529	30,104,050
b) From Financial institutions	-	96,910
	<u>24,509,529</u>	<u>30,200,960</u>

Nature of security :

The above long term borrowings from banks and financial institutions are secured by hypothecation of fixed assets of the Company, personal guarantees of three directors and corporate guarantee of GKB Vision Limited, an associate company.

NOTE 4 : DEFERRED TAX

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

	As at 31.03.2013		As at 31.03.2012	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book and tax written down value		13,378,432		12,251,886
Expenses allowable for tax purposes when paid/on payment of TDS	3,409,760		3,611,998	
Allowance for doubtful debts and provision for inventory write down	3,057,809		326,716	
	<u>6,467,569</u>	<u>13,378,432</u>	<u>3,938,714</u>	<u>12,251,886</u>
Net deferred tax liability / (asset)	6,910,863		8,313,172	
Net liability (charged)/credited to the statement of profit and loss	1,402,309			

NOTE 5 : LONG TERM PROVISIONS

		As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
Provision for Employee Benefits					
- Gratuity	Refer note 29	2,526,923		2,454,808	
- Leave encashment		1,493,049		1,382,354	
			4,019,972		3,837,162
			<u>4,019,972</u>		<u>3,837,162</u>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 6 : SHORT TERM BORROWINGS**

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Secured :				
From Banks :				
a) Cash credit	40,757,278		30,351,317	
b) Packing credit facility	60,303,798		60,288,401	
c) Buyers credit facility	12,302,414		-	
		113,363,490		90,639,718
		<u>113,363,490</u>		<u>90,639,718</u>

Nature of security :

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

NOTE 7 : TRADE PAYABLES

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
- Due to micro and small enterprises (Refer note 35)	-	-		
- Due to others (Refer footnote below)	106,483,368		111,430,644	
		106,483,368		111,430,644
		<u>106,483,368</u>		<u>111,430,644</u>

Note :

Due to others includes reinstated amount of Rs. 14,086,751 due to Alpha Diamond Industry, Japan against imports which is overdue for a period exceeding 6 months. The Company proposes to apply to the Reserve Bank of India (RBI), seeking extension to effect the payment.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 8 : OTHER CURRENT LIABILITIES**

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Current maturities of long term debt				
Secured :				
From Banks	12,907,368		15,046,361	
From Financial Institutions	96,910		500,351	
		13,004,278		15,546,712
Interest accrued and due on borrowings		491,365		544,819
Overdrawn bank balances as per books		3,540,688		1,046,822
Other liabilities				
- Statutory dues	1,898,216		1,657,960	
- Creditors for capital goods	4,043,372		3,041,605	
- Others	29,531,003		10,826,159	
		35,472,591		15,525,724
Unpaid dividend		-		58,510
Advance from customers		9,117,101		15,800,672
		<u>61,626,023</u>		<u>48,523,259</u>

NOTE 9 : SHORT TERM PROVISIONS

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Provision for Employee Benefits				
- Gratuity	5,967,789		5,404,911	
- Leave encashment	241,207		235,732	
- Superannuation	912,511		1,147,607	
- Bonus	1,554,764		1,829,261	
		8,676,271		8,617,511
Provision for Income Taxes		52,575,111		53,927,613
(net of advance tax and tax deducted at source)		<u>61,251,382</u>		<u>62,545,124</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 : FIXED ASSETS

in Rs.

DESCRIPTION OF ASSETS	Gross Block			Depreciation / Amortisation				Net Block	
	Opening As at 01.04.2012	Additions	Deductions	Translation Adjustment	Closing As at 31.03.2013	Opening As at 01.04.2012	On Deductions	For the year	Translation Adjustment
(A) Tangible Assets									
Freehold Land	429,910	-	-	-	429,910	-	-	-	-
Leasehold land	895,500	-	-	-	895,500	33,868	-	9,426	-
Buildings	39,613,533	205,845	-	-	39,819,378	8,176,259	-	1,132,517	-
Plant and Machinery	163,299,467	19,084,218	-	-	182,383,685	88,819,740	-	8,439,488	-
Furniture and Fixtures	9,865,304	1,321,294	-	39,085	11,225,683	7,679,032	-	865,649	38,295
Office Equipment	2,692,407	105,404	-	28,302	2,826,113	1,771,887	-	118,676	26,828
Vehicles	11,348,731	-	-	102,151	11,450,882	5,075,075	-	1,041,082	77,993
	228,144,852	20,716,761	-	169,538	249,031,151	111,615,861	-	11,606,838	143,116
Previous year	201,452,932	27,082,291	861,609	471,238	228,144,852	103,102,929	520,818	8,662,097	371,653
Add : Capital Work in Progress									
Sub-total (A)	228,144,852	20,716,761	-		249,031,151	111,615,861	-	11,606,838	123,365,815
(B) Intangible Assets									
Computer Software	1,073,057	525,469	-	-	1,598,526	19,539	-	234,713	-
	1,073,057	525,469	-	-	1,598,526	19,539	-	234,713	254,252
Previous year	-	1,073,057	-	-	1,073,057	-	-	19,539	19,539
Add : Intangible assets under development									
Sub-total (B)	1,073,057	525,469	-		1,598,526	19,539	-	234,713	254,252
Total (A + B)	229,217,909	21,242,230	-		250,629,677	111,635,400	-	11,841,551	123,620,067
Previous year	201,452,932	28,155,348	861,609	471,328	229,217,909	103,102,929	520,818	8,681,636	371,653

Note:

Depreciation for the year includes reversal on account of excess depreciation charged in earlier years of Rs. Nil (previous year - Rs. 1,315,424).

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 11 : NON CURRENT INVESTMENTS** (at cost, unquoted)

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Investment in Equity Instruments				
Associates				
Fully paid equity shares of associate companies	119,915,218		39,369,860	
Add/(Less):				
- Share in profit/(loss) of associates till 31st March 2011 on first time adoption of Accounting Standard (AS) 23	-		82,041,029	
- Share of profit/(loss) (net) of associates for the year ended 31st March 12 short accounted (Refer note 25c)	(936,312)			
- Share in profit / (loss) (net) of associates for the current year	4,669,029		(1,495,671)	
		123,647,935		119,915,218
Others				
- Crysta Lenses Private Limited [1 equity share (Previous year 1 equity share) of Rs. 10 each]		1,800		1,800
- Saraswat Co-operative Bank Limited [2,500 shares (Previous year 2,500 shares) of Rs. 10 each]		25,300		25,300
		<u>123,675,035</u>		<u>119,942,318</u>

NOTE 12 : LONG TERM LOANS AND ADVANCES (unsecured, considered good)

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Capital Advances		20,001		850,016
		<u>20,001</u>		<u>850,016</u>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 13 : INVENTORIES** (at lower of cost or net realisable value)

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Raw materials	38,417,268		36,633,066	
Add : Goods in transit	7,225,603		9,441,940	
		45,642,871		46,075,006
Work-in-Process		4,195,068	4,975,421	
Finished goods	82,626,050			69,294,196
Less : Provision for writedown of inventories to net realisable value*	8,888,837	73,737,213		
Stock in trade	56,038,276		60,030,721	
Add : Goods in transit	-		16,833,946	
		56,038,276		76,864,667
Stores, spares and packing material		50,700,927		30,444,191
		<u>230,314,355</u>		<u>227,653,481</u>
* The Company has made a provision towards write down of closing inventory of finished goods to its net realisable value. This write down has been treated as an exceptional item in the Statement of Profit and Loss				

NOTE 14 : TRADE RECEIVABLES (unsecured considered good, unless otherwise stated)

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
- Debts outstanding for a period exceeding six months from the date due for payment				
Considered good *	94,737,415		87,047,140	
Considered doubtful	3,280,026		2,576,574	
	98,017,441		89,623,714	
Less: Allowance for bad and doubtful debts	3,280,026		2,576,574	
		94,737,415		87,047,140
- Other Debts				
Considered good *		89,561,105		100,639,434
		<u>184,298,520</u>		<u>187,686,574</u>
*Trade receivables include dues from:				
- Prime Lenses Private Limited		74,782,376		74,583,472
- GKB Rx Lens Private Limited		7,812,452		1,644,788
which are private limited companies in which a director of the Company is a director				

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 15 : CASH AND BANK BALANCES**

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents				
Cash on hand	406,261		106,194	
Balance with banks				
- on current account	22,668,569		14,940,141	
- on fixed deposit account	-		-	
Cheques and drafts on hand	-		-	
		23,074,830		15,046,335
Other bank balances				
Balance with banks				
- on margin money deposit accounts (pledged against bank guarantee and letters of credit)	5,162,841		3,804,293	
- on unpaid dividend account	-		58,510	
		5,162,841		3,862,803
		<u>28,237,671</u>		<u>18,909,138</u>

Details of maturity of margin money deposit accounts	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Bank deposits :		
- Maturity after 12 months	-	-
- Maturity within 12 months	5,162,841	3,804,293
	<u>5,162,841</u>	<u>3,804,293</u>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 16 : SHORT TERM LOANS AND ADVANCES** (unsecured considered good)

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Security Deposits		1,290,985		1,173,549
Advances recoverable in cash or in kind or for value to be received				
- Due from associates *		467,333	43,358	
- Due from others		8,174,043	6,531,313	
		8,641,376		6,574,671
Balances with Excise and VAT authorities		-		35,638
		<u>9,932,361</u>		<u>7,783,858</u>
* Due from associates comprise advances to - Prime Lenses Pvt. Ltd. which is private limited company in which a director of the Company is a director.		467,333		43,358

NOTE 17 : OTHER CURRENT ASSETS

	As at 31.03.2013		As at 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
Interest accrued on margin money deposits / others		1,368,767		1,071,003
		<u>1,368,767</u>		<u>1,071,003</u>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 18 : REVENUE FROM OPERATIONS**

	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Sale of Products		434,692,156		391,926,482
Other operational revenue - Processing charges		843,232		1,937,514
Sale of Services		-		-
Gross Revenue from operations		<u>435,535,388</u>		<u>393,863,996</u>

NOTE 19 : OTHER INCOME

	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Interest income				
from margin money deposits / others		527,417		621,758
Dividend income		5,000		2,500
Exchange gain (net)		2,218,530		1,161,415
Other non operating income				
Sundry balances written back (net)	2,889,842		2,429,948	
Miscellaneous Income - others (net)	645,309		2,897,248	
		<u>3,535,151</u>		<u>5,327,196</u>
		<u>6,286,098</u>		<u>7,112,869</u>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 20 : COST OF GOODS SOLD**

	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Cost of materials consumed :				
Opening stock	46,075,006		70,635,460	
Add : Purchases	144,641,771		103,491,378	
	190,716,777		174,126,838	
Less : Closing stock	45,642,871		46,075,006	
		145,073,906		128,051,832
Purchase of stock in trade		78,874,481		96,044,313
Changes in inventories of finished goods (including excise duty) and work in progress :				
Closing stock :				
Work-In-Process	4,195,068		4,975,421	
Finished goods	82,452,827		69,085,654	
Trading goods	56,038,276		76,864,667	
	142,686,171		150,925,742	
Opening stock :				
Work-In-Process	4,975,421		3,521,542	
Finished goods	69,085,654		56,859,329	
Trading goods	76,864,667		51,959,800	
	150,925,742		112,340,671	
Excise duty				
on closing stock of finished goods	173,223		208,542	
on opening stock of finished goods	208,542		27,281	
	35,319	8,274,890	(181,261)	(38,766,332)
		232,223,277		185,329,813

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 21 : EMPLOYEE BENEFITS EXPENSES**

	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Salaries, Wages and Bonus		46,686,533		43,814,805
Contribution to Provident fund and other funds		3,877,915		3,767,966
Gratuity		626,690		2,093,193
Leave encashment		311,155		247,466
Workmen and Staff Welfare		1,339,685		1,052,945
		<u>52,841,978</u>		<u>50,976,375</u>

NOTE 22 : FINANCE COSTS

	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Interest expenses:				
- Borrowings	21,243,919		16,936,564	
- Income tax *	4,821,745		6,945,780	
- Others	89		52,312	
		26,065,753		23,934,656
Other borrowing costs and bank charges		2,759,807		2,766,752
		<u>28,825,560</u>		<u>26,701,408</u>

*Interest expenses on account of Income Tax includes interest related to earlier years Rs. Nil (previous year Rs. 6,229,000)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****NOTE 23 : OTHER EXPENSES**

	2012 - 2013		2011 - 2012	
	Rs.	Rs.	Rs.	Rs.
Stores and spares consumed		41,146,780		29,224,671
Packing material consumed		8,449,573		6,846,981
Power and fuel		12,283,425		8,957,640
Other manufacturing expenses		20,591,958		9,276,390
Rent		1,962,648		3,028,495
Repairs :				
- Building	155,071		188,224	
- Plant and Equipment	1,718,005		1,758,970	
- Others	1,230,969		1,108,909	
		3,104,045		3,056,103
Insurance		1,053,245		824,305
Rates and Taxes		1,361,744		1,153,306
Freight and forwarding		6,910,601		4,510,239
Auditor's Remuneration		799,390		662,056
Commission		1,540,948		1,943,713
Travelling and conveyance		2,943,992		2,592,149
Legal and Professional Charges		2,100,087		1,118,451
Provision for doubtful debts		630,778		1,963,255
Loss on sale of fixed assets (net)		-		60,791
Directors' fees (including service tax)		163,720		390,000
Advertising and sales promotion		962,058		1,608,378
Security charges		1,487,726		1,431,383
Telephone and communication expenses		1,999,596		1,881,356
Printing and stationery expenses		826,685		739,670
Write off of investment in Joint Venture (Refer note 25b)		227,404		
Miscellaneous expenses		1,315,016		1,121,395
		<u>111,861,419</u>		<u>82,390,727</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

24 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, 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006. The CFS comprises the financial statements of GKB Ophthalmics Limited, its subsidiaries, associates and joint venture. References in these notes to GKB, Company, Companies, Parent Company or Group shall mean to include GKB Ophthalmics Limited or any of its subsidiaries, associates and joint venture, 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.

25 a) The list of subsidiaries, associates and joint venture 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%
3	Prime Lenses Private Limited	Associate	India	28.25%
4	GKB Vision Limited	Associate	India	36.47%
5	Indo Prime Visual Technologies Private Limited (for the financial year 2011-12, refer note 25 b) below)	Joint Venture	India	48.50%

- b) During the year the Company terminated the Joint Venture agreement and also applied to the Ministry of Corporate Affairs (MCA) under the Easy Exit Scheme for the de-registration of the Joint Venture Company, Indo Prime Visual Technologies Private Limited. Consequently, the investment in the Joint Venture has been written off net of the realisation proceeds of Rs. 185,655/-, and the following adjustments pertaining to the Joint Venture have been made in the financial statements -
- The reversal of diminution in the value of investment of Rs. 1,200,000/- made in the FY 2011-12 on first time preparation of consolidated financial statements has been reinstated and adjusted in the retained earnings.
 - The negative retained earnings of Rs. 1,335,122/- previously recognised has been reversed and adjusted in the retained earnings.
 - The carrying amount of the investment of Rs. 413,060/- (net of provision of Rs. 1,200,000/-) has been written off after adjustment for the realisation proceeds of Rs. 185,655/-
- c) For the previous financial year 2011-12 the financial statements of the 2 associate companies considered for consolidation were not subjected to an audit but were certified by the management. The share of losses based on such financial statements were Rs. 1,485,671/-. Subsequently on audit, the share of losses were determined at Rs. 2,431,983/-. The additional share of losses of Rs. 936,312/- has been shown and adjusted in the retained earnings in the current financial year.

26 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.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 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.

27	Contingent Liabilities and Commitments :	31.03.2013	31.03.2012
	Contingent Liabilities	Rs.	Rs.
	a) Sales tax liability that may arise in respect of matters in appeal	11,170,738	11,170,738
	b) Excise duty liability that may arise in respect of matters in appeal	3,361,887	3,361,887
	c) Other claims against the Company not acknowledged as debts	7,525,000	7,140,000
	d) Guarantees given on behalf of associate companies.	306,108,000	306,108,000
	e) Bills discounted	14,898,384	22,500,515
	f) Letters of credit outstanding	15,710,536	19,841,978
	g) Bank guarantees	5,379,403	5,252,568

Note :

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

Commitments

Rs.

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) -
- 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 specified export turnover and Net Foreign Exchange Earning (NFE) targets during the period April 1, 2008 to March 31, 2013. The specified targets and the actual turnover and NFE as at March 31, 2013 are as under:

Financial Year	Export Turnover		NFE	
	Target	Actual	Target	Actual
2008-09		4.10		(1.66)
2009-10		7.24		3.44
2010-11	35.82	4.21	3.26	0.40
2011-12		4.90		2.92
2012-13		3.95		0.55
Total	35.82	24.40	3.26	5.65

Shortfall in Export Turnover below the stipulated target*. **11.42**

-

* Although the Company has achieved the Net Foreign Exchange Earnings(NFE) as required, it has not met the export obligation. However, the Company does not foresee any adverse impact on this account.

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

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

a) Defined Contribution Plans :

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 21 to the Statement of Profit and Loss are as under :

- Employer's contribution to Provident Fund and EDLI Rs.1,278,195 (Previous year Rs. 1,139,840)
- Employer's contribution to Family Pension Scheme Rs. 1,056,240 (Previous year Rs. 1,025,332)
- Employer's contribution to Employees State Insurance Scheme Rs. 1,178,245 (Previous year Rs. 1,151,033)
- Employer's contribution to Superannuation Fund Rs. 322,225 (Previous year Rs. 318,344)

b) Defined Benefit Plans :

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

	Gratuity (funded) Rs. 2012-2013	Gratuity (funded) Rs. 2011-2012	Gratuity (unfunded) Rs. 2012-2013	Gratuity (unfunded) Rs. 2011-2012
I Change in obligation during the year				
1 Liability at the beginning of the year	6,608,802	6,038,493	3,826,802	2,382,692
2 Interest cost	528,704	483,079	-	-
3 Current service cost	521,370	506,230	298,285	1,348,432
4 Past service cost	-	-	-	-
5 Benefits paid	(217,263)	(393,505)	-	-
6 Actuarial (gain) / losses	(492,049)	(25,495)	-	-
7 Translation adjustments	-	-	63,258	95,678
8 Liability at the end of the year	6,949,564	6,608,802	4,188,345	3,826,802
II Change in assets during the year				
1 Plan assets at the beginning of the year	2,575,885	2,494,923	-	-
2 Expected return of plan assets	229,620	219,053	-	-
3 Contributions	54,955	255,414	-	-
4 Benefits paid	(217,263)	(393,505)	-	-
5 Actuarial gain / (loss)	-	-	-	-
6 Plan assets at the end of the year	2,643,197	2,575,885	-	-
7 Total actuarial gain/(loss) to be recognised	492,049	25,495	-	-
III Actual return on plan assets				
1 Expected return on plan assets	229,620	219,053	-	-
2 Actuarial gain / (loss)	-	-	-	-
3 Actual return on plan assets	229,620	219,053	-	-
IV Net asset / (liability) recognised in the balance sheet				
1 Liability at the end of the year	(6,949,564)	(6,608,802)	(4,188,345)	(3,826,802)
2 Plan assets at the end of the year	2,643,197	2,575,885	-	-
3 Amount recognised in the balance sheet	(4,306,367)	(4,032,917)	(4,188,345)	(3,826,802)
V Expenses recognised in the statement of profit and loss account for the year				
1 Current service cost	521,370	506,230	298,285	1,348,432
2 Interest cost	528,704	483,079	-	-
3 Expected return on plan assets	(229,620)	(219,053)	-	-
4 Actuarial (gain) / losses	(492,049)	(25,495)	-	-
5 Past service cost	-	-	-	-
6 Total expenses as per actuarial valuation	328,405	744,761	298,285	1,348,432
7 Optional payment	-	-	-	-
8 Total expenses	328,405	744,761	298,285	1,348,432
VI Balance sheet reconciliation				
1 Opening net liability	4,032,917	3,543,570	3,826,802	2,382,692
2 Expenses as above	328,405	744,761	298,285	1,348,432
3 Employer contribution	(54,955)	(255,414)	-	-
4 Translation adjustments	-	-	63,258	95,678
5 Amount recognised in the balance sheet *	4,306,367	4,032,917	4,188,345	3,826,802
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%	8.75%
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		
* Pursuant to revised schedule VI, the closing net liability is disclosed as follows:				
Disclosed in Note 5 - Long Term Provisions			2,526,923	2,454,808
Disclosed in Note 9 - Short Term Provisions	4,306,367	4,032,917	1,661,422	1,371,994



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

	Leave encashment (unfunded) Rs. 2012-2013	Leave encashment (unfunded) Rs. 2011-2012
I Change in obligation during the year		
1 Liability at the beginning of the year	1,618,086	1,459,040
2 Interest cost	141,583	120,371
3 Current service cost	299,426	306,659
4 Past service cost	-	-
5 Benefits paid	(194,985)	(88,420)
6 Actuarial (gain) / losses	(129,854)	(179,564)
7 Liability at the end of the year	1,734,256	1,618,086
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	129,854	179,564
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	(1,734,256)	(1,618,086)
2 Plan assets at the end of the year	-	-
3 Amount recognised in the balance sheet	(1,734,256)	(1,618,086)
V Expenses recognised in the statement of profit and loss account for the year		
1 Current service cost	299,426	306,659
2 Interest cost	141,583	120,371
3 Expected return on plan assets	-	-
4 Actuarial (gain) / losses	(129,854)	(179,564)
5 Past service cost	-	-
6 Total expenses as per actuarial valuation	311,155	247,466
7 Optional payment	-	-
8 Total expenses	311,155	247,466
VI Balance sheet reconciliation		
1 Opening net liability	1,618,086	1,459,040
2 Expenses as above	311,155	247,466
3 Employer contribution	(194,985)	(88,420)
4 Amount recognised in the balance sheet *	1,734,256	1,618,086
VII The major categories of plan assets as a percentage of total :	Not applicable	Not applicable
VIII Actuarial assumptions:		
1 Discount rate	8.25%	8.75%
2 Rate of return on plan assets	Not applicable	Not applicable
3 Rate of mortality	As per mortality table LIC (1994-96) Ultimate	As per mortality table LIC (1994-96) Ultimate
* Pursuant to revised schedule VI, the closing net liability is disclosed as follows:		
Disclosed in Note 5 - Long Term Provisions	1,493,049	1,382,354
Disclosed in Note 9 - Short Term Provisions	241,207	235,732

General description of the defined benefit plan :

- 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.
- 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 CONSOLIDATED FINANCIAL STATEMENTS

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

31 Interest in Joint Venture

The Company's share in respect of the assets, liabilities, reserves, income and expenses, related to its interests in the jointly controlled entity, incorporated in the consolidated financial statements are:

Particulars	As at 31.03.2013	As at 31.03.2012
Assets		
I. Non-current assets	-	-
II. Current assets		
- Inventories	-	-
- Trade receivables	-	184,980
- Cash and cash equivalents	-	87,375
- Other current assets	-	5,610
Total Assets	-	277,965
Liabilities		
I. Non-current liabilities	-	-
II. Current liabilities	-	-
- Trade payables	-	-
- Other current liabilities	-	-
Total Liabilities	-	-
Reserves	-	(1,335,122)
Income		
I. Revenue from operations	-	554,803
II. Other income	-	2,454,434
Total income	-	3,009,237
Expenses		
I. Operating expenses	-	2,395,038
II. Employee benefits expenses	-	190,456
III. Other expenses	-	288,117
IV. Prior period expenses	-	31,572
Total expenses	-	2,905,183

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

a) Primary Segment :

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

b) Secondary Segment (Geographical Segment) :

	Within India Rs.	Outside India Rs.	Total Rs.
Revenue from external customers * (excluding other operational revenue)	123,139,686 (101,740,065)	304,033,585 (283,655,316)	427,173,271 (385,395,381)
Carrying amount of segment assets	474,413,665 (421,606,452)	177,408,126 (214,383,026)	651,821,791 (635,989,478)
Additions to fixed assets during the year	17,374,967 (15,863,778)	48,808 -	17,423,775 (15,863,778)

* Revenue within India includes deemed export sales of Rs. 21,277,813 (Previous Year Rs. 36,423,476) made to other EOU units in India Figures in brackets pertain to the previous year



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(a) Relationships:

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

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

- 1 Prime Lenses Pvt Ltd
- 2 GKB Vision Limited
- 3 GKB Rx Lens Pvt Ltd
- 4 Indo Prime Visual Technologies Pvt Ltd
- 5 Lensco-The Lens Company
- 6 GKB Optical Limited

(ii) Key Management Personnel

- 1 Mr. K.G. Gupta - Chairman and Managing Director

(iii) Relatives of key management personnel

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

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

Sr No.	Nature of transaction / relationship /party	2012-13	2011-12
1	Purchases of goods and services		
	Associates		
	Prime Lenses Pvt Ltd	1,198,870	1,861,017
	GKB Vision Limited	88,243,439	78,661,996
	Total	89,442,309	80,523,013
2	Sales of goods and services		
	Associates/ Significant influence enterprise		
	Prime Lenses Pvt Ltd	44,099,181	49,058,709
	GKB Vision Limited	17,155,726	27,581,484
	GKB Rx Lens Pvt Ltd	36,018,750	6,294,284
	Lensco-The Lens Company	23,323,262	6,134,176
	Total	120,596,919	89,068,653
3	Purchase of fixed assets		
	Joint Venture		
	Indo Prime Visual Technologies Pvt Ltd	-	1,251,834
	Total		1,251,834
4	Payment of remuneration		
	Key Management Personnel		
	K. G. Gupta	1,921,316	1,921,316
	Total	1,921,316	1,921,316
5	Rent Paid		
	Relative of Key Management Personnel		
	Veena Gupta	480,000	300,000
	Total	480,000	300,000



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr No.	Nature of transaction / relationship /party	2012-13	2011-12
6	Sale/(cancellation of sale) of Investment Associate GKB Vision Limited	-	(28,760,000)
	Total	-	(28,760,000)
7	Recovery of expenses Associate/ Joint Venture/ Significant influence enterprise GKB Vision Limited Prime Lenses Pvt. Ltd GKB Rx Lens Pvt. Ltd. Indo Prime Visual Technologies Pvt Ltd	- - 374,865 72,000	34,579 9,140 - -
	Total	446,865	43,719
8	Reimbursement of expenses Associates/ Joint Venture Prime Lenses Pvt Ltd Indo Prime Visual Technologies Pvt Ltd GKB Vision Limited	29,704 5,216 9,887	44,569 482,872 -
	Total	44,807	527,441
9	Director's sitting fees Relatives of Key Management Personnel Gaurav Gupta Vikram Gupta K. M. Gupta	20,000 10,000 10,000	85,000 30,000 10,000
	Total	40,000	125,000

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

Sr No.	Nature of transaction / relationship /party	As at 31.03.2013	As at 31.03.2012
1	Accounts payable Associate/ Joint Venture/ Significant influence enterprise Prime Lenses Pvt Ltd GKB Vision Limited Indo Prime Visual Technologies Pvt Ltd GKB Rx Lens Pvt Ltd	326 55,147,695 -	2,279,314 40,244,497 66,784
	Relative of Key Management Personnel Veena Gupta	324,000	247,500
	Total	60,860,285	42,838,095
2	Accounts receivable Associate/ Joint Venture/ Significant influence enterprise Prime Lenses Pvt Ltd GKB Opticals Limited GKB Rx Lens Pvt Ltd Lensco-The Lens Company	75,249,709 - 7,812,452 29,737,300	74,626,830 2,037,196 1,644,788 20,999,731
	Total	112,799,461	99,308,545

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****34 Disclosures as required by Accounting Standard (AS) 20 - Earning per share :**

Particulars		2012-13	2011-12
Profit/(Loss) after tax as per Statement of Profit and Loss	Rs.	(6,210,683)	30,804,230
Number of equity shares outstanding	Nos.	4,153,580	4,153,580
Face value of equity share	Rs.	10	10
Earnings per share (basic and diluted) :			
- Basic	Rs.	(1.50)	7.42
- Diluted	Rs.	(1.50)	7.42

35 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2013, as per information available with the Company.

	2012-13	2011-12
	Rs.	Rs.
a) Principal amount due to supplier under MSMED Act, 2006	-	-
b) Interest accrued, due to supplier under MSMED Act on the above amount and unpaid	-	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	-	44,798
d) Interest paid to supplier under MSMED Act (Other than section 16)	-	-
e) Interest paid to supplier under MSMED Act (section 16)	-	7,973
f) Interest due and payable to suppliers under MSMED Act for payments already made	-	-
g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

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

36 As per Accounting Standard (AS) 28 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended March 31, 2013 in the books.

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

38 The Company's international and domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to March 31, 2012, 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.

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

As per our report attached of even date

SHARP & TANNAN

Chartered Accountants
Firm Registration No. 109982W
By the hand of

Edwin P. Augustine
Partner
Membership No. 43385

Place: Mumbai, Maharashtra
Date: 28th May, 2013

K. G. Gupta
Chairman and
Managing Director

Place: Mapusa, Goa
Date: 28th May, 2013

For and on behalf of the Board

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	2012-13 (Rs.)	2011-12 (Rs.)
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(12,180,021)	40,365,805
Depreciation and amortisation	11,841,551	8,681,636
Finance cost	28,825,560	26,701,408
Provision for doubtful debts	630,778	1,963,255
Unrealised exchange difference	1,781,494	(348,024)
Loss on sale of assets (net)	-	60,791
Write-off of long term investment	227,404	-
Dividend income	(5,000)	(2,500)
Interest income	(527,417)	(621,758)
Operating profit before working capital changes	30,594,349	76,800,613
Adjustments for :		
Increase / (decrease) in trade and other payables	10,989,505	(23,966,544)
Increase / (decrease) in provisions	437,339	2,060,814
(Increase) / decrease in inventories	(2,660,874)	(17,634,665)
(Increase) / decrease in trade and other receivables	(35,829)	(4,047,981)
	8,730,141	(43,588,376)
Cash generated from operations	39,324,490	33,212,237
Direct taxes paid (net of refunds)	(6,472,016)	(136,476)
Net cash generated from / (used) in operations (A)	32,852,474	33,075,761
(B) CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments for purchase of fixed assets	(15,618,415)	(52,819,013)
Proceeds from sale of fixed assets	-	280,000
Payments to Associate Company on cancellation of sale of shares	-	(1,048,200)
Proceeds from long term investments	185,655	-
Interest received	229,653	3,800,597
Dividend received	5,000	2,500
Net cash generated from / (used) in investment activities (B)	(15,198,107)	(49,784,116)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,615,819	46,971,305
Repayments of long term borrowings	(9,849,684)	(9,648,662)
Proceeds from / (Repayments of) short term borrowings	22,723,772	(1,138,335)
Interest paid	(24,057,269)	(19,255,137)
Dividend paid (including tax on dividend)	(58,510)	(980)
Net cash generated from / (used) in financing activities (C)	(9,625,872)	16,928,191
Net changes in cash and cash equivalents (A+B+C)	8,028,495	219,836
Cash and cash equivalents - Opening balance	15,046,335	14,826,499
Cash and cash equivalents - Closing balance	23,074,830	15,046,335
Net increase / (decrease) in cash and cash equivalents	8,028,495	219,836

Notes :

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

As per our report attached of even date

SHARP & TANNAN

Chartered Accountants

Firm Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 43385

For and on behalf of the Board**K. G. Gupta**Chairman and
Managing Director**Gaurav Gupta**

Director

Noel Da SilvaCFO and
Company Secretary

Place: Mumbai, Maharashtra

Date: 28th May, 2013

Place: Mapusa, Goa

Date: 28th May, 2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

(Rs. in Lakhs)

1	Name of the Subsidiary Company	GKB Ophthalmics FZE (UAE)	GKB Ophthalmics GmbH (Germany)
2	Financial year of Subsidiary Company	December 31, 2012	December 31, 2012
3	(a) Number of shares held in Subsidiary Company on the above date.	1	1
	(b) Extent of Holding	100%	100%
	(c) Capital	22.19	17.81
	(d) Reserves / (Accumulated Losses)	914.07	5.36
	(e) Total assets	1,227.07	23.70
	(f) Total Liabilities(other than shareholder's funds)	290.80	0.52
	(g) Details of Investments		
	(h) Turnover	1,420.63	
	(i) Profit / (Loss) before Taxation	117.67	(0.39)
	(j) Provision for Taxation / (reversal)	-	-
	(k) Profit after Taxation	117.67	(0.39)
	(l) Proposed Dividend	54.30	-
4	The net aggregate of profits less losses of the Subsidiary Company as far as it concerns the members of the Holding Company		
	(i) Not dealt with in the Holding Company's Accounts:		
	(a) For the Financial Year of the Subsidiary	63.38	(0.39)
	(b) For the previous Financial Years, since it became Holding Company's Subsidiary	705.19	19.56
	(ii) Dealt with in the Holding Company's Accounts:		
	(a) For the Financial Year of the Subsidiary	54.30	0
	(b) For the previous Financial Years, since it became Holding Company's Subsidiary	184.56	0
5	Exchange Rates as on March 31, 2013	14.79 equivalent INR per Dirham	69.66 equivalent INR per Euro

For and on behalf of the Board of DirectorsPlace: Mapusa, Goa
Date : 28th May, 2013**K. G. Gupta**
Chairman and
Managing Director**Gaurav Gupta**
Director**Noel Da Silva**
CFO and
Company Secretary



NOTES

[illegible]



GKB Ophthalmics Ltd.

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

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall. Joint shareholders may obtain Additional Attendance Slip on request:

Name & Address of the Shareholder(s)

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company being held at the Registered Office of the Company on Saturday, August 31, 2013 at 11.00 a.m.

Folio No. :

DP/ Client ID No.(s) :

No. of shares held :

Signature of Member/Proxy

(To be signed at the time of handling over this slip)

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GKB Ophthalmics Ltd.

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

PROXY FORM

I/We _____ in the district of _____ being
by Member / Members of GKB OPHTHALMICS LIMITED, hereby appoint
_____ of _____ in the district of
_____ for failing him _____
of _____ in the district _____ as my/our proxy
to attend and vote for me/us and on my/our behalf at the 31st ANNUAL GENERAL MEETING of
the Company to be held on Saturday, August 31, 2013 and any adjournment thereof.

As witness my hand this & _____ day of _____ 2013.

Signed by the said _____

Folio No. :

DP/ Client ID No.(s) :

No. of shares held :

Signature : _____

Affix a
Rupee 1/-
Revenue
Stamp

NOTE: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.



BOOK-POST

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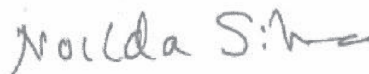

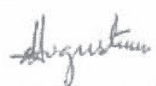


GKB Ophthalmics Ltd.

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


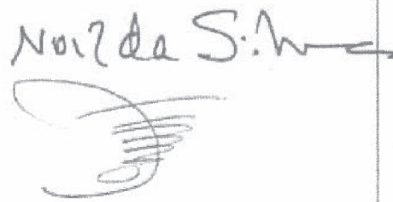
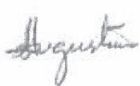
FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges as per clause 31 (a) of the Listing Agreement.

1	Name of the Company	GKB Ophthalmics Limited
2	Annual financial statements for the year ended	Consolidated financial statements for the year ended March 31, 2013
3	Type of Audit observation	Unqualified report and No matter of emphasis paragraph.
4	Frequency of observation	Not Applicable as the report is unqualified.
5	<p>To be signed by :-</p> <p>Mr. K. G. Gupta Managing Director</p> <p>Mr. Noel da Silva CFO & Company Secretary</p> <p>Mr. Sadashiv Shet Audit Committee Chairman</p> <p>Place : Mapusa, Goa Date : July 08, 2013</p> <p>Mr. Edwin P. Augustine Partner SHARP & TANNAN Chartered Accountants (Auditor of the Company)</p> <p>Place: Mumbai, Maharashtra. Date : July 08, 2013</p>	<p></p> <p></p> <p></p> <p></p>

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges as per clause 31 (a) of the Listing Agreement.

1	Name of the Company	GKB Ophthalmics Limited
2	Annual financial statements for the year ended	Standalone financial statements for the year ended March 31, 2013
3	Type of Audit observation	Unqualified report and No matter of emphasis paragraph.
4	Frequency of observation	Not Applicable as the report is unqualified.
5	<p>To be signed by :-</p> <p>Mr. K. G. Gupta Managing Director</p> <p>Mr. Noel da Silva CFO & Company Secretary</p> <p>Mr. Sadashiv Shet Audit Committee Chairman</p> <p>Place : Mapusa, Goa Date : July 08,2013</p> <p>Mr. Edwin P. Augustine Partner SHARP & TANNAN Chartered Accountants (Auditor of the Company)</p> <p>Place: Mumbai , Maharashtra. Date : July 08,2013</p>	<p></p> <p></p> <p></p>