ANNUAL REPORT
2011 - 2012

GKB Ophthalmics Ltd.

Main building of the Company

New building for manufacture of plastic lenses

GKB Ophthalmics Ltd.

BOARD OF DIRECTORS:

K. G. Gupta Chairman & Managing Director

K. M. Gupta

Vikram Gupta

Gaurav Gupta

Somnath SinaiPriolkar

Anil Palekar

Sadashiv Shet

Joseph A. A. D'Costa

CFO & COMPANY SECRETARY:

Noel da Silva

AUDITORS:

M/s Sharp & Tannan
Chartered Accountants
Mumbai

BANKERS:

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

REGISTERED OFFICE:

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

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

Contents

NOTICE

NOTICE is hereby given that the **THIRTIETH** ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Monday, August 13, 2012 at 11.00 A.M. at the Registered Office of the Company at 16-A, Tivim Industrial Estate, Mapusa – Goa, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. M. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vikram Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gaurav 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(s), 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 April 01, 2012 to March 31, 2015 .

   I. **Salary:** Rs. 1,25,000/- (Rupees 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.

NOTICE

IV. **Perquisites/Benefits:**

a) Reimbursement of domiciliary medical expenses and Mediclaim Policy for hospitalization for self and spouse.

b) Leave and Leave Travel Concession as per the rules of the Company.

c) Personal Accident Insurance Policy.

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.

The above remuneration shall be subject to the overall ceiling prescribed under Section 198, 269 and 309 read with Schedule XIII of the Companies Act , 1956.

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

May 30, 2012

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

Noel da Silva
CFO & Company Secretary

NOTICE

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A Proxy form, duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the August 6, 2012 to Monday, the August 13, 2012 (both days inclusive).

3. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting. They are also requested to bring their copies of the Annual Report. Copies of the Annual Report will not be distributed at the meeting.

4. Members holding shares in physical form are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company and to their respective Depository Participants, in case shares are held in electronic mode.

5. Members desirous of asking any questions at the Annual General Meeting (AGM) are requested to send in their questions so as to reach the Company at least 7 days before the AGM so that the same can be suitably replied.

6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at this AGM is annexed.

7. Dividends which remain unpaid/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund (IEPF) as per Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the shareholders shall lie for the unclaimed dividend transferred by the Company to IEPF.

NOTICE

8. Re-appointment of the Directors

   Details of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the listing agreement :

Name of the Director	**K. M. Gupta**	**Vikram Gupta**	**Gaurav Gupta**
Date of Birth	27.12.1941	27.09.1968	26.03.1972
Date of Appointment on the Board	10.12.1981	24.07.1996	03.07.1999
Qualifications	B.Com.	Engineering Graduate from IIT Mumbai.	Master in Computer Engineering from Iowa State University, USA.
Expertise	In the line of Ophthalmic Lenses	In the line of Ophthalmics Lenses	In the line of Ophthalmic Lenses
Directorship held in other public companies (excluding foreign and private companies)	Nil	Nil	Nil
Membership/ Chairmanships of committee in GKB Ophthalmics Limited	Chairman – Shareholders/ Investors' Grievance Committee	Member – Shareholders/ Investors' Grievance Committee	Member – Audit Committee
Shareholding of Non-Executive Directors	4,18,557 Shares	3,58,061 Shares	3,46,967 Shares
Relationship between directors inter-se	1. Related to K. G. Gupta Managing Director 2. Related to Vikram Gupta Non-Executive Director 3. Related to Mr. Gaurav Gupta Non-Executive Director	1. Related to K. G. Gupta Managing Director 2. Related to K. M. Gupta Non-Executive Director 3. Related to Mr. Gaurav Gupta Non-Executive Director	1. Related to K. G. Gupta Managing Director 2. Related to K. M. Gupta Non-Executive Director 3. Related to Mr. Vikram Gupta Non-Executive Director

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

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

May 30, 2012

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

Noel da Silva
CFO & Company Secretary

ANNEXURE TO THE NOTICE

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

Item No. 6

The Board of Directors at their meeting held on February 13, 2012, 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. April 01, 2012.

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

Mr. K. G. Gupta, Managing Director holds 7,53,909 equity shares in the Company.

The Remuneration Committee in its meeting held on February 13, 2012, has approved and recommended the appointment and remuneration of Mr. K. G. Gupta.

Mr. K. G. Gupta is interested in this resolution.

None of the Directors other than Mr. K. M. 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:

I. GENERAL INFORMATION:

(1) 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.

(2) Date or expected date of Commencement of Commercial Production:
The Company started its commercial production in the year 1983.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

(4) Financial performance based on given indicators: Rs. in lakhs

Financial Parameters	**2009-10**	**2010-11**	**2011-12**
Sales	3,891.32	2,775.91	3,233.65
Net Profit	118.61	20.27	171.00
Dividend %	12.00%	–	–

(5) Export performance and net foreign exchange collaborations:

Earnings in Foreign Exchange Rs. in lakhs

Particulars	**2009-10**	**2010-11**	**2011-12**
FOB Value of exports	3,233.00	1,862.32	2,367.92
Others (freight, insurance, etc.)	71.08	65.28	152.00
Dividend	44.67	–	101.41
Total	**3,348.75**	**1,927.60**	**2,621.33**

ANNEXURE TO THE NOTICE

(6) Foreign investments or Collaborations, if any:

The details of foreign investments are:

(i) One equity share of Dirhams 1,50,000/- in GKB Ophthalmics Products FZE, Sharjah, UAE, equivalent Rs. 18,30,150/- at par.

(ii) Investment of Euros 25,564.59 in GKB Ophthalmics GmbH Bremen, Germany, equivalent to Rs. 10,81,488/- at par.

II. INFORMATION ABOUT THE APPOINTEE:

(1) 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 over 50 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.

(2) Past Remuneration:

The last remuneration paid to Mr. K. G. Gupta was Rs. 19.21 lakhs for the year 2011-12. This was as per the terms approved by the shareholders in their meeting held on September 19, 2009 for a period of 3 years w.e.f. April 01, 2009 to March 31, 2012.

(3) Recognition and Awards:

(i) Mr. K. G. Gupta is the Past Chairman of Confederation of Indian Industry (CII) in Goa and is presently a member of Western Regional Council of CII.

(ii) Mr. K. G. Gupta is a member of Regional Governing Council for the year 2010-2012, SEEPZ, Special Economic Zone, Mumbai.

(iii) Under the leadership of Mr. K. G. Gupta, the Company has been winning the CAPEXIL Award for its performance in International Trade, since inception.

(iv) Also during the last term as Chairman and Managing Director, the Company has:

(a) Won the prestigious Business Today – YES Bank, Best SME award 2010, in the International Trade.

(b) Been accorded the status of Star Export House, by the Government of India, Ministry of Commerce and Industry, SEEPZ, Special Economic Zone, Mumbai, based on its performance in the International Trade.

(c) Been ISO certified – 9001: 2008, for the manufacture and supply of glass and plastic lenses and glass moulds.

(4) 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.

ANNEXURE TO THE NOTICE

The Sales Turnover increased from Rs. 2775.91 lakhs to Rs. 3,233.65 lakhs in spite of global recessionary trend.

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

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. April 01, 2012 to March 31, 2015.

(5) Remuneration Proposed:

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

(6) Comparative Remuneration:

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

(7) 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. Vikram Gupta and Mr. Gaurav Gupta, all Non-Executive Directors of the Company.

III. OTHER INFORMATION:

(1) Reasons for inadequacy of Profit : Not applicable

(2) Steps taken or proposed to be taken for improvement : Not applicable

(3) Expected increase in productivity and profits in measurable terms : Not applicable

IV. DISCLOSURES:

(1) An abstract dated March 30, 2012 of the terms of appointment and payment of remuneration of Mr. K. G. Gupta as Chairman and Managing Director and a Memorandum as to the nature of the concern or interest of the Director has been sent to members of the Company as required under Section 302 of the Companies Act, 1956.

(2) The disclosures regarding all elements of remuneration package and other required details have been made.

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

May 30, 2012

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

Noel da Silva
CFO & Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 30th Annual Report and the Audited Accounts of the year ended March 31, 2012.

FINANCIAL RESULTS:

Rs. in lakhs

		2011-12	2010-11
a)	Sales & Other Income	3,233.65	2,775.91
b)	Profit before Depreciation and Tax	334.64	113.41
c)	Provision for Depreciation	82.99	48.79
d)	Provision for Tax	80.66	44.35
e)	Profit after Depreciation and Tax	171.00	20.27
f)	Balance from previous years	329.75	309.48
g)	Proposed Dividend and Dividend Tax	–	–
h)	Transfer to Reserves	–	–
i)	Balance carried forward	500.75	329.75

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. 3,233.65 lakhs, as compared to Rs. 2,775.91 lakhs in the previous year, thereby showing an increase of 14%. Exports surged to Rs. 2,519.93 lakhs during year as against Rs. 1,927.60 lakhs, in the previous year, thereby indicating an increase of 31%.

CURRENT YEAR:

The Company's Unit 1, manufactures single vision glass lenses, whereas the Unit II, manufactures single vision, bifocal and photochromic plastic lenses.

The Unit I, is expected to maintain its market share, during the current year.

Unit II, presently manufactures 7,000 pieces per day of standard plastic lenses. The trial production of photochromic plastic lenses has already been successfully completed and commercial production has started recently and this unit presently manufactures 2,000 pieces of photochromic lenses per day. These are high value, high realisation products.

Most of the machinery, which was imported from Spain has since been installed and commissioned. The balance machinery is expected to be installed by end of August, 2012, which will led to increase of production capacity.

DIRECTORS' REPORT

Trial runs for High index 1.6 plastic lenses are expected to commence in September, 2012.

The expected developments augur well for your Company.

DIVIDEND:

With the view to conserve the resources, your Directors regret their inability to recommend any dividend for the year 2011-12.

ASSOCIATES AND SUBSIDIARIES:

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

The Company's Wholly Owned Subsidiary (WOS) in Sharjah, UAE, a Free Trade Zone Establishment, has achieved a turnover of Dirhams 10.65 million for the year ended December 31, 2011 as compared to Dirhams 14.14 million during the previous year. The net profit is Dirhams 1.61 million as compared to Dirhams 1.18 million during the previous year and has declared a dividend which entails an outflow of Dirhams 0.37 million.

The Joint Venture Company Indo Prime Visual Technologies Pvt. Ltd., has not been able to make progress, due to prevailing economic conditions, in Spain.

CORPORATE GOVERNANCE:

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

SOCIAL RESPONSIBILITY:

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

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

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

Mr. K. G. Gupta, Chairman and Managing Director, is in the forefront on the issues concerning Social Responsibility and is the Convener, CII Social Development, CSR and Affirmative Action Panel of CII, Goa Chapter.

Our Associate Company, GKB Vision Limited has successfully implemented an ecologically sound rain water harvesting project.

DIRECTORS' REPORT

INSURANCE:

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

FIXED DEPOSIT:

The Company has not accepted any deposits from the public during the year. No amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

PERSONNEL:

The relations between the employees and the management, during the year, have been cordial.

PARTICULARS OF EMPLOYEES:

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

FINANCE:

The Company has availed additional loans of Rs. 441.19 lakhs from financial institutions during the financial year ended March 31, 2012.

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

DIRECTORS' REPORT

AUDITORS:

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

AUDITORS' REPORT:

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

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

ii) With regard to paragraph (v)(b) of the said Annexure, comparable open market prices are not readily available.

iii) Paragraphs (ix)(a) and (b) and (xv) of the said Annexure are self explanatory.

iv) With regards to paragraphs (xi) of the said Annexure, the overdues to Bank and Financial Institution have since been regularised.

v) The observation made on Consolidated Financial Statements is self explanatory.

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

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

ACKNOWLEDGEMENT:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa, Goa

Date : May 30, 2012

K. G. GUPTA

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

Power consumption in the manufacturing activities of the Company is not of any major significance. Still energy conservation continues to receive adequate attention. General awareness has been created about the need to conserve energy.

(a) Energy Conservation measures taken:

(i) Scheduled and planned maintenance programme has resulted in improved performance of equipment.

(ii) Special analysis methods are used to improve performance of utilities like compressors, chillers, etc.

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

(i) Replacement of conventional chokes by electronic ballast.

(ii) Replacement of CRT monitors in PCs with LCD monitors.

(iii) Replacement of mechanical frequency convertors with variable frequency drives (VFD).

(iv) Use of Turbo Ventilators.

(v) Replacement of high rating induction motors with low rating motors.

(vi) Use of latest energy efficient Almonard make circulator for air circulation.

(vii) Automatic timer for street lights.

(viii) Installation of APFC (automatic power factor controller) panels in power circuits. Thus improving its power factor and enabling to claim rebate in energy bills.

(ix) Replacement of older air conditioners with energy efficient star rated air conditioners.

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

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

B. TECHNOLOGY ABSORPTION

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

ANNEXURE TO DIRECTORS' REPORT

Research and Development (R & D)

1. The specific areas where R & D is carried out are as follows:
   - (i) Sustaining quality, improvement and upgradation of production process of plastic lenses.
   - (ii) Further research on ways and measures to reduce rejections.
   - (iii) New products have been introduced.
   - (iv) Moulds manufacturing has been stabilised and volumes have increased.
2. Benefit derived as a result of above R & D:
   - (i) Import substitution at a low cost.
   - (ii) Increase in productivity.
   - (iii) Reduction of cost of plastic lens production due to partial inhouse production of moulds which are major input costs.
3. Future plan of action:
   - (i) Continuous indigenization of imported spares.
   - (ii) Introduction of new products/product range considering market requirements.
4. Expenditure on R & D (Rs. in lakhs):

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

Technology absorption, adaptation and innovation

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

   The technology we have adapted, is best suited for our products and it is absorbed in full. The Company is however, on look out for ways and means to further improve productivity by introducing innovations and developments in the Company's line of business.
2. Benefit derived as a result of the above efforts:
   Product quality improvement, cost reduction and import substitution.
3. Information regarding technology imported during the last 5 years:

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

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	2,257.10
Foreign exchange used	1,296.73
Net earnings	960.37

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mapusa, Goa
Date : May 30, 2012

K. G. GUPTA
CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAUTIONARY STATEMENT:

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

I i) Industry Structure and Development:

Glass lenses are being replaced by plastic lenses worldwide. Plastic lenses account for about 80% of the total production of lenses, whereas the glass lenses account for 20%.

In India, a large section of the population require Vision Correction, but the demand is comparatively still low due to lack of awareness, ignorance and high level of illiteracy. However, the situation is gradually changing and its signifies a huge growth potential.

ii) Opportunities and Threats:

There is growing demand for prescription lenses all over the world particularly in developing countries.

Opportunities also lie, in manufacture of glass moulds used in the production of plastic lenses. The Company has embarked on backward integration by manufacturing glass moulds which gives it an added advantage in manufacture of plastic lenses.

The threat lies for single vision glass lenses from large number of players in the unorganised sector who sell substandard lenses at cheaper 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 have displaced glass lenses to a great extent. Keeping with this new development, the Company has started production of plastic lenses in Unit II. Presently, Unit II manufactures 9,000 pieces per day, which is sought to be increased to 13,000 pieces per day, including 1,000 pieces per day of High Index 1.6 and 3,000 pieces per day of photochromic lenses in September, 2012. The total production of plastic lenses is sought to be increased to 18,000 pieces per day by the end of the financial year 2012-13.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

High Index 1.6 and photochromic plastic lenses are high value, high realisation products, which will contribute to revenue growth of the Company.

The Company is well poised to tap the growing opportunity in plastic lens segment.

Demand for glass lens will be there for some more years to come and this has become a niche product for the Company. Glass lenses have some inherent advantage over plastic lenses and are still preferred by some segment of consumers. They have good demand in developing countries of South America, Africa and Asia besides, some developed countries like Germany.

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.

Rare earth minerals are used in polishing of glass lenses. It is estimated that China has 99% of world's supply and has imposed tight quotas on its rare earth minerals. Due to consequent shortage, the prices of rare earth minerals have increased several times during the last one year.

The prices of High Index 1.8 and 1.9 blank glass lenses have also increased considerably, since rare earth minerals are used in their manufacture. Continued slow down in USA and renewed threat of recession in Europe are also cause for concern.

vi) Internal Control Systems and its Adequacy:

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

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

There has been overall improvement in the performance of the Company. During the year 2011-12, the Company's total income increased to Rs. 3,233.65 lakhs compared to Rs. 2,775.91 lakhs, in the previous year. Also during the year, the profit before depreciation and tax has increased to Rs. 334.64 lakhs compared to Rs. 113.41 lakhs during the previous year.

The Company is 100% Export Oriented Unit (EOU) and has earned net foreign exchange of Rs. 960.37 lakhs during the year 2011-12.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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:

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

The total number of permanent employees of the company as on March 31, 2012 was 307 out of which 162 employees are working for more than 10 years.

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

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

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, lenders and ensuring sound Corporate Governance practices. The Company also believes that its systems and procedures will enhance Corporate performance and maximise shareholders' value in the long term.

This report on Corporate Governance is as on March 31, 2012.

1. BOARD OF DIRECTORS

a) Composition of Board

The Composition of the Board is in conformity with the Clause 49 of the Listing Agreement.

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

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

Name of the Director	Category	No. of Board Meetings Attended	Whether attended the last AGM
K. G. Gupta	Chairman, Managing Director, Promoter & Executive	8	Yes
K. M. Gupta	Promoter & Non-Executive	1	No
Vikram Gupta	Promoter & Non-Executive	3	No
Gaurav Gupta	Promoter & Non-Executive	9	Yes
Somnath SinaiPriolkar	Independent & Non-Executive	0	No
Anil Palekar	Independent & Non-Executive	9	Yes
Sadashiv Shet	Independent & Non-Executive	9	Yes
Joseph A. A. D'Costa	Independent & Non-Executive	9	Yes

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

Last AGM was held on December 29, 2011.

REPORT ON CORPORATE GOVERNANCE

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

Nine Board Meetings were held during the year under review. They were held on May 15, 2011; August 13, 2011; August 29, 2011; September 16, 2011; October 15, 2011; November 02, 2011; November 14, 2011; December 01, 2011 and February 13, 2012.

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

2. AUDIT COMMITTEE

a) Composition

The Composition of the Audit Committee is in compliance with Clause 49 of the Listing Agreement. The Audit Committee comprises of four Non-Executive Independent Directors and one Non-Executive Promoter Director. Mr. Somnath SinaiPriolkar, is the Chairman of the Audit Committee.

All these Directors possess knowledge of Corporate Finance, Accounts and Company Law. Mr. Noel da Silva, CFO and Company Secretary, acts as the Secretary of the Committee.

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

b) The terms of reference include

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

c) Meetings and Attendance during the year

During the financial year ended March 31, 2012, eight meetings were held on May 15, 2011; August 13, 2011; August 29, 2011; September 10, 2011; September 16, 2011; October 15, 2011; November 14, 2011 and February 13, 2012.

REPORT ON CORPORATE GOVERNANCE

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

Name	No. of Meetings Attended
Somnath SinaiPriolkar	0
Gaurav Gupta	8
Anil Palekar	8
Sadashiv Shet	8
Joseph A. A. D'Costa	8

3. REMUNERATION COMMITTEE (Non-Mandatory)

a) Terms of Reference

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

b) Composition

Name of the Director	Category	Designation
Anil Palekar	Independent & Non-Executive	Chairman
Somnath SinaiPriolkar	Independent & Non-Executive	Member
Sadashiv Shet	Independent & Non-Executive	Member

A Remuneration Committee meeting was held on February 13, 2012.

c) Details of remuneration paid to all the Directors

The Non-Executive Directors are paid sitting fees for attending the Board/Committee Meetings and the payment is based on the number of meetings attended by them. Non-Executive Directors have not been paid any other fees or compensation.

REPORT ON CORPORATE GOVERNANCE

Remuneration paid to Managing Director, sitting fees paid to Non-Executive Directors and number of equity shares held by them are as under :-

Name of the Director	Salary Rs.	Benefits Rs.	Sitting fees Rs.	Total Rs.	Number of equity shares held
K. G. Gupta	15,00,000	4,21,316	–	19,21,316	7,53,909
K. M. Gupta	–	–	10,000	10,000	4,18,557
Vikram Gupta	–	–	30,000	30,000	3,58,061
Gaurav Gupta	–	–	85,000	85,000	3,46,967
Somnath SinaiPriolkar	–	–	–	–	1,200
Anil Palekar	–	–	90,000	90,000	–
Sadashiv Shet	–	–	90,000	90,000	–
Joseph A. A. D'Costa	–	–	85,000	85,000	–

4. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

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

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

During the year three meetings of the Committee were held on May 16, 2011; August 13, 2011 and February 13, 2012.

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

5. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2008-2009	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate, Mapusa – Goa.	September 19, 2009	11.00 A.M.
2009-2010	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate, Mapusa – Goa.	September 30, 2010	11.00 A.M.
2010-2011	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate, Mapusa – Goa.	December 29, 2011	11.00 A.M.

REPORT ON CORPORATE GOVERNANCE

A special resolution for re-appointment of Mr. K. G. Gupta as Managing Director of the Company was passed in the AGM held in 2009.

A special resolution for increasing the sitting fees of the Directors was passed in the AGM held in 2010. No special resolution was passed in the AGM held in 2011.

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

6. DISCLOSURES

(i) There were no significant transactions of related nature with the related parties viz promoters, directors or the management or their subsidiaries or relatives during the year that have potential conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS-18) have been made in the Annual Report.

(ii) There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have potential conflict with the interest of the Company at large.

(iii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(iv) Disclosures regarding re-appointment of Directors.

The details appear under Note 8 to the Notice for the Annual General Meeting.

7. MEANS OF COMMUNICATION

Quarterly, half yearly and annual results are normally published in the Economic Times and promptly submitted to the Stock Exchanges for display on their respective websites.

The results are also displayed in Company's website. www.gkb.net, which also displays official news releases.

8. GENERAL SHAREHOLDER INFORMATION

i. 30th Annual General Meeting

Date	:	August 13, 2012
Time	:	11.00 a.m.
Venue	:	Conference Room GKB Ophthalmics Limited 16-A, Tivim Industrial Estate, Mapusa - Goa 403 526

ii. Financial Year : The financial year of the Company is from April 1st to March 31st

REPORT ON CORPORATE GOVERNANCE

iii. Date of Book closure : August 6, 2012 to August 13, 2012 (both days inclusive)

iv. Dividend payment date : No dividend is proposed

v. Listing on Stock Exchanges : Bombay Stock Exchange Ltd. (BSE)
Madras Stock Exchange Ltd. (MSE)
Delhi Stock Exchange Ltd.(DSE)
Calcutta Stock Exchange Ltd.(CSE)

Annual Listing fee for the year 2012-13, has been paid to all the Exchanges

Trading on Stock Exchange : National Stock Exchange of India Ltd.(NSE) (Permitted to trade and admitted to dealings in the Capital Market Segment) in terms of agreement between NSE and MSE.

vi. Stock Code

BSE	:	533212
NSE /MSE		GKB
DSE		9179
CSE		017097
ISIN NUMBER		INE 256D01015

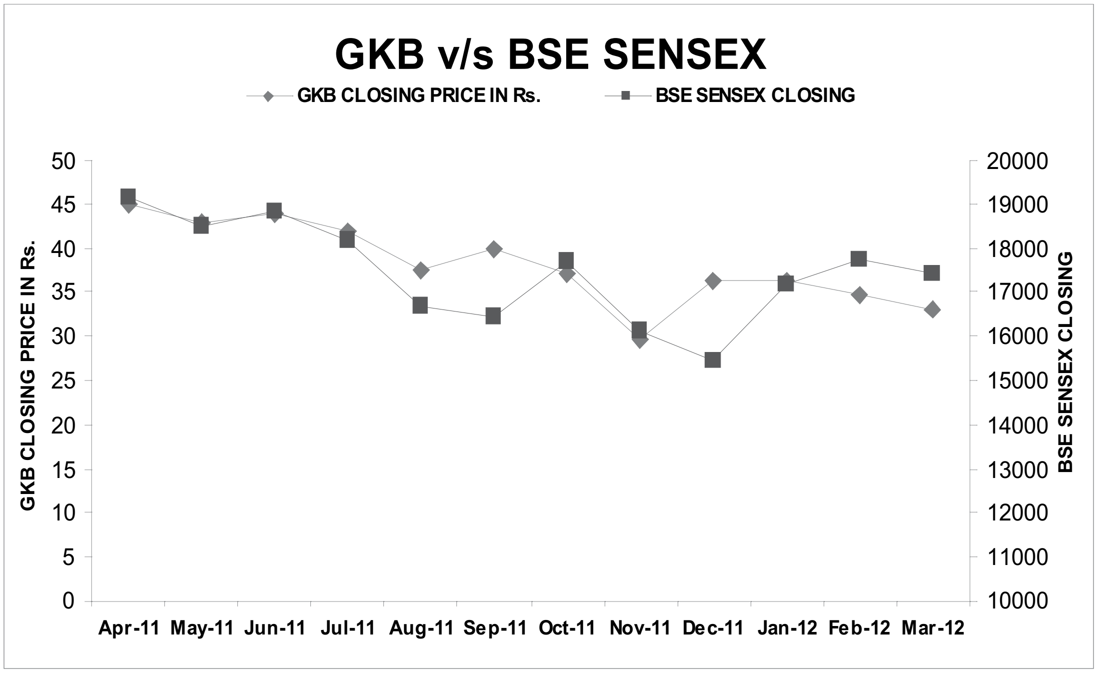
vii. Market Price Data

In Rs.

Month	BSE Equity Shares		NSE Equity Shares	
	High	Low	High	Low
April, 2011	50.25	38.20	52.60	37.00
May, 2011	50.00	38.65	53.95	38.00
June, 2011	47.55	37.65	47.00	37.50
July, 2011	49.80	37.50	45.00	39.00
August, 2011	48.40	33.45	45.55	35.50
September, 2011	47.90	33.55	43.95	35.50
October, 2011	43.95	33.85	42.50	32.00
November, 2011	42.85	28.30	39.00	28.05
December, 2011	37.00	24.60	35.00	25.50
January, 2012	38.40	30.15	39.85	28.80
February, 2012	41.45	34.20	41.50	33.85
March, 2012	37.40	31.85	36.50	30.00

REPORT ON CORPORATE GOVERNANCE

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



viii. Share Registrars & Transfer Agents

SHAREX DYNAMIC (INDIA) PVT. LTD.
Unit -1, Luthra Industrial Premises
Andheri – Kurla Road, Safed Pool
Andheri (E), Mumbai – 400 072
Phone: + 91 22 2851 5606/2851 5644
Fax: +91 22 2851 2885
Email: sharexindia@vsnl.com
Web: www.sharexindia.com

ix. Share Transfer System

The Company has retained Sharex Dynamic (India) Pvt. Ltd., Mumbai, to carry out the transfer related activities. Authorised Personnel are approving the transfer on periodical basis. All valid transfers are effected within stipulated time. Share certificates received at the Registered Office are also sent to Registrar and Transfer Agents for doing the needful.

REPORT ON CORPORATE GOVERNANCE

x. Distribution of Shareholding

The distribution of shareholding as on March 31, 2012 is as under:

Range	Shareholders		Total Amount	
Rs. Rs.	Number	% to Total Nos	Rs.	% to Total Amount
(1)	(2)	(3)	(4)	(5)
Upto 5,000	966	79.70	19,51,650	4.70
5,001 to 10,000	106	8.75	9,08,600	2.19
10,001 to 20,000	58	4.79	8,62,770	2.08
20,001 to 30,000	18	1.49	4,62,830	1.11
30,001 to 40,000	7	0.58	2,45,510	0.59
40,001 to 50,000	13	1.07	5,99,250	1.44
50,001 to 1,00,000	18	1.49	13,47,660	3.24
1,00,001 and above	26	2.15	3,51,57,530	84.64
Total	**1212**	**100.00**	**415,35,800**	**100.00**

xi. The categories of shareholding as on March 31, 2012 are as under:-

Sr. No.	Category	No. of Shares held	Percentage (%)
1	Indian Promoters	27,63,954	66.54
2	Banks, Financial Institutions & Insurance Companies	25,412	0.61
3	Private Corporate Bodies	2,83,635	6.83
4	Indian Public	10,73,449	25.84
5	Other (a) NRI/OCB (b) CLR	7,030 100	0.17 0.01
	Total	**41,53,580**	**100.00**

xii. Dematerialization of shares and liquidity:

97.33% of the Company's equity shares were dematerialised and the shares are traded daily on the BSE and NSE. Also 100% of the Promoters' and Promoter Group's shareholding has been dematerialized and the Company is now compliant with Securities and Exchange Board of India (SEBI) Circular No. Cir/ISD/3/2011 dated June 17, 2011.

REPORT ON CORPORATE GOVERNANCE

xiii. Address for Correspondence and Plant Locations:

Address for Correspondence:	**Plant Locations:**
GKB Ophthalmics Limited 16-A, Tivim Industrial Estate Mapusa – Goa 403 526	16-A, C & D, D2 - 14,18 and 19 Tivim Industrial Estate Mapusa – Goa 403526

Phone : +91 832 2257253/335/336
Fax : + 91 832 2257044
Email : gkbgoa@bsnl.in

9. CEO/CFO CERTIFICATION

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

10. CODE OF CONDUCT

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

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

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code for the year ended March 31, 2012.

FOR GKB OPHTHALMICS LTD.

Place : Mapusa, Goa

Date : May 30, 2012

K. G. GUPTA
CHAIRMAN & MANAGING DIRECTOR

COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY

TO THE MEMBERS OF GKB OPHTHALMICS LIMITED

I have examined the compliance of conditions of Corporate Governance by **GKB Ophthalmics Limited**, 16-A, Tivim Industrial Estate, Mapusa, Goa – 403 526, for the year ended March 31, 2012, 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on the records and documents maintained, information provided by the Company and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

KRITIKA SATARDEKAR
Practicing Company Secretary
C.P. No. 9129

Place : Mapusa, Goa
Date : May 30, 2012

AUDITORS' REPORT

To,

The Members,

GKB OPHTHALMICS LIMITED,

We have audited the attached Balance Sheet of GKB Ophthalmics Limited, as at 31st March, 2012, the Statement of Profit and Loss and also the Statement of Cash Flows 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.

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.

In accordance with provisions of Section 227 of the Companies Act, 1956, we report that:

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together "the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Further to our comments in the Annexure referred to above, we report that:

   (i) We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of these books;

   (iii) The Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (v) On the basis of the written representations received from the directors of the Company as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of

AUDITORS' REPORT

the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) In the case of the Statement of Cash Flows, of the cash flows for the year ended on that date.

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

Edwin P. Augustine
Partner
(Membership No. 43385)

Place : Mapusa, Goa
Date : 30th May, 2012

ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 1 of our Report of even date)

(i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.

(b) As per explanation given to us, these fixed assets have been physically verified by the management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

(c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.

(ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.

(b) As per the information given to us, the procedures of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies between the physical stocks and the book stocks, which were not material, have been properly dealt with in the books of accounts.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the internal control procedures for the purchase of inventory and fixed assets and for the sale of goods and services need to be improved to make them commensurate with the size of the Company and

ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 1 of our Report of even date)

nature of its business. During the course of audit, we have come across instances of continuing failures to correct weaknesses in the aforesaid internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) *We are unable to comment whether the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time given the specialized nature of items involved.*

(vi) During the year, the Company has neither accepted nor renewed any deposits from the public under the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and hence the directives issued by the Reserve Bank of India and the rules framed there under, do not apply to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(viii) Based on the certificate issued by the Cost Accountant of the Company, we report that the prescribed accounts and records have been made and maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. The contents of these accounts and records have not been examined by us.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including investor education and protection fund, service tax, custom duty, excise duty and other statutory dues as applicable with the appropriate authorities. *However, there have been delays in depositing statutory dues relating to provident fund, employees state insurance, income tax, sales tax, wealth tax and value added tax with the appropriate authorities.*

ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 1 of our Report of even date)

(b) *According to the information and explanations given to us, undisputed statutory dues of income tax, fringe benefit tax and wealth tax amounting to Rs. 463.45 lakhs, Rs. 8.75 lakhs and Rs. 2.41 lakhs respectively were in arrears and were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.*

(c) According to the information and explanations given to us, the dues of sales tax and excise duty which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the statue	Financial year	Nature of dues	Disputed Amount (in Rs. lakhs)	Forum where the dispute is pending
The Central Excise Act, 1944	2005-06	Duty, interest and penalty	17.17	Central Excise and Service Tax Appellate Tribunal (CESTAT)
	2006-07	Duty, interest and penalty	16.45	Joint Commissioner / Commissioner of Customs and Central Excise (Appeals)
The Central Sales Tax Act, 1956	2008-09	Sales tax, interest and penalty	111.71	Additional Commissioner of Commercial Tax, Panaji
			145.33	

(x) The Company has no accumulated losses as at 31st March, 2012 and it has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

(xi) The Company has not issued any debentures. There was no default on repayment of loans obtained from financial institutions. *However, the Company has defaulted in repayment of dues to banks (including interest) during the year as follows:*

Sr. No.	Period of default	Amount (in Rs. Lakhs)
1.	November 2011 to March 2012	44.60
2.	Overdue as on March 31, 2012	15.42

ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 1 of our Report of even date)

(xii) In our opinion, the provisions of Clause 4 (xii) of the Order are not presently applicable to the Company, since the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares debentures and other securities.

(xiii) The Company is not a Chit Fund, Nidhi / Mutual Benefit Fund / Society and hence the provisions of Clause 4 (xiii) of the Order are not presently applicable to the Company.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the provisions of Clause 4 (xiv) of the Order are not presently applicable to the Company.

(xv) According to the information provided to us and explanations given to us, the Company has given guarantees amounting to Rs. 3,061.08 lakhs to banks for loans taken by associate companies. *However, we are unable to comment whether the terms and conditions on which the Company has given guarantees are prejudicial to the interest of the Company, since the guarantees give the power to the banks to attach the assets of the Company on default by associate companies, without attempting to recover in the first instance from the associate companies.*

(xvi) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, no funds raised on short-term basis have been used for long-term investments.

(xviii) The Company has not made any preferential allotment of shares to parties or companies to be covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) During the financial year, the Company has not issued any debentures. Hence in our opinion, the provision of Clause 4 (xix) of the Order is not presently applicable to the Company.

(xx) The Company has not raised any money by public issues during the year. Accordingly the provision of Clause 4 (xx) of the Order is not presently applicable to the Company.

ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 1 of our Report of even date)

(xxi) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Edwin P. Augustine
Partner
(Membership No. 43385)

Place : Mapusa, Goa
Date : 30th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I EQUITY & LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	1	**41,535,800**	41,535,800
(b) Reserves and Surplus	2	**141,965,194**	124,865,145
Total Shareholders Funds		**183,500,994**	166,400,945
2 Share application money pending allotment		**-**	-
3 Non-current Liabilities			
(a) Long-term borrowings	3	**30,200,960**	3,087,135
(b) Deferred Tax Liabilities (net)	4	**8,313,172**	10,490,388
(c) Other Long-term liabilities		**-**	-
(d) Long-Term Provisions	5	**3,837,162**	3,753,312
Total Non Current Liabilities		**42,351,294**	17,330,835
4 Current Liabilities			
(a) Short-term borrowings	6	**90,639,718**	91,778,053
(b) Trade payables	7	**81,188,512**	91,563,792
(c) Other current liabilities	8	**35,122,729**	65,653,368
(d) Short-Term Provisions	9	**61,178,739**	43,521,345
Total Current Liabilities		**268,129,698**	292,516,558
Total Liabilities		**310,480,992**	309,847,393
Total Liabilities and Equity		**493,981,986**	476,248,338
II ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	10	**115,932,386**	97,469,851
(ii) Intangible assets	10	**1,053,518**	-
(iii) Capital work-in-progress	10	**26,752,363**	39,043,933
(iv) Intangible assets under development	10	**-**	-
(b) Non-current investments	11	**42,721,658**	13,961,658
(c) Long-term loans and advances	12	**850,016**	-
(d) Other non-current assets		**-**	-
Total Non-current assets		**187,309,941**	150,475,442
2 Current Assets			
(a) Current investments		**-**	-
(b) Inventories	13	**150,788,814**	155,739,824
(c) Trade receivables	14	**139,478,017**	119,340,348
(d) Cash and bank balances	15	**3,903,855**	13,101,205
(e) Short-term loans and advances	16	**6,457,114**	33,341,677
(f) Other current assets	17	**6,044,245**	4,249,842
Total Current Assets		**306,672,045**	325,772,896
Total Assets		**493,981,986**	476,248,338
Significant Accounting Policies	A	**-**	-

The accompanying notes are an integral part of the financial statements

As per our report attached of even date

SHARP & TANNAN	**For and on behalf of the Board**		
Chartered Accountants			
ICAI Registration No. 109982W			
By the hand of			
Edwin P. Augustine	**K. G. Gupta**	**Gaurav Gupta**	**Noel Da Silva**
Partner	Chairman and Managing Director	Director	CFO and Company Secretary
Membership No. 43385			
Place : Mapusa, Goa	Place : Mapusa, Goa		
Date : 30th May, 2012	Date : 30th May, 2012		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	2011 - 2012 Rs.	2011 - 2012 Rs.	2010 - 2011 Rs.	2010 - 2011 Rs.
Income					
Revenue from operations (Gross)	18	**317,785,571**		273,693,308	
Less : Excise duty		**6,531,101**		3,319,144	
Revenue from operations (Net)			**311,254,470**		270,374,164
Other income	19		**12,110,883**		7,216,833
Total Revenue			**323,365,353**		277,590,997
Expenses					
Cost of materials consumed	20	**145,701,622**		123,325,469	
Purchase of stock in trade	20	**14,395,405**		8,452,536	
Changes in inventories of finished goods (including excise duty) and work in progress	20	**(13,861,465)**		6,159,302	
			146,235,562		137,937,307
Employee benefits expenses	21		**43,627,514**		41,508,033
Finance costs	22		**26,589,863**		16,560,797
Depreciation and amortisation	10		**8,298,504**		4,878,825
Other expenses	23		**73,447,957**		70,243,931
			298,199,400		271,128,893
Profit before tax			**25,165,953**		6,462,104
Tax Expense :					
Current Tax		**(10,243,120)**		(3,550,132)	
Deferred Tax	4	**2,177,216**		(884,724)	
			(8,065,904)		(4,434,856)
Profit after tax			**17,100,049**		2,027,248
Earnings per Equity Share (Refer Note 34)					
- Basic	Rs.		**4.12**		0.49
- Diluted	Rs.		**4.12**		0.49
Face value per Equity Share	Rs.		**10**		10
Significant Accounting Policies	A				

The accompanying notes are an integral part of the financial statements

As per our report attached of even date
SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
By the hand of
Edwin P. Augustine
Partner
Membership No. 43385
Place : Mapusa, Goa
Date : 30th May, 2012

For and on behalf of the Board

K. G. Gupta
Chairman and Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2012

Notes Forming Part of the Financial Statements

NOTE A - Significant Accounting Policies

1 Basis of preparation of Financial Statements:

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

2 Use of estimates:

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

3 Fixed Assets:

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

ii) Administrative & other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.

iii) The assets acquired under hire-purchase agreement are included in the fixed assets of the Company, where the terms of the agreement provide that the assets shall eventually become the property of the hirer or confer on him an option to purchase the assets.

4 Depreciation:

i) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except for leasehold land which is amortised over the period of the lease.

ii) Fixed Assets individually costing Rs. 5,000/- or less, are depreciated fully in the year of purchase.

5 Impairment of Assets:

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

i) the provision for impairment loss, if any.

ii) the reversal of impairment loss recognised in previous periods, if any.

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

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

Notes Forming Part of the Financial Statements

6 Inventories:

i) Raw materials, stores, spares and consumable tools, packing materials, work-in-process and finished goods are valued at lower of cost or net realisable value.

ii) In case of raw materials, stores, spares, consumable tools and packing materials, cost represents purchase price and other costs incurred for bringing the inventories to their present location and conditions and is determined on "weighted average" basis.

iii) In case of work-in-process and finished goods, cost represents cost of raw material, cost of conversion such as direct labour, direct expenses, etc. and production overheads which are based on normal level of production.

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

7 Employee Benefits:

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

Defined Contribution Plan

a) Provident Fund
The Company contributes to the government administered provident fund. The fixed contributions to these funds are charged to 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 un-availed leave. The employees can carry forward a portion of the unutilised leave and receive cash compensation at retirement or termination of employment. The Company records an obligation for encashment of un-availed leave in the period in which the employee renders the services, based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. Actuarial gain or loss recognised in the statement of profit or loss as income or expense.

Gratuity

The Company's contribution towards gratuity made under Group Gratuity Scheme with Life Insurance Corporation of India (LIC) is determined based on the amount recommended by LIC as per Actuarial valuation.

The whole time Directors of the Company are not covered by the gratuity trust created under Group Gratuity Fund. Provision for their gratuity liability has been provided for according to the actuarial valuation carried out by the independent Actuary.

8 Borrowing Costs:

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

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes Forming Part of the Financial Statements

9 Foreign Currency Transactions:

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

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

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

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

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

10 Research & Development:

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

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

11 Investments:

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

12 Deferred Taxation:

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

13 Revenue Recognition:

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

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

14 Accounting for interest in joint ventures:

Interest in jointly controlled entities:

(a) Incorporated jointly controlled entities:

(i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established.

(ii) Investment in such joint ventures is carried at cost after providing for any diminution in value which is other than temporary in nature.

Notes Forming Part of the Financial Statements

NOTE 1 : SHARE CAPITAL

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Authorised :		
7,000,000 equity shares of Rs.10 each (Previous year 7,000,000 equity shares of Rs. 10 each)	**70,000,000**	70,000,000
Issued :		
4,199,980 equity shares of Rs.10 each (Previous year 4,199,980 equity shares of Rs. 10 each)	**41,999,800**	41,999,800
Subscribed and Paid up :		
4,153,580 equity shares of Rs.10 each (Previous year 4,153,580 equity shares of Rs. 10 each)	**41,535,800**	41,535,800
	41,535,800	41,535,800

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

	Name of Shareholder	As at 31.03.2012 No. of shares	Percentage held	As at 31.03.2011 No. of shares	Percentage held
1	Krishna Gopal Gupta	**753,909**	**18.15%**	744,010	17.91%
2	Krishna Murari Gupta	**418,557**	**10.08%**	427,893	10.30%
3	Vikram Gupta	**344,797**	**8.30%**	344,797	8.30%
4	Gaurav Gupta	**344,790**	**8.30%**	344,790	8.30%
5	Veena Gupta	**285,900**	**6.88%**	285,900	6.88%
6	Usha Gupta	**209,000**	**5.03%**	209,000	5.03%

Other disclosures (for 5 years immediately preceding 31.03.2012)

Particulars	FY2011-12	FY2010-11	FY2009-10	FY2008-09	FY2007-08
i. Shares issued pursuant to a contract without payment being received in cash	-	-	-	-	-
ii. Shares issued as fully paid up bonus shares	-	-	-	-	-
iii. Shares bought back	-	-	-	-	-

Reconciliation of opening and closing share capital

	As at 31.03.2012		As at 31.03.2011	
Particulars	**No. of shares**	**Value**	No. of shares	Value
Equity shares at the beginning of the year	**4,153,580**	**41,535,800**	4,153,580	41,535,800
Equity shares issued during the year	**-**	**-**	-	-
Equity shares at the close of the year	**4,153,580**	**41,535,800**	4,153,580	41,535,800

Rights, preferences and restrictions attached to shares

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

Notes Forming Part of the Financial Statements

NOTE 2 : RESERVES AND SURPLUS

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
Capital Reserve				
– As per last Balance Sheet		**4,328,500**		4,328,500
Securities Premium Account				
– As per last Balance Sheet		**20,276,000**		20,276,000
Investment Allowance (Utilised) Reserve				
– As per last Balance Sheet		**2,229,150**		2,229,150
General Reserve				
– As per last Balance Sheet		**65,056,619**		65,056,619
Balance in Statement of Profit and Loss				
– As per last Balance Sheet	**32,974,876**		30,947,628	
Add: Transfer from Statement of Profit and Loss	**17,100,049**		2,027,248	
		50,074,925		32,974,876
		141,965,194		124,865,145

NOTE 3 : LONG TERM BORROWINGS

	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Secured :		
Term Loans		
a) From Banks	**30,104,050**	2,489,874
b) From Financial institutions	**96,910**	597,261
	30,200,960	3,087,135

Notes Forming Part of the Financial Statements

NOTE 3 : LONG TERM BORROWINGS (Continued)

		As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Maturity period of principal repayment of term loans			
a) Term loans from bank			
Maturing within 2016-17		**4,292,115**	-
Maturing within 2015-16		**6,685,466**	-
Maturing within 2014-15		**8,289,719**	-
Maturing within 2013-14		**10,836,750**	319,950
Maturing within 2012-13			2,169,924
	A	**30,104,050**	2,489,874
b) Term loans from financial institutions			
Maturing within 2013-14		**96,910**	96,910
Maturing within 2012-13		**-**	500,351
	B	**96,910**	597,261
	(A+B)	**30,200,960**	3,087,135
Current maturities of long term borrowings disclosed in Note 8 under - Other Current Liabilities			
a) Term loans from bank		**15,046,361**	2,936,313
b) Term loans from financial institutions		**500,351**	2,154,094
	C	**15,546,712**	5,090,407
Interest accrued and due on long term borrowings disclosed in Note 8 under - Other Current Liabilities			
a) Term loans from bank		**539,503**	2,054
b) Term loans from financial institutions		**5,316**	42,274
	D	**544,819**	44,328
	(A+B+C+D)	**46,292,491**	8,221,870

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Details of continuing default		
a) Term loans from bank (instalments pertaining to February 2012 payable in March 2012)	**997,591**	-
b) Interest accrued and outstanding on above loans	**544,819**	-
	1,542,410	-

Notes Forming Part of the Financial Statements

NOTE 3 : LONG TERM BORROWINGS (Continued)

	Amount outstanding as on 31.03.2012 Rs.	Amount outstanding as on 31.03.2011 Rs.
Details of security		
a) Term loans from bank		
i. Secured by hypothecation of vehicle	**1,984,247**	2,807,444
ii. Secured by mortgage of building and personal guarantee of three directors	**-**	2,620,797
iii. Secured by mortgage of land and building	**9,397,099**	-
iv. Secured by hypothecation of imported plant and machinery	**31,324,430**	-
v. Secured by hypothecation of fixed assets other than imported plant and machinery	**2,984,138**	-
(Sr. nos. iii, iv and v are also secured by personal guarantee of three directors and corporate guarantee of GKB Vision Ltd., an associate company)		
b) Term loans from financial institutions		
i. Secured by hypothecation of vehicle	**182,261**	251,355
ii. Secured by hypothecation of machinery and personal guarantee of two directors	**420,316**	2,542,274
	46,292,491	8,221,870

NOTE 4 : DEFERRED TAX

The major components of deferred tax assets and deferred tax liabilities are as under: in Rs.

	As at 31.03.2012		As at 31.03.2011	
	Deferred Tax Assets	**Deferred Tax Liabilities**	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book and tax written down value		**12,251,886**		13,678,072
Expenses allowable for tax purposes when paid/on payment of TDS	**3,611,998**		3,016,422	
Allowance for doubtful debts	**326,716**		171,262	
	3,938,714	**12,251,886**	3,187,684	13,678,072
Net deferred tax liability/(asset)	**8,313,172**		10,490,388	
Net liability (charged)/credited to the statement of profit and loss	**2,177,216**			

Notes Forming Part of the Financial Statements

NOTE 5 : LONG TERM PROVISIONS

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
Provision for Employee Benefits				
- Gratuity	**2,454,808**		2,382,692	
- Leave encashment	**1,382,354**		1,370,620	
		3,837,162		3,753,312
		3,837,162		3,753,312

NOTE 6 : SHORT TERM BORROWINGS

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
Secured :				
From Banks :				
a) Cash credit	**30,351,317**		9,972,072	
b) Packing credit facility	**60,288,401**		75,032,419	
c) Buyers credit facility	**-**		6,773,562	
		90,639,718		91,778,053
		90,639,718		91,778,053

Nature of security :

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

NOTE 7 : TRADE PAYABLES

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
-Due to micro and small enterprises (Refer note 30)	**-**		52,771	
-Due to others	**81,188,512**		91,511,021	
		81,188,512		91,563,792
		81,188,512		91,563,792

Notes Forming Part of the Financial Statements

NOTE 8 : OTHER CURRENT LIABILITIES

	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
Current maturities of long term debt				
Secured :				
From Banks		**15,046,361**		2,936,313
From Financial Institutions		**500,351**		2,154,094
Interest accrued and due on borrowings		**544,819**		44,328
Overdrawn bank balances as per books		**1,046,822**		7,797,462
Other liabilities				
- Statutory dues	**1,657,960**		389,333	
- Creditors for capital goods	**3,041,605**		39,047,239	
- Others	**5,770,682**		2,657,955	
		10,470,247		42,094,527
Unpaid dividend (Refer note 33)		**58,510**		59,490
Advance from customers		**7,455,619**		10,567,154
		35,122,729		65,653,368

NOTE 9 : SHORT TERM PROVISIONS

	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
Provision for Employee Benefits				
-Gratuity (Refer Note 27)	**4,032,917**		3,543,570	
-Leave encashment (Refer Note 27)	**235,732**		88,420	
-Superannuation	**1,147,607**		829,263	
-Bonus	**1,829,261**		2,301,294	
		7,245,517		6,762,547
Provision for Income Taxes		**53,933,222**		36,758,798
(net of advance tax and tax deducted at source)				
		61,178,739		43,521,345

Notes Forming Part of the Financial Statements

NOTE 10 : FIXED ASSETS

in Rs.

DESCRIPTION OF ASSETS	Gross Block				Depreciation / Amortisation				Net Block	
	Opening As at 01.04.2011	Additions	Deductions	Closing As at 31.03.2012	Opening As at 01.04.2011	On Deduc-tions	For the year	Closing As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
(A) Tangible Assets										
Freehold Land	429,910	-	-	429,910	-	-	-	-	429,910	429,910
Leasehold Land	895,500	-	-	895,500	84,442	-	9,426	93,868	801,632	811,058
Buildings	38,269,987	1,343,546	-	39,613,533	6,309,280	-	1,866,979	8,176,259	31,437,274	31,960,707
Plant and Machinery	138,667,780	24,631,687	-	163,299,467	83,913,441	-	4,906,299	88,819,740	74,479,727	54,754,339
Furniture and Fixtures	8,597,018	418,074	-	9,015,092	6,200,951	-	645,011	6,845,962	2,169,130	2,396,067
Office Equipment	1,949,144	111,707	-	2,060,851	975,558	-	225,608	1,201,166	859,685	973,586
Vehicles	9,410,998	577,277	861,609	9,126,666	3,266,814	520,818	625,642	3,371,638	5,755,028	6,144,184
	198,220,337	**27,082,291**	**861,609**	**224,441,019**	**100,750,486**	**520,818**	**8,278,965**	**108,508,633**	**115,932,386**	**97,469,851**
Previous year	**186,441,912**	**13,496,586**	**1,718,161**	**198,220,337**	**96,634,167**	**762,506**	**4,878,825**	**100,750,486**	**97,469,851**	
Add : Capital Work in Progress									26,752,363	39,043,933
Sub-total (A)	**198,220,337**	**27,082,291**	**861,609**	**224,441,019**	**100,750,486**	**520,818**	**8,278,965**	**108,508,633**	**142,684,749**	**136,513,784**
(B) Intangible Assets										
Computer Software	-	1,073,057	-	1,073,057	-	-	19,539	19,539	1,053,518	-
	-	**1,073,057**	**-**	**1,073,057**	**-**	**-**	**19,539**	**19,539**	**1,053,518**	**-**
Previous year	-	-	-	-	-	-	-	-	-	
Add : Intangible assets under development									-	-
Sub-total (B)	**-**	**1,073,057**	**-**	**1,073,057**	**-**	**-**	**19,539**	**19,539**	**1,053,518**	**-**
Total (A + B)	**198,220,337**	**28,155,348**	**861,609**	**225,514,076**	**100,750,486**	**520,818**	**8,298,504**	**108,528,172**	**143,738,267**	**136,513,784**
Previous year	**186,441,912**	**13,496,586**	**1,718,161**	**198,220,337**	**96,634,167**	**762,506**	**4,878,825**	**100,750,486**	**136,513,784**	

Note:

Depreciation for the year includes reversal on account of excess depreciation charged in earlier years of Rs. 1,315,424 (previous year Rs. 3,582,445)

Notes Forming Part of the Financial Statements

NOTE 11 : NON CURRENT INVESTMENTS (at cost, unquoted)

	As at 31.03.2012 Rs.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.
Investment in Equity Instruments				
Subsidiaries				
- GKB Ophthalmic Products FZE, Sharjah [1 equity share (Previous year 1 equity share) of nominal value of AED 150,000]		**1,830,150**		1,830,150
- GKB Ophthalmics GmbH, Germany [1 equity share (Previous year 1 equity share) of the capital stock]		**1,081,488**		1,081,488
Associates				
- Prime Lenses Private Limited [532,592 equity shares (Previous year 532,592 equity shares) of Rs. 10 each]		**28,760,000**		-
- GKB Vision Limited [1,058,986 equity shares (Previous year 1,058,986 equity share) of Rs. 10 each]		**10,609,860**		10,609,860
Joint Venture				
- Indo Prime Visual Technologies Private Limited [161,306 equity shares (Previous year 161,306 equity shares) of Rs. 10 each]	**1,613,060**		1,613,060	
Less: Provision for diminution in value	**1,200,000**		1,200,000	
		413,060		413,060
Others				
- Crysta Lenses Private Limited [1 equity share (Previous year 1 equity share) of Rs. 10 each]		**1,800**		1,800
- Saraswat Co-operative Bank Limited [2,500 shares (Previous year 2,500 shares) of Rs. 10 each]		**25,300**		25,300
		42,721,658		13,961,658

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

	As at 31.03.2012 Rs.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.
Capital Advances		**850,016**		-
		850,016		-

Notes Forming Part of the Financial Statements

NOTE 13 : INVENTORIES (at lower of cost or net realisable value)

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
Raw materials	**36,633,066**		37,952,173	
Add : Goods in transit	**9,441,940**		30,364,095	
		46,075,006		68,316,268
Work-in-Process		**4,975,421**		3,521,542
Finished goods		**69,294,196**		56,886,610
Stock in trade		**-**		-
Stores, spares and packing material	**30,444,191**		26,906,882	
Add : Goods in transit	**-**		108,522	
		30,444,191		27,015,404
		150,788,814		155,739,824

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

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
- Debts oustanding for a period exceeding six months from the date due for payment				
Considered good *	**73,649,672**		67,228,603	
Considered doubtful **	**1,006,984**		503,861	
	74,656,656		67,732,464	
Less: Allowance for bad and doubtful debts	**1,006,984**		503,861	
		73,649,672		67,228,603
- Other Debts				
Considered good **		**65,828,345**		52,111,745
		139,478,017		119,340,348
* - Previous years figures exceeding six months are on outstanding basis and not on overdue basis as the information required as per revised Schedule VI is unavailable				
**Trade receivables include : - Dues from Prime Lenses Private Limited in which a director of the Company is a director		**74,583,472**		57,114,130

Notes Forming Part of the Financial Statements

NOTE 15 : CASH AND BANK BALANCES

	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents				
Cash on hand	**2,196**		36,013	
Balance with banks				
-on current account	**38,856**		16,587	
		41,052		52,600
Other bank balances				
Balance with banks				
-on margin money deposit accounts (pledged against bank guarantee and letters of credit)	**3,804,293**		12,989,115	
-on unpaid dividend account	**58,510**		59,490	
		3,862,803		13,048,605
		3,903,855		13,101,205

Details of maturity of margin money deposit accounts

	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
Bank deposits :				
- Maturity after 12 months		**-**		-
- Maturity within 12 months		**3,804,293**		12,989,115
		3,804,293		12,989,115

Notes Forming Part of the Financial Statements

NOTE 16 : SHORT TERM LOANS AND ADVANCES (unsecured considered good)

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
Security Deposits		**356,845**		355,145
Advances recoverable in cash or in kind or for value to be received				
- Due from associates/joint ventures*	**43,358**		3,389,602	
- Due from others	**6,021,273**		29,263,157	
		6,064,631		32,652,759
Balances with Excise and VAT authorities		**35,638**		333,773
		6,457,114		33,341,677
*Due from associates/joint ventures comprise advances to -				
Prime Lenses Pvt. Ltd.		**43,358**		2,687,424
Indo Prime Visual Technologies Pvt. Ltd.		**-**		702,178
which are private limited companies in which a director of the Company is a director				

NOTE 17 : OTHER CURRENT ASSETS

	As at 31.03.2012		As at 31.03.2011	
	Rs.	**Rs.**	Rs.	Rs.
Interest accrued on margin money deposits / others		**1,071,003**		4,249,842
Dividend receivable from subsidiary		**4,973,242**		-
		6,044,245		4,249,842

Notes Forming Part of the Financial Statements

NOTE 18 : REVENUE FROM OPERATIONS

	2011 - 2012 Rs.	2011 - 2012 Rs.	2010 - 2011 Rs.	2010 - 2011 Rs.
Sale of Products				
- Export Sales	**251,992,576**		192,760,534	
- Domestic Sales	**63,855,641**		64,377,942	
		315,848,217		257,138,476
Other operational revenue				
- Processing charges		**1,937,354**		16,554,832
Gross Revenue from operations		**317,785,571**		273,693,308

NOTE 19 : OTHER INCOME

	2011 - 2012 Rs.	2011 - 2012 Rs.	2010 - 2011 Rs.	2010 - 2011 Rs.
Interest income				
from margin money deposits / others		**610,428**		4,408,765
Dividend income				
from associate company	**-**			1,588,479
from subsidiary company	**10,141,232**			-
from others	**2,500**			-
		10,143,732		
Exchange gain (net)		**1,329,093**		-
Other non operating income				
Sundry balances written back (net)	**-**		1,128,990	
Miscellaneous Income - others	**27,630**		90,599	
		27,630		1,219,589
		12,110,883		7,216,833

Notes Forming Part of the Financial Statements

NOTE 20 : COST OF GOODS SOLD

	2011 - 2012 Rs.	2011 - 2012 Rs.	2010 - 2011 Rs.	2010 - 2011 Rs.
Cost of materials consumed :				
Opening stock	**68,316,268**		62,956,874	
Add : Purchases *	**123,460,360**		128,684,863	
	191,776,628		191,641,737	
Less : Closing stock	**46,075,006**		68,316,268	
		145,701,622		123,325,469
Purchase of stock in trade		**14,395,405**		8,452,536
Changes in inventories of finished goods (including excise duty) and work in progress :				
Closing stock :				
Work-In-Process	**4,975,421**		3,521,542	
Finished goods	**69,085,654**		56,859,329	
	74,061,075		60,380,871	
Opening stock :				
Work-In-Process	**3,521,542**		2,780,843	
Finished goods	**56,859,329**		63,786,611	
	60,380,871		66,567,454	
Excise duty				
on closing stock of finished goods	**208,542**		27,281	
on opening stock of finished goods	**27,281**		-	
	(181,261)	**(13,861,465)**	(27,281)	6,159,302
		146,235,562		137,937,307

* Purchases include prior period items of Rs. Nil (previous year reversal of Rs. 1,737,159)

Notes Forming Part of the Financial Statements

NOTE 21 : EMPLOYEE BENEFITS EXPENSES

	2011 - 2012 Rs.	2011 - 2012 Rs.	2010 - 2011 Rs.	2010 - 2011 Rs.
Salaries, Wages and Bonus		**38,001,405**		35,651,488
Contribution to Provident fund and other funds		**3,767,966**		3,686,552
Gratuity		**816,877**		1,007,686
Leave encashment		**247,466**		224,343
Workmen and Staff Welfare		**793,800**		937,964
		43,627,514		41,508,033

NOTE 22 : FINANCE COSTS

	2011 - 2012 Rs.	2011 - 2012 Rs.	2010 - 2011 Rs.	2010 - 2011 Rs.
Interest Expenses:				
- Borrowings *	**16,936,564**		10,789,195	
- Income tax **	**6,945,780**		3,219,096	
- Others	**4,417**		-	
		23,886,761		14,008,291
Other borrowing costs and bank charges		**2,703,102**		2,552,506
		26,589,863		16,560,797

* Interest expenses on borrowings include prior period items of Rs. Nil (previous year Rs. 2,524)

** Interest expenses on account of Income Tax includes interest related to earlier years Rs. 6,229,000 (previous year Rs. 3,219,096)

Notes Forming Part of the Financial Statements

NOTE 23 : OTHER EXPENSES

	2011 - 2012	**2011 - 2012**	2010 - 2011	2010 - 2011
	Rs.	**Rs.**	Rs.	Rs.
Stores and spares consumed		**29,224,671**		20,557,277
Packing material consumed		**6,846,981**		5,187,893
Power and fuel		**8,645,100**		7,896,486
Other manufacturing expenses		**9,276,390**		8,567,038
Rent		**544,678**		444,000
Repairs :				
- Building	**188,224**		256,409	
- Plant and Equipment	**1,758,970**		1,436,963	
- Others	**760,554**		1,550,027	
		2,707,748		3,243,399
Insurance		**557,779**		748,974
Rates and Taxes *		**820,767**		1,034,801
Freight and forwarding #		**5,286,087**		7,148,430
Auditors' Remuneration				
- Audit fees	**400,000**		287,500	
- Tax audit fees	**100,000**		50,000	
- Other matters	**150,000**		50,150	
- Out of pocket expenses	**12,056**		12,500	
		662,056		400,150
Commission		**110,173**		284,108
Travelling and conveyance		**1,756,350**		2,475,084
Legal and Professional Charges		**1,004,030**		955,683
Allowance for doubtful debts		**503,123**		465,835
Loss on sale of fixed assets (net)		**60,791**		482,774
Exchange loss (net)		**-**		4,503,114
Directors' fees		**390,000**		335,000
Advertising and sales promotion		**627,551**		411,688
Security charges		**1,431,383**		1,266,020
Telephone and communication expenses		**1,421,987**		1,310,193
Printing and stationery expenses		**654,736**		554,737
Provision for diminution in the value of long term investments		**-**		400,000
Miscellaneous expenses		**915,576**		1,571,247
		73,447,957		70,243,931

Note:

* Rates and taxes include prior period items of Rs. Nil (previous year Rs. 70,897)

Freight and forwarding expenses include prior period items of Rs. Nil (previous year Rs. 15,776)

Notes Forming Part of the Financial Statements

24 Contingent Liabilities and Commitments :

	31.03.2012	31.03.2011
Contingent Liabilities	**Rs.**	Rs.
a) Sales tax liability that may arise in respect of matters in appeal	**11,170,738**	-
b) Excise duty liability that may arise in respect of matters in appeal	**3,361,887**	3,361,887
c) Guarantees given on behalf of associate companies	**306,108,000**	52,198,000
d) Bills discounted	**22,500,515**	-
e) Letters of credit outstanding	**19,841,978**	76,415,440
f) Bank guarantees	**5,252,568**	5,102,568

Note :

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

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

b) Other commitments

The Company is a 100% EOU registered under the SEEPZ Special Economic Zone. As per the amendment to Letter of Permission dated November 20, 2008, the Company is required to achieve specified export turnover and Net Foreign Exchange Earning (NFE) targets during the period April 1, 2008 to March 31, 2013. The specified targets and the actual turnover and NFE as at March 31, 2012 are as under:

Figures in USD Million

	Export Turnover		NFE	
Financial Year	Target	Actual	Target	Actual
2008-09	35.82	4.10	3.26	(1.66)
2009-10		7.24		3.44
2010-11		4.21		0.40
2011-12		4.95		2.97
Total	35.82	20.50	3.26	5.15
Balance to be achieved in FY 12-13		**15.32**		-

25 Particulars of un-hedged foreign currency exposures as at 31st March, 2012 :

Trade Receivables

Foreign currency	**Amount in foreign currency 2011-12**	**Amount in Rs. 2011-12**	Amount in foreign currency 2010-11	Amount in Rs. 2010-11
USD	**911,223**	**46,171,670**	1,164,592	51,553,998
EURO	**389,155**	**26,225,159**	231,922	14,653,284
GBP	**3,181**	**256,670**	585	41,500
		72,653,499		66,248,782

Notes Forming Part of the Financial Statements

Trade Payables

Foreign currency	Amount in foreign currency 2011-12	Amount in Rs. 2011-12	Amount in foreign currency 2010-11	Amount in Rs. 2010-11
USD	**396,317**	**20,461,661**	427,619	19,312,377
EURO	**337,004**	**23,313,928**	1,111,055	71,176,448
JPY	**513,600**	**325,109**	380,800	209,250
		44,100,698		90,698,075

Bank Balance

Foreign currency	Amount in foreign currency 2011-12	Amount in Rs. 2011-12	Amount in foreign currency 2010-11	Amount in Rs. 2010-11
USD	**74**	**3,754**	51	2,320
EURO	**35**	**2,373**	101	6,086
		6,127		8,406

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

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

a) Defined Contribution Plan:

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

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

- Employer's contribution to Provident Fund and EDLI Rs.1,139,840 (Previous year Rs. 1,077,766)
- Employer's contribution to Family Pension Scheme Rs. 1,025,332 (Previous year Rs. 991,589)
- Employer's contribution to Employees State Insurance Scheme Rs. 1,151,033 (Previous year Rs. 1,141,526)
- Employer's contribution to Superannuation Fund Rs. 318,344 (Previous year Rs. 475,671)

Notes Forming Part of the Financial Statements

b) Defined Benefit Plans :

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

		Gratuity (funded) Rs. 2011-2012	Gratuity (funded) Rs. 2010-2011	**Gratuity (unfunded) Rs. 2011-2012**	Gratuity (unfunded) Rs. 2010-2011
I	**Change in obligation during the year**				
1	Liability at the beginning of the year	**6,038,493**	5,181,590	**2,382,692**	2,310,577
2	Interest cost	**483,079**	414,527	**-**	-
3	Current service cost	**506,230**	436,336	**72,116**	72,115
4	Past service cost	**-**	-	**-**	-
5	Benefits paid	**(393,505)**	(293,387)	**-**	-
6	Actuarial (gain) / losses	**(25,495)**	299,427	**-**	-
7	Liability at the end of the year	**6,608,802**	6,038,493	**2,454,808**	2,382,692
II	**Change in assets during the year**				
1	Plan assets at the beginning of the year	**2,494,923**	2,419,390	**-**	-
2	Expected return of plan assets	**219,053**	214,719	**-**	-
3	Contributions	**255,414**	154,201	**-**	-
4	Benefits paid	**(393,505)**	(293,387)	**-**	-
5	Actuarial gain / (loss)	**-**	-	**-**	-
6	Plan assets at the end of the year	**2,575,885**	2,494,923	**-**	-
7	Total actuarial gain/(loss) to be recognised	**25,495**	(299,427)	**-**	-
III	**Actual return on plan assets**				
1	Expected return on plan assets	**219,053**	214,719	**-**	-
2	Actuarial gain / (loss)	**-**	-	**-**	-
3	Actual return on plan assets	**219,053**	214,719	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**				
1	Liability at the end of the year	**(6,608,802)**	(6,038,493)	**(2,454,808)**	(2,382,692)
2	Plan assets at the end of the year	**2,575,885**	2,494,923	**-**	-
3	Amount recognised in the balance sheet	**(4,032,917)**	(3,543,570)	**(2,454,808)**	(2,382,692)
V	**Expenses recognised in the statement of profit and loss account for the year**				
1	Current service cost	**506,230**	436,336	**72,116**	72,115
2	Interest cost	**483,079**	414,527	**-**	-
3	Expected return on plan assets	**(219,053)**	(214,719)	**-**	-
4	Actuarial (gain) / losses	**(25,495)**	299,427	**-**	-
5	Past service cost	**-**	-	**-**	-
6	Total expenses as per actuarial valuation	**744,761**	935,571	**72,116**	72,115
7	Optional payment	**-**	-	**-**	-
8	Total expenses	**744,761**	935,571	**72,116**	72,115
VI	**Balance sheet reconciliation**				
1	Opening net liability	**3,543,570**	2,762,200	**2,382,692**	2,310,577
2	Expenses as above	**744,761**	935,571	**72,116**	72,115
3	Employer contribution	**(255,414)**	(154,201)	**-**	-
4	Amount recognised in the balance sheet *	**4,032,917**	3,543,570	**2,454,808**	2,382,692
VII	**The major categories of plan assets as a percentage of total**				
	Insurer Managed Funds	**100%**	100%	**Not applicable**	Not applicable
VIII	**Actuarial assumptions**				
1	Discount rate	**8.00%**	8.00%	**8.75%**	8.25%
2	Rate of return on plan assets	**Not determined**	Not determined	**Notapplicable**	Not applicable
3	Rate of mortality	**As per mortality table LIC (1994-96) Ultimate**	As per mortality table LIC (1994-96) Ultimate		
	* Pursuant to revised Schedule VI, the closing net liability is disclosed as follows:				
	Disclosed in Note 5 - Long Term Provisions	**-**	-	**2,454,808**	2,382,692
	Disclosed in Note 9 - Short Term Provisions	**4,032,917**	3,543,570	**-**	-

Notes Forming Part of the Financial Statements

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

		Leave encashment (unfunded) Rs. 2011-2012	Leave encashment (unfunded) Rs. 2010-2011
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	**1,459,040**	1,309,633
2	Interest cost	**120,371**	120,895
3	Current service cost	**306,659**	239,020
4	Past service cost	**-**	-
5	Benefits paid	**(88,420)**	(74,936)
6	Actuarial (gain) / losses	**(179,564)**	(135,572)
7	Liability at the end of the year	**1,618,086**	1,459,040
II	**Change in assets during the year**		
1	Plan assets at the beginning of the year	**-**	-
2	Expected return of plan assets	**-**	-
3	Contributions	**-**	-
4	Benefits paid	**-**	-
5	Actuarial gain / (loss)	**-**	-
6	Plan assets at the end of the year	**-**	-
7	Total actuarial gain/(loss) to be recognised	**179,564**	135,572
III	**Actual return on plan assets**		
1	Expected return on plan assets	**-**	-
2	Actuarial gain / (loss)	**-**	-
3	Actual return on plan assets	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	**(1,618,086)**	(1,459,040)
2	Plan assets at the end of the year	**-**	-
3	Amount recognised in the balance sheet	**(1,618,086)**	(1,459,040)
V	**Expenses recognised in the statement of profit and loss account for the year**		
1	Current service cost	**306,659**	239,020
2	Interest cost	**120,371**	120,895
3	Expected return on plan assets	**-**	-
4	Actuarial (gain) / losses	**(179,564)**	(135,572)
5	Past service cost	**-**	-
6	Total expenses as per actuarial valuation	**247,466**	224,343
7	Optional payment	**-**	-
8	Total expenses	**247,466**	224,343
VI	**Balance sheet reconciliation**		
1	Opening net liability	**1,459,040**	1,309,633
2	Expenses as above	**247,466**	224,343
3	Employer contribution	**(88,420)**	(74,936)
4	Amount recognised in the balance sheet *	**1,618,086**	1,459,040
VII	**The major categories of plan assets as a percentage of total**	**Not applicable**	Not applicable
VIII	**Actuarial assumptions**		
1	Discount rate	**8.75%**	8.25%
2	Rate of return on plan assets	**Not applicable**	Not applicable
3	Rate of mortality	**As per mortality table LIC (1994-96) Ultimate**	As per mortality table LIC (1994-96) Ultimate

* Pursuant to revised schedule VI, the closing net liability is disclosed as follows:		
Disclosed in Note 5 - Long Term Provisions	**1,382,354**	1,370,620
Disclosed in Note 9 - Short Term Provisions	**235,732**	88,420

General description of the defined benefit plan ;

1) The Company operates a gratuity scheme, which is a funded scheme for qualifying employees, except in the case of directors where the scheme is unfunded. The scheme provides for lump sum payment to employees on retirement, death, while in employment or termination of employment or an amount equivalent to 15 days salary for every completed year of service or part thereof in six months, provided the employee has completed 5 years of service.

2) The Company operates a leave encashment scheme, which is a unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes Forming Part of the Financial Statements

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

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

a) Primary Segment :

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

b) Secondary Segment (Geographical Segment) :

	Within India Rs.	**Outside India Rs.**	**Total Rs.**
Revenue from external customers *	93,748,016	215,569,100	309,317,116
(excluding other operational revenue) *	(95,344,192)	(158,475,140)	(253,819,332)
Carrying amount of segment assets	421,328,487	72,653,499	493,981,986
	(409,999,556)	(66,248,782)	(476,248,338)
Additions to fixed assets during the year	15,863,778	-	15,863,778
	(52,540,519)	-	(52,540,519)

* Revenue within India includes deemed export sales of Rs. 36,423,476 (Previous Year Rs. 34,285,394) made to other EOU units in India.

Figures in brackets pertain to the previous year.

30 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2012, as per information available with the Company.

		2011-12 Rs.	2010-11 Rs.
a)	Principal amount due to supplier under MSMED Act, 2006	**-**	44,798
b)	Interest accrued, due to supplier under MSMED Act on the above amount and unpaid	**-**	7,973
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	**44,798**	-
d)	Interest paid to supplier under MSMED Act (Other than Section 16)	**-**	-
e)	Interest paid to supplier under MSMED Act (Section 16)	**7,973**	-
f)	Interest due and payable to suppliers under MSMED Act for payments already made	**-**	-
g)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	**-**	-

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

Notes Forming Part of the Financial Statements

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

(a) Relationships:

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

(i) Subsidiary companies

1 GKB Ophthalmics Products FZE
2 GKB Ophthalmics GmbH

(ii) Associates/Joint venture

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

(iii) Key Management Personnel

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

(iv) Relatives of key management personnel

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

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

in Rs.

Sr. No.	Nature of Transaction / Relationship /Party	2011-12	2010-11
1	Purchases of goods and services		
	Subsidiary company		
	GKB Ophthalmics Products FZE	**19,890,724**	15,312,392
	Associates		
	Prime Lenses Pvt. Ltd.	**635,684**	1,815,613
	GKB Vision Limited	**42,019,720**	37,225,603
	Total	**62,546,128**	54,353,608
2	Sales of goods and services		
	Subsidiary company		
	GKB Ophthalmics Products FZE	**32,471,374**	35,804,953
	Associate/Joint Venture		
	Prime Lenses Pvt. Ltd.	**49,058,709**	52,291,818
	GKB Vision Limited	**20,144,185**	32,791,958
	GKB Opticals Limited	**-**	3,948,478
	GKB Rx Lens Pvt. Ltd.	**6,294,284**	-
	Indo Prime Visual Technologies Pvt. Ltd.	**-**	331,280
	Lensco-The Lens Company	**6,134,176**	14,611,394
	Total	**114,102,728**	139,779,881

Notes Forming Part of the Financial Statements

Sr. No.	Nature of Transaction / Relationship /Party	2011-12	2010-11
3	Purchase of fixed assets		
	Joint Venture		
	Indo Prime Visual Technologies Pvt. Ltd.	**1,251,834**	-
	Total	**1,251,834**	**-**
4	Payment of remuneration		
	Key Management Personnel		
	K. G. Gupta	**1,921,316**	1,921,316
	Total	**1,921,316**	1,921,316
5	Rent Paid		
	Relative of Key Management Personnel		
	Veena Gupta	**300,000**	300,000
	Total	**300,000**	300,000
6	Sale/(cancellation of sale) of Investment		
	Associate		
	GKB Vision Limited	**(28,760,000)**	28,760,000
	Total	**(28,760,000)**	28,760,000
7	Dividend received		
	Subsidiary companies		
	GKB Ophthalmics Products FZE	**10,141,232**	-
	Associate		
	GKB Vision Limited	**-**	1,588,479
	Total	**10,141,232**	1,588,479
8	Interest received		
	Associates		
	Prime Lenses Pvt. Ltd.	**-**	2,687,424
	Lensco-The Lens Company	**-**	950,000
	Total	**-**	3,637,424
9	Recovery of expenses		
	Associates		
	GKB Vision Limited	**34,579**	-
	Prime Lenses Pvt. Ltd.	**9,140**	-
	Total	**43,719**	-
10	Reimbursement of expenses		
	Associate/Joint Venture		
	Prime Lenses Pvt. Ltd.	**44,569**	-
	Indo Prime Visual Technologies Pvt. Ltd.	**482,872**	-
	Total	**527,441**	-

Notes Forming Part of the Financial Statements

Sr. No.	Nature of Transaction / Relationship /Party	2011-12	2010-11
11	Dividend Paid		
	Key Management Personnel		
	K. G. Gupta	-	892,812
	Relatives of Key Management Personnel		
	Veena Gupta	-	413,748
	Vikram Gupta	-	413,756
	Gaurav Gupta	-	1,320
	K. M. Gupta	-	1,800
	Shefali Chawla	-	343,080
	B. K. Gupta	-	513,472
	Usha Gupta	-	2,700
	R. K. Gupta	-	226,800
	Uma Gupta	-	250,800
	N. K. Gupta	-	1,800
	Vipul Chawla	-	96,000
	Sushma Gupta	-	205,206
	Total	-	3,363,294
12	Director's sitting fees		
	Relatives of Key Management Personnel		
	Gaurav Gupta	**85,000**	70,000
	Vikram Gupta	**30,000**	40,000
	K. M. Gupta	**10,000**	30,000
	Total	**125,000**	140,000

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

Sr. No.	Nature of Transaction / Relationship /Party	As at 31st March 2012	As at 31st March 2011
1	Accounts payable		
	Subsidiary companies		
	GKB Ophthalmics GmbH	**1,504,112**	-
	Associate/Joint Venture		
	Prime Lenses Pvt. Ltd.	**1,071,738**	-
	GKB Vision Limited	**18,799,766**	1,260,992
	Indo Prime Visual Technologies Pvt. Ltd.	**66,784**	-
	Relative of Key Management Personnel		
	Veena Gupta	**247,500**	-
	Total	**21,689,900**	1,260,992

Notes Forming Part of the Financial Statements

Sr. No.	Nature of Transaction / Relationship /Party	As at 31st March 2012	As at 31st March 2011
2	Accounts receivable		
	Subsidiary companies		
	GKB Ophthalmics Products FZE	**17,296,851**	12,755,131
	Associate/Joint Ventures		
	Prime Lenses Pvt. Ltd.	**74,626,830**	59,801,554
	GKB Opticals Limited	**2,037,196**	2,337,196
	GKB Rx Lens Pvt. Ltd.	**1,644,788**	-
	Lensco-The Lens Company	**20,999,731**	22,747,904
	GKB Vision Limited	**-**	27,710,000
	Indo Prime Visual Technologies Pvt. Ltd.	**-**	702,178
	Total	**116,605,396**	126,053,963

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

33 Unclaimed dividend: There is no amount due to be credited to the Investors Education & Protection Fund as at 31st March, 2012.

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

Particulars		31st March 2012	31st March 2011
Profit after tax as per Statement of Profit and Loss	Rs.	**17,100,049**	2,027,248
Number of equity shares outstanding	Nos.	**4,153,580**	4,153,580
Face value of equity share	Rs.	**10**	10
Earnings per share (basic and diluted) :			
- Basic	Rs.	**4.12**	0.49
- Diluted	Rs.	**4.12**	0.49

35 As per Accounting Standard (AS) 28 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended March 31, 2012 (previous year - Nil) in the books.

Notes Forming Part of the Financial Statements

36 Value of imports on C.I.F. basis :

	2011-12 Rs.	2010-11 Rs.
Blanks, lenses and monomer *	**112,687,446**	112,792,975
Stores and consumables	**13,773,631**	3,864,260
Spare parts	**9,097,762**	4,946,333
Capital goods	**19,717,347**	41,863,406
	155,276,186	163,466,974
* Includes purchases from other EoUs	**26,425,794**	7,664,031
* Includes goods in transit	**9,441,940**	30,364,095

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

	2011-12			2010-11		
	Sales Rs.	**Closing stock Rs.**	**Opening stock Rs.**	Sales Rs.	Closing stock Rs.	Opening stock Rs.
Ophthalmic Lenses	290,725,232	69,294,196	56,886,610	241,860,630	56,886,610	63,786,612

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

	2011-12				2010-11			
	Sales Rs.	**Purchases Rs.**	**Closing stock Rs.**	**Opening stock Rs.**	Sales Rs.	Purchases Rs.	Closing stock Rs.	Opening stock Rs.
Ophthalmic Lenses	18,591,884	14,395,405	-	-	11,958,702	8,452,536	-	-

39 Particulars of closing Work in Progress :

	31.03.2012 Rs.	31.03.2011 Rs.
Ophthalmic Lenses	**4,975,421**	3,521,542

40 Particulars of services rendered :

	2011-12 Rs.	2010-11 Rs.
Processing of Semi Finished Lenses	**1,937,354**	16,554,832

Notes Forming Part of the Financial Statements

41 Raw materials and components consumed :

	2011-12 Rs.	2010-11 Rs.
Blanks, lenses and monomer *	**145,701,622**	125,062,628
*Excludes prior period adjustment of Rs. Nil (previous year's reversal of Rs. 1,737,159)		

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

	2011-12		2010-11	
	% of total consumption	**Rs.**	% of total consumption	Rs.
Raw Material and components *				
Indigenous	**9**	**12,713,644**	7	9,066,288
Imported	**91**	**132,987,978**	93	115,996,340
	100	**145,701,622**	100	125,062,628
*Excludes prior period adjustment of Rs. Nil (previous year's reversal of Rs. 1,737,159)				
Stores and Spares :				
Indigenous	**58**	**16,948,985**	61	12,599,845
Imported	**42**	**12,275,686**	39	7,957,432
	100	**29,224,671**	100	20,557,277

43 Expenditure in foreign currency charged to accounts :
(including amounts accrued)

	2011-12 Rs.	2010-11 Rs.
Sales promotion	**354,031**	-
Foreign travel	**358,241**	350,105
Commission on sales	**110,173**	284,108
	822,445	634,213

Notes Forming Part of the Financial Statements

44 Earnings in foreign currency :
(including amounts accrued)

	2011-12	2010-11
	Rs.	Rs.
Export of goods (on FOB basis) *	**236,792,477**	186,232,191
Freight, insurance, etc. *	**15,200,099**	6,528,343
Dividends	**10,141,232**	-
	262,133,808	192,760,534
* Includes deemed export made to other EoUs	**36,423,476**	34,285,394

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

a) Details of Investment in Joint Venture

Name of the Joint Venture Entity	:	Indo Prime Visual Technologies Private Limited
Description of Interest	:	Incorporated Joint Venture (Sale of Indo equipment in India)
Proportion of Interest	:	48.50%
Country of incorporation	:	India

b) Financial interest in the jointly controlled entity

(in Rs.)

Particulars	**As at 31-Mar-2012**	As at 31-Mar-11
Assets	**277,965**	3,007,899
Liabilities	**-**	2,833,988

(in Rs.)

Particulars	**2011-12**	2010-11
Income	**3,009,237**	753,431
Expenses	**2,905,183**	1,091,586

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

Notes Forming Part of the Financial Statements

47 The Company's transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to March 31, 2011, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered with 'associated enterprises' as defined in Section 92A of the Income Tax Act, 1961. The Management believes that the international transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

48 Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the Company has prepared the financial statements for the year ended 31st March, 2012 as per the requirements of the Revised Schedule VI issued by the Ministry of Corporate Affairs. Accordingly, the figures for the previous year have been regrouped / reclassified to conform to the current year's classification. Further, the adoption of the Revised Schedule VI for the previous year's figures does not impact recognition and measurement principles followed for preparation of the financial statements.

As per our report attached of even date

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
By the hand of
Edwin P. Augustine
Partner
Membership No. 43385

Place : Mapusa, Goa
Date : 30th May, 2012

For and on behalf of the Board

K. G. Gupta
Chairman and
Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

			2011-12 (Rs.)	2010-11 (Rs.)
(A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before tax		**25,165,953**	6,462,104
	Depreciation and amortisation		**8,298,504**	4,878,825
	Finance cost		**26,589,863**	16,560,797
	Provision for doubtful debts		**503,123**	465,835
	Unrealised exchange loss / (gain) (net)		**(348,024)**	6,898,897
	Provision for diminution in the value of investments		**-**	400,000
	Loss on sale of fixed assets (net)		**60,791**	482,774
	Dividend income		**(10,143,732)**	(1,588,479)
	Interest income		**(610,428)**	(4,408,765)
	Operating profit before working capital changes		**49,516,050**	30,151,988
	Adjustments for :			
	Increase / (decrease) in trade and other payables		**(17,606,889)**	28,901,053
	Increase / (decrease) in provisions		**688,820**	(16,386,647)
	(Increase) / decrease in inventories		**4,951,010**	(7,818,227)
	(Increase) / decrease in trade and other receivables		**(10,183,415)**	(27,957,261)
			(22,150,474)	(23,261,082)
	Cash generated from operations		**27,365,576**	6,890,906
	Direct taxes paid (net of refunds)		**(136,476)**	(288,814)
	Net cash generated from / (used) in operations	**(A)**	**27,229,100**	6,602,092
(B)	**CASH FLOWS FROM INVESTMENT ACTIVITIES**			
	Payments for purchase of fixed assets		**(52,719,428)**	(16,524,362)
	Proceeds from sale of fixed assets		**280,000**	472,880
	Purchase of long term investments		**-**	(25,300)
	Proceeds from sale of long term investments		**-**	1,050,000
	Payments to Associate Company on cancellation of sale of shares		**(1,048,200)**	-
	Interest received		**3,789,267**	1,787,815
	Dividend received		**5,170,490**	6,055,479
	Net cash generated from / (used) in investment activities	**(B)**	**(44,527,871)**	(7,183,488)
(C)	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings		**46,971,305**	2,883,988
	Repayments of long term borrowings		**(9,401,175)**	-
	Proceeds from / (Repayments of) short term borrowings		**(1,138,335)**	16,302,361
	Interest paid		**(19,143,592)**	(13,341,699)
	Dividend paid (including tax on dividend)		**(980)**	(5,831,377)
	Net cash generated from / (used) in financing activities	**(C)**	**17,287,223**	13,273
	Net changes in cash and cash equivalents	**(A+B+C)**	**(11,548)**	(568,123)
	Cash and cash equivalents - Opening balance		**52,600**	620,723
	Cash and cash equivalents - Closing balance		**41,052**	52,600
	Net increase / (decrease) in cash and cash equivalents		**(11,548)**	(568,123)

Notes :

1 The aforesaid statement has been prepared under the indirect method, as set out in Accounting Standard (AS) 3 - "Cash Flow Statement", as specified in the Companies (Accounting Standards) Rules, 2006.

2 Additions to fixed assets are stated inclusive of movements in capital work in progress between the beginning and end of the year and treated as part of investment activities.

3 Figures for the previous year have been regrouped, wherever necessary.

As per our report attached of even date

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
By the hand of
Edwin P. Augustine
Partner
Membership No. 43385

Place : Mapusa, Goa
Date : 30th May, 2012

For and on behalf of the Board

K. G. Gupta
Chairman and Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2012

CONSOLIDATED AUDITORS' REPORT

To,

The Members,

GKB OPHTHALMICS LIMITED,

We have examined the attached Consolidated Balance Sheet of GKB Ophthalmics Limited and its subsidiaries, associates and joint venture (the GKB group) as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows 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.

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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on 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 statements. We believe that our audit provides a reasonable basis for our opinion.

In respect of the financial statements of the subsidiaries and joint venture, we did not carry out the audit. These financial statements have been audited / reviewed by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries and joint ventures is based solely on the reports of the other auditors. The details of assets, revenues and net cash flows in respect of these subsidiaries and joint venture, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:				In Rs. Lakhs
		Total assets	**Total revenues**	**Net Cash flows**
A	Foreign subsidiaries	1,590.26	1,108.54	4.72
B	Joint venture	2.78	30.09	(2.41)

We further report that in respect of the associates, we did not carry out the audit. These financial statements have been certified by the management and have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the associates, are based solely on these financial statements.

Since the financial statements for the financial year ended 31st March, 2012, which were compiled by management of these companies, were not audited, any adjustments to their balances could have

CONSOLIDATED AUDITORS' REPORT

consequential effects on the attached consolidated financial statements. The details of the net carrying cost of investment and current year share of loss (net) in respect of these associates, to the extent to which they are reflected in the consolidated financial statements are given below:

Certified by management:

In Rs. Lakhs

		Net carrying cost of investment	Current year share of loss (net)
A	Associates	1,199.15	14.96

We report that, the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21, 'Consolidated Financial Statements' , (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited/certified financial statements of the GKB Group included in the consolidated financial statements.

Attention is drawn to note 26 of the Consolidated Financial Statements as regards consolidation of the subsidiaries, associates and the joint venture in accordance with the requirements of AS 21, AS 23 and AS 27 which had not been undertaken in the earlier years and the corresponding impact of certain adjustments in the opening retained earnings which has not been given effect to in the absence of information.

We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the GKB Group, we are of the opinion that the said consolidated financial statements, read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Consolidated Balance Sheet, of the state of affairs of the GKB Group as at 31 March, 2012;
b) in the case of the Consolidated Statement of Profit and Loss of the consolidated results of operations of the GKB Group for the year ended on that date; and
c) in the case of the Consolidated Statement of Cash Flow, of the consolidated cash flows of the GKB Group for the year ended on that date.

SHARP & TANNAN
Chartered Accountants
ICAI registration no.109982W
By the hand of
Edwin P. Augustine
Partner
Membership No.43385

Place: Mapusa, Goa
Date: 30th May, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Particulars	Note No.	As at 31.03.2012 Rs.
I	**EQUITY & LIABILITIES**		
1	**Shareholder's funds**		
	(a) Share Capital	1	**41,535,800**
	(b) Reserves and Surplus	2	**311,205,421**
	Total Shareholders Funds		**352,741,221**
2	**Share application money pending allotment**		**-**
3	**Non-current Liabilities**		
	(a) Long-term borrowings	3	**30,200,960**
	(b) Deferred Tax Liabilities (net)	4	**8,313,172**
	(c) Other Long-term liabilities		**-**
	(d) Long-Term Provisions	5	**3,837,162**
	Total Non Current Liabilities		**42,351,294**
4	**Current Liabilities**		
	(a) Short-term borrowings	6	**90,639,718**
	(b) Trade payables	7	**111,430,644**
	(c) Other current liabilities	8	**48,523,259**
	(d) Short-Term Provisions	9	**62,545,124**
	Total Current Liabilities		**313,138,745**
	Total Liabilities		**355,490,039**
	Total Liabilities and Equity		**708,231,260**
II	**ASSETS**		
1	**Non-current Assets**		
	(a) Fixed Assets		
	(i) Tangible assets	10	**116,528,991**
	(ii) Intangible assets	10	**1,053,518**
	(iii) Capital work-in-progress	10	**26,752,363**
	(iv) Intangible assets under development	10	**-**
	(b) Non-current investments	11	**119,942,318**
	(c) Long-term loans and advances	12	**850,016**
	(d) Other non-current assets		**-**
	Total Non-current assets		**265,127,206**
2	**Current Assets**		
	(a) Current investments		**-**
	(b) Inventories	13	**227,653,481**
	(c) Trade receivables	14	**187,686,574**
	(d) Cash and bank balances	15	**18,909,138**
	(e) Short-term loans and advances	16	**7,783,858**
	(f) Other current assets	17	**1,071,003**
	Total Current Assets		**443,104,054**
	Total Assets		**708,231,260**
	Significant Accounting Policies	A	**-**

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

As per our report attached of even date
SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
By the hand of
Edwin P. Augustine
Partner
Membership No. 43385

Place : Mapusa, Goa
Date : 30th May, 2012

For and on behalf of the Board

K. G. Gupta
Chairman and Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	2011 - 2012 Rs.	2011 - 2012 Rs.
Income			
Revenue from operations (Gross)	18	**393,863,996**	
Less : Excise duty		**6,531,101**	
Revenue from operations (Net)			**387,332,895**
Other income	19		**7,112,869**
Total Revenue (I + II)			**394,445,764**
Expenses			
Cost of materials consumed	20	**128,051,832**	
Purchase of stock in trade	20	**96,044,313**	
Changes in inventories of finished goods (including excise duty), work in progress and stock in trade	20	**(38,766,332)**	
			185,329,813
Employee benefits expense	21		**50,976,375**
Finance costs	22		**26,701,408**
Depreciation and amortisation	10		**8,681,636**
Other expenses	23		**82,390,727**
			354,079,959
Profit before tax			**40,365,805**
Tax Expense :			
Current Tax		**(10,243,120)**	
Deferred Tax		**2,177,216**	
			(8,065,904)
Profit after tax			**32,299,901**
Add: Share in profit/(loss) (net) of associates			**(1,495,671)**
Profit attributable to group shareholders			**30,804,230**
Earnings per Equity Share (Refer Note 34)			
- Basic	Rs.		**7.42**
- Diluted	Rs.		**7.42**
Face value per Equity Share	Rs.		**10**
Significant Accounting Policies	A		

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

As per our report attached of even date

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
By the hand of
Edwin P. Augustine
Partner
Membership No. 43385

Place : Mapusa, Goa
Date : 30th May, 2012

For and on behalf of the Board

K. G. Gupta
Chairman and Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2012

Notes Forming Part of Consolidated Financial Statements

NOTE A - Significant Accounting Policies

1 Basis of preparation of Financial Statements:

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

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

2 Use of estimates:

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

3 Principles of consolidation:

i) The financial statements of the Parent Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabililties, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

ii) Investment in associate companies have been accounted for by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognise any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually.

iii) The Company's interests in Jointly controlled entities are proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealised profits/losses on intra-group transactions.

4 Fixed Assets:

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

ii) Administrative & other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.

Notes Forming Part of Consolidated Financial Statements

iii) The assets acquired under hire-purchase agreement are included in the fixed assets of the Company, where the terms of the agreement provide that the assets shall eventually become the property of the hirer or confer on him an option to purchase the assets.

5 Depreciation:

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

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

6 Impairment of Assets:

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

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

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

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

7 Inventories:

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

8 Employee Benefits:

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

Defined Contribution Plan

a) Provident Fund
The Company contributes to the government administered provident fund. The fixed contributions to these funds are charged to 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.

Notes Forming Part of Consolidated Financial Statements

Defined Benefit Plan

Leave Encashment:

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

Gratuity

The Company's contribution towards gratuity made under Group Gratuity Scheme with Life Insurance Corporation of India (LIC) is determined based on the amount recommended by LIC as per Actuarial valuation.

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

9 Borrowing Costs:

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

A Qualifying Asset is an Asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

10 Foreign Currency Transactions:

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

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

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

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

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

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

a) Assets and liabilities at the rate prevailing at the end of the year.

b) Revenues and expenses at yearly average exchange rates prevailing during the year.

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

Notes Forming Part of Consolidated Financial Statements

11 Research & Development:

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

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

12 Investments:

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

13 Deferred Taxation:

i) Indian Companies

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

ii) Foreign Companies

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

14 Revenue Recognition:

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

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

Notes Forming Part of Consolidated Financial Statements

NOTE 1 : SHARE CAPITAL

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

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

	Name of Shareholder	As at 31.03.2012 No. of shares	Percentage held
1	Krishna Gopal Gupta	**753,909**	**18.15%**
2	Krishna Murari Gupta	**418,557**	**10.08%**
3	Vikram Gupta	**344,797**	**8.30%**
4	Gaurav Gupta	**344,790**	**8.30%**
5	Veena Gupta	**285,900**	**6.88%**
6	Usha Gupta	**209,000**	**5.03%**

Other disclosures (for 5 years immediately preceding 31.03.2012)

Particulars	FY2011-12	FY2010-11	FY2009-10	FY2008-09	FY2007-08
i. Shares issued pursuant to a contract without payment being received in cash	-	-	-	-	-
ii. Shares issued as fully paid up bonus shares	-	-	-	-	-
iii. Shares bought back	-	-	-	-	-

Reconciliation of opening and closing share capital

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

Rights, preferences and restrictions attached to shares

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

Notes Forming Part of Consolidated Financial Statements

NOTE 2 : RESERVES AND SURPLUS

	As at 31.03.2012	
	Rs.	**Rs.**
Capital Reserve		
- As per last Balance Sheet		**4,328,500**
Securities Premium Account		
- As per last Balance Sheet		**20,276,000**
Investment Allowance (Utilised) Reserve		
- As per last Balance Sheet		**2,229,150**
Foreign Currency Translation Reserve		
- As per last Balance Sheet	**-**	
Addition / (Deduction) during the year	**1,011,734**	
		1,011,734
Retained Earnings		
- As per last Balance Sheet	**164,144,288**	
Addition / (Deduction) during the year		
- Share in profit / (loss) of associates till 31st March, 2011 on first time adoption of Accounting Standard (AS) 23	**82,041,029**	
- Provision for diminution in the value of investments in a Joint Venture reversed on consolidation	**1,200,000**	
- Dividend received from subsidiaries in the current year pertaining to the previous year reversed on consolidation	**5,170,490**	
- Transferred from Statement of Profit and Loss	**30,804,230**	
		283,360,037
		311,205,421

Notes Forming Part of Consolidated Financial Statements

NOTE 3 : LONG TERM BORROWINGS

	As at 31.03.2012 Rs.
Secured :	
Term Loans	
a) From Banks	**30,104,050**
b) From Financial institutions	**96,910**
	30,200,960

Nature of security :

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

NOTE 4 : DEFERRED TAX

The major components of deferred tax assets and deferred tax liabilities are as under: in Rs.

	As at 31.03.2012		As at 31.03.2011	
	Deferred Tax Assets	**Deferred Tax Liabilities**	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book and tax written down value		**12,251,886**		13,678,072
Expenses allowable for tax purposes when paid/on payment of TDS	**3,611,998**		3,016,422	
Provision for doubtful debts	**326,716**		171,262	
	3,938,714	**12,251,886**	3,187,684	13,678,072
Net deferred tax liability/(asset)	**8,313,172**		10,490,388	
Net liability (charged)/credited to the statement of profit and loss	**2,177,216**			

Notes Forming Part of Consolidated Financial Statements

NOTE 5 : LONG TERM PROVISIONS

	As at 31.03.2012	
	Rs.	Rs.
Provision for Employee Benefits		
- Gratuity (Refer Note 29)	2,454,808	
- Leave encashment (Refer Note 29)	1,382,354	
		3,837,162
		3,837,162

NOTE 6 : SHORT TERM BORROWINGS

	As at 31.03.2012	
	Rs.	Rs.
Secured :		
From Banks :		
a) Cash credit	30,351,317	
b) Packing credit facility	60,288,401	
		90,639,718
		90,639,718

Nature of security :

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

NOTE 7 : TRADE PAYABLES

	As at 31.03.2012	
	Rs.	Rs.
-Due to micro and small enterprises (Refer note 35)	-	
-Due to others	111,430,644	
		111,430,644
		111,430,644

Notes Forming Part of Consolidated Financial Statements

NOTE 8 : OTHER CURRENT LIABILITIES

	As at 31.03.2012 Rs.	Rs.
Current maturities of long term debt		
Secured :		
From Banks		15,046,361
From Financial Institutions		500,351
Interest accrued and due on borrowings		544,819
Overdrawn bank balances as per books		1,046,822
Other liabilities		
- Statutory dues	1,657,960	
- Creditors for capital goods	3,041,605	
- Others	10,826,159	
		15,525,724
Unpaid dividend		58,510
Advance from customers		15,800,672
		48,523,259

NOTE 9 : SHORT TERM PROVISIONS

	As at 31.03.2012 Rs.	Rs.
Provision for Employee Benefits		
-Gratuity (Refer Note 29)	5,404,911	
-Leave encashment (Refer Note 29)	235,732	
-Superannuation	1,147,607	
-Bonus	1,829,261	
		8,617,511
Provision for Income Taxes		53,927,613
(net of advance tax and tax deducted at source)		
		62,545,124

Notes Forming Part of Consolidated Financial Statements

NOTE 10 : FIXED ASSETS

in Rs.

ASSETS	Gross Block					Depreciation / Amortisation					Net Block
	Opening As at 01.04.2011	Additions	Deductions	Transalation Adjustment	Closing As at 31.03.2012	Opening As at 01.04.2011	On Deductions	For the year	Transalation Adjustment	Closing As at 31.03.2012	As at 31.03.2012
(A) Tangible Assets											
Freehold Land	429,910	-	-	-	**429,910**	-	-	-	-	**-**	**429,910**
Leasehold Land	895,500	-	-	-	**895,500**	84,442	-	9,426	-	**93,868**	**801,632**
Buildings	38,269,987	1,343,546	-	-	**39,613,533**	6,309,280	-	1,866,979	-	**8,176,259**	**31,437,274**
Plant and Machinery	138,667,780	24,631,687	-	-	**163,299,467**	83,913,441	-	4,906,299	-	**88,819,740**	**74,479,727**
Furniture and Fixtures	9,339,058	418,074	-	108,172	**9,865,304**	6,856,455	-	721,301	101,276	**7,679,032**	**2,186,272**
Office Equipment	2,500,347	111,707	-	80,353	**2,692,407**	1,432,682	-	269,292	69,913	**1,771,887**	**920,520**
Vehicles	11,350,350	577,277	861,609	282,713	**11,348,731**	4,506,629	520,818	888,800	200,464	**5,075,075**	**6,273,656**
	201,452,932	**27,082,291**	**861,609**	**471,238**	**228,144,852**	**103,102,929**	**520,818**	**8,662,097**	**371,653**	**111,615,861**	**116,528,991**
Add : Capital Work in Progress											**26,752,363**
Sub-total (A)	**201,452,932**	**27,082,291**	**861,609**	**471,238**	**228,144,852**	**103,102,929**	**520,818**	**8,662,097**	**371,653**	**111,615,861**	**143,281,354**
(B) Intangible Assets											
Computer Software	-	1,073,057	-	-	**1,073,057**	-	-	19,539	-	**19,539**	**1,053,518**
	-	**1,073,057**	**-**	**-**	**1,073,057**	**-**	**-**	**19,539**	**-**	**19,539**	**1,053,518**
Add : Intangible assets under development											**-**
Sub-total (B)	**-**	**1,073,057**	**-**	**-**	**1,073,057**	**-**	**-**	**19,539**	**-**	**19,539**	**1,053,518**
Total (A + B)	**201,452,932**	**28,155,348**	**861,609**	**471,238**	**229,217,909**	**103,102,929**	**520,818**	**8,681,636**	**371,653**	**111,635,400**	**144,334,872**

Note:

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

Notes Forming Part of Consolidated Financial Statements

NOTE 11 : NON CURRENT INVESTMENTS (at cost, unquoted)

	As at 31.03.2012 Rs.	Rs.
Investment in Equity Instruments		
Associates		
Fully paid equity shares of associate companies	**39,369,860**	
Add/(Less):		
- Share in profit / (loss) of associates till 31st March, 2011 on first time adoption of Accounting Standard (AS) 23	**82,041,029**	
- Share in profit / (loss) (net) of associates for the current year	**(1,495,671)**	
		119,915,218
Others		
- Crysta Lenses Private Limited [1 equity share (Previous year 1 equity share) of Rs. 10 each]		**1,800**
- Saraswat Co-operative Bank Limited [2,500 shares (Previous year 2,500 shares) of Rs. 10 each]		**25,300**
		119,942,318

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

	As at 31.03.2012 Rs.	Rs.
Capital Advances		**850,016**
		850,016

Notes Forming Part of Consolidated Financial Statements

NOTE 13 : INVENTORIES (at lower of cost or net realisable value)

	As at 31.03.2012	
	Rs.	**Rs.**
Raw materials	**36,633,066**	
Add : Goods in transit	**9,441,940**	
		46,075,006
Work-in-Process		**4,975,421**
Finished goods		**69,294,196**
Stock in trade	**60,030,721**	
Add : Goods in transit	**16,833,946**	
		76,864,667
Stores, spares and packing material		**30,444,191**
		227,653,481

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

	As at 31.03.2012	
	Rs.	**Rs.**
- Debts oustanding for a period exceeding six months from the date due for payment		
Considered good *	**73,649,672**	
Considered doubtful	**1,006,984**	
	74,656,656	
Less: Allowance for bad and doubtful debts	**1,006,984**	
		73,649,672
- Other Debts		
Considered good*		**114,036,902**
		187,686,574
* Trade receivables include :		
- Dues from Prime Lenses Private Limited in which a director of the Company is a director		**74,583,472**

Notes Forming Part of Consolidated Financial Statements

NOTE 15 : CASH AND BANK BALANCES

	As at 31.03.2012	
	Rs.	**Rs.**
Cash and cash equivalents		
Cash on hand	**106,194**	
Balance with banks		
-on current account	**14,940,141**	
		15,046,335
Other bank balances		
Balance with banks		
-on margin money deposit accounts (pledged against bank guarantee and letters of credit)	**3,804,293**	
-on unpaid dividend account	**58,510**	
		3,862,803
		18,909,138

Details of maturity of margin money deposit accounts

	As at 31.03.2012 Rs.
Bank deposits :	
- Maturity after 12 months	**-**
- Maturity within 12 months	**3,804,293**
	3,804,293

Notes Forming Part of Consolidated Financial Statements

NOTE 16 : SHORT TERM LOANS AND ADVANCES (unsecured considered good)

	As at 31.03.2012	
	Rs.	Rs.
Security Deposits		1,173,549
Advances recoverable in cash or in kind or for value to be received		
- Due from associates	43,358	
- Due from others	6,531,313	
		6,574,671
Balances with Excise and VAT authorities		35,638
		7,783,858
*Due from associates comprises advances to -		
Prime Lenses Pvt. Ltd.		43,358
which is a private limited company in which a director of the Company is a director		

NOTE 17 : OTHER CURRENT ASSETS

	As at 31.03.2012	
	Rs.	Rs.
Interest accrued on margin money deposits / others		1,071,003
		1,071,003

Notes Forming Part of Consolidated Financial Statements

NOTE 18 : REVENUE FROM OPERATIONS

	2011 - 2012 Rs.	2011 - 2012 Rs.
Sale of Products		**391,926,482**
Other operational revenue		
- Processing charges		**1,937,514**
Gross Revenue from operations		**393,863,996**

NOTE 19 : OTHER INCOME

	2011 - 2012 Rs.	2011 - 2012 Rs.
Interest income		
from margin money deposits / others		**621,758**
Dividend income		**2,500**
Exchange gain (net)		**1,161,415**
Other non operating income		
Sundry balances written back (net)	**2,429,948**	
Miscellaneous Income - others	**2,897,248**	
		5,327,196
		7,112,869

Notes Forming Part of Consolidated Financial Statements

NOTE 20 : COST OF GOODS SOLD

	2011 - 2012 Rs.	2011 - 2012 Rs.
Cost of materials consumed :		
Opening stock	**70,635,460**	
Add : Purchases	**103,491,378**	
	174,126,838	
Less : Closing stock	**46,075,006**	
		128,051,832
Purchase of stock in trade		**96,044,313**
Changes in inventories of finished goods (including excise duty) and work in progress, and stock in trade :		
Closing stock :		
Work-In-Process	**4,975,421**	
Finished goods	**69,085,654**	
Trading goods	**76,864,667**	
	150,925,742	
Opening stock :		
Work-In-Process	**3,521,542**	
Finished goods	**56,859,329**	
Trading goods	**51,959,800**	
	112,340,671	
Excise duty		
on closing stock of finished goods	**208,542**	
on opening stock of finished goods	**27,281**	
	(181,261)	**(38,766,332)**
		185,329,813

Notes Forming Part of Consolidated Financial Statements

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

	2011 - 2012 Rs.	2011 - 2012 Rs.
Salaries, Wages and Bonus		**43,814,805**
Contribution to Provident fund and other funds		**3,767,966**
Gratuity		**2,093,193**
Leave encashment		**247,466**
Workmen and Staff Welfare		**1,052,945**
		50,976,375

NOTE 22 : FINANCE COSTS

	2011 - 2012 Rs.	2011 - 2012 Rs.
Interest Expenses:		
- Borrowings	**16,936,564**	
- Income tax *	**6,945,780**	
- Others	**110,009**	
		23,992,353
Other borrowing costs and bank charges		**2,709,055**
		26,701,408

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

Notes Forming Part of Consolidated Financial Statements

NOTE 23 : OTHER EXPENSES

	2011 - 2012 Rs.	2011 - 2012 Rs.
Stores and spares consumed		**29,224,671**
Packing material consumed		**6,846,981**
Power and fuel		**8,957,640**
Other manufacturing expenses		**9,276,390**
Rent		**3,028,495**
Repairs :		
- Building	**188,224**	
- Plant and Equipment	**1,758,970**	
- Others	**1,108,909**	
		3,056,103
Insurance		**824,305**
Rates and Taxes		**1,153,306**
Freight and forwarding		**4,510,239**
Auditors' Remuneration		**662,056**
Commission		**1,943,713**
Travelling and conveyance		**2,592,149**
Legal and Professional Charges		**1,118,451**
Allowance for doubtful debts		**1,963,255**
Loss on sale of fixed assets (net)		**60,791**
Directors' fees		**390,000**
Advertising and sales promotion		**1,608,378**
Security charges		**1,431,383**
Telephone and communication expenses		**1,881,356**
Printing and stationery expenses		**739,670**
Miscellaneous expenses		**1,121,395**
		82,390,727

Notes Forming Part of Consolidated Financial Statements

24 Basis of preparation of Consolidated Financial Statements (CFS):

a) The Consolidated Financial Statements (CFS) are prepared in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006. The CFS comprises the financial statements of GKB Ophthalmics Limited, its subsidiaries, associates and joint venture. References in these notes to GKB, Company, Companies, Parent Company or Group shall mean to include GKB Ophthalmics Limited or any of its subsidiaries, associates and joint venture, unless otherwise stated.

b) The notes and significant accounting policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

25 The list of subsidiaries, associates and joint venture included in the consolidated financial statements are as under:

Sr. No.	Name of the Company	Relationship	Country of incorporation	Proportion of ownership interest
1	GKB Ophthalmics Products [FZE], Sharjah (Limited Liability Establishment)	Subsidiary	United Arab Emirates	100%
2	GKB Ophthalmics GmbH, Oyten	Subsidiary	Germany	100%
3	Prime Lenses Private Limited	Associate	India	28%
4	GKB Vision Limited	Associate	India	36%
5	Indo Prime Visual Technologies Private Limited	Joint Venture	India	49%

26 During the financial year the management decided to consolidate its two subsidiaries, two associates and one joint venture in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006, which in the earlier years was not undertaken. Since consolidated financial statements have not been prepared for the earlier year, certain information as mentioned below could not be ascertained.

a) Identification of Goodwill or Capital Reserve in the carrying cost of investment in associates.

b) "Determination of balance as at April 01, 2011 of the foreign currency translation reserves in respect of the Company's 'non-integral' foreign subsidiaries and opening balance of retained earnings which has been considered as a balancing figure."

c) Unrealised profits / losses (if any) in respect of intra group transactions which should have been eliminated.

d) Adjustments required in respect of 'b' and 'c' above, which have an impact on opening retained earnings, has not been given effect in the absence of information.

Notes Forming Part of Consolidated Financial Statements

27 Contingent Liabilities and Commitments:

	31.03.2012
Contingent Liabilities	**Rs.**
a) Sales tax liability that may arise in respect of matters in appeal	**11,170,738**
b) Excise duty liability that may arise in respect of matters in appeal	**3,361,887**
c) Guarantees given on behalf of associate companies	**306,108,000**
d) Bills discounted	**22,500,515**
e) Letters of credit outstanding	**19,841,978**
f) Bank guarantees	**5,252,568**

Note:

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

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

b) Other commitments

The Company is a 100% EOU registered under the SEEPZ Special Economic Zone. As per the amendment to Letter of Permission dated November 20, 2008, the Company is required to achieve specified export turnover and Net Foreign Exchange Earning (NFE) targets during the period April 1, 2008 to March 31, 2013. The specified targets and the actual turnover and NFE as at March 31, 2012 are as under:

Figures in USD Million

	Export Turnover		NFE	
Financial Year	Target	Actual	Target	Actual
2008-09	35.82	4.10	3.26	(1.66)
2009-10		7.24		3.44
2010-11		4.21		0.40
2011-12		4.95		2.97
Total	35.82	20.50	3.26	5.15
Balance to be achieved in FY 12-13		**15.32**		-

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

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

a) Defined Contribution Plan:

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

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

- Employer's contribution to Provident Fund and EDLI Rs.1,139,840
- Employer's contribution to Family Pension Scheme Rs. 1,025,332
- Employer's contribution to Employees State Insurance Scheme Rs. 1,151,033
- Employer's contribution to Superannuation Fund Rs. 318,344

Notes Forming Part of Consolidated Financial Statements

b) Defined Benefit Plans:

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

		Gratuity (funded) Rs. 2011-2012	Gratuity (unfunded) Rs. 2011-2012
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	6,038,493	2,382,692
2	Interest cost	483,079	-
3	Current service cost	506,230	1,348,432
4	Past service cost	-	-
5	Benefits paid	(393,505)	-
6	Actuarial (gain) / losses	(25,495)	-
7	Translation adjustments	-	95,678
8	Liability at the end of the year	6,608,802	3,826,802
II	**Change in assets during the year**		
1	Plan assets at the beginning of the year	2,494,923	-
2	Expected return of plan assets	219,053	-
3	Contributions	255,414	-
4	Benefits paid	(393,505)	-
5	Actuarial gain / (loss)	-	-
6	Plan assets at the end of the year	2,575,885	-
7	Total actuarial gain/(loss) to be recognised	25,495	-
III	**Actual return on plan assets**		
1	Expected return on plan assets	219,053	-
2	Actuarial gain / (loss)	-	-
3	Actual return on plan assets	219,053	-
IV	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	(6,608,802)	(3,826,802)
2	Plan assets at the end of the year	2,575,885	-
3	Amount recognised in the balance sheet	(4,032,917)	(3,826,802)
V	**Expenses recognised in the statement of profit and loss account for the year**		
1	Current service cost	506,230	1,348,432
2	Interest cost	483,079	-
3	Expected return on plan assets	(219,053)	-
4	Actuarial (gain) / losses	(25,495)	-
5	Past service cost	-	-
6	Total expenses as per actuarial valuation	744,761	1,348,432
7	Optional payment	-	-
8	Total expenses	744,761	1,348,432
VI	**Balance sheet reconciliation**		
1	Opening net liability	3,543,570	2,382,692
2	Expenses as above	744,761	1,348,432
3	Employer contribution	(255,414)	-
4	Translation adjustments	-	95,678
5	Amount recognised in the balance sheet *	4,032,917	3,826,802
VII	**The major categories of plan assets as a percentage of total**		
	Insurer Managed Funds	100%	Not applicable
VIII	**Actuarial assumptions**		
1	Discount rate	8.00%	8.75%
2	Rate of return on plan assets	Not determined	Not applicable
3	Rate of mortality	As per mortality table LIC (1994-96) Ultimate	
	* Pursuant to revised Schedule VI, the closing net liability is disclosed as follows:		
	Disclosed in Note 5 - Long Term Provisions	-	2,454,808
	Disclosed in Note 9 - Short Term Provisions	4,032,917	1,371,994

Notes Forming Part of Consolidated Financial Statements

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

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

* Pursuant to revised schedule VI, the closing net liability is disclosed as follows:	
Disclosed in Note 5 - Long Term Provisions	**1,382,354**
Disclosed in Note 9 - Short Term Provisions	**235,732**

General description of the defined benefit plan:

1) The Company operates a gratuity scheme, which is a funded scheme for qualifying employees, except in the case of directors where the scheme is unfunded. The scheme provides for lump sum payment to employees on retirement, death, while in employment or termination of employment or an amount equivalent to 15 days salary for every completed year of service or part thereof in six months, provided the employee has completed 5 years of service.
   In case of foreign subsidiaries, the gratuity scheme is unfunded. Gratuity liability in case of foreign subsidiaries has been provided as per applicable local laws.
2) The Company operates a leave encashment scheme, which is a unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes Forming Part of Consolidated Financial Statements

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

31 Interest in Joint Ventures

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

Particulars	As at 31-March-2012
Assets	
I. Non-current assets	-
II. Current assets	
- Inventories	-
- Trade receivables	184,980
- Cash and cash equivalents	87,375
- Other current assets	5,610
Total Assets	277,965
Liabilities	
I. Non-current liabililties	-
II. Current liabilities	-
- Trade payables	-
- Other current liabilities	-
Total Liabilities	-
Reserves	(1,335,252)
Income	
I. Revenue from operations	554,803
II. Other income	2,454,434
Total income	3,009,237
Expenses	
I. Operating expenses	2,395,038
II. Employee benefits expenses	190,456
III. Other expenses	288,117
IV. Prior period expenses	31,572
Total expenses	2,905,183

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

a) Primary Segment :

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

Notes Forming Part of Consolidated Financial Statements

b) Secondary Segment (Geographical Segment) :

	Within India Rs.	Outside India Rs.	Total Rs.
Revenue from external customers* (excluding other operational revenue)	101,740,065	283,655,316	385,395,381
Carrying amount of segment assets	421,606,452	214,383,026	635,989,478
Additions to fixed assets during the year	15,863,778	-	15,863,778

* Revenue within India includes deemed export sales of Rs. 36,423,476 made to other EOU units in India

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

(a) Relationships:

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

(i) Associates/Joint venture

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

(ii) Key Management Personnel

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

(iii) Relatives of key management personnel

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

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

Sr. No.	Nature of Transaction / Relationship /Party	2011-12
1	Purchases of goods and services	
	Associates	
	Prime Lenses Pvt. Ltd.	**1,861,017**
	GKB Vision Limited	**78,661,996**
	Total	**80,523,013**

Notes Forming Part of Consolidated Financial Statements

Sr. No.	Nature of Transaction / Relationship /Party	2011-12
2	Sales of goods and services	
	Associate/Joint Venture	
	Prime Lenses Pvt. Ltd.	**49,058,709**
	GKB Vision Limited	**27,581,484**
	GKB Rx Lens Pvt. Ltd.	**6,294,284**
	Lensco - The Lens Company	**6,134,176**
	Total	**89,068,653**
3	Purchase of fixed assets	
	Joint Venture	
	Indo Prime Visual Technologies Pvt. Ltd.	**1,251,834**
	Total	**1,251,834**
4	Payment of remuneration	
	Key Management Personnel	
	K. G. Gupta	**1,921,316**
	Total	**1,921,316**
5	Rent Paid	
	Relative of Key Management Personnel	
	Veena Gupta	**300,000**
	Total	**300,000**
6	Sale/(cancellation of sale) of Investment	
	Associate	
	GKB Vision Limited	**(28,760,000)**
	Total	**(28,760,000)**
7	Recovery of expenses	
	Associate	
	GKB Vision Limited	**34,579**
	Prime Lenses Pvt. Ltd.	**9,140**
	Total	**43,719**
8	Reimbursement of expenses	
	Associate/Joint Venture	
	Prime Lenses Pvt. Ltd.	**44,569**
	Indo Prime Visual Technologies Pvt. Ltd.	**482,872**
	Total	**527,441**
9	Director's sitting fees	
	Relatives of Key Management Personnel	
	Gaurav Gupta	**85,000**
	Vikram Gupta	**30,000**
	K. M. Gupta	**10,000**
	Total	**125,000**

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

Notes Forming Part of Consolidated Financial Statements

Sr. No.	Nature of Transaction / Relationship /Party	As at 31st March 2012
1	Accounts payable	
	Associate/Joint Venture	
	Prime Lenses Pvt. Ltd.	**2,279,314**
	GKB Vision Limited	**40,244,497**
	Indo Prime Visual Technologies Pvt. Ltd.	**66,784**
	Relative of Key Management Personnel	
	Veena Gupta	**247,500**
	Total	**42,838,095**
2	Accounts receivable	
	Associate/Joint Ventures	
	Prime Lenses Pvt. Ltd.	**74,626,830**
	GKB Opticals Limited	**2,037,196**
	GKB Rx Lens Pvt. Ltd.	**1,644,788**
	Lensco-The Lens Company	**20,999,731**
	Total	**99,308,545**

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

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

35 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2012, as per information available with the Company.

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

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

Notes Forming Part of Consolidated Financial Statements

36 As per Accounting Standard (AS) 28 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended March 31, 2012 in the books.

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

38 The Company's transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to March 31, 2011, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered with 'associated enterprises' as defined in Section 92A of the Income Tax Act, 1961. The Management believes that the international transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

39 Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the Company has prepared the consolidated financial statements for the year ended 31st March, 2012 as per the requirements of the Revised Schedule VI issued by the Ministry of Corporate Affairs. Since consolidated financial statements have not been prepared for the earlier year, previous years figures have not been disclosed.

As per our report attached of even date

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
By the hand of
Edwin P. Augustine
Partner
Membership No. 43385

Place : Mapusa, Goa
Date : 30th May, 2012

For and on behalf of the Board

K. G. Gupta
Chairman and Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

			2011-12 (Rs.)
(A)	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax		**40,365,805**
	Depreciation and amortisation		**8,681,636**
	Finance cost		**26,701,408**
	Provision for doubtful debts		**1,963,255**
	Loss on sale of fixed assets (net)		**60,791**
	Dividend income		**(2,500)**
	Interest income		**(621,758)**
	Operating profit before working capital changes		**77,148,637**
	Adjustments for :		
	Increase / (decrease) in trade and other payables		**(22,215,756)**
	Increase / (decrease) in provisions		**2,060,814**
	(Increase) / decrease in inventories		**(17,634,665)**
	(Increase) / decrease in trade and other receivables		**(6,146,793)**
			(43,936,400)
	Cash generated from operations		**33,212,237**
	Direct taxes paid (net of refunds)		**(136,476)**
	Net cash generated from / (used) in operations	**(A)**	**33,075,761**
(B)	**CASH FLOWS FROM INVESTMENT ACTIVITIES**		
	Payments for purchase of fixed assets		**(52,819,013)**
	Proceeds from sale of fixed assets		**280,000**
	Payments to Associate Company on cancellation of sale of shares		**(1,048,200)**
	Interest received		**3,800,597**
	Dividend received		**2,500**
	Net cash generated from / (used) in investment activities	**(B)**	**(49,784,116)**
(C)	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings		**46,971,305**
	Repayments of long term borrowings		**(9,648,662)**
	Proceeds from / (Repayments of) short term borrowings		**(1,138,335)**
	Interest paid		**(19,255,137)**
	Dividend paid (including tax on dividend)		**(980)**
	Net cash generated from / (used) in financing activities	**(C)**	**16,928,191**
	Net changes in cash and cash equivalents	**(A+B+C)**	**219,836**
	Cash and cash equivalents - Opening balance		**14,826,499**
	Cash and cash equivalents - Closing balance		**15,046,335**
	Net increase / (decrease) in cash and cash equivalents		**219,836**

Notes :

1 The aforesaid statement has been prepared under the indirect method, as set out in Accounting Standard (AS) 3 - "Cash Flow Statement", as specified in the Companies (Accounting Standards) Rules, 2006.

2 Additions to fixed assets are stated inclusive of movements in capital work in progress between the beginning and end of the year and treated as part of investment activities.

3 Figures for the previous year have not been provided since consolidated financial statements were not prepared for earlier years.

As per our report attached of even date

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
By the hand of
Edwin P. Augustine
Partner
Membership No. 43385

Place : Mapusa, Goa
Date : 30th May, 2012

For and on behalf of the Board

K. G. Gupta
Chairman and
Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary

Place : Mapusa, Goa
Date : 30th May, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(Rs. in Lakhs)

1	Name of the Subsidiary Company	**GKB OPHTHALMICS FZE (UAE)**	**GKB OPHTHALMICS GmbH (GERMANY)**
2	Financial year of Subsidiary Company	December 31, 2011	December 31, 2011
3	a) Number of shares held in Subsidiary Company on the above date	1	1
	b) Extent of Holding	100%	100%
	c) Capital	21.22	17.75
	d) Reserves / (Accumulated Losses)	813.26	5.74
	e) Total assets	1,403.76	24.12
	f) Total Liabilities (other than shareholder's funds)	569.29	0.63
	g) Details of Investments		
	h) Turnover	1,401.72	
	i) Profit / (Loss) before Taxation	212.27	(0.44)
	j) Provision for Taxation	-	-
	k) Profit after Taxation	212.27	(0.44)
	l) Proposed Dividend	48.33	-
4	The net aggregate of profits less losses of the Subsidiary Company as far as it concerns the members of the Holding Company		
	i) Not dealt with in the Holding Company's Accounts:		
	a) For the Financial Year of the Subsidiary	163.94	(0.44)
	b) For the previous Financial Years, since it became Holding Company's Subsidiary	546.31	19.99
	ii) Dealt with in the Holding Company's Accounts:		
	a) For the Financial Year of the Subsidiary	48.33	0
	b) For the previous Financial Years, since it became Holding Company's Subsidiary	137.72	0
5	Exchange Rates as on March 31, 2012	14.14	69.44
		equivalent INR per Dirham	equivalent INR per Euro

****Note:**

a) Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2012.

b) The Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 No. 51/12/2007-CL-III dated February 08,2011 read with General Circular No. 3/2011 dated February 21, 2011 issued under Section 212(8) of the Companies Act, 1956 has granted general exemption to Companies from attaching the Balance Sheet and Profit and Loss Account of its Subsidiaries under Section 212(1) of the Companies Act, 1956.

For GKB Ophthalmics Ltd.

Place : Mapusa, Goa
Date : May 30, 2012

K. G. Gupta
Chairman &
Managing Director

Gaurav Gupta
Director

Noel Da Silva
CFO and
Company Secretary

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)

....

....

I hereby record my presence at the 30th ANNUAL GENERAL MEETING of the Company being held at the Registered Office of the Company, on Monday, August 13, 2012 at 11.00 a.m.

Folio No. :
DP/ Client ID No.(s) :
No. of Shares held :

Signature of Member/Proxy
(To be signed at the time of handing over this slip)

cut here

cut here

GKB Ophthalmics Limited

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

PROXY FORM

I/We .... in the district of .... being by Member/ Members of GKB OPHTHALMICS LIMITED, hereby appoint .... of .... in the district of .... for failing him .... of .... in the district .... as my/our proxy to attend and vote for me/us and on my/our behalf at the 30th ANNUAL GENERAL METTING of the Company to be held on Monday, August 13, 2012 and any adjournment thereof.

As witness my hand this & .... day of .... 2012.

Signed by the said ....

Folio No. :
DP/ Client ID No.(s) :
No. of Shares held :

Signature : ________________________

Affix a
Rupee 1/-
Revenue
Stamp

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

Automatic washing and cleaning machine

Recognition & Awards