

*ANNUAL
REPORT
2008-2009*



GKB Ophthalmics Ltd.



BOARD OF DIRECTORS:

K. G. Gupta (Chairman & Managing Director)

K. M. Gupta

B. K. Gupta

R. K. Gupta

Vikram Gupta

Gaurav Gupta

Somnath Priolkar

CFO & COMPANY SECRETARY:

Noel da Silva

AUDITORS:

M/s. Borkar & Muzumdar

Chartered Accountants,

Panaji - Goa. 403 001

BANKERS:

State Bank of India

Canara Bank

REGISTERED OFFICE :

16-A, Tivim Industrial Estate

Mapusa - Goa. 403 526.

India.

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Saturday, 19th September, 2009 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 31st March, 2009, the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year 2008-09
3. To appoint a Director in place of Mr. B. K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. K. Gupta, 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, the following resolution as a **SPECIAL RESOLUTION:**

* RESOLVED THAT pursuant to the Articles of Association of the Company and Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 and also subject to the approval of the Central Government thereon, if necessary, the consent of the Company be and is hereby accorded for the re-appointment of Mr. K. G. Gupta as Managing Director of the Company at a remuneration and on the terms set out below for a period of three years with effect from 1st April, 2009 to 31st March, 2012.

- I. Salary : Rs. 1,25,000/- (One lakh twenty five thousand only) per month.
- II. Commission : Not exceeding 1% (One Percent) of the net profit of the Company computed in the manner laid down under the Act as may be determined by the Board
- III. Housing : Unfurnished leased accommodation, expenditure on which, will be subject to a ceiling of 50% of the salary over and above 10% payable by him. If no accommodation is provided by the Company, he will be entitled for a suitable House Rent Allowance.

Expenditure on gas, electricity, water and furnishing will be borne by the Company and shall be valued as per the Income Tax Rules, 1962.

IV Perquisites/Benefits :

- a) Reimbursement of domiciliary medical expenses for self and Mediclaim Policy for hospitalization.
- b) leave and Leave Travel Concession as per the rules of the Company.
- c) Personal Accident Insurance Policy.



NOTICE OF THE ANNUAL GENERAL MEETING

- d) Expenses actually and properly incurred by him in the course of business.
- e) Free use of car with driver on Company's business and telephone at residence.

V. Other Benefits:

- a) Contribution to Provident Fund, Superannuation and Annuity Fund in accordance with the rules of the Company.
- b) Gratuity at the rate of half month's salary for every completed year of service.
- c) Encashment of leave at the end of the tenure.

VI. The appointment will be subject to termination by three months notice in writing on either side.

FURTHER RESOLVED that where in any financial year during the currency of the tenure of Mr. K. G. Gupta, Managing Director, the Company has no profits or its profits are inadequate, the remuneration set out above, be paid as minimum remuneration, subject to such statutory approvals as may be applicable.

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

By order of the Board of Directors
For GKB Ophthalmics Limited

17th August, 2009

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 of the Company will remain closed from Thursday, the 10th September, 2009 to Saturday, the 19th September, 2009 (both days inclusive). The Share Transfer Books of the Company shall also remain closed during the aforesaid period.
3. The dividend, if declared, at the meeting will be paid on or after 23rd day of September, 2009 to those members or their mandates whose names stand registered on the Company's register of the Members: -
 - a) As Beneficial Owners as at the end of business on 9th day of September, 2009 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - b) As Members in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company on or before 9th day of September, 2009.
4. 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 would not be distributed at the meeting.



NOTICE OF THE ANNUAL GENERAL MEETING

5. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at this AGM is annexed.
6. 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.
7. Re-appointment of the Directors

At the ensuing Annual General Meeting, Mr. R. K. Gupta and Mr. B. K. Gupta are due to retire by rotation and have offered themselves for re-appointment.

The particulars of Mr. R. K. Gupta and Mr. B. K. Gupta pursuant to clause 49 of the listing agreement are given below:

Name of the Director	Mr. R. K. Gupta	Mr. B. K. Gupta
Date of Birth	23/11/1933	21/05/1940
Date of Appointment on the Board	24/01/1994	02/07/1982
Qualifications	Chartered Accountant	B. Com
Expertise	International Banking & Corporate Finance.	In the line of Ophthalmic lenses.
Directorship held in other public companies (including foreign and private companies)	Nil	Nil
Membership/Chairmanships of committee across public companies.	Nil	Nil
Shareholding of Non-Executive Directors	82,500 Shares	1,59,000 Shares
Relationship between directors inter-se	<ol style="list-style-type: none"> 1. Related to Mr. K. G. Gupta, Managing Director 2. Related to Mr. K. M. Gupta, Non Executive Director 3. Related to Mr. B. K. Gupta, Non Executive Director 4. Related to Mr. Vikram Gupta, Non Executive Director 5. Related to Mr. Gaurav Gupta, Non Executive Director 	<ol style="list-style-type: none"> 1. Related to Mr. K.G. Gupta, Managing Director 2. Related to Mr. K. M. Gupta, Non Executive Director 3. Related to Mr. R. K. Gupta, Non Executive Director 4. Related to Mr. Vikram Gupta, Non Executive Director 5. Related to Mr. Gaurav Gupta, Non Executive Director

8. 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, upto the date of the Annual General Meeting.



ANNEXURE TO THE NOTICE

Explanatory Statement as required under section 173 of the Companies Act, 1956

Item No. 6

Mr. K. G. Gupta has been responsible for leading the Ophthalmic business of the Company successfully and has been instrumental in achieving substantial growth for the Company as Managing Director. The Company has made considerable progress in the area of Exports, Research & Development (R & D) and Technology under his guidance.

The Board of Directors at their meeting held on 31st March, 2009, considering the contribution made by Mr. K. G. Gupta thought it fit in the interest of the Company to retain and avail the continuity of his expertise by re-appointing Mr. K. G. Gupta as Managing Director for a further period of three years w.e.f. 1st April, 2009.

The terms set out under Special Business may be treated as an abstract of the revised remuneration in compliance with Section 302(2) of the Companies Act, 1956.

The Directors recommend this resolution as a Special Resolution for approval of the Members.

Mr. K. G. Gupta, Managing Director holds 8,25,960 Equity shares in the Company.

Mr. K. G. Gupta is interested in the resolution to the extent of his term as Managing Director.

None of the Directors other than Mr. K. M. Gupta, Mr. B. K. Gupta, Mr. R. K. Gupta, Mr. Vikram Gupta and Mr. Gaurav Gupta, being related to Mr. K. G. Gupta is deemed to be concerned or interested in this resolution.

Statement as required under Section II of Part II of Schedule XIII of the Companies Act, 1956 is given below :

1. General Information:

a) Nature of Industry :

The Company is engaged in the business of manufacture and export of Ophthalmic lenses. It has manufacturing facilities at Tivim Industrial Estate, Mapusa - Goa.

b) Date of Commencement of Commercial Production :

The Company started its commercial production in the year 1983

c) Financial Performance :

	Rs. in Lakhs	
	Current Year	Previous Year
Turnover	3,015.26	1,930.25
Profit before Tax	257.54	126.57
Profit after Tax	141.64	75.94



ANNEXURE TO THE NOTICE

d) Export Performance :	Current Year	Rs. in Lakhs Previous Year
FOB Value of Exports	2,026.63	1,612.29
Net Foreign Exchange Earnings	531.90	463.53

e) Foreign investment or Collaborations:

The details of foreign investments are :

- (i) One equity share of Dhiraams 1,50,000/- in GKB Ophthalmics Products FZE, Sharjah, UAE, equivalent to Rs. 18,30,150/- at par.
- (ii) Investment of Euros 25,624.92 equivalent to Rs. 10,81,488/- in GKB Ophthalmics GmbH, Bremen, Germany.

II. Information about the appointee :

a) Background details :

Mr. K. G. Gupta is a Science Graduate and is well known figure in the Ophthalmic Industry all over the World, has a rich experience of 48 years in the field.

He has excellent knowledge and experience in all facets of the Ophthalmic Industry. From Manufacturing to Sales, Finance, Administration and Exports.

He has been the Chairman of the Board of Directors and is Managing Director of the Company since inception. Mr. Gupta was the Past Chairman of CII in Goa and is presently a member of Western Regional Council.

b) Past remuneration :

The last remuneration paid to Mr. K. G. Gupta was Rs. 20.09 lakhs for the year 2008-09. This was as per the terms approved by the shareholders in their meeting held on 30th September, 2004 for a period of five years w.e.f 1st April, 2004 to 31st March, 2009.

c) Recognition or award:

Mr. K. G. Gupta is Past Chairman of CII in Goa and is presently a member of Western Regional Council.

d) Job Profile and his suitability :

Mr. K. G. Gupta has been responsible and instrumental in achieving substantial growth in terms of revenue and profits for the Company during the tenure as the Managing Director. The Sales Turnover increased from Rs. 1930.25 lakhs to Rs. 3015.26 lakhs in spite of global recessionary trend.



ANNEXURE TO THE NOTICE

The Company also made considerable progress in the area of R & D and Technology.

Looking at the contribution made by Mr. K. G. Gupta for the growth of the Company's business operations, it is in the interest of the Company to re-appoint him for a period of three years w.e.f 1st April, 2009 to 31st March, 2012.

e) Proposed remuneration :

As mentioned in item No. 6 , under Special Business.

f) Comparative Remuneration :

Considering the size of the Company, the Industry benchmarks, experience of and the responsibilities shouldered by the appointee, the proposed remuneration is commensurate with the remuneration paid to similar appointees in other companies.

g) Pecuniary Relationship :

Except for the proposed remuneration, Mr. K. G. Gupta does not have any pecuniary relationship directly or indirectly with the Company or any relationship with the managerial personnel of the Company. Mr. K. G. Gupta is related to Mr. K. M. Gupta, Mr. B. K. Gupta, Mr. R. K. Gupta, Mr. Vikram Gupta and Mr. Gaurav Gupta, all non executive Directors of the Company.

III. Other information :

- a) Reasons for inadequacy of Profit : Not applicable
- b) Steps taken or proposed to be taken for improvement. : Not applicable
- c) Expected increase in productivity and profits in measurable terms. : Not applicable

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

By order of the Board of Directors
For GKB Ophthalmics Limited

17th August, 2009

Noel da Silva
CFO & Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 27th Annual Report and the Audited Accounts of the year ended 31st March, 2009.

FINANCIAL RESULTS:

	2008-09	2007-08
a) Sales & Other Income	3,015.26	1,930.25
b) Profit before Depreciation and Tax	372.99	203.33
c) Provision for Depreciation	115.45	76.76
d) Provision for Tax	115.90	50.62
e) Profit after Depreciation and Tax	141.64	75.94
f) Balance from previous years	185.86	148.79
g) Proposed Dividend and Dividend Tax	58.31	38.88
h) Transfer to Reserves	10.00	
i) Balance carried forward	259.19	185.86

OPERATIONS

During the year under review, the Company has improved its performance and the trend is continuing. The turnover of the Company increased to Rs. 3,015.26 lakhs during the year against Rs. 1930.25 lakhs in the previous year.

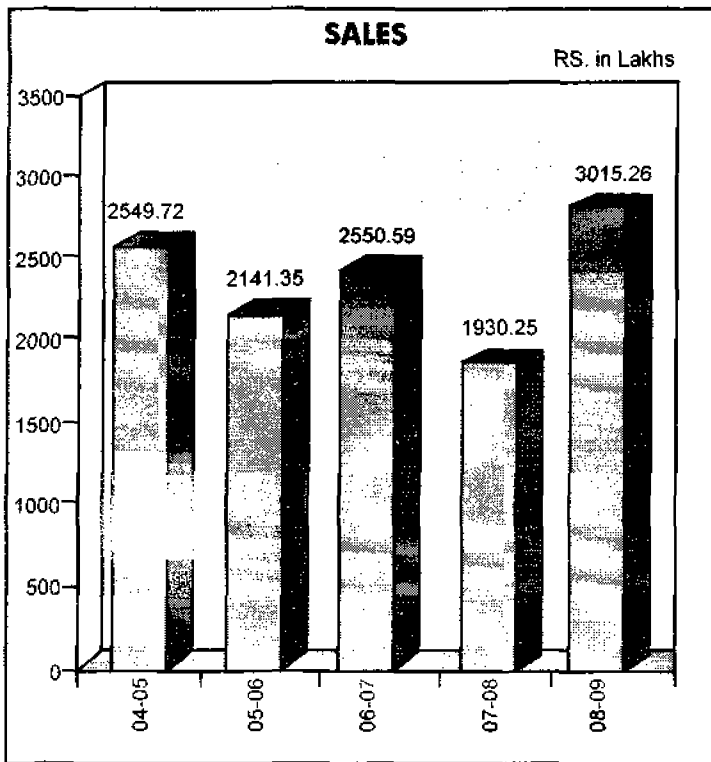
The year 2008-09 was an unprecedented one, characterised by global financial meltdown which began in USA and spread to the rest of the world. The impact was felt in all types of industries. However, your Company was exception to this.

CURRENT YEAR :

The sales during the first quarter of the current financial year show a promising trend. The turnover during the first quarter was Rs. 871.00 lakhs as compared to Rs. 503.00 lakhs, during the corresponding period in the previous year, thereby showing an increase of 73% inspite of general slow down in the economy. This increase augurs well for your Company.



DIRECTORS' REPORT



DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 1.20 per equity share for the year 2008-09.

ASSOCIATES AND SUBSIDIARIES

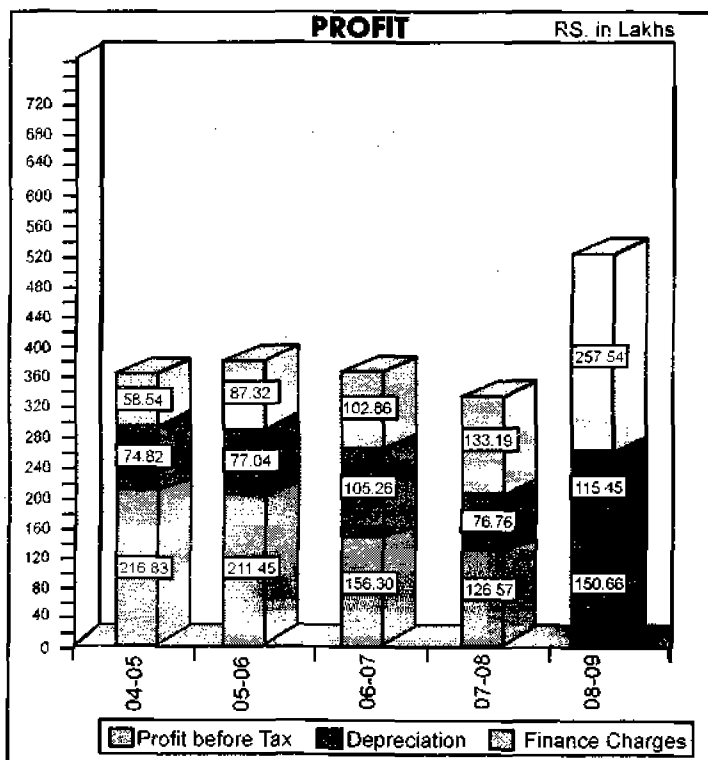
Your Directors are pleased to inform you that our Associate Company GKB Vision Limited which has its manufacturing unit at Pileme Industrial Estate, Goa continues to do well in sustaining its market share in bifocals and progressive lenses.

The Company's Wholly Owned Subsidiary (WOS) in Sharjah, UAE, has posted improved results. The Free Trade Zone Establishment has achieved a turnover of Dirhams 12.47 million for the year ended 31st December, 2008 as compared to Dirhams 10.03 million during the previous year. The profit has increased to Dirhams 1.19 million as compared to Dirhams 1.03 million during the previous year and has declared a dividend which entails an outflow of Dirhams 0.37 million.

During the year under review, the Company has entered into a Joint Venture (JV) Agreement with Indo Internacional, S.A., Spain. The agreement provides for 50% stake by each JV partner. The JV Company which has been incorporated in India as Indo Prime Visual Technologies Pvt. Ltd., will import and sell in India equipment manufactured by foreign JV partner, such as edging machines and peripherals used in Optical business.

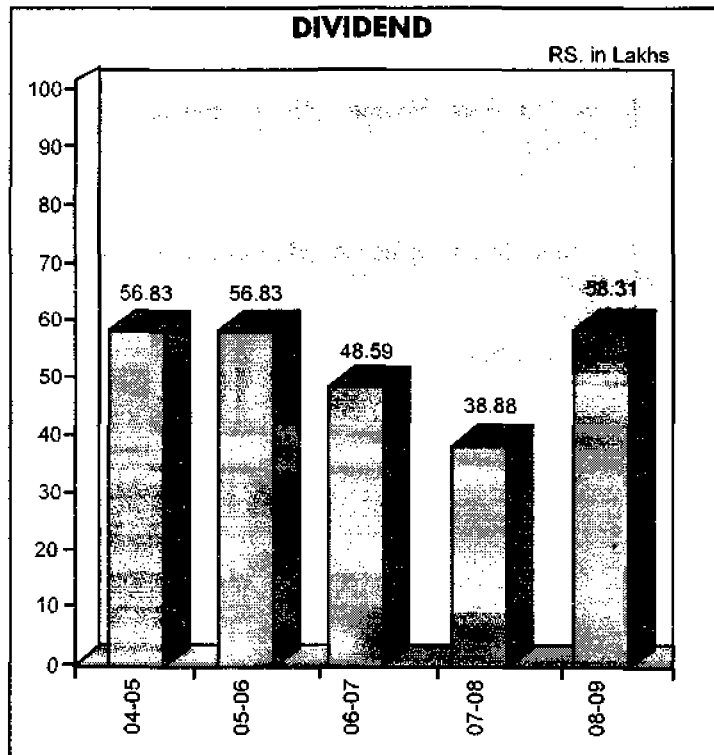
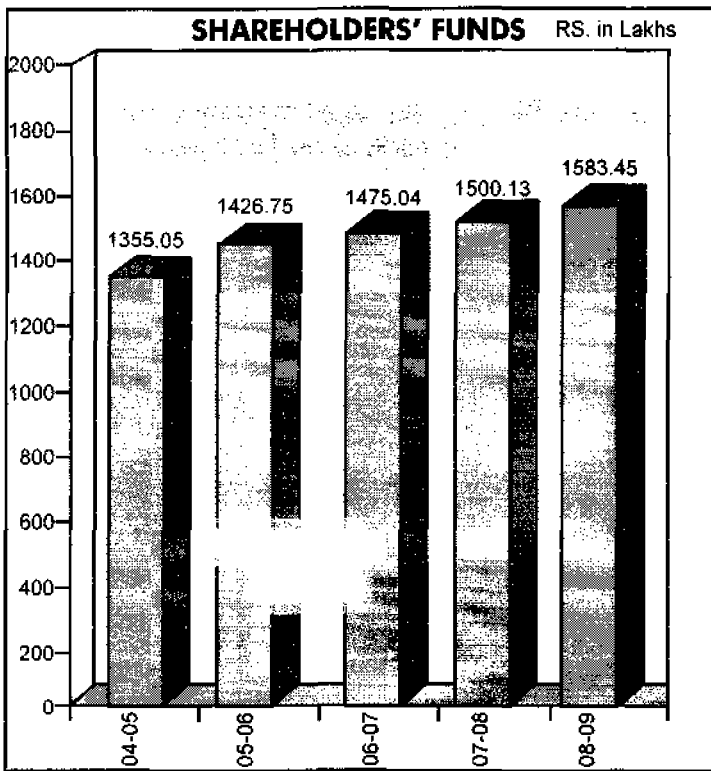
CORPORATE GOVERNANCE :

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





DIRECTORS' REPORT



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.

Company has taken affirmative actions on Code for ecologically sustainable business growth under the aegis of CII, Goa Chapter.

INSURANCE :

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

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 of any additional loans from financial institutions during the financial year ended 31st March, 2009.



DIRECTORS' REPORT

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. R. K. Gupta and Mr.B. K. Gupta will retire by rotation, pursuant to Articles of Association of the Company being eligible offer themselves for re-appointment.

AUDITORS :

The term of M/s. Borkar & Muzumdar, Chartered Accountants, Panaji Goa, as Statutory Auditors, expires at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Auditors has 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.

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, Central, State and local Government Agencies, 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: 17th August, 2009

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) Effective use of utility equipment like compressors and chillers.

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

- (i) Replacement of conventional chokes by electronic ballast.
- (ii) Replacement of CRT monitors in PCs with LCD monitors.

(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) Sensensors have been introduced in casting production.
- (ii) Sustaining quality, improvement and upgradation of production process of CR lenses.
- (iii) Further research on ways and measures to reduce rejections.
- (iv) Effluent treatment plant has been commissioned.



ANNEXURE TO DIRECTORS' REPORT

2. Benefit derived as a result of above R & D :

- (i) Import substitution at a low cost.
- (ii) Increase in productivity.
- (iii) Recycling of water.

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)

- a) Capital 6.32
- b) Recurring 3.15
- c) Total 9.47

d) Total R & D expenditure as a percentage of total turnover : 0.31 %

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, cost reduction and import substitution.

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

Technology Imported	Year of import	Status
1 Humphrey Automatic Lensometer	2005-06	Absorbed
2 Elma X-Tray cleaning line machine	2005-06	Absorbed
3 Taping machine	2006-07	Absorbed
4 CEDHLX-10 water Purifier/ Deionizer	2008-09	Absorbed



ANNEXURE TO DIRECTORS' REPORT

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 Subsidiaries (WOS) abroad 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	:	2,050.57
Foreign exchange used	:	1,518.67
Net earnings	:	531.90

Detailed information on foreign exchange earning and outgo is given in Notes on Accounts. Schedule 'M', II, 2, F, G and H.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa-Goa
Date: 17th August, 2009

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.

INDIAN ECONOMY :

The Reserve Bank of India in its quarterly review of the monetary policy released recently has left the key short term rates unchanged. The economic growth rate is now pegged at 6 percent.

Credit policy has tried to balance the risks between current growth and inflation.

The Apex Bank has warned that the overall scenario continues to be uncertain, with fiscal consolidation posing a challenge. The growth is driven by Government spending, but the need of the hour is for private consumption and for investment rates to pick-up. Industry was expecting signals from the Apex Bank towards softening of interest rates. Better financial accommodation by banks at lower interest rates would fuel growth.

However, there are some green shoots of recovery.

Several Corporates have posted improved results, industry production has turned positive, there is some activity in the primary market, there has been rebound in stock market and business surveys are showing optimistic trend.

On the other hand, there are still some negative signs which include fall in exports, delayed and deficient monsoon, food price inflation, oil prices showing an upward trend and last but not the least, a huge fiscal deficit.

I i) Industry Structure and Development:

The Ophthalmic Industry is classified under the Chemical and Allied Products segment.

Company firmly believes that use of Optical lenses is essential for the purpose of rectification of the deficiency of the eyes and hence it needs to be regrouped under Health Care or Pharmaceutical Industry.

In the past, all lenses were made of glass, also known as mineral lenses, were white in colour and of single vision. Subsequently, bifocal lenses were introduced. Recent addition is that of progressive lenses. Along with white lenses, the user has an option of buying photochromic lenses.

The glass lenses are being replaced by plastic lenses known as CR (Colombus Resin) 39 lenses. They are in fact organic lenses made by polymerisation of chemical mixtures. Presently, the demand for CR lenses in the world market is very high and is continuously increasing.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ii) Opportunities and Threats:

Till recently, there were a number of big players in glass lenses manufacture with large capacities mainly in Europe. With declining demand for glass and with the recent financial meltdown, several units have closed their manufacturing facilities. However, some of them are still continuing with trading business by outsourcing their requirements from Asia, which benefit glass lens manufactures like ours.

There is also growing demand for prescription lenses from the West. Opportunities also lies, in manufacture of glass moulds used in plastic lenses.

The threat arises for CR lenses from other countries from Asia, mainly China and South Korea, which have been flooding the Ophthalmic market all over the world with cheap lenses by dumping the products possibly at cost or even sub cost prices.

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 :

Plastic lenses being cheaper, have displaced glass lenses to a great extent. Keeping with this new development, the Company has started production of plastic lenses in Unit II, very close to the Unit I, which manufacture glass lenses. Presently, Unit II manufactures 3,000 pieces per day, which is mainly meant for exports. This is sought to be increased to 6,000 pieces per day with the on going expansion programme, to be completed during the current financial year with an investment cost of Rs. 100.00 lakhs.

A small demand for glass lenses will be there for some more years as this is a niche product. Glass lenses have aesthetic appeal, smoothing effect on the eyes, have better finish, are sleek in nature and generally scratch resistant, compared to thicker and cheaper 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.

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 Virendra Prabhudessai and Company, an outside agency, to conduct the internal Audit work. The reports of the Internal Auditors are periodically reviewed by the Audit Committee.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

During the year 2008-09, the Company's total income increased substantially from 1,930.25 lakhs in 2007-08 to Rs.3,015.26 lakhs, thereby showing an increase of 56.21%. Profit before depreciation and taxes increased to Rs. 372.99 lakhs compared to Rs.203.33 lakhs in 2007-08 representing an increase of 83.44%. The Company's profit after tax increased from Rs.75.94 lakhs in 2007-08 to Rs.141.64 lakhs in 2008-09.

The Company is 100% Export Oriented Unit (EOU) and is a net foreign exchange earner.

The exports surged to Rs.2,099.38 lakhs during the year as against Rs. 1,659.65 lakhs in the previous year.

Even though, cost of inputs have increased considerably, the depreciation of the Rupee, optimum use of the resources and other operational control measures have helped the Company to better the realisations in domestic as well as International markets.

Major customers have long term relationship and have continued to do their business with the Company for their bulk requirements, which has helped the Company to emerge as the major manufacturer and exporter of Ophthalmic lenses from India.

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

There is a continuous endeavor at GKB Ophthalmics to improve HR practices so that employees are motivated and perform better for individual and organizational growth.

The total number of permanent employees of the company as on 31st March, 2009 was 307 out of which 22 employees are working for more than 20 years.

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

There is a team of professionals working together towards achievement of the Organizational goals.

The HR Manual have been introduced which is a comprehensive guide to all aspects of employment.

Induction Program has been implemented for new recruits, to make them comfortable in the new settings and give them proper understanding of the Organization.

Company is in the process of implementing ISO 9001:2008 under which there are 3 key areas identified :

- 1 Job Responsibilities for each function.
- 2 Competency Assessment Skill Matrix for each employee.
- 3 Training & Development.

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

CORPORATE GOVERNANCE PHILOSOPHY

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.

1. BOARD OF DIRECTORS

a) Composition

The Board of Directors comprises of seven members, out of which six are non-executive and is responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined and are as follows.

Name of Director	Category	No. of Directorships in other companies		Committee Memberships	
		Chairman	Member	Chairman	Member
Mr. K. G. Gupta (Chairman & Managing Director)	Chairman, Managing Director Promoter & Executive	—	5	1	—
Mr. K. M Gupta	Promoter & Non Executive	—	3	—	—
Mr. B. K. Gupta	Non Executive	—	1	—	—
Mr. R.K. Gupta	Non Executive	—	—	—	1
Mr. Vikram Gupta	Promoter & Non Executive	—	7	—	1
Mr. Gaurav Gupta	Promoter & Non Executive	—	6	—	1
Mr. Somnath Priolkar	Independent Non Executive	—	—	2	—

b) Number of Board Meetings held in financial year 2008-2009 with dates and attendance of Directors.

The Board meetings are held every year to improve and discuss the performance of the Company, its future plans, strategies and other pertinent issues related to the Company.

Seven Board Meetings were held during the year under review. They were held on 28th April, 2008; 26th July, 2008; 23rd August, 2008; 25th October, 2008; 24th November, 2008; 19th January, 2009 and 31st March, 2009.

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

**REPORT ON CORPORATE GOVERNANCE**

The attendance record of each Directors was as under :-

Name of Director	Nos. of Board Meetings attended	Attendance At AGM
Mr. K. G. Gupta	7	PRESENT
Mr. K.M. Gupta	-	-
Mr. B.K. Gupta	-	-
Mr. R.K. Gupta	-	-
Mr. Vikram Gupta	5	PRESENT
Mr. Gaurav Gupta	7	PRESENT
Mr. Somnath Priolkar	7	PRESENT

2. AUDIT COMMITTEE**a) Composition and Broad terms of reference**

The Audit Committee of the Company comprises of following three Directors :-

Mr. Somnath Priolkar (Chairman)	: Independent, Non Executive Director
Mr. R. K Gupta,	: Non Executive Director
Mr. Gaurav Gupta	: Non Executive Director

All these Directors possess knowledge of Corporate Finance, Accounts and Company Law. The Managing Director, the CFO, the Internal Auditors and the Statutory Auditors attend the Meetings on invitation.

The terms of reference to this committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement.

b) Meetings/Attendance

During the financial year ended 31st March, 2009 four meetings were held on 28th April, 2008, 15th July, 2008, 22nd October, 2008 and 17th January, 2009.



REPORT ON CORPORATE GOVERNANCE

3. REMUNERATION COMMITTEE

a) Composition

As all decisions regarding the remuneration of executive and non-executive Directors are taken by the entire Board of Directors of the Company, no formal Remuneration Committee has been constituted. The HR-Manager and Manager Administration assist the Board in fulfilling the Remuneration Policy.

b) Remuneration Policy

The key components of the Company's Remuneration Policy are :

Compensation will be a major driver of performance

Compensation will be competitive and benchmarked with a select group of companies from the similar sector.

Compensation will be transparent for and simple to administer.

Compensation will be fully legal and tax compliant.

Criteria for making payments to non-executive Directors : The Directors are paid sitting fees for attending the Board/ Committee meetings and payment of commission, if any, is based on the number of Board members/Committee membership/Chairmanship held by them.

The Non-executive Directors are not entitled to any other fees/compensation for the financial year 2008-09.

Remuneration paid/ payable to Managing Director for the year ended 31st March, 2009 : (Rupees in Lakhs)

Sr.No.	Name of the Director	Salary	Rent	Medical	Provident Fund (Employer's contribution)	Gratuity
1.	Mr. K. G. Gupta Managing Director	15.00	3.00	0.58	1.80	1.99



REPORT ON CORPORATE GOVERNANCE

c) SHARES HELD BY AND SITTING FEES PAID TO, NON-EXECUTIVE DIRECTORS OF THE COMPANY AS ON 31ST MARCH, 2009 ARE GIVEN BELOW :

Director	Sitting Fees for Board and Committee Meetings paid during the year (Rs. in lakhs)	No of Ordinary (Equity) Shares held as on 31.03.2009
Mr. K. M. Gupta	Nil	4,33,050
Mr. B. K. Gupta	Nil	1,59,000
Mr. R. K. Gupta	0.01	82,500
Mr. Vikram Gupta	0.02	3,26,210
Mr. Gaurav Gupta	0.04	2,81,895
Mr. S. Priolkar	0.03	1,200

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEES.

The Board of Directors of the Company has constituted Shareholders/Investors' Grievances committee comprising Mr. Somnath Priolkar, Director as Chairman and Mr. Vikram Gupta as member. The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd., to act as Registrar and Share transfer Agent of the Company. The Committee deals with matters relating to transfer/transmission of shares, issue of duplicate share certificates, review of share dematerialized and all other related matters. The committee also monitors redressal of investors' grievances.

During the year the committee received thirteen complaints/grievances and all were redressed fully to investors' satisfaction.

During the period two meetings of the Shareholders/Investors' Grievances Committee were held on 30th October, 2008 and 30th March, 2009 and the attendance of these meetings was 100% .



REPORT ON CORPORATE GOVERNANCE

5. GENERAL BODY MEETINGS

The details of last three Annual General Meeting of the Company are furnished below:

Year	Venue	Date	Time
2005-2006	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate Mapusa Goa.	30.09.2006	11.00 A.M
2006-2007	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate Mapusa Goa.	29.09.2007	11.00 A.M
2007-2008	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate Mapusa Goa.	29.09.2008	11.00 A.M

Whether Special resolutions :-

- a) were put through postal ballot last year : No
Details of voting pattern : Not applicable
Persons who conducted the postal ballot exercise : Not applicable

- b) are proposed to be conducted through postal ballot : No.
Procedure for postal ballot : Not applicable.

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 relationship or transactions of non-executive Directors vis-a-vis the Company that have potential conflict with the interest of the Company at large.



REPORT ON CORPORATE GOVERNANCE

- (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 or re-appointment of Directors.

According to the Articles of Association of the Company, two Directors namely Mr. B. K. Gupta and Mr. R. K. Gupta will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of the aforesaid Directors are given below.

a) Mr. B. K. Gupta

He is 68 years old and is a Commerce graduate. He has 39 years experience in the line of manufacture and export of Ophthalmic lenses.

He has been managing Companies like GKB Rx Lenses Private Limited.

b) Mr. R. K. Gupta

He is a Chartered Accountant and is 75 years old. He is a retired banker having an experience of 40 years in International Banking & Corporate Finance.

7. MEANS OF COMMUNICATION

The Annual and Half yearly and Quarterly results are submitted to the Stock Exchanges in accordance with Listing Agreement. Management Discussion and Analysis Report forms part of this Annual Report.

8. GENERAL SHAREHOLDER INFORMATION

- i) 27th Annual General Meeting
- | | | |
|-------|---|---|
| Date | : | 19th day of September, 2009 |
| Time | : | 11.00 a.m |
| Venue | : | Conference Room
GKB Ophthalmic Ltd.
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, each year. |
|---|---|---|
- iii) Date of Book closure
- | | | |
|---|---|---|
| : | : | From Thursday 10th September, 2009 to Saturday 19th September, 2009.
(both days inclusive) |
|---|---|---|
- iv) Dividend Payment date
- | | | |
|---|---|---|
| : | : | On or after 23rd September 2009, if declared, at the forthcoming Annual General Meeting |
|---|---|---|
- v) Listing on Stock Exchanges
- | | | |
|---|---|---|
| : | : | Pune Stock Exchange Ltd.
Ahmedabad Stock Exchange Ltd. |
|---|---|---|



REPORT ON CORPORATE GOVERNANCE

Delhi Stock Exchange Association Ltd.
Calcutta Stock Exchange Association Ltd.
Madras Stock Exchange Ltd.

- vi) Stock Code : - Equity Shares
ISIN CODE : INE 265DO 1015
- vii) Market Price Data : Not available as shares were not traded in
High, low during each month in last financial in any of the Stock Exchanges during the
Year last year.
- viii) Performance in Comparison to Board : Not available as shares are not traded.
Based indices

ix) Share Registrar & Transfer Agents:

M/s. SHAREX DYNAMIC (INDIA) PVT. LTD.,
17/B, Dena Bank Building
2nd floor, Horniman Circle
Fort, Mumbai 400 001.
Phone: (022) 2270 2485 2264 1376
Fax : (022) 22641349
Email : sharexindia@vsnl.com

x) Share Transfer System:

The Company has retained M/s. 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 days. Share certificates received at the Registered office are also sent to Registrar and Transfer Agents for doing the needful. In case of electronic transfers, the bye-laws of depositories are complied with.

The Company also offers transfer-cum-demat facility for the convenience of the investors.



REPORT ON CORPORATE GOVERNANCE

xi) Distribution of Shareholding

The distribution of shareholding as on 31st March, 2009 are as under:

Range		Shares holders		Total Amount	
Rs.	Rs.	Numbers	% to Total Nos	In Rs.	% to Total Amount
(1)	(2)	(3)	(4)	(5)	(6)
Upto	5,000	393	74.01	11,64,250	2.80
5,001 to	10,000	49	9.23	4,41,000	1.06
10,001 to	20,000	18	3.39	2,93,750	0.71
20,001 to	30,000	9	1.69	2,21,000	0.53
30,001 to	40,000	2	0.38	69,750	0.17
40,001 to	50,000	8	1.51	3,75,000	0.90
50,001 to	1,00,000	12	2.26	9,83,000	2.37
1,00,001 and above		40	7.53	3,79,88,050	91.46
Total		531	100	415,35,800	100

xii) The categories of shareholding as on 31.03.2009 was as under:-

Sr. No.	Category	No of Shares held .	Percentage (%)
1	Indian Promoters	27,39,070	65.94
2	Banks, Financial Institutions & Insurance Companies	73,700	1.77
3	Private Corporate Bodies	2,34,600	5.65
4	Indian Public	11,06,210	26.64
TOTAL		41,53,580	100



REPORT ON CORPORATE GOVERNANCE

xiii) Dematerialization of shares and liquidity :

Electronic holdings			Physical holdings			Total		
No. of Beneficial Owners	No. of shares	%	No. of Folios	No. of shares	%	No. of shares	No. of shares holders	%
197	36,49,945	88	332	5,03,635	12	529	41,53,580	100

xiv) Registered Office, Plant location and address for correspondence

GKB Ophthalmics Ltd.
 16-A, Tivim Industrial Estate.
 Mapusa - Goa 403 526
 Phone : (91 832) 2257253/ 335/ 336
 Fax : (91 832) 2257044
 Email : gkbgoa@bsnl.in

xv) Non-Mandatory Requirements : Not Adopted

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.

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 V of the Listing Agreement. The said code, which came into effect from 4th September, 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 31st March, 2009

FOR GKB Ophthalmics Ltd.,

Place: Mapusa-Goa.
 Date: 17th August, 2009

K. G. GUPTA
 CHAIRMAN & MANAGING DIRECTOR



**PRACTISING COMPANY SECRETARY'S CERTIFICATE TO THE MEMBERS OF
GKB OPHTHALMICS LIMITED**

I have examined the compliance of conditions of Corporate Governance by GKB OPHTHALMICS LIMITED, 16-A, Twim Industrial Estate, Mapusa, Goa 403 526 for the year ended 31st March 2009, 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 statements of the Company.

In my opinion and to the best of my information and according to the explanation 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.

I state that no investor grievance are pending for a period exceeding one month against the Company as per the records maintained by the Investors 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 : 17.08.2009

Place : Mangalore

CHETHAN NAYAK
COMPANY SECRETARY
C.P. No: 3140



**REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF GKB OPHTHALMICS LIMITED**

To,
The Members,
GKB Ophthalmics Limited,

1. We have audited the attached Balance Sheet of GKB Ophthalmics Limited, as at 31st March, 2009, the Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government Of India in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of checks of the books and records of the Company as we considered appropriate and the information and the explanations given to us during the course of audit. We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of the 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 these books;
 - (c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts read together with the significant accounting policies in schedule 'M' and notes appearing thereon, 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.



**REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF GKB OPHTHALMICS LIMITED**

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s. BORKAR & MUZUMDAR
Chartered Accountants

(A. N. NAIK)
Partner
(M. No. 30668)

PLACE : Panaji-Goa.
DATE : 17th August, 2009



ANNEXURE TO AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS OF GKB OPHTHALMICS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2009

1. (a) *The Company is in the process of updating its records showing full particulars, including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management at reasonable intervals. We are informed that discrepancies noticed on such verification will be dealt with in the books of accounts as and when records are updated.*
- (b) The Company has not disposed off any substantial part of fixed assets during the year.
2. (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, and on the basis of our examination of records of inventory, the Company is maintaining proper records of inventory. We have been informed that the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. (a) According to the information and explanations given to us, the Company has granted unsecured loans to two parties covered in the register maintained under Section 301 of the Companies act, 1956. The maximum amount involved during the year was Rs.46,88,987/- and the year end balance of loans granted to such parties was Rs.16,42,904/-.
- (b) The rate of interest and other terms & conditions of the above loans were not prima facie prejudicial to the interest of the Company, except that the terms of repayment of loans and the date on which interest is to be paid on the loans have not been stipulated.
- (c) In absence of stipulations regarding terms of repayment of loans and due date we are unable to express our opinion on whether receipt of principal and interest amount is regular.
- (d) In absence of stipulations regarding terms of repayment of loans and due date on which interest is to be paid we are unable to express our opinion on whether there is any amount overdue above Rupees one lakh and whether reasonable steps need to be taken for recovery of principal and interest.
- (e) The Company has not taken any loans, secured or unsecured from parties covered in the register maintained under section 301 of the Companies act, 1956.
- (f) Clause 4(iii) (f) and (g) are not applicable.
4. On the basis of our evaluation of internal control systems and according to the information and explanations given to us,



ANNEXURE TO AUDITORS' REPORT

we are of the opinion that internal control systems *with respect to the purchase of inventory and fixed assets and sale of goods need to be further improved to make it commensurate with the size of the company and nature of its business.* There have been no sales of services during the year.

5. In respect of the transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
 - (b) In respect of transactions with parties with whom transactions exceeding value of Rupees five lakhs have been entered into during the financial year, because of the specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules framed there under. We are informed that no order has been passed by the Company Law Board.
7. *The Company has an internal audit system but in our opinion its scope and coverage requires to be further widened to make it commensurate with the size and nature of the Company's business.*
8. Maintenance of cost records have not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including investor education and protection fund, Income tax, Sales tax, Wealth tax, Service Tax, Customs duty, Excise Duty, cess and other material statutory dues, where applicable with the appropriate authorities. *However during the year there were delays in depositing, with the appropriate authorities, undisputed statutory dues in respect of provident fund and employees state insurance.* There are no arrears of outstanding provident fund and employees state insurance dues as at the last day of the financial year for a period of more than six months from the date they became payable. *However the undisputed income tax (including fringe benefit tax) dues outstanding for more than six months from the date they become payable are Rs. 57,10,822/-.*
 - (b) According to the information and explanations given to us there are no cases of non-deposit with the appropriate authorities of disputed dues of sales tax/ income tax/ service tax/ customs duty/ wealth tax/ excise duty/ Cess except in the following cases:



ANNEXURE TO AUDITORS' REPORT

No.	Nature of Liability	Amount (Rs.)	Pending Before
1	Income Tax	33,96,154/-	Income Tax Appellate Tribunal
2.	Central Excise Duty	16,44,687/-	Joint Commissioner/Commissioner of customs and central excise (Appeals)
3.	Central Excise Duty	17,17,200/-	CESTAT

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under report and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to banks. The company does not have any borrowings from financial institutions and has not issued debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any statute applicable to chit fund / Nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. As informed and explained to us the company is not dealing in or trading in shares, securities, debentures, or other investments and hence requirement of paragraph 4(xiv) are not applicable to the company.
15. The Company has given guarantees to banks for loans taken by associate companies. According to the information and explanations given to us, such guarantees have been extended as a long-term involvement with those companies and there has been no default in repaying the loans. However, we are unable to opine 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 bank to attach the assets of the company on default by associate companies without attempting to recover in the first instance from the associate companies.
16. 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.
17. According to the records examined by us and according to information and explanations given to us, on an overall basis, no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the question of creating securities in respect thereof does not arise.



ANNEXURE TO AUDITORS' REPORT

20. During the year the Company has not raised money by any public issue.

21. To the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the financial year.

For M/s. BORKAR & MUZUMDAR
Chartered Accountants

(A. N. NAIK)
Partner
(M. No. 30668)

PLACE : Panaji-Goa.
DATE : 17th August, 2009



BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
a) Share Capital	A	41,535,800		41,535,800	
b) Reserves & Surplus	B	116,808,824	158,344,624	108,476,751	150,012,551
LOAN FUNDS					
Secured Loans	C		74,233,603		82,752,097
DEFERRED TAX LIABILITY (net)			11,243,358		13,615,140
TOTAL			243,821,585		246,379,788
APPLICATION OF FUNDS					
FIXED ASSETS					
a) Gross Block	D	170,867,533		168,489,440	
b) Less: Depreciation		87,184,904		75,640,426	
c) Net Block			83,682,629		92,849,014
INVESTMENTS					
	E		43,896,361		42,283,298
CURRENT ASSETS, LOANS & ADVANCES					
a) Interest accrued on Deposits	F	124,968		61,666	
b) Inventories		158,907,885		130,689,999	
c) Sundry Debtors		75,424,621		45,110,262	
d) Cash & Bank Balances		7,997,231		6,138,296	
e) Loans & Advances		42,716,688		41,324,591	
		<u>285,171,393</u>		<u>223,324,814</u>	
Less: CURRENT LIABILITIES & PROVISIONS					
a) Current Liabilities	G	111,597,523		72,055,915	
b) Provisions		57,331,275		40,021,423	
		<u>168,928,798</u>		<u>112,077,338</u>	
NET CURRENT ASSETS			116,242,595		111,247,476
TOTAL			243,821,585		246,379,788

Significant accounting policies & notes on accounts M

The schedules referred to above along with the explanatory notes form an integral part of the Accounts.

As per our report of even date attached

For **M/s. BORKAR & MUZUMDAR**

Chartered Accountants

(A. N. Naik)

Partner

Membership No. 30668

Panaji-Goa.

Date : 17th August, 2009

For and on behalf of the Board

K. G. GUPTA

- Chairman & Managing Director

K. M. GUPTA

- Director

B. K. GUPTA

- Director

R. K. GUPTA

- Director

VIKRAM GUPTA

- Director

GAURAV GUPTA

- Director

SOMNATH PRIOLKAR

- Director

NOEL DA SILVA

- CFO & Company Secretary

Mapusa -Goa

Date : 17th August, 2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE	2008-2009 Rupees	2007-2008 Rupees
INCOME		
SALES		
EXPORT	209,937,919	165,965,079
DOMESTIC	<u>78,631,479</u>	<u>21,614,338</u>
	288,569,398	187,579,417
LESS : EXCISE DUTY ON DOMESTIC SALES	<u>3,931,343</u>	<u>539,210</u>
NET SALES	284,638,055	187,040,207
OTHER INCOME	16,888,146	59,85,164
INCREASE IN STOCKS	<u>14,573,433</u>	<u>2,806,530</u>
	316,099,634	195,831,901
EXPENDITURE		
RAW MATERIALS CONSUMED	158,301,702	77,860,413
LENS PURCHASES	21,583,831	13,572,674
MANUFACTURING & OTHER EXPENSES	83,848,745	70,746,197
INTEREST AND FINANCE CHARGES	15,066,248	13,319,252
DEPRECIATION	<u>11,545,063</u>	<u>7,676,107</u>
	290,345,589	183,174,643
PROFIT BEFORE TAX	25,754,045	12,657,258
PROVISION FOR TAXATION		
I) CURRENT INCOME TAX	11,740,000	2,660,000
II) DEFERRED INCOME TAX	(2,371,782)	1,238,617
III) FRINGE BENEFIT TAX	350,373	346,060
IV) WEALTH TAX	<u>100,000</u>	<u>4,000</u>
	9,818,591	4,248,677
PROFIT AFTER TAX	15,935,454	8,408,581
PRIOR PERIOD ADJUSTMENTS		
i) FOR EXPENSE	147,747	59,965
ii) FOR FRINGE BENEFIT TAX	13,664	(65,517)
iii) FOR INCOME TAX	1,610,593	815,338
iv) FOR WEALTH TAX	-	4,000
	1,772,004	813,786
PROFIT AFTER TAX & PRIOR PERIOD ADJUSTMENTS	14,163,450	7,594,795
BALANCE IN PROFIT & LOSS ACCOUNT BROUGHT FORWARD	<u>18,586,482</u>	<u>14,879,271</u>
PROFIT AVAILABLE FOR APPROPRIATION	32,749,932	22,474,066
APPROPRIATIONS		
PROPOSED DIVIDEND ON EQUITY SHARES	4,984,296	3,322,864
ADDITIONAL TAX ON DIVIDEND	847,081	564,720
TRANSFER TO GENERAL RESERVE	<u>1,000,000</u>	<u>-</u>
	6,831,377	3,887,584
BALANCE OF PROFIT CARRIED TO BALANCE SHEET	25,918,555	18,586,482
EARNING PER SHARE (Refer Note 20 of Sch M)		
BASIC/ DILUTED EPS (Rs.)	3.41	1.83

significant accounting policies and notes on accounts M

The schedules referred to above along with the explanatory notes form an integral part of the Accounts.

As per our report of even date attached

For **M/s. BORKAR & MUZUMDAR**

Chartered Accountants

(A. N. Naik)

Partner

Membership No. 30668

Panaji-Goa.

Date : 17th August, 2009

For and on behalf of the Board

K. G. GUPTA - Chairman & Managing Director

K. M. GUPTA - Director

B. K. GUPTA - Director

R. K. GUPTA - Director

VIKRAM GUPTA - Director

GAURAV GUPTA - Director

SOMNATH PRIOLKAR - Director

NOEL DA SILVA - CFO & Company Secretary

Mapusa-Goa

Date : 17th August, 2009



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 'A': SHARE CAPITAL				
AUTHORISED				
70,00,000 Equity Shares of Rs. 10/- each		<u>70,000,000</u>		<u>70,000,000</u>
ISSUED				
41,99,980 Equity shares of Rs. 10/- each		<u>41,999,800</u>		<u>41,999,800</u>
SUBSCRIBED AND PAID UP				
41,53,580 Equity Shares of Rs. 10/- each		<u>41,535,800</u>		<u>41,535,800</u>
(Out of the above, shares of 27,44,982 are allotted as fully paid up Bonus shares by way of capitalization of General Reserve and premium on Equity shares.)				
SCHEDULE 'B': RESERVES & SURPLUS				
CAPITAL RESERVE				
Balance as per last Balance Sheet		4,328,500		4,328,500
SHARE PREMIUM ACCOUNT				
Balance as per last Balance Sheet		20,276,000		20,276,000
INVESTMENT ALLOWANCE (UTILISED) RESERVE				
Balance as per last Balance Sheet		2,229,150		2,229,150
GENERAL RESERVE				
Balance as per last Balance Sheet		63,056,619		64,254,840
Add: Transfer from Profit & Loss Account		1,000,000		-
(Less:)Liability for certain Employees/ Directors cost upto 31.03.2007				(1,198,221)
Balance carried forward		<u>64,056,619</u>		<u>63,056,619</u>
PROFIT & LOSS ACCOUNT				
Balance carried forward		<u>25,918,555</u>		<u>18,586,482</u>
TOTAL		<u>116,808,824</u>		<u>108,476,751</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 'C'				
SECURED LOANS				
(A) LOANS FROM BANKS				
i) Term loans	4,331,172		7,533,425	
ii) Working Capital loans	69,719,463		74,923,057	
		74,050,635		82,456,482
(B) Liability for vehicles purchased under Hire purchase Agreement		182,968		295,615
TOTAL		74,233,603		82,752,097

NOTES

- i) Term loan of Rs.37,50,633/- (Previous year Rs. 67,45,200/-) secured by hypothecation of Plant and machinery and personal guarantees of three Directors of the Company.
- ii) Term loan of Rs.5,80,539/- (Previous year Rs.7,88,225/-) is secured by hypothecation of Vehicle.
- iii) Term loan includes Rs.30,09,600/- (Previous year Rs. 30,09,600/-) due within the next 12 months.
- iv) Working capital loan from bank is secured by hypothecation of raw materials, stock in transit, finished goods, stores & spares, Book debts and other receivables, both present and future & further secured by irrevocable joint and several personal guarantees of three Directors of the Company.
- v) Liability for vehicles under Hire Purchase agreement is secured by hypothecation of Vehicles.



GKB Ophthalmics Ltd.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 'D' - FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.04.2008 Rupees	Additions Rupees	Sales/ Deduction Rupees	As on 31.03.2009 Rupees	Upto 1.04.2008 Rupees	Deductions Rupees	For the Year Rupees	Upto 31.03.2009 Rupees	As on 31.03.2009 Rupees	As on 31.03.2008 Rupees
Land (Leasehold)	895,500	—	—	895,500	56,164	—	9,426	65,590	829,910	839,336
BUILDING	27,012,671	769,035	—	27,781,706	3,721,934	—	746,889	4,468,823	23,312,883	23,290,737
PLANT & MACHINERY	121,563,118	1,667,567*	675,280*	122,555,405	62,822,744	585	9,596,708	72,418,867	50,136,538	58,740,374
FURNITURE & FIXTURE	6,953,298	544,940	—	7,498,238	4,499,510	—	425,955	4,925,465	2,572,773	2,453,788
ELECTRICAL INSTALLATION	5,303,553	—	—	5,303,553	2,137,868	—	182,907	2,320,775	2,982,778	3,165,685
OFFICE EQUIPMENT	1,655,778	71,831	—	1,727,609	713,721	—	98,888	812,609	915,000	942,057
VEHICLES	819,900	—	—	819,900	655,959	—	77,156	733,115	86,785	163,941
-Assets taken under H.P. Agreement Vehicles	4,285,622	—	—	4,285,622	1,032,526	—	407,134	1,439,660	2,845,962	3,253,096
TOTAL	168,489,440	3,053,373	675,280	170,867,533	75,640,426	585	11,545,063	87,184,904	83,682,629	92,849,014
PREV. YEAR	159,797,973	14,347,658	5,656,191	168,489,440	69,672,637	1,708,318	7,676,107	75,640,426	92,849,014	—

* Includes Machinery costing Rs. 6,03,622/- imported by the company during the year and sold immediately to GKB Vision Ltd., (a company in which three directors of the company are directors) at cost. No depreciation has been charged on the said machinery.



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 'E'				
INVESTMENTS - LONG TERM TRADE (UNQUOTED)				
28,76,000 Equity Shares of Rs. 10/- each in Prime Ophthalmic Products Pvt Ltd		28,760,000		28,760,000
10,60,986 Equity Shares of Rs. 10/- each in GKB Vision Ltd.		10,609,860		10,609,860
1 Share of GKB Ophthalmics GmbH, Bremen, Germany (Refer Note 3 of Sch. (M))		1,081,488		1,081,488
1 Share of GKB Ophthalmics Products FZE, Saif Zone, Sharjah U.AE. (Refer Note 4 of Sch. M)		1,830,150		1,830,150
1 Equity Share of Rs. 10/- each in Crysta Lenses Pvt Ltd		1,800		1,800
Share application money with Indo Prime Visual Technologies Pvt. Ltd.		1,613,063		-
TOTAL		43,896,361		42,283,298

SCHEDULE 'F'
CURRENT ASSETS, LOANS AND ADVANCES:

a) INTEREST ACCRUED ON DEPOSITS		124,968		61,666
b) INVENTORIES				
(Stocks as per inventories taken, valued and certified by the Managing Director)				
Stores and Spares	11,094,826		10,523,986	
Raw Materials	74,562,934		61,954,794	
Packing Materials	1,415,149		949,676	
Work in process	5,674,228		6,224,225	
Finished Goods	66,160,748		51,037,318	
		158,907,885		130,689,999

INVENTORIES IN TRANSIT:

Note: Value of Inventories in Transit included above is:

	as at 31.03.09	as at 31.03.08
Stores and Spares	-	810,313
Raw Materials	23,847,907	16,759,782
	<u>23,847,907</u>	<u>17,570,095</u>

c) SUNDRY DEBTORS

Unsecured:

Debts outstanding for a period exceeding six months

Considered Good	20,021,680		16,355,504
Considered Doubtful	468,036		-
Other Debts			
Considered Good	55,402,941		28,754,758
	75,892,657		45,110,262

Less: Provision for Doubtful Debts

	468,036		-
	75,424,621		45,110,262



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
(d) CASH & BANK BALANCES				
i) Cash in hand	7,310		9,311	
ii) Balances with Scheduled Banks:				
In Current Accounts	26,425		434,192	
In Margin Money Deposits Accounts*	7,733,016		5,602,633	
In Unclaimed Dividend Account	230,480		92,160	
		7,997,231		6,138,296
*Margin money deposit receipts for Rs. 77,33,016/- (Previous year Rs. 56,02,633/-) are pledged against Bank Guarantees and letter of credits.				
(e) LOANS AND ADVANCES				
(Unsecured considered good unless otherwise stated)				
i) Advances recoverable in cash or in kind or for value to be received	12,143,490		13,336,033	
ii) Advance Payment of Income Tax	27,112,658		25,122,407	
iii) Tax deducted at source	897,068		798,282	
iv) Advance payment of Fringe Benefit Tax	1,197,971		1,042,221	
v) Deposits (Include Rs. 1,13,370/- deposits with Govt. and Semi Govt. Bodies (Previous year : Rs. 1,13,370/-))	351,345		751,345	
vi) Balance with customs, Port trust etc.	1,014,156	42,716,688	274,303	41,324,591
TOTAL		285,171,393		223,324,814

SCHEDULE 'G'

CURRENT LIABILITIES & PROVISIONS

a) CURRENT LIABILITIES				
Sundry Creditors (includes Rs. 34,921/- (Previous year Rs. Nil) total outstanding dues to Micro, Small and Medium Enterprises)	96,843,029		62,604,215	
Overdrawn Bank balances as per books	5,749,165		2,224,762	
Advances against sales	2,985,632		3,216,462	
Unclaimed Dividend	230,480		92,160	
Other Liabilities	5,789,217		3,918,316	
		111,597,523		72,055,915
b) PROVISIONS				
Income Tax	44,078,841		30,728,248	
Fringe Benefit Tax	1,834,574		1,470,537	
Wealth Tax	108,000		8,000	
Proposed Dividend	4,984,296		3,322,864	
Additional Tax on Dividend	847,081		564,720	
Retirement benefits Employees /Directors liability	5,478,483		3,927,054	
		57,331,275		40,021,423
TOTAL		168,928,798		112,077,338



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH, 2009**

	2008-2009		2007-2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE ' H '				
OTHER INCOME				
Dividend income on long Term Investment (Gross)		6,210,783		1,270,783
Interest income (Gross)(Tax deducted at source Rs. 98,786/-) (Previous year Rs. 74,289/-)		1,849,250		12,99,270
Profit on sale of assets		140,857		63,18,506
Miscellaneous Income		113,138		-
Rent Income		90,000		90,000
Exchange rate Fluctuation		5,270,146		(3,016,919)
Excess liabilities and unclaimed balances written back		3,213,972		23,524
TOTAL		16,888,146		5,985,164

SCHEDULE ' I '

INCREASE IN STOCKS

Closing Stock in trade				
Finished Goods	66,160,748		51,037,318	
Work-in-Process	5,674,228		6,224,225	
		71,834,976		57,261,543
Less: Opening Stock in trade				
Finished Goods	51,037,318		46,591,835	
Work-in-Process	6,224,225	57,261,543	7,863,178	54,455,013
TOTAL		14,573,433		2,806,530

SCHEDULE ' J '

RAW MATERIALS CONSUMED

Opening Balance	61,954,794		53,796,325	
Add: Purchases	170,909,842	232,864,636	86,018,882	139,815,207
Less : Closing Balance		74,562,934		61,954,794
CONSUMED		158,301,702		77,860,413



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE 'K'		
MANUFACTURING & OTHER EXPENSES		
Salaries, Wages and Bonus	27,393,865	24,651,717
Contribution to Provident & other funds	2,664,732	2,923,370
Retiring Gratuity Including Contribution to Fund	610,655	577,314
Staff welfare	492,985	299,134
Power & Fuel	8,032,021	5,749,285
Freight	7,109,902	4,887,985
Packing Material consumed	43,70,043	3,326,712
Stores & Spares consumed	17,190,777	15,594,599
Other Manufacturing Expenses	3,978,471	1,332,362
Rent	472,000	746,100
Rates & Taxes	9,649	216,483
Travelling & Conveyance	2,765,204	3,660,355
Printing & Stationery	278,901	156,094
Postage & Telegraph	581,209	544,653
Legal & Professional Fees	864,466	447,781
Communication Charges	611,721	565,072
Insurance Charges	725,208	645,149
Advertisement & Publicity	53,920	56,659
Auditors' Remuneration	188,613	167,978
Repairs & Maintenance		
i) Plant & Machinery	1,022,281	586,999
ii) Building	243,593	248,215
iii) Other Assets	<u>1,158,965</u>	1,014,526
	2,424,839	1,849,740
Directors Sitting Fees	10,250	-
Provision for doubtful debts	468,036	-
Sundry Debit Balances Written off	-	1,186
Commission on sales	677,140	864,151
Miscellaneous Expenses	1,874,138	1,482,317
TOTAL	<u>83,848,745</u>	<u>70,746,196</u>

SCHEDULE 'L' INTEREST & FINANCE CHARGES

Interest on:		
- Fixed loans	414,264	799,930
- Others	<u>11,919,755</u>	10,146,194
	12,334,019	10,946,124
Finance Charges:		
- Bank Charges	2,704,476	2,362,433
- Hire Purchase Finance Charges	<u>27,753</u>	10,695
	2,732,229	2,373,128
TOTAL	<u>15,066,248</u>	<u>13,319,252</u>



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE 'M' - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

ACCOUNTING POLICIES:

a) Basis of preparation of Financial Statements:

- i) Financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles and provisions of Companies Act 1956, subject to what is stated herein below, as adopted consistently by the Company.
- ii) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

b) Fixed Assets:

- i) All fixed assets are valued at cost. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working conditions for intended use.
- ii) 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.

c) 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.

d) Inventories:

- i) Raw materials, stores & spares, 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 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 "First-in-first-out" 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.

e) 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 Profit and Loss Account.

b) Superannuation

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

Defined Benefit Plan

Leave Encashment:

The employees of the company are entitled to encashment of unavailed 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 unavailed 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 recognised in the statement of profit or loss as income or expense



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Gratuity

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.

f) 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.

g) Investments:

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

h) 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.

i) Impairment of Assets :

At each Balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the profit & loss account to the extent the carrying amount exceeds the recoverable amount.

j) Sales:

i) Sales are net of VAT, Sales tax & sales returns.

ii) Sales include excise duty, cess and insurance charges and freight recoverable from the customers.

iii) Sales of goods is recognised on transfer of property in goods, as per agreed terms.



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

II NOTES ON ACCOUNTS:

1	Contingent liabilities not provided for:	As at 31.3.2009	As at 31.3.2008
(a)	Letter of credit outstanding	47,198,856	34,278,739
(b)	Bank Guarantees	4,371,393	31,72,500
(c)	Corporate Guarantees	52,198,000	58,198,000
(d)	Bills discounted	37,327,266	35,381,173
(e)	Disputed Demand in respect of:		
	- Income Tax	3,396,154	4,414,507
	- Central Excise	3,361,887	3,361,887

2 Information pursuant to the provisions of paragraphs 3 & 4 of part II of Schedule VI of the Companies Act, 1956, as applicable is given below:

A)	Capacity and Production (Ophthalmic Lenses)	2008-2009 Pieces(Nos)	2007-08 Pieces (Nos)
	Licenced Capacity	NA*	NA*
	Installed Capacity (On single shift basis)**	4,500,000	4,500,000
	Actual Production during the year	3,412,298	2,089,595

* Not Applicable due to the abolition of Industrial licenses as per notification issued under the Industries Development & regulation Act 1951.

** Installed Capacity is as certified by the Managing Director & relied upon by the auditors, being a technical matter.

3) Turnover, Opening and Closing stock of Finished Goods (Ophthalmic Lenses)

	2008-2009		2007-2008	
	Qty (pcs)	Value (Rs.)	Qty (pcs)	Value (Rs.)
Opening Stock	873,558	51,037,318	1,013,790	46,591,835
Purchases	575,773	21,583,831	189,685	13,572,674
Sales	3,652,629	284,638,055	2,419,512	187,040,207
Closing Stock	1,209,000	66,160,747	873,558	51,037,318

C) Raw Materials Consumed

	2008-2009		2007-2008	
	Qty (pcs)	Value (Rs.)	Qty (pcs)	Value (Rs.)
Planks	3,783,600	158,301,702	2,253,823	77,860,413



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

D) Value of Raw Materials Consumed:

	2008-2009		2007-2008	
	Rs.	%	Rs.	%
Imported	133,717,984	84	77,805,660	99.93
Indigenous	24,583,718	16	54,753	00.07
	<u>158,301,702</u>	<u>100</u>	<u>77,860,413</u>	<u>100</u>

E) Value of Stores and Spares Consumed:

	2008-2009		2007-2008	
	Rs.	%	Rs.	%
Imported	8,521,073	49.57	8,465,891	54
Indigenous	8,669,704	50.43	7,128,708	46
	<u>17,190,777</u>	<u>100</u>	<u>15,594,599</u>	<u>100</u>

F) Value of imports calculated on CIF Basis

	2008-2009 Rs.	2007-2008 Rs.
Blanks/Lenses*	159,688,201	97,878,724
Stores & Spares/ Packing/ other material from EOUs **	9,782,516	8,359,077
Capital Goods	603,622	-
	<u>170,074,339</u>	<u>106,237,801</u>
* Blanks/ Lenses includes purchases from other EOUs	19,231,157	12,623,004
* Blanks/ Lenses includes Stock in transit costing	23,847,907	16,759,782
** Stores & Spares includes Stock in transit costing	-	810,314
** Stores & Spares/Packing/other material From EOUs	-	1,919,804

G) Expenditure in Foreign Currency on Account of

	2008-2009 Rs.	2007-2008 Rs.
Foreign Sales Tours	347,044	818,909
Commission	677,140	864,151
	<u>1,024,184</u>	<u>1,683,060</u>



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

H) Earnings in Foreign Exchange (on accrual basis)

	2008-2009 Rs.	2007-2008 Rs.
Export of goods (FOB Value)*	202,663,759	161,228,977
Others (Freight, Insurance etc.)	7,274,160	4,736,102
Dividend received	4,940,000	-
	<u>214,877,919</u>	<u>165,965,079</u>
*Includes deemed Export made to other EOUs.	9,821,162	13,175,072

- 3 a) The Company had during the earlier years invested a sum of Euros 127,822.92 (Rs. 53,99,488/-) in GKB Ophthalmics GmbH, in Germany. During the financial year 2004-05, GmbH had refunded Euros 60,000/- at cost in partial disinvestment of capital reserves i.e. export of lenses converted into equity. During the financial year 2006-07, GmbH has further refunded 24,258/- Euros at cost in partial disinvestment of Capital reserve. As on the year end, the Company holds a n investment of Euros 25,624.92 (Rs. 10,81,488/-) in GmbH.
- b) The GmbH has informed the Company that although it holds the entire capital of the GmbH there is no "Subsidiary - Holding Company" relationship between the two Companies as per the German Law. The latest financial statement received from the GmbH is for the year ended 31.12.2008 and GmbH has incurred a loss in Euro 691,20 compared to the Loss of Euros 526,23 in the previous year ended on 31.12.2007. The financial statement of the company and GKB Ophthalmics GmbH, a company incorporated in Germany has therefore not been consolidated due to absence of subsidiary holding relationship.
- c) The GmbH has also intimated to the Company that it holds in the GmbH only one share for the entire investment. No share Certificate has however been issued to the company, since as per the German Law no such certificate is required to be issued to the shareholder.
- 4 a) The Company had during the earlier year invested a sum of DHS 150,000/- (Rs.1,830,150/-) in GKB Ophthalmic Products FZE in SAIF Zone, Sharjah, U.A.E. The GKB Ophthalmic Products FZE ("the FZE") was incorporated on 29.02.2004 in the Sharjah Airport International Free Zone, Sharjah as a Free Zone Establishment with limited Liability.
- b) The FZE has informed the Company that although it holds the entire capital of the FZE there is no "Subsidiary - Holding Company" relationship between the two Companies as per the U.A.E Law. The enterprise is licensed to import, export and Distribution of Optical Products. The latest financial statement received from the FZE is for the year ended 31.12.2008 and the FZE has earned a profit of DHS 2,894,222/- as compared to the profits of DHS 2,072,853/- previous period ended 31.12.2007. The financial statement of the Company and GKB Ophthalmics Products FZE, an establishment incorporated in U.A.E have therefore not been consolidated due to absence of subsidiary holding relationship.
- c) The FZE has also intimated to the Company that it holds in the Establishment only one share of DHS. 150,000/- for the entire investment.



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

5 Advances recoverable in cash or in kind or for value to be received include:

	as at 31.03.2009	As at 31.03.2008	Maximum Outstanding during the year	Maximum Outstanding during the previous year
	Rs.	Rs.	Rs.	Rs.
i) Amount due from a Company in which three directors of the Company are directors: Prime Ophthalmic Products Pvt. Ltd.	1,642,904	1,500,369	1,642,904	1,500,369
ii) Amount due from a Company in which three directors of the Company are directors: GKB Vision Ltd.		3,188,618	3,188,618	3,707,950

6 Particulars in respect of Loans and Advance in the nature of loans as required by the listing agreement

	As at 31.03.2009	As at 31.03.2008	Maximum Outstanding during the year	Maximum Outstanding during the previous year
	Rs.	Rs.	Rs.	Rs.
A) Loans and advances in the nature of loans to Associate:				
i) Prime Ophthalmic Products Pvt. Ltd	1,642,904	1,500,369	1,642,904	1,500,369
ii) GKB Vision Limited.	-	3,188,618	3,188,618	4,151,249
B) Loans and advances in the nature of Loans where repayment schedule is not specified or is beyond 7 years				
i) Prime Ophthalmic Products Pvt. Ltd	1,642,904	1,500,369	1,642,904	1,500,369
ii) GKB Vision Limited		3,188,618	3,188,618	4,151,249

Note: There were no Loans & Advances where interest is not charged or charged below bank rate.



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

7 Sundry Debtors includes:

	As at 31.03.2009	As at 31.03.2008	Maximum Outstanding during the year	Maximum Outstanding during the previous year
	Rs.	Rs.	Rs.	Rs.
i) Amount due from a Company in which two directors of the Company are directors: Prime Lenses Pvt. Ltd.	2,500,692	104,412	2,725,661	1,117,480
ii) Amount due from a Company in which three directors of the Company are directors: GKB Vision Ltd.				12,752,318
iii) Amount due from an Establishment under the same management: GKB Ophthalmic Products FZE	18,701,433	13,270,039	21,663,413	20,409,583
iv) Amount due from an Company in which three Directors of the Company are Directors: Prime Ophthalmics (P) Pvt Ltd	19,843,992	12,274,213	12,349,176	12,274,213
v) Amount due from Directors	-	1,260,000	1,346,061	1,260,000
vi) Amount due from Partnership Firm in which one Director of the Company is director: Gopal Krishna & Bros	-	770,477	768,018	1,282,409
vii) Amount due from a company in which one director of the company is a director: GKB Rx lens Pvt Ltd	410,417	68,398	410,417	68,398

8 After the end of the year, the Company has sent Balance Confirmation letters to the parties showing debit/credit outstanding balances as on 31st March, 2009. Some of the parties have confirmed their balances. Necessary adjustments, if any shall be made in the accounts on the settlements of the outstanding balances of the other remaining parties.

9 Unclaimed Dividend: There is no amount due to be credited to Investors Education & Protection fund

10. Sales Returns:	2008-2009	2007-2008
Sale of goods are net of returns relating to earlier years	<u>334,333</u>	<u>2,287,875</u>
11 Purchases are net for transfers made to Associate EOU:		
i) Raw Material	555,021	3,796,962
ii) Stores and Spares	-	47,445
	<u>555,021</u>	<u>3,844,407</u>
12 Managerial Remuneration:		
Remuneration to Managing Director		
Salaries	1,500,000	2,460,000
Contribution to Provident Fund	180,000	295,200
Estimated value of perquisites	169,200	169,200
Provision for Gratuity	282,584	106,215
	<u>2,131,784</u>	<u>3,030,615</u>



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Company has been advised that the computation of net profit for the purpose of Directors remuneration under section 349 of Companies Act, 1956 need not be enumerated since no commission by way of percentage of profits is payable for the year to any of the directors of the Company.

	2008-09	2007-08
13 Auditors' Remuneration		
(i) For statutory audit	137,875	129,214
(ii) For tax audit	44,120	33,708
(iii) For expenses reimbursed	6,618	5,056
	<u>188,613</u>	<u>167,978</u>

14 Prior period adjustment represent:

Commission on sales	-	143,410
Sales of Goods	-	(150,620)
Miscellaneous expenses	-	11,554
Auditors Remuneration	-	5,056
Interest on Term Loan	-	(76,229)
ESI Interest & Damages	-	87,725
Stores & Spares	-	39,069
Travelling expense	127,293	-
Service Tax	114	-
Sales tax paid	20,340	-
	<u>147,747</u>	<u>59,965</u>

15. Payment of Cess

The Company has not made any provision for the Cess under provision of section 441A of the Company's Act, 1956 in the absence of notification regarding rate and manner of remittance.

16. Micro, Small & Medium Enterprises Development Act, 2006

Disclosure pertaining to Micro, Small & Medium Enterprises (as per information available with the company) :

No.	Particulars	As at 31.03.2009	As at 31.03.2008
1	Principal amount due to supplier under MSMED Act, 2006	30,684	-
2	Interest accrued, due to supplier under MSMED Act on the above amount and unpaid	4,237	-
3	Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
4	Interest paid to supplier under MSMED Act (other than section 16)	-	-
5	Interest paid to supplier under MSMED Act (Section 16)	-	-
6	Interest due & payable towards supplier under MSMED Act for payments already made	-	-
7	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	4,237	-



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

17 Disclosure of related parties/related party transactions :

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is made. Also no amounts have been written off or written back during the year in respect of debts due from related parties.

i) List of Related parties :

Associate Companies/firms/parties

- | | | |
|------------------------------|-----------------------------------|--|
| 1. Prime Lenses Pvt. Ltd | 5. GKB Rx lens Pvt. Ltd. | 9. Prime Ophthalmic Products Pvt. Ltd. |
| 2. GKB Vision Limited. | 6. Mega motion infotech Pvt. Ltd. | 10. Indo Prime Visual Technologies Pvt. Ltd. |
| 3. GKB Optical Limited. | 7. GKB Ophthalmics Products FZE | 11. Crysta lenses Pvt. Ltd. |
| 4. Gopal Krishna & Brothers. | 8. GKB Ophthalmics GmbH | |

Key Management Personnel

1. Mr. K. G. Gupta - Chairman & Managing Director
2. Mr. Vikram Gupta - Wholetime Director (upto 31st March, 2008)

Relatives of

Key Management Personnel.

- | | | |
|------------------------|--------------------|-----------------------|
| 1. Mrs. Veena Gupta | 5. Mr. R. K. Gupta | 9. Mrs. Usha Gupta |
| 2. Mr. Gaurav Gupta | 6. Mr. B. K. Gupta | 10. Mrs. Sushma Gupta |
| 3. Mrs. Shefali Chawla | 7. Mrs. Uma Gupta | 11. Mr. N. K. Gupta |
| 4. Mr. Vipul Chawla | 8. Mr. K. M. Gupta | 12. Dr. G. N. Agrawal |

NOTE : Related party relationship is as identified by the Company and relied upon by the Auditors.

ii). Disclosure of related party transactions :

Nature of transaction /relationship :	2008-2009	2007-2008
(a) Purchase of Goods :		
Associate		
GKB Vision Ltd	16344548	13,010,745
GKB Ophthalmics Products FZE	6290747	-
GKB Optical Ltd	3869274	-
GKB Rx Lenses Pvt Ltd	18288	-
(b) Sale of Goods :		
Associate		
GKB Vision Ltd	7,335,962	12,868,470
Prime Ophthalmics Products Pvt Ltd	11,696,614	11,994,827
Prime lenses Pvt Ltd	5,702,621	2,617,749
GKB Ophthalmics Products FZE	38,105,406	18,880,886
GKB Optical Ltd	2,836,542	349,474
Gopal Krishna & Brothers	2,754	367,013
GKB Rx Lenses Pvt Ltd	1,099,361	68,398
(c) Sale of Fixed Asset :		
Associate		
GKB Vision Ltd	603,622	1,565,983
(d) Investment:		
Associate		
Indo Prime Visual technologies Pvt Ltd	1,613,063	

**NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	2008-09	2007-08
(e) Proceeds from sale of Investment:		
Associates		
Prime Ophthalmics Products Pvt Ltd		4,200,000
(f) Remuneration:		
Key Management Personnel :		
K.G.Gupta	2,131,784	1,955,415
Vikram Gupta	-	1,075,200
(g) Dividend paid :		
Key Management Personnel :		
K.G.Gupta	723,968	826,860
Vikram Gupta	260,728	275,000
Relatives of Key Management Personnel :		
Veena Gupta	228,720	285,900
Guarav Gupta	225,516	274,095
K.M.Gupta	346,440	433,050
Shefali Chawla	116,600	130,750
B.K.Gupta	151,200	189,000
Usha Gupta	167,200	209,000
R.K.Gupta	66,000	82,500
Uma Gupta	63,880	79,850
N.K.Gupta	1,200	1,500
Vipul Chawla	880	1,100
Sushma Gupta	1,800	2,250
Dr. G.N.Agarwal	800	29,500
Beena Agarwal	-	800
(h) Rent paid:		
Relative of Key Management Personnel :		
Veena Gupta	300,000	216,000
(l) Rent received :		
Associate		
Prime lenses Pvt Ltd	90,000	90,000
(i) Dividend received :		
Associate		
GKB Ophthalmics Products Fze	4,940,000	-
GKB Vision Ltd	1,270,783	1,270,783
(k) Interest received :		
Associate		
GKB Vision Ltd		342,764
Prime Ophthalmics Products Pvt Ltd	1,308,585	505,502
Gopal Krishna & Brothers		82,855



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-09	2007-08
Key management Personnel		
K.G.Gupta	86,061	11,340
Relatives to Key Management Personnel		
Veena Gupta	3,454	
iii) Amount due to / from related parties :		
1. Accounts receivable :		
Associate		
Prime Ophthalmics Products Pvt Ltd	19,843,992	12,274,614
Prime Lenses Pvt Ltd	2,500,692	104,412
GKB Ophthalmics Products FZE	17,549,403	13,270,039
GKB Rx Lenses Pvt Ltd	410,417	68,398
Gopal Krishna & Brothers		349,474
GKB Opticals Ltd		765,264
- Key management Personnel		
K.G.Gupta		1,260,000
- Relatives of Key management personnel		
Veena Gupta		263,340
2. Accounts payable :		
Associate		
GKB Vision Ltd	3,829,216	-
GKB Opticals Ltd	803,378	-
3. Loans & Advances recoverable :		
Associate		
Prime Ophthalmics Products Pvt Ltd	1,642,904	1,500,369
GKB Vision Ltd		3,188,618



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

18 Employee Benefits:
The company has adopted Accounting Standards 15 (Revised 2005) on Employee Benefits effective 1st April 2007.

Particulars	Gratuity (Funded) Rs. as on 31.03.2009	Gratuity (Funded) Rs. as on 31.03.2008	Gratuity (Non-Funded) Rs. as on 31.03.2009	Gratuity (Non-Funded) Rs. as on 31.03.2008	Leave Encashment as on 31.03.2009	Leave Encashment as on 31.03.2008
I Projected benefit obligation as on 1st April, 2008						
Service Cost	3,825,079	3,400,213	1,955,877	1,849,662	264,888	749,290
Interest Cost	380,962	374,469	-	98,428	49,201	204,697
Actuarial losses/ (Gains)	306,006	272,017	-	155,847	18,151	67,517
Benefits paid	(1,67,081)	(388)	282,584	(148,060)	1,209,425	(536,566)
Projected benefit obligation as on 31st March, 2009	4,272,733	3,825,079	2,238,461	1,955,877	174,404	220,050
II Change in Plan Asset						
Plan Asset at beginning at fair value	2,118,790	2,003,577	-	-	-	-
Expected return on Plan Assets	191,816	174,999	-	-	-	-
Actual Gain / (Loss)	161,599	161,446	-	-	-	-
Contributions	72,233	221,232	-	-	-	-
Benefit paid	2,399,972	2,118,790	-	-	-	-
Plan Asset at period end at fair value	4,272,733	3,825,079	2,238,461	1,955,877	1,367,261	264,888
III Amount recognised in the Balance Sheet :						
Projected benefit obligation at the end of the year	4,272,733	3,825,079	2,238,461	1,955,877	1,367,261	264,888
Fair value of the plan asset at the end of the year	2,399,972	2,118,790	-	-	-	-
Liability recognised in the balance sheet	1,872,761	1,706,289	2,238,461	1,955,877	1,367,261	264,888
IV Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2009 :						
Current Service Cost	380,962	374,469	-	98,428	49,201	204,697
Interest Cost	306,006	272,017	-	155,847	18,151	67,517
Expected return on plan assets	191,816	174,999	-	-	-	-
Net Actuarial Losses/(gains) recognised in the year	(1,67,081)	(388)	282,584	(148,060)	1,209,425	(536,566)
Expenses recognised in the profit and loss account	328,071	471,099	282,584	106,215	1,276,777	(264,352)
V Assumption :		As per LIC Mortality rate (1994-96)				
Rate of Mortality	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Discount Rate	8.00%	8.00%	N.A.	N.A.	N.A.	N.A.
Expected rate of return						



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

19. Segment Information:

i) **Primary Segments: Business Segment**

The Company is primarily engaged in a single segment business of a manufacture and sale of Ophthalmic lenses and that is the only primary reportable segment. The Company's operations are solely situated in India.

ii) **Secondary Segments: Geographical Segment**

Both the units of the Company are 100% Export Oriented Units. The secondary segmental reporting is based on the geographical location of customers. The geographical segments have been disclosed based on revenues within India (sales to customers in India) and revenues outside India (sales to customers located outside India)

	In India		Outside India		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Revenue (Rs.)						
Sales	84,521,298 *	34,250,200 *	200,116,757	152,790,007	284,638,055	187,040,207
Other	16,888,146	9,002,083			16,888,146	9,002,083

The Company has common Assets for producing goods for Domestic market and Overseas market. Hence separate figures for assets / additions to Fixed Assets cannot be furnished.

* Includes deemed export Sales of Rs 98,21,162/- (Previous Year Rs. 1,31,75,072/-) made to other EOU in India

20 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares. The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earnings per share remain the same.

	2008-2009	2007-2008
Net Profit attributable to shareholders (Rs.)	14,163,450	7,594,795
Weighted average numbers of equity shares	4,153,580	4,153,580
Basic / diluted earnings per share of Rs. 10/- each (Rs.)	3.41	1.83

21 Deferred Tax

Deferred Tax Liability		
On account of Depreciation	[A]	13,356,955
Deferred Tax Asset		
on Account of:		
Retirement benefits		1,862,136
Other Provisions including provision for doubtful debts		251,461
	[B]	2,113,597
Net Deferred tax liability	[A-B]	11,243,358
		13,615,140



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

22 Assets acquired on Hire Purchase Arrangement:

The Gross minimum lease payments and net minimum lease payments payable at the Balance Sheet date is as under

	Gross Minimum Lease payments		Net Minimum Lease payments	
	2008-2009	2007-2008	2008-2009	2007-2008
For a period not later than one year	140,400	140,400	126,088	112,647
For a period later than one year but not later than Five Years	58,500	198,900	56,880	182,968
For a period later than Five years	-	-	-	-
Total	<u>198,900</u>	<u>339,300</u>	<u>182,968</u>	<u>295,615</u>
Less: Finance Charges	15,932	43,685		
Net minimum Lease payment	182,968	295,615		

23 Excise duty

The company is a 100% EOU and as per prevailing laws & guidelines it is exempted from customs & excise duties & levies. The company is however required to pay custom duty which is in the nature of excise duty payable at concessional rates on domestic sales. During the year, the company has made domestic sales of Rs 7,47,00,136/- (excluding duty) on which excise duty of Rs.39,31,343/- has been paid to excise Department.

24 The product manufactured by the company do not have warranty period, hence provision for warranty as specified in AS-29 on provision, contingent liabilities and contingent assets is not required to be made.

25 Previous years figures have been regrouped and/or rearranged wherever considered necessary to make their classification comparable with that of the current year.



NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

26 Additional information as required under Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details:

Registration No. L26109GA1981 PL C000469 (CIN)
Balance Sheet Date 31st March, 2009
State Code 24

II. Capital raised during the Year : (Rs. In 000')

Public issue NIL
Bonus issue NIL
Right issue NIL
Private Placement NIL

III. Position of Mobilisation and Deployment of Funds: (Rs. In 000')

Total Liabilities 412,750
Total Assets 412,750

SOURCES OF FUNDS:

Paid-up Capital 41,536
Reserves & Surplus 116,809
Secured loans 74,234
Deferred Tax Liability 11,243

APPLICATION OF FUNDS:

Net Fixed Assets 83,683
Investment 43,896
Net Current Assets 116,243
Misc. Expenditure -

IV. Performance of Company: (Rs. In 000')

Turnover 301,526
Total Expenditure 275,920
Profit Before Tax 25,606
Profit After Tax 14,163
Earning Per Share (Rs.) 3.41
Dividend Rate (%) 12%

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC) 900140000
Product Description Ophthalmic lenses of glass & CR

The schedules referred to above along with the explanatory notes form an integral part of the Accounts.

As per our report of even date attached

For **M/s. BORKAR & MUZUMDAR**

Chartered Accountants

(A. N. Naik)

Partner

Membership No. 30668

Panaji-Goa.

Date : 17th August, 2009

For and on behalf of the Board

K. G. GUPTA - Chairman & Managing Director

K. M. GUPTA - Director

B. K. GUPTA - Director

R. K. GUPTA - Director

VIKRAM GUPTA - Director

GAURAV GUPTA - Director

SOMNATH PRIOLKAR - Director

NOEL DA SILVA - CFO & Company Secretary

Mapusa-Goa

Date : 17th August, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-09	2007-08
A. Cash flow from operating activities		
Net profit before tax	25,754,045	12,657,258
Adjustment for:		
Depreciation	11,545,063	7,676,107
Interest and finance Charges	15,066,248	13,319,252
Provision for directors /Employees Group Gratuity	449,056	415,868
Provision for leave encashment	1,102,373	(484,402)
Unrealised foreign exchange difference - net loss	708,167	1,856,233
Provision for doubtful debts	468,036	-
Dividend Income	(6,210,783)	(1,270,783)
Interest income	(1,849,250)	(1,299,270)
Profit on sale of fixed assets	(140,857)	(6,318,506)
Operating profit before working capital changes	46,892,098	26,551,757
Adjustment for:		
Decrease/(Increase) in trade and other receivables	(23,729,871)	2,109,011
Decrease/(Increase) in inventories	(28,217,886)	(7,330,147)
(Decrease)/Increase in trade and other payables	35,555,254	(7,039,738)
Cash generated from operations	30,499,595	14,290,883
less:		
Interest and finance charges paid	15,066,248	13,395,481
Direct taxes paid	2,244,787	4,224,618
Cash generated before prior period adjustment	13,188,560	(3,329,216)
less: prior period adjustment	147,747	59,965
Net cash (used in) from Operating Activities (A)	13,040,813	(3,389,181)
B. Cash flow from investing activities		
Payments for assets acquisitions	(3,053,373)	(14,347,658)
Proceeds on sale of fixed assets	815,552	10,266,379
Purchase of long term investment	(1,613,063)	-
Proceeds from sale of investment in associates	-	4,200,000
Advances with associate companies (net)	3,188,618	(981,037)
Interest received	477,363	407,441
Dividend received	1,270,783	1,270,783
Net cash (used in) from Investing Activities (B)	1,085,880	815,908
C. Cash flow from financing activities		
Proceeds from borrowings	3,414,153	11,682,052
Repayment of borrowings	(11,932,647)	(6,340,508)
Dividend (including tax on dividend) paid	(3,749,264)	(4,838,781)
Net cash (used in) from Financing Activities (C)	(12,267,758)	502,763
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1,858,935	(2,070,510)
Cash & Cash equivalents at the beginning of the year	6,138,296	8,208,806
Cash & Cash equivalents at the end of the year	7,997,231	6,138,296

Notes:

- 1) Cash and cash equivalents includes "Cash and Bank Balances" as disclosed under Schedule F of the annual accounts.
- 2) The aforesaid statement has been prepared under the indirect method, as set out in "Accounting Standard 3 -CashFlow Statement" issued by the Institute of Chartered Accountants of India.
- 3) Previous years figures are regrouped/ Reclassified wherever necessary.

As per our report of even date attached
For **M/s. BORKAR & MUZUMDAR**
Chartered Accountants

(A. N. Naik)
Partner
Membership No. 30668
Panaji-Goa.
Date : 17th August, 2009

For and on behalf of the Board

K. G. GUPTA - Chairman & Managing Director
K. M. GUPTA - Director
B. K. GUPTA - Director
R. K. GUPTA - Director
VIKRAM GUPTA - Director
GAURAV GUPTA - Director
SOMNATH PRIOLKAR - Director
NOEL DA SILVA - CFO & Company Secretary

Mapusa -Goa
Date : 17th August, 2009

GKB Ophthalmics Limited

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)

Leger Folio/DP :
Client ID No.(s) :
No. of shares :

I hereby record my presence of the 27th ANNUAL GENERAL MEETING of the Company held at the 11.00 A.M. on Saturday, 19th September, 2009 at the Registered Office of the Company.

Member/Proxy Signature

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

.....cut here

GKB Ophthalmics Limited

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

PROXY FORM

Proxy No :
Ledger Folio/DP
& Client ID No.(s) :
No. of shares :

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 27th ANNUAL GENERAL METTING of the Company to be held on 19th day of September, 2009 and any adjournment thereof.

As witness my hand this & _____ day of _____ 2009.

Signed by the said _____

Folio No. _____

No. of Shares held _____

Signature : _____

Affix Revenue Stamp of 1 Rupee

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.