

# **ANNUAL REPORT 2019-2020**



**GKB Ophthalmics Ltd.**



**BOARD OF DIRECTORS:**

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

Mr. Vikram Gupta

Mr. Gaurav Gupta (upto April 20, 2019)

Mr. Anil Palekar

Mr. Sadashiv Shet

Mr. Joseph A.A. D'Costa

Mrs. Shashi K. Katreddi

Mr. Prakash V. Joshi (upto November 12, 2019)

Mr. Subhash Redkar (w.e.f. August 14, 2019)

**CFO :**

Mr. Gurudas Sawant

**COMPANY SECRETARY:**

Ms. Pooja Bicholkar

**STATUTORY AUDITORS:**

M/s. MSKA & Associates

Chartered Accountants

Mumbai

**SECRETARIAL AUDITOR:**

CS. Girija Nagvekar

Practising Company Secretary

Panaji - Goa

**INTERNAL AUDIT:**

Kulkarni & Bhat

Chartered Accountants

Margao, Goa

**BANKERS:**

State Bank of India

The Saraswat Co-op. Bank Ltd.

**REGISTERED OFFICE:**

16-A, Tivim Industrial Estate

Mapusa, Goa - 403 526

India.

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## NOTICE

NOTICE is hereby given that the THIRTY EIGHTH ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED (CIN : L26109GA1981PLC000469) will be held on Saturday, September 26, 2020, at 11.00 A.M. IST, through Video Conference / Other Audio Visual Means, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Directors and Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of Auditors thereon.
3. To appoint a Director in place of Mr. Vikram Gupta, (DIN: 00052019), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as a Special Resolution:

Re- appointment of Mr. Anil Palekar (DIN: 01987078) as Independent Director.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Anil Palekar (DIN: 01987078) , who was appointed as an Independent Director and who meets the criteria for Independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, not liable to retire by rotation, and to hold office for a term of four consecutive years w.e.f. May 23, 2020 to May 22, 2024 , as per the recommendation of Nomination and Remuneration Committee and the Board."

5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

Re-appointment of Mr. Sadashiv Shet (DIN: 02227102) as Independent Director.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Sadashiv Shet (DIN: 02227102), who was appointed as an Independent Director and who meets the criteria for Independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, not liable to retire by rotation, and to hold office for a term of five consecutive years w.e.f. May 23, 2020 to May 22, 2025 , as per the recommendation of Nomination and Remuneration Committee and the Board."



6. To consider and if thought fit, to pass the following resolution as a Special Resolution:

Re-appointment of Mr. Joseph A. A. D'Costa (DIN: 03489392) as Independent Director.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Joseph A. A. D'Costa (DIN: 03489392), who was appointed as an Independent Director and who meets the criteria for Independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, not liable to retire by rotation, and to hold office for a term of two consecutive years w.e.f. May 29, 2020 to May 28, 2022, as per the recommendation of Nomination and Remuneration Committee and the Board."

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

Re-appointment of Mrs. Shashi K. Katreddi (DIN: 07139250) as Independent Director.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to re-appoint Mrs. Shashi K. Katreddi (DIN: 07139250), who was appointed as an Independent Director and who meets the criteria for Independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, not liable to retire by rotation, and to hold office for a term of five consecutive years w.e.f. April 01, 2020 to March 31, 2025, as per the recommendation of Nomination and Remuneration Committee and the Board."

#### NOTES:

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Saturday, September 26, 2020 at 11.00 a.m. CDSL will be providing the facility for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM.
2. In terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 38th AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Company Secretary of the Company at [gkbophthalmics@gkb.net](mailto:gkbophthalmics@gkb.net) / [investor.grievance@gkb.net](mailto:investor.grievance@gkb.net)



4. The Register of Members and Share Transfer Books of the Company will remain closed from **Sunday, September 20, 2020 to Saturday, September 26, 2020** (both days inclusive).
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed herewith.
7. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
8. Those Members whose email IDs are not registered can get their email ID registered as follows:
  - Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
  - Members holding shares in the physical form can get their email ID registered by contacting the Company's RTA, Sharex Dynamic (India) Private Limited at [support@sharexindia.com](mailto:support@sharexindia.com) or by contacting the Company at [investor.grievance@gkb.net.](mailto:investor.grievance@gkb.net), along with a copy of the signed request letter mentioning the name, Folio No., and address of the member, self attested copy of the PAN card and self attested copy of any document (e.g. Passport , Aadhaar Card, Election Identity Card, Driving License).
9. Members are also requested to note that, the Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) details of every participant in securities market. Those holding shares in electronic form are requested to submit the PAN to their Depository Participants, with whom they are maintaining their dematerialised accounts.

Whereas, members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Share Transfer Agent.
10. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.gkb.net](http://www.gkb.net), on the website of Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
11. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications to [investor.grievance@gkb.net](mailto:investor.grievance@gkb.net) at least seven days before the date of the AGM. The same will be suitably replied to by the Company.

All the documents referred to the in accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, by addressing their request to [investor.grievance@gkb.net](mailto:investor.grievance@gkb.net).
12. The Company has not declared any dividend since 2010-11. However, in one instance, an unclaimed dividend of Rs. 12,822 was lying with the Bank in their Stale Demand Draft Account and the Company is in the process of transferring the amount to IEPF Account as soon as the matter is sorted out with the Bank.
13. Re-appointment of the Director:

Details of Director seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]



Name of the Director/ Category	Mr. Vikram Gupta - Promoter, Non- Executive Director
Date of Birth	27.09.1968
Date of Appointment on the Board	24.07.1996
Qualifications	Engineering Graduate from IIT, Mumbai
Expertise	Indepth experience in the field of Ophthalmic Lenses for 24 years
Directorship held in other Listed companies	Nil*
Membership/ Chairmanship of committees in GKB Ophthalmics Limited.	Member of Stakeholder's Relationship Committee
Number of shares held in the Company	423,105
No. of meetings attended	One
Relationship between Directors inter-se	Son of Mr. K. G. Gupta, Managing Director.

\*Does not hold any directorship and membership in the Committees of the Board in any other listed entity. Is an Executive Director of GKB Vision Private Limited.

14. The Members whose names appear in the Register of Members as on September 19, 2020, i.e. the cut off date , are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut off date should treat this Notice of AGM for information purpose only.
15. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cutoff date, i.e. 19<sup>th</sup> September 2020 or those shareholders whose email address are not registered with the depositories for obtaining login credentials for e-voting, may obtain the login ID and password by sending a request to support@sharexindia.com or www.evotingindia.com . However, if he / she is already registered with NSDL/CDSL for remote e-voting then he / she can use his / her existing User ID and password for casting the vote.
16. The facility for e-voting shall also be available at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.  
  
Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.  
  
A member can opt for only one mode of voting i.e. either through remote evoting or voting at AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at AGM shall be treated as invalid.
17. The Board of Directors has appointed Mr. Shivaram Bhat, Practicing Company Secretary, (Membership No. 10454), as a Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
18. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.gkb.net](http://www.gkb.net) and the same shall also be forwarded to the BSE Limited.

**19. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

The voting period begins on September 23, 2020 at 9:00 A.M. and ends on September 25, 2020 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



**Step 1:- Login for e-voting**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" Module.
- (iii) Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on 'Login'.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**Step 2:- How to cast vote electronically**

- (i) Click on the EVSN for the relevant **GKB OPHTHALMICS LIMITED** on which you choose to vote.
- (ii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (iii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (iv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (v) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (vi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (vii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (viii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

## **20. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
21. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Company at the email address viz; [investor.grievance@gkb.net](mailto:investor.grievance@gkb.net), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
22. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## **23. PROCESS AND MANNER FOR ATTENDING THE 38<sup>TH</sup> AGM THROUGH VC/ OAVM**

- (i) Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.





- (ii) Members can log in and join 15 (fifteen) minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
- (iii) Members are entitled to attend the AGM through VC / OAVM facility provided by CDSL by following the below mentioned process. The said facility will be available for 1000 Members on first come first served basis. This will not include Members with 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

Notes: -

- (a) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience
- (b) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (c) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

#### **24. Instructions for Members to register themselves as Speakers:**

Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investor.grievance@gkb.net. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investor.grievance@gkb.net. These queries will be replied to by the company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **25. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any votes are cast by the shareholders through e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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

By order of the Board of Directors  
For GKB Ophthalmics Limited

Place: Mapusa-Goa  
Date : July 07, 2020

Pooja Bicholkar  
Company Secretary  
ACS 54716



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

### **Item No. 4, 5, 6 and 7**

Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. They hold office as Independent Directors of the Company up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

After evaluating the performance of the Independent Directors, the Nomination and Remuneration Committee (NRC) has recommended the re-appointments of Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi as Independent Directors for a second term as provided in their respective resolutions in the Notice.

The Board of Directors of the Company, based on the performance evaluation of Independent Directors and as per the recommendation of the NRC and based on the skill, experience and continued association of Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi, considered it beneficial to avail their services as Independent Directors.

It is recommended to re-appoint Mr. Anil Palekar and Mr. Joseph A. A. D'Costa for a consecutive term till March 31, 2024 (4 years) and March 31, 2022 (2 Years) respectively, as both of them shall attain the age of 75 years on June 15, 2024 and November 02, 2022, respectively. It is also recommended to re-appoint Mr. Sadashiv Shet and Mrs. Shashi K. Katreddi for a term of five years till May 22, 2025 and March 31, 2025, respectively.

Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations and is independent of the management of the Company.

Details of Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letters of (re)appointment of Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Except for Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa and Mrs. Shashi K. Katreddi to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolutions set out respectively at Item Nos. 4,5,6 and 7 of the Notice with regard to their respective re-appointments.

The Board commends the Special Resolutions set out at Item Nos. 4,5,6 and 7 of the Notice for approval by the members.



**Annexure to the Notice.**

Particulars and additional information of the directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the Listing Regulations and in terms of Secretarial Standards on General Meetings (SS-2) :

Name of the Director	<b>Mr. Anil Palekar</b>	<b>Mr. Sadashiv Shet</b>	<b>Mr. Joseph A.A. D'Costa</b>	<b>Mrs. Shashi K. Katreddi</b>
Date of Birth	15.06.1949	22.05.1951	02.11.1947	29.01.1958
Date of first appointment	26.05.2010	26.05.2010	31.03.2011	31.03.2015
Brief Resume	Mr. Anil Palekar has held various senior level executive positions in Government of Goa Companies. He was Managing Director in EDC Ltd., IDC Goa, Infotech Corporation of Goa Ltd. and Sewage and Infrastructure Development Corporation of Goa, over a thirty-three year career. He has been associated with Goa State Pollution Control Board for fifteen years, either as a Member of Advisory Committee or Member of the Board.	Mr. Sadashiv Shet was a member of the accounts team at Cosme Farma Laboratories and thereafter he was a Whole Time Company Secretary, of Photo Phone Ltd., Goa for several years. He has been a Practicing Company Secretary for over two decades. He is currently the Non-Executive Chairman of Kore Foods Limited and also the Chairman of the Audit Committee and Stakeholders' Relationship Committee.	Mr. Joseph D'costa brings with him nearly four decades of rich experience in banking services. He was with Standard Chartered Bank , Vasco da Gama Branch, for three decades and the last position held was that of Branch Manager . He was the State Head Retail for HDFC Bank, Goa, for nearly a decade. He played an important role in expansion of Branch network, growth in Retail Business and Marketing of Bank's other products in Goa.	Mrs. Shashi K. Katreddi was the Principal / Headmistress of ACDIL Training Centre for nearly 2 decades and has worked as a Principal of AWW Training Centre- Women and Child Development- Govt. of Goa for nearly a decade. She was awarded as the best Principal of Anganwadi Training Centre of Goa by the Ministry of HRD Govt. of India. She was a Member Secretary of IEFT (International Education Fellowship Trust) and a Visiting Lecturer at District Institute of Education and Technology (DIET).
Expertise	Wide range of experience in Corporate management in various Companies of Government of Goa.	Company Secretarial	Vast experience in Banking field.	Vast experience in administration field.
Qualifications	Engineering Graduate from IIT Mumbai & PGDM	B.A. B.Com, LL.B., F.C.S.	B.Sc.	Post Graduate in Child Psychology



Name of the Director	<b>Mr. Anil Palekar</b>	<b>Mr. Sadashiv Shet</b>	<b>Mr. Joseph A.A. D'Costa</b>	<b>Mrs. Shashi K. Katreddi</b>
Directorship held in other listed Companies	Nil	Kore Foods Limited	Nil	Nil
Membership/ Chairmanships of Committees in GKB Ophthalmics Ltd	1. Chairman- Nomination and Remuneration Committee 2. Member- Audit Committee	1. Chairman- Audit Committee. 2. Member- Nomination and Remuneration Committee	1. Member- Audit Committee. 2. Member- Nomination and Remuneration Committee	1. Chairperson- Stakeholder's Relationship Committee.
No. of Board Meetings attended during the year 2019-20	7 (Seven)	7 (Seven)	6 (Six)	4 (Four)
No. of Shares held in the Company	Nil	Nil	Nil	Nil
Relationship between Directors inter-se	None	None	None	None

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

By order of the Board of Directors  
For GKB Ophthalmics Limited

Place: Mapusa-Goa  
Date : July 07, 2020

Pooja Bicholkar  
Company Secretary  
ACS 54716

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have great pleasure in presenting before you the 38th Annual Report of the Company together with the Audited Annual Financial Statements of the Company for the year ended March 31, 2020.

**FINANCIAL RESULTS:**

The Company's financial performance for the year under review along with the previous year figures is given hereunder:

	Rs. in lakhs	
	<b>2019-20</b>	2018-19
Revenue from Operations & Other Income	<b>2694.54</b>	3,309.29
Profit/Loss before Financial Charges, Depreciation & Taxation	<b>65.21</b>	157.08
Less: Finance Charges	<b>135.04</b>	139.34
Less: Depreciation	<b>347.33</b>	343.13
Less: Deferred Tax	<b>0.00</b>	(47.54)
Profit/ (Loss) for the year	<b>(417.17)</b>	(277.85)
Other Comprehensive Income (Net of Taxes)	<b>9.98</b>	5.97
Total Comprehensive Income for the year	<b>(407.19)</b>	(271.88)
Balance from previous years	<b>1087.45</b>	1,359.33
Balance carried forward	<b>680.26</b>	1,087.45

**OPERATIONS:**

During the year under review, the turnover of the Company was lower to the tune of Rs. 2694.54 lakhs compared to Rs. 3309.29 lakhs in the previous financial year. There was a net loss from operations of Rs. 407.19 lakhs during the current financial year compared to a net loss of Rs. 271.88 lakhs during the previous financial year. Owing to lack of demand for glass lenses, the Company as a proactive measure, has decided to completely stop the production of glass lenses and has switched on to plastic lenses. As far as manufacturing of Plastic Lenses is concerned, there is stiff competition from China and it has been dumping their lenses more fiercely into Indian market at unreasonably lower prices. The Company has already made a representation to the Central Government against this scenario and requested for imposing an Anti – Dumping Duty. However, the present national and global sentiments about curbing Chinese trade by imposing stringent restrictions on the Chinese Products, the Company would get an opportunity to enhance its market base.

**DIVIDEND :**

Due to operating losses, your Directors regret their inability to recommend any dividend for the year 2019-20. No amount has been transferred to reserve for the financial year ended March 31, 2020.

**SHARE CAPITAL:**

The paid-up equity share capital as on March 31, 2020 is Rs. 504.05 lakhs. The Share Capital of the company has been increased by Rs. 40.00 lakhs as the company has allotted 4,00,000 Equity Shares to respective warrant holders who had decided to exercise their option to convert the warrants into equity shares.

**ISSUE OF EQUITY CONVERTIBLE WARRANTS AND ALLOTMENT OF EQUITY SHARES:**

The Company has issued 7,50,000 Equity Convertible Warrants, on preferential basis to Promoters and Non- Promoters, pursuant to resolution passed by the shareholders on June 04, 2018. The issue price of the Warrant was Rs. 155/- which included a premium of Rs. 145/- per warrant out of which 25% of the consideration was received upfront, in compliance with Chapter VII of SEBI (ICDR) Regulations, 2009.

The Board of Directors at its meeting held on January 22, 2020, allotted 4,00,000 Equity Shares to respective warrant holders who had decided to exercise their option to convert the warrants into equity shares and paid the balance 75% outstanding warrant amount. Out of these 4,00,000 equity shares , 2,00,000 equity shares were allotted to Promoters and the remaining 2,00,000 equity shares were allotted to Non- Promoters.



Out of 7,50,000 Equity Convertible Warrants, 3,50,000 warrants have lapsed due to non-exercise of said warrants and the Board forfeited the related upfront payment of Rs.1,35,62,500, which was received from warrant holders at the time of allotment of said warrants.

The converted Equity Shares rank pari- passu in all respects including dividend, with the existing Equity Shares of the company.

**SUBSIDIARIES:**

GKB Ophthalmics Products FZE, Sharjah, UAE is a Wholly Owned Subsidiary of the Company. The Lens Company NJ, USA, is a Wholly Owned Subsidiary of GKB Ophthalmics Products FZE and a Step-Down Subsidiary of the Company.

With respect to the proposal for winding up of GKB Ophthalmics GmbH, pending for approval with Reserve Bank of India, Mumbai, the Company received a letter no. SBI/OB/ODI-FDI/19-20/509, dated 13/01/2020, from SBI/ODI/FDI Cell, mentioning that the case falls under point V (iv) wherein the disinvestment involves write off under Automatic Route. Since GKB Ophthalmics Limited is a Listed Company and has Net worth of less than 100 crores, but investment (or financial commitment) in an overseas JV/WOS does not exceed USD 10 million, prior approval from RBI for write off was not required. RBI has deactivated the Unique Identification Number (UIN) for GmbH on its portal. The necessary entries for the same were passed in our books. The Company is closed down in India as per the Indian Laws.

GSV Ophthalmics Private Limited is another Subsidiary of the Company, set up to produce Hi-Index Ophthalmics Lenses with the JV Partner SOMO Vision Co., Ltd., since merged with SOMO Holdings and Technology Co., Ltd. The ongoing COVID-19 pandemic has further delayed the progress of this JV project. The Company had planned to send its engineers to South Korea, where the JV Partner, SOMO, would be training these engineers to handle the high tech project machinery and thereafter dismantle and ship the said machinery to India. These engineers were scheduled to travel to South Korea in the month of May 2020, for 8-12 weeks on site training, however, they could not travel as the Domestic and International flights were suspended due to the Covid -19 pandemic. The Company is reworking on the travel schedules for its engineers.

A statement under Section 129(3) of the Companies Act, 2013, containing salient features of the financial statement and performance of subsidiaries in Form AOC-1, is annexed with the Consolidated Financial Statements. In terms of Section 136(1)(a) of the Companies Act, 2013, the Audited Accounts of the subsidiaries are placed on website of the Company at [www.gkb.net](http://www.gkb.net). A copy of the audited financial statements in respect of each of the subsidiaries will be made available to interested shareholders, upon a written request. The audited accounts of the subsidiaries are also available at the Registered Office of the Company, for inspection, during business hours.

**TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The Ministry of Corporate Affairs has set up the Investor Education and Protection Fund for promotion of investor awareness and protection of investor interests. In terms of Section 124 of the Companies Act, 2013 and the rules made thereunder, the dividends in respect of the shares of the Company which have remained unpaid or unclaimed for seven consecutive years or more, are required to be transferred to IEPF.

The Company has not declared any dividend since 2010-11. In one instance, an amount of Rs. 12,822 pertaining to FY 2009-10 which was lying in Bank's Stale Demand Draft Account, needs to be transferred to IEPF Account as soon as the matter is sorted out with the Bank.

**ACCREDITATION:**

The Company has been accredited with ISO 9001:2015 by TUV SUD, South Asia Private Limited.

**CHANGE IN PROMOTERS' SHAREHOLDING:**

The Company had issued 7,50,000 Equity Convertible Warrants out of which 4,00,000 Equity Shares of Rs. 155 each (including a premium of Rs 145) on preferential basis were allotted to Promoters and Non-Promoters, pursuant to conversion of said Equity Convertible Warrants. Consequently, the Promoter's shareholding has gone up to 48.97% from 48.53% and Public shareholding has decreased to 51.03% from 51.47%.

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

There has been no change in the nature of business of the Company during the year 2019-20.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Vikram Gupta will be retiring by rotation at the forthcoming AGM, pursuant to Articles of Association of the Company being eligible offers himself for re-appointment. Brief resume together with other relevant details of Mr. Vikram Gupta are given in Note no. 13 to the Notice for the ensuing Annual General Meeting.

Mr. Gaurav Gupta, has relinquished the position of Non-Executive Director w.e.f. April 20, 2019. Mr. Subhash Redkar has been appointed as an Executive Director w.e.f. August 14, 2019.

The first term of office of Mr. Anil Palekar, Mr. Sadashiv Shet, Mr. Joseph A. A. D'Costa, Mrs. Shashi K. Katreddi, as Independent Directors, expires at the ensuing Annual General Meeting. The Board has recommended the re-appointment of Mr. Anil Palekar and Mr. Joseph A. A. D'Costa for a consecutive term till March 31, 2024 (4 years) and March 31, 2022 (2 Years) respectively, as both of them shall attain the age of 75 years on June 15, 2024 and November 02, 2022 respectively. The Board also has recommended re-appointment of Mr. Sadashiv Shet and Mrs. Shashi K. Katreddi for a term of five years till May 22, 2025 and March 31, 2025 respectively.

Pursuant to provisions of Section 2 (51) and Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel (KMP) of the Company as on the date of this report:-

<b>Sr. No.</b>	<b>Name of the KMP</b>	<b>Designation</b>
1	Mr. K. G. Gupta	Managing Director
2	Mr. Gurudas Sawant	Chief Financial Officer
3	Ms. Pooja Bicholkar	Company Secretary

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:**

In terms of Section 149 (8) read with Schedule IV, of the Companies Act, 2013, the Independent Directors held a Meeting on June 29, 2020, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The independent Director's meeting along with a familiarisation programme was scheduled on March 23, 2020. Due to outbreak of COVID-19 pandemic and lockdown across in India, the meeting of Independent Directors and the familiarisation programme was held after the closure of the financial year 2019-20, as a measure of good Corporate Governance practice.

At this meeting, the Independent Directors:

1. Reviewed the performance of the Non-Independent Directors and the Board as a whole.
2. Reviewed the performance of Chairperson, taking into account the views of Executive Director and Non-Executive Directors.
3. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
4. Discussed and decided about the familiarization of Independent Directors' programme, conducted by the Company and also views of the Independent Directors on the familiarization programmes.

**INDEPENDENT DIRECTORS' DECLARATION**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and provisions of the Listing Regulations, 2015, stating that they meet the criteria of independence, as provided therein. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Further, all Independent Directors on the Board of the Company have registered themselves under Independent Director database vide notification no. G.S.R. 804(E) dated 01st December, 2019, the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.



**MEETINGS OF THE BOARD OF DIRECTORS:**

During the year under review, seven Board Meetings were held. Further details are given in Corporate Governance Report, forming part of this Report. The maximum gap between two Board Meetings held during the year was not more than 120 days.

**AUDIT COMMITTEE:**

The composition of the Audit Committee and other details are given in Corporate Governance Report, which is part of this report.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director, relating to remuneration for directors, key managerial personnel as provided under section 178(3) of the Companies Act, 2013 and Listing Regulations, 2015.

The Remuneration Policy is stated in the Corporate Governance Report which is part of this report. Further details have been disseminated on the Company's website [www.gkb.net](http://www.gkb.net)

**PERFORMANCE EVALUATION:**

The Board evaluated the performance of the Board as a whole, Committees of the Board and the performance of individual directors including the Chairman of the Board pursuant to Regulation 17(10) of the Listing Regulations. The performance of the Board, Committees and individual Directors was evaluated by the Board seeking inputs from all the Directors. The Independent Directors also carried out the performance evaluation in terms of Part VIII of Schedule IV of the Companies Act, 2013, in their meeting held on June 29, 2020.

The details of the Performance Evaluation carried out is provided in the Corporate Governance Report which is a part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to provision of Section 134 (5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability hereby state and confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the Profit and Loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d) that they have prepared the annual accounts on a going concern basis;
- e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.





**AUDITORS:**

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, in the 36th Annual General Meeting held on August 27, 2018, M/s. MSKA & Associates, Chartered Accountants (FRN 105047 W)) were appointed as Statutory Auditors of the Company for a term of five years at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company. The Statutory Auditor to hold the office till the conclusion of the Annual General Meeting to be held in the year 2022-23.

**AUDITORS' REPORT:**

The Auditors' Report is unmodified and there are no qualifications, reservations or adverse remarks or disclaimers. In respect of the observation made by the Auditors in their report, the Board's response thereon is as follows:

- (i) Paragraph 2 (g) (iii)

Regarding the observation made by the Auditors, the Company will be transferring the unpaid Dividend of Rs. 12,822 pertaining to the financial year 2009-10 to IEPF as soon as the matter is sorted out with the Bank.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:**

There is no significant or material order passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**INTERNAL FINANCIAL CONTROL:**

As per Section 134 (5) (e) of the Companies Act, 2013, read with Rule 8 (viii) of Companies (Accounts) Rules, 2014, the Board has laid the Internal Financial Control to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively. As per Section 143(3)(i) of the Companies Act, 2013, a report issued by M/s. MSKA & Associates, Statutory Auditors of the Company is attached with their Independent Auditor's Report, which is self explanatory.

**RISK MANAGEMENT POLICY:**

The Company from time to time identifies and assesses the various business risks and mitigates these risks by determining a response strategy. There are no potential business risks which in the opinion of the Board threaten the existence of the Company.

**PRATICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Particulars of loans, guarantees given and investments made during the year as required under Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations are given in the notes to financial statements.

**RELATED PARTY TRANSACTIONS:**

All transactions entered into with related parties, pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations, during the year were at arm's length basis and in ordinary course of business. Therefore, disclosure in Form AOC-2, is not required.

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions in terms of Regulation 23(1) of Listing Regulations. The Board of Directors of the Company has approved and adopted a policy on related party transactions and the same has been uploaded on Company's website (<http://gkb.net/en/wp-content/uploads/Accounts/Related-party-transactions-policy.pdf>)

**EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the Companies ( Management and Administration) Rules, 2014 is set out in Annexure - I and the same is also available on the website of the Company at [www.gkb.net](http://www.gkb.net)

**CORPORATE GOVERNANCE:**

A separate section on Corporate Governance practices followed by the Company, together with certificate from the Practising Company Secretary confirming compliance, Management Discussion and Analysis Report and Declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel forms the part of this annual report.

**SECRETARIAL AUDIT:**

As per provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Ms. Girija Nagvekar, Practising Company Secretary, for the financial year ended March 31, 2020, forming part of this Annual Report, is annexed herewith as Annexure - II. The Secretarial Audit Report is self-explanatory and requires no comments.

**CORPORATE SOCIAL RESPONSIBILITY:**

Provisions of Section 135 of the Companies Act, 2013, and Rules made thereunder, regarding Corporate Social Responsibility are not applicable to the Company.

**INSURANCE:**

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

**FIXED DEPOSIT:**

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

**PERSONNEL:**

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

**MATERIAL CHANGES AND COMMITMENTS :**

There are no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

**PARTICULARS UNDER SECTION 197(12) AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name	Ratio
Mr. K. G. Gupta, Managing Director	20:1
Mr. Subhash Redkar, Executive Director*	5:1

\* Mr. Subhash Redkar has been appointed as an Executive Director w.e.f. August 14, 2019.

- (ii)(a) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Percentage
Mr. K. G. Gupta, Managing Director	-12.16%
Mr. Subash Redkar, Executive Director*	0.00%
Mr. Gurudas Sawant, Chief Financial Officer	0.00%
Ms. Pooja Bicholkar, Company Secretary	0.00%

\* Mr. Subhash Redkar, Executive Director has been appointed as an Executive Director w.e.f. August 14, 2019.

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



- (iii) the percentage increase in the median remuneration of employees in the financial year: -1.7%
- (iv) the number of permanent employees on the rolls of Company: 179
- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average percentage increase (decrease) made in the salaries of employees other than the managerial personnel in the last financial year i.e 2019-20 is -6.67% whereas the increase (decrease) in the managerial remuneration for the same financial year was -12.21%\*\*.  
\*\*For the financial year 2018-19, remuneration of Mr. Prakash Joshi is considered of 10 months and for the financial year 2019-20, remuneration of Mr. Subhash Redkar, has been considered for 8.5 months due to change in designation and appointment during the year .
- (vi) comparison of each remuneration of the Key Managerial against the performance of the Company:  
The remuneration of the Managing Director was within the minimum remuneration as per Schedule V, Part II and Section II of the Companies Act, 2013.
- (vii) the key parameters for any variable component of remuneration availed by the directors:  
Mr. K. G. Gupta, Managing Director is entitled to commission not exceeding 1% of the net profit of the Company computed in the manner laid down under the Act as may be determined by the Board. Due to net loss, no commission was paid to him for the year under review.  
  
Mr. Subhash Redkar, Executive Director, is entitled to variable pay which is based on the business performance and his own performance. Since, due to net loss of the Company, he wasn't paid variable pay during the year under review.  
  
None of the other Directors are paid any remuneration except sitting fees and traveling expenses for attending Board and Committee Meetings.
- (viii) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: N.A.
- (xi) affirmation that the remuneration is as per the remuneration policy of the Company:  
The remuneration is as per the Remuneration Policy of the Company.

**PARTICULARS OF EMPLOYEES:**

None of the employees is covered under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As per Listing Regulations, Management Discussion and Analysis Report is attached to this report.

**FINANCE:**

Total Fund based exposure of the Company with the Banks was to the tune of Rs. 900.00 lakhs. Total Non-Fund based exposure of the Company with the Banks was to the tune of Rs. 610.00 lakhs.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 from public and as such, no amount on account of principal or interest on deposits from public deposits was outstanding as on 31st March 2020.



**CREDIT RATING:**

CRISIL Limited – the credit rating agency, has assigned the credit rating of “CRISIL B/Stable (Re-affirmed)” to the long-term Bank facilities availed by the Company and credit rating of “CRISIL A4 (Re-affirmed)” to the short-term Bank facilities availed/proposed by the Company.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has in place a Vigil Mechanism. It provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy and the same has been posted on the Company's website [www.gkb.net](http://www.gkb.net).

**REPORTING OF FRAUD BY AUDITORS:**

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

**DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review no complaints were received.

**RESUME OF HEALTH & SAFETY PERFORMANCE OF THE FACTORY:**

In terms of Section 90 B (5) (d) of the Goa Factories Rules, 1985, the Company has an Occupational Health, Safety and Environment Policy through which every employee is made responsible for the observance of the measures designed to prevent accidents, damage to property, occupational ill- health and avoidable environmental pollutants.

**Safety & Health :-** For the safe work environment , Hazard Identification & Risk Assessment workshops and training programme were conducted for the employees on First Aid procedure and Behavioural Safety Programme, programme on Occupational Safety, Health & Environment, etc., with a view to equip them to recognize the hazards and risks associated with a given task and take preemptive action. Also, the Annual event via Safety Week Celebrations was celebrated for statutory requirements under Factories Act and familiarization course in General Fire Fighting was organized.

**Audit -** Occupational Safety & Health Audit, and Internal Electrical Safety Audit was conducted to assess potential fire hazards in the factory set-up and to provide assurance on the implementation and effectiveness of these system and processes. The company has organized Eye-testing for employees engaged in Quality Control operations during the year.

**Environment: -** The Company has been focusing on achieving environmental standards with go green philosophy. The Company is certified with ISO 9001:2015 standard of TUV Certifying body. The company has continued its efforts for water and energy conservation. Licenses under Pollution Control Board are periodically renewed under Air, Water and Hazard Waste Management. The process of Solid waste management disposal is on regular basis through Mumbai Waste Management Ltd., Taloja in Maharashtra.

**Measure to fight against COVID-19: -** The Company is adhering to all the guidelines and safety protocols provided by the Ministry of Home Affairs together with the directives issued by the State Government which includes temperature sensing, wearing face masks, sanitizing and washing hands in the factory and office premises to safeguard the well-being of its employees and other stakeholders from spread of Covid-19 pandemic. All Social distancing norms are being followed in the factory and the administrative office.



**OTHER DISCLOSURES:-**

- 1) The consolidated financial statement is also being presented in addition to the standalone financial statement of the company.
- 2) The maintenance of cost records is not applicable to the Company as per the amended Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

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

Particulars required to be disclosed under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are annexed herewith as Annexure –III and forms an integral part of this report.

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board of Directors

Place : Mapusa - Goa.  
Date : July 07, 2020

K. G. Gupta  
Chairman and Managing Director  
DIN : 00051863



## Annexure -I

## FORM MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS :

i	CIN	:	L26109GA1981PLC000469
ii	Registration Date	:	10-12-1981
iii	Name of the Company	:	GKB OPHTHALMICS LIMITED
iv	Category/Sub-category of the Company	:	Company having share capital
v	Address of the Registered office & contact details	:	16-A, Tivim Industrial Estate Mapusa - Goa, 403 526 Tel No. : (0832) 2257253/6714444 Fax No. : (0832) 2257044 Email : gkbophthalmics@gkb.net Website : www.gkb.net
vi	Whether listed company	:	Yes (Listed in Bombay Stock Exchange Ltd.)
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any	:	SHAREX DYNAMIC (INDIA) PVT. LTD. C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400 083. Phone : + 91 22 2851 5606/ 2851 5644. Fax : + 91 22 2851 2885 Email : support@sharexindia.com Website : www.sharexindia.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Manufacture and Export of Ophthalmics Lenses	32507	100.00%

## III. PARTICULARS OF HOLDING AND SUBSIDIARY COMPANIES :

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares held	Applicable Section
1	GKB Ophthalmics Products FZE 250, M2 Warehouse A3-083 SAIF ZONE, P.O. Box.9089, Sharjah-U.A.E.	UIN: PJWAZ20040413	Subsidiary Company	100.00%	Section 2 (87)
2	GSV Ophthalmics Private Limited 16-A, Tivim Industrial Estate, Mapusa - Goa.	CIN: 36990GA2018PTCO13725	Subsidiary Company	100.00%	Section 2 (87)



## IV. SHARE HOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	22,46,344	0	22,46,344	48.407	24,68,611	--	24,68,611	48.975	0.568
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporates	0	0	0	0	0	0	0	0	0
e) Bank/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL : (A)(1)</b>	<b>22,46,344</b>	<b>--</b>	<b>22,46,344</b>	<b>48.407</b>	<b>24,68,611</b>	<b>--</b>	<b>24,68,611</b>	<b>48.975</b>	<b>0.568</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI Investor	0	0	0	0	0	0	0	0	0
e) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL : (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	<b>22,46,344</b>	<b>--</b>	<b>22,46,344</b>	<b>48.407</b>	<b>24,68,611</b>	<b>--</b>	<b>24,68,611</b>	<b>48.975</b>	<b>0.568</b>

**IV. SHARE HOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	19,600	—	19,600	0.422	19,600	—	19,600	0.389	-0.033
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	100000	0	100000	2.155	100000	0	100000	1.984	-0.171
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL : (B)(1)</b>	<b>1,19,600</b>	<b>—</b>	<b>1,19,600</b>	<b>2.577</b>	<b>1,19,600</b>	<b>—</b>	<b>1,19,600</b>	<b>2.373</b>	<b>-0.204</b>
<b>(2) Non-institutions</b>									
a) Bodies Corporates									
i) Indian	3,86,325	0	3,86,325	8.325	3,32,862	0	3,32,862	6.604	-1.721
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1.00 lakh	4,07,056	60,425	4,67,481	10.074	4,14,961	58,525	4,73,486	9.393	-0.681
ii) Individual shareholders holding nominal share capital in excess of Rs. 1.00 lakh	12,90,646	0	12,90,646	27.812	13,50,682	0	13,50,682	26.796	-1.016
c) Any other									
Non Resident Indians	73,482	0	73,482	1.583	70,738	0	70,738	1.403	-0.18
Overseas Corporate Bodies		0			2,00,000	0	2,00,000	3.968	3.968
Foreign National		0				0			
Clearing Members	56,702	0	56,702	1.222	24,601	0	24,601	0.488	-0.734
Trusts		0				0			0
Foreign Bodies- DR		0				0			0
<b>SUB TOTAL : (B)(2)</b>	<b>22,14,211</b>	<b>60,425</b>	<b>22,74,636</b>	<b>49.016</b>	<b>23,93,844</b>	<b>58,525</b>	<b>24,52,369</b>	<b>48.652</b>	<b>-0.364</b>
<b>Total Public shareholding (B)=(B)(1) + (B)(2)</b>	<b>23,33,811</b>	<b>60,425</b>	<b>23,94,236</b>	<b>51.593</b>	<b>25,13,444</b>	<b>58,525</b>	<b>25,71,969</b>	<b>51.025</b>	<b>-0.568</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>45,80,155</b>	<b>60,425</b>	<b>46,40,580</b>	<b>100.00</b>	<b>49,82,055</b>	<b>58,525</b>	<b>50,40,580</b>	<b>100</b>	<b>0</b>



**(ii) Share holding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Krishna Gopal Gupta	8,00,024	17.24	0	9,00,024	17.856	0	0.616
2	Mr. Vikram Gupta	3,73,105	8.04	0	4,23,105	8.394	0	0.354
3	Mr. Gaurav Gupta	3,57,966	7.714	0	4,07,966	8.094	0	0.38
4	Mrs. Veena Gupta	3,00,753	6.481	0	3,00,753	5.967	0	-0.514
5	Mrs. Shefali Chawla	2,42,464	5.225	0	2,42,464	4.81	0	-0.415
6	Krishna Gopal Gupta (HUF)	1,72,032	3.707	0	1,94,299	3.855	0	0.148
	<b>TOTAL</b>	<b>22,46,344</b>	<b>48.407</b>	<b>0</b>	<b>24,68,611</b>	48.976	<b>0</b>	<b>0.569</b>

**iii) Change in Promoter's Shareholding (please specify, if there is no change)**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of total shares of the Company
		No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
1	Mr. Krishna Gopal Gupta							
	At the beginning of the year	8,00,024	17.24	01.04.2019	-	-	-	-
	At the end of the year			31.03.2020	10,00,000	Buy	9,00,024	17.856
2	Mr. Vikram Gupta							
	At the beginning of the year	3,73,105	8.04	01.04.2019	-	-	-	-
	At the end of the year			31.03.2020	50,000	Buy	4,23,105	8.394
3	Mr. Gaurav Gupta							
	At the beginning of the year	3,57,966	7.714	01.04.2019				
	At the end of the year			31.03.2020	50,000	Buy	4,07,966	8.094



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of total shares of the Company
		No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
4	Mr. Krishna Gopal Gupta HUF							
	At the beginning of the year	1,72,032	3.707	01.04.2019				
				27.12.2019	3,145	Buy	1,75,177	3.775
				31.12.2019	2,360	Buy	1,77,537	3.826
				03.01.2020	6,024	Buy	1,83,561	3.956
				21.02.2020	76	Buy	1,83,637	3.957
				28.02.2020	1,613	Buy	1,85,250	3.992
				06.03.2020	5,908	Buy	1,91,158	4.119
				13.03.2020	2,276	Buy	1,93,434	4.168
				20.03.2020	520	Buy	1,93,954	4.18
				27.03.2020	345	Buy	1,94,299	4.187
	At the end of the year			31.03.2020			1,94,299	3.855

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of total shares of the Company
		No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
1	Mr. Krishna Murari Gupta							
	At the beginning of the year	3,28,207	7.073	01.04.2019				
	At the end of the year			31.03.2020	–	No Change	3,28,207	6.511
2	Mr. Brijendra Kumar Gupta							
	At the beginning of the year	2,44,950	5.278	01.04.2019				
	At the end of the year			31.03.2020		No Change	2,44,950	4.86
3	SOMO VISION CO. LTD							
	At the beginning of the year	2,00,000	3.968	22.01.2020				
	At the end of the year			31.03.2020	–	No Change	2,00,000	3.968



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of total shares of the Company
		No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
4	Mrs. Usha Gupta							
	At the beginning of the year	1,14,707	2.472	01.04.2019				
	At the end of the year			31.03.2020	-	No Change	1,14,707	2.276
5	Polus Global Fund							
	At the beginning of the year	1,00,000	2.155	01.04.2019				
	At the end of the year			31.03.2020	-	No Change	1,00,000	1.984
6	Dhwaja Commodity Service Private Ltd.							
	At the beginning of the year	72,306	1.558	01.04.2019				
	At the end of the year			31.03.2020	-	No Change	72,306	1.434
7	Mr. Sanjiv Kumar Gupta							
	At the beginning of the year	70,500	1.519	01.04.2019				
	At the end of the year			31.03.2020	-	No Change	70,500	1.399
8	Mr. Lalit Gupta							
	At the beginning of the year	70,500	1.519	01.04.2019				
	At the end of the year			31.03.2020	-	No Change	70,500	1.399
9	JM Financial Services Limited							
	At the beginning of the year	70,278	1.514	01.04.2019				
	At the end of the year			16.08.2019	100	Sold	70,178	1.512
				30.09.2019	800	Sold	69,378	1.495
				08.11.2019	50,000	Buy	1,19,378	2.572
				15.11.2019	-47,758	Sold	71,620	1.543
				22.11.2019	-2,242	Sold	69,378	1.495
				06.12.2019	10	Buy	69,388	1.495
			13.12.2019	90	Buy	69,478	1.497	



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of total shares of the Company
		No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
				27.12.2019	700	Buy	70,178	1.512
				31.12.2019	9,911	Buy	80,089	1.726
				03.01.2020	-19,881	Sold	60,208	1.297
				10.01.2020	-25	Sold	60,183	1.297
				17.01.2020	-49,146	Sold	11,037	0.238
				24.01.2020	-11,010	Sold	27	0.001
				31.01.2020	10	Buy	37	0.001
				07.02.2020	-10	Sold	27	0.001
				14.02.2020	511	Buy	538	0.012
				28.02.2020	163	Buy	701	0.015
				06.03.2020	-700	Sold	1	0
				13.03.2020	14,500	Buy	14,501	0.312
				20.03.2020	14,999	Buy	29,500	0.636
				27.03.2020	5,000	Buy	34,500	0.743
	At the end of the year			31.03.2020	-9,999	Sold	24,501	0.486
10	Mr. Rajiv Junjhunwala							
	At the beginning of the year	66,668	1.437	01.04.2019				
	At the end of the year			31.03.2020	-	No Change	66,668	1.323
11	Jyotivardhan Jaipuria							
	At the beginning of the year	66,667	1.437	01.04.2019				
	At the end of the year			31.03.2020	-	No Change	66,667	1.323



## v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of total shares of the Company
		No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
1	Mr. Krishna Gopal Gupta							
	At the beginning of the year	8,00,024	17.240	01.04.2019	–	–	–	–
	At the end of the year	–	--	31.03.2020	1,00,000	Conversion of warrants into Equity Shares	9,00,024	17.856
2	Mr. Vikram Gupta							
	At the beginning of the year	3,73,105	8.040	01.04.2019	–	–	–	–
	At the end of the year	–	–	31.03.2020	50,000	Conversion of warrants into Equity Shares	4,23,105	8.394
3	Mr. Gaurav Gupta*							
	At the beginning of the year	3,57,966	7.714	01.04.2019	–	–	–	–
	At the end of the year	–	–	31.03.2020	50,000	Conversion of warrants into Equity Shares	4,07,966	8.094
4	Mr. Anil Palekar	–	–	–	–	–	–	–
5	Mr. Sadashiv Shet	–	–	–	–	–	–	–
6	Mr. Joseph A.A. D'Costa	–	–	–	–	–	–	–
7	Mrs. Shashi K. Katreddi	–	–	–	–	–	–	–
8	Mr. Subhash Redkar**	–	–	–	–	–	–	–



Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% of total shares of the Company
		No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
9	Mr. Prakash V. Joshi***	-	-					
	At the beginning of the year	1,200	0.026	01.04.2019	-	-	-	-
	At the end of the year			31.03.2020	-	-	1,210	0.023
10	Mr. Gurudas Sawant CFO****							
	At the beginning of the year	1,840	0.039	01.04.2019	-	-	-	-
	At the end of the year	-	-	31.03.2020	-	-	1,840	0.036
11	Ms. Pooja Bicholkar*****	-	-	-	-	-	-	-
	Company Secretary							

\* Resigned w.e.f April 20, 2019  
 \*\* Appointed as Executive Director w.e.f. August 14,2019  
 \*\*\* Resigned w.e.f. November 12, 2019  
 \*\*\*\* Appointed as CFO w.e.f. April 01, 2019  
 \*\*\*\*\* Appointed as Company Secretary w.e.f. April 01, 2019

**V. INDEBTEDNESS :****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Rs. in lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	<b>1000.00</b>	–	–	<b>1000.00</b>
ii) Interest due but not paid	<b>3.61</b>	–	–	<b>3.61</b>
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>1003.61</b>	–	–	<b>1003.61</b>
Change in Indebtedness during the financial year				
* Addition	–	–	–	–
* Reduction	<b>4.49</b>	–	–	<b>4.49</b>
<b>Net Change</b>	<b>4.49</b>	–	–	<b>4.49</b>
Indebtedness at the end of the year				
i) Principal Amount	<b>989.92</b>	–	–	<b>989.92</b>
ii) Interest due but not paid	<b>9.20</b>	–	–	<b>9.20</b>
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>999.12</b>	–	–	<b>999.12</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Rs. in lakhs

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. K. G. Gupta, Managing Director	Mr. Subhash Redkar*	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income - Tax Act, 1961	30.00	5.87	35.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.30	0.6	10.9
	(c) Profits in lieu of salary under Section 17 (3) Income -tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- as % of profit	–	–	–
	- others, specify	–	–	–
5	Others, please specify	–	–	–
	<b>Total (A)</b>	<b>40.30</b>	<b>6.47</b>	<b>46.77</b>
	Ceiling as per the Act	5% of the net profits of the Company		

\* Mr. Subhash Redkar was appointed as Executive Director w.e.f. August 14, 2019.

**B. Remuneration to other Directors :**

Rs. in lakhs

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Anil Palekar	Mr. Sadashiv Shet	Mr. Joseph A.A. D'Costa	Mrs. Shashi K. Katreddi	
1	Independent Directors * Fee for attending board/ committee meetings * Commission * Others, please specify	1.30 - -	1.30 - -	1.10 - -	0.40 - -	4.10 - -
	<b>Total (1)</b>	<b>1.30</b>	<b>1.30</b>	<b>1.10</b>	<b>0.40</b>	<b>4.10</b>
		Mr. Vikram Gupta	Mr. Gaurav Gupta*	Mr. Prakash V. Joshi**		
2	Other Non - Executive Directors * Fee for attending board /committee meetings * Commission * Others, please specify	0.10 -- --	-- -- --	0.20 -- --		0.30 -- --
	<b>Total (2)</b>	<b>0.10</b>	<b>--</b>	<b>0.20</b>		<b>0.30</b>
	<b>Total (B)= (1+2)</b>					<b>4.40</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>51.17</b>
	Over all Ceiling as per the Act	11% of the net profits of the Company				

\* Resigned w.e.f. April 20, 2019

\*\* Resigned as a Non Executive Director w.e.f. November 12, 2019

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :**

Rs. in lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Gurudas Sawant, CFO	Ms. Pooja Bicholkar, Company Secretary	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17 (3) Income -tax Act, 1961	10.04 -- -	4.27 - -	14.31 -- -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	- -	- -	- -
5	Others, please specify	-	-	-
	<b>Total</b>	<b>10.04</b>	<b>4.27</b>	<b>14.31</b>





**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made,if any (give details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			----- Nil -----		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			----- Nil -----		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			----- Nil -----		



**Annexure II**

**FORM No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,  
GKB OPHTHALMICS LIMITED  
16A TIVIM INDUSTRIAL ESTATE,  
MAPUSA – GOA 403526**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GKB OPHTHALMICS LIMITED** having **CIN L26109GA1981PLC000469** and having registered office at **16A TIVIM INDUSTRIAL ESTATE, MAPUSA – GOA 403526** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **GKB OPHTHALMICS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **GKB OPHTHALMICS LIMITED** ("the Company") for the financial year ended on **31<sup>st</sup> March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999..... (Not Applicable under the period of audit)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; .... (Not Applicable under the period of audit)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; ..... (Not Applicable under the period of audit)
  - (i) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 and circulars/guidelines issued thereunder
- (vi) The Factories Act, 1948
  - (vii) Trade Mark Act, 1999
  - (viii) Foreign Trade (Development & Regulation) Act, 1992
  - (ix) Customs Act, 1962
  - (x) Central Excise Act, 1962
  - (xi) Industrial Disputes Act, 1947
  - (xii) The Payment of Wages Act, 1936
  - (xiii) The Minimum Wages Act, 1948
  - (xiv) Employees' State Insurance Act, 1948
  - (xv) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - (xvi) The Payment of Bonus Act, 1965
  - (xvii) The Payment of Gratuity Act, 1972
  - (xviii) The Contract Labour (Regulation and Abolition) Act, 1970
  - (xix) The Maternity Benefit Act, 1961 and as amended
  - (xx) The Industrial Employment (Standing Orders) Act, 1946
  - (xxi) The Apprentice Act, 1961



- (xxii) Equal Remuneration Act, 1976
- (xxiii) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- (xxiv) The Environment (Protection) Act, 1986
- (xxv) Air (Prevention and Control of Pollution) Act, 1981 and rules thereunder
- (xxvi) Water (Prevention and Control of Pollution) Act, 1974 and rules thereunder
- (xxvii) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- (xxviii) The Goa, Daman & Diu Factories Rules, 1985
- (xxix) Indian Stamp Act, 1999 and The Indian Stamp (Goa, Daman and Diu Amendment) Act, 1968
- (xxx) Negotiable Instrument Act, 1881
- (xxxi) Goa Value Added Tax Act, 2005 and rules thereunder
- (xxxii) Income Tax Act, 1961 and Indirect Tax Law
- (xxxiii) Weekly Holidays Act, 1942
- (xxxiv) Registration Act, 1908 and The Registration (Goa, Daman and Diu Amendment) Act, 1985
- (xxxv) Goods and Service Tax (GST) Act, 2016 and as amended
- (xxxvi) Sexual harassment of women at workplace (prevention, prohibition and redressal) Act 2013.
- (xxxvii) Federal Food, Drug and Cosmetics, Act, USA

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and as revised.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- a) The Company has filed various e-forms with Ministry of Corporate Affairs as required as per provisions of Companies Act, 2013 however few e-forms are filed within permitted period.
- b) The Company has got three factory units: Unit I, Unit II and Unit III:
  - (i) The Company has temporarily closed Unit I & III as structural modification of these units is in process and the Company is positive on restarting these units with joint venture and necessary approvals as required under Factories Act.
  - (ii) The Company's operations are functioning from Unit II



- c) The Company had received Foreign Direct Investment for 200,000 equity shares issued and allotted pursuant to exercise option attached to Equity Convertible warrants, in the month of January, 2020. As per provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, the Company had to report in digital Form SMF (Single Master Form) on the FIRMS platform on RBI website. However, there has been procedural delay in reporting of Foreign Direct Investment received by the Company during the period under review. The Company is positive of taking adequate steps to complete the reporting process and condoning the delay.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are taken unanimously after taking into consideration views, opinions expressed by all the members.

**I further report that**

- a) The Company has complied with the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and timely yearly payment of renewal fees with Bombay Stock Exchange Limited.
- b) The Company has also complied with SEBI (Prohibition of Insider Trading) Regulations, 2015
- c) The Company had received inquiry letter no. DIS/20200200086 dated 25.02.2020 from Bombay Stock Exchange Limited (BSE) in general course of action for complaint received from one of the investors for diversion of funds pertaining to Preferential Issue and Non-adherence of Corporate Governance norms and violation of Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Securities and Exchange Board of India (SEBI) closed the complaint based on the letter dated March 06, 2020 of the company to the complainant and BSE's recommendation about closure of the complaint.
- d) The Company has complied with Disclosure of material impact of COVID -19 pandemic on the Company under Regulation 30 of SEBI (LODR) Regulations, 2015
- e) The Company has complied with rules of land on export of spectacle lens or progressive lenses to foreign nations such as Federal Food, Drug and Cosmetics, Act, USA and has obtained license under U.S. Foods and Drugs Administration, which is renewed on yearly basis.
- f) The Company has engaged with Mumbai Waste Management Limited, Panvel, Maharashtra for handling and disposal of hazardous waste.
- g) The Company has duly constituted Internal Complaint Committee (ICC) under Prevention of Sexual Harassment of Women at workplace (POSH) for safety and wellbeing of women employed in organization and also timely submitted the report to Goa State Commission for Women.



**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Note: Impact of COVID -19 pandemic on the business:**

The Goa State Government announced lockdown in the State on March 23, 2020 and March 24, 2020 and thereafter the Central Government of India announced the lockdown across India from March 25, 2020 onwards. In view of ensuring the safety and well-being of its employees/workmen and containment of the spread of the Novel Corona Virus (COVID-19), the Company temporarily shut the working of its registered office and manufacturing unit at Tivim Industrial Estate, Mapusa Goa during the period from March 23, 2020 to April 19, 2020 and the same was intimated to BSE Ltd vide email dated March 25,2020

The Company is adhering to all the guidelines and safety protocols provided by the Ministry of Home Affairs together with the directives issued by the State Government and maintaining social distancing in the factory and administrative office.

Date : 25.06.2020  
Place : Mapusa - Goa.

CS Girija G. Nagvekar  
Practising Company Secretary  
FCS:10358 / COP: 10335

**UDIN No. F010358B000382125**

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report



'Annexure A'

**To,  
The Members,  
GKB OPHTHALMICS LIMITED  
16A TIVIM INDUSTRIAL ESTATE,  
MAPUSA – GOA 403526**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verifications of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 25.06.2020  
Place: Panaji Goa

CS Girija G. Nagvekar  
Practising Company Secretary  
FCS:10358/COP: 10335



**Annexure - III**

**ANNEXURE TO DIRECTORS' REPORT**

**[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]**

**A. CONSERVATION OF ENERGY**

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

- I. The Steps taken or impact on conservation of energy.
  - a) Scheduled and planned maintenance programme has resulted in improved performance of equipment.
  - b) Special analysis methods are used to improve performance of utilities like compressors, chillers, etc.
  - (c) Existing CFL lights have been replaced in several places with low wattage LED lights, which contributes to power savings.
- II. Steps taken by the Company for using alternate sources of energy  
Efforts are being made to develop alternate sources of energy. Conditioned monitoring of equipments & strict monitoring for efficient usage of equipment is being continued in all sections.
- III. Capital Investment on energy conservation equipments  
There was no significant capital investment on energy conservation equipments during the year.

**B. TECHNOLOGY ABSORPTION**

- I. Efforts made towards technology absorption.  
Efforts are being made towards technology absorption. The technology we have adopted is best suited for our products and is absorbed in full.
- II. Benefits derived like product improvement, cost reduction, product development or import substitution.
  - a) Steps are taken to improve productivity by introducing innovations and developments in the Company's line of business.
  - b) Research and Development has contributed towards Import Substitution and increase in productivity.
- III. Information regarding technology imported during the last 3 years:

<b>Sr. No.</b>	<b>Technology Imported</b>	<b>Year of import</b>	<b>Status</b>
1	a) Auto Taping Machines b) Small Ovens and Post Curing Ovens c) Auto Edging Machines d) Hard Coating Machine e) Small and Bigger Polymerisation Ovens	2017-18	Absorbed
2	No machinery has been imported	2018-19	---
3	Ovens with accessories	2019-20	Absorbed





IV. Expenditure incurred on Research and Development.

No separate expenditure has been incurred under the head Research and Development during the financial year.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

	Rs. in lakhs
Foreign exchange earned	527.78
Foreign exchange used	637.24
Net earnings	(109.46)

For and on behalf of the Board of Directors

Place : Mapusa - Goa.

Date : July 07, 2020

K. G. Gupta  
Chairman and Managing Director

DIN : 00051863



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **CAUTIONARY STATEMENT:**

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

#### **i) Industry Structure and Developments:**

There is no demand for Glass Lenses as they are brittle and deteriorate easily. Glass Lenses have now been replaced by plastic lenses. They are organic lenses made by polymerisation of chemical mixtures consisting mainly of monomer mixed with an initiator. Plastic Lenses have greater durability, good ultraviolet light resistance and are safe to use during any physical activity as there are less chances of breakage. Plastic Lenses are low weight as compared to glass lenses which makes them user friendly. Plastic Lenses can be tinted with colours which in turn makes them very attractive. Now, new variants have been introduced by the Industry being High Refractive Index lenses, which are thinner and lighter in nature.

With the increasing usage of mobile phones and television, a large section of the population in India, is suffering from vision-related problems, requiring vision correction and it is not readily available to them at convenient places and at affordable rates. With the increase in awareness, education and medical services, there is a big scope for increase in demand of lenses. There is an urgent need to promote investment in eye care industry.

#### **ii) Opportunities and Threats:**

The good service life of plastic lenses is one of the key reasons for their high demand in the global market. Presently, the demand for Ophthalmics Lenses has slowed down due to sluggish economic conditions all over the World, including India. China is the biggest player in Ophthalmic Lens Industry and we are still awaiting the labour reforms to have a level playing field. Besides, the company has made an anti dumping proposal to the Central Government and requested for imposing an Anti-Dumping Duty upon the dumping of lenses from China. China has advantage of economies of scale and we are facing stiff competition from China.

#### **iii) Segment wise or Product wise Performance :**

The Company deals with manufacture of plastic lenses both in semi-finished and finished forms.

#### **iv) Outlook :**

Presently, the company manufactures 14,000 pieces per day of plastic lenses. Although, the demand is increasing, due to the current Standard Operating Procedures (SOPs), from the Ministry of Home Affairs and directives issued by the State Government which emphasis on Social Distancing, the Company is not able to employ its full labour force, thereby keeping the production level down. The production of plastic lenses is expected to increase to 24,000 pieces per day by the end of the current financial year. This will enable the Company to reduce the losses during the current financial year. Also, once the Company's Joint Venture, GSV Ophthalmics Private Limited starts its commercial production, it will supplement the sales of the Company to a great extent.



**v) Risks and Concerns:**

We do not foresee any risks, except for foreign exchange fluctuations. Since the Company also depends on exports, the economic situation in exporting countries is likely to affect the performance of the Company.

**vi) Internal Control Systems and their Adequacy:**

The Company has developed adequate Internal Control Systems, commensurate to its size and business, which are aimed at achieving efficiency in operations, effective monitoring and optimum utilisation of resources. The Internal Audit is carried out by a firm of Independent Chartered Accountants, along with CFO of the Company.

The reports of the Internal Auditors are periodically reviewed by the Audit Committee.

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

There was a net loss of Rs. 407.19 lakhs for the year 2019-20, compared to a net loss of Rs. 271.88 lakhs, during the corresponding previous year. The total sale of lenses has reduced from Rs.3,046.82 lakhs to Rs. 2,548.23 lakhs, as we have stopped manufacturing glass lenses and also due to the prevailing economic conditions.

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

The Ophthalmic lens industry is a labour intensive. Labour relations have been cordial with no interruption of manufacturing activities. The total number of permanent employees of the company as on March 31, 2020, was 179, out of which 154 employees are working for more than 10 years.

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

A Report on compliance with the principles of Corporate Governance as prescribed in Chapter IV read with Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), is given below:-

**2. BOARD OF DIRECTORS****a) Composition of Board**

The Composition of the Board is in conformity in terms of Listing Regulations. The Board of Directors comprises of seven members, out of which five are Non-Executive as on March 31, 2020. There are four Independent Directors including a Woman Director. There are two Executive Directors, one of which is the Managing Director and more than half of the Board comprises of Independent Directors.

The number of directorships and the positions held on Board Committees by the directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act, 2013 and SEBI Listing Regulations.

The Composition of the Board and other relevant details as on March 31, 2020, are given below: -

Name of the Director	DIN	Category	No. of Board Meetings Attended	Attendance at the last AGM	Number of equity shares held
Mr. K. G. Gupta	00051863	Managing Director, Promoter & Executive	7	No	9,00,024
Mr. Gaurav Gupta*	00051974	Promoter & Non -Executive	0	No	4,07,966
Mr. Vikram Gupta	00052019	Promoter & Non-Executive	1	No	4,23,105
Mr. Subhash Redkar**	08515642	Executive Director	4	Yes	--
Mr. Anil Palekar	01987078	Independent & Non-Executive	7	Yes	--
Mr. Sadashiv Shet	02227102	Independent & Non-Executive	7	Yes	--
Mr. Joseph A. A. D'Costa	03489392	Independent & Non-Executive	6	Yes	--
Mrs. Shashi K. Katreddi	07139250	Independent & Non-Executive	4	Yes	--
Mr. Prakash V. Joshi***	00051906	Non- Executive Director	2	Yes	1,210

\* Relinquished the position of Non-Executive Director w.e.f. April 20,2019.

\*\* Appointed as an Executive Director w.e.f. August 14, 2019.

\*\* Resigned as Non-Executive Director w.e.f. November 12, 2019, due to personal reasons.

**Other Directorships:-**

Directorship in Listed Entities other than GKB Ophthalmics Limited and the category of directorship as on March 31, 2020, is as follows:

Name of the Director	Name of the other Listed Companies in which Directors of the Company are Directors	Category
Mr. Sadashiv Shet	Kore Foods Limited	Independent & Non- Executive Chairman



The number of directorships of the Board, memberships/chairmanships of the Committees for each director of the Company is as follows as on March 31, 2020:

Name	Directorship #	Committee positions	
		Member ##	Chair-person
Mr. K.G. Gupta	1	0	0
Mr. Vikram Gupta	1	1	0
Mr. Subhash Redkar	1	2	0
Mr. Anil Palekar	1	1	0
Mr. Sadashiv Shet	2	0	3
Mr. Joseph A. A. D'Costa	1	1	0
Mrs. Shashi K. Katreddi	1	0	1

# Excludes directorships in private limited companies, foreign companies and companies registered under Section 8 of the Companies Act. Directorship includes GKB Ophthalmics Limited. Chairmanship and membership of the Audit Committee and the Stakeholders' Relationship Committee, alone has been considered, as per Regulation 26(1) of Listing Regulations.

## Membership excludes chairmanship.

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

Seven Board Meetings were held during the year under review. They were held on April 20, 2019, May 30, 2019, August 14, 2019, November 13, 2019, December 13, 2019, January 22, 2020, and February 13, 2020.

The maximum gap between two Board Meetings held during the year was not more than 120 days.

**c) Disclosure of relationships between directors inter-se.**

Mr. K. G. Gupta is the father of Mr. Vikram Gupta and Mr. Gaurav Gupta. None of the other Directors have any relationship inter-se.

**d) Independent Directors.**

Independent Directors' appointment by the Company fulfills the conditions of independence as per Regulation 25 of Listing Regulations and provisions of Section 149(6) of the Companies Act, 2013.

Appointment of Independent Directors is formalised by issuing Letter of Appointment setting out terms and conditions of appointment in the manner as required under Regulation 46(2)(b) of the Listing Regulations and Section 149(8) of the Companies Act, 2013 and the same is placed on website of our Company, [www.gkb.net](http://www.gkb.net).

As per Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors shall hold at least one meeting in a year without the presence of non-independent directors and members of the management. The yearly meeting of the Independent Directors for the financial year 2019-20, was scheduled to be held on March 23, 2020 and the Notice for the same was circulated on March 14, 2020. However, due to the lockdown imposed by the State Government on March 23 and 24, 2020, and thereafter, the nationwide lockdown imposed by the Central Government and the resultant restrictions on travelling, in order to curtail the spread of the Covid -19 pandemic, the scheduled meeting could not be held. Subsequently, SEBI vide Circular dated March 24, 2020, provided relaxation to Companies by stating that, if in case the independent directors of the company fail to hold (at least) one meeting without the attendance of the non-independent directors and members of management in the year 2019-20, as is required under Schedule IV to the Companies Act, then the same shall not be viewed as a violation under the Companies Act. However, as a good corporate governance measure, a separate meeting of the Independent Directors' was held on June 29, 2020, to review the performance of the Non-Independent, Non-Executive Directors and performance of



the Board as a whole for the financial year 2019-20. The Chairman of the meeting was Mr. Anil Palekar. The meeting was attended by all the Independent Directors.

**e) Familiarization programmes imparted to Independent Directors.**

Whenever new Non-Executive and Independent Directors are inducted in the Board, they are familiarized with Company's culture through appropriate orientation sessions, presentations and programmes. Factory visits are also arranged. They are also familiarized with organizational structure, business of the Company, constitution, Board procedures, major risks, management strategy and products manufactured. Details of such familiarisation programme are displayed on the website of the Company [www.gkb.net](http://www.gkb.net) and web link thereto, (<https://gkb.net/en/wp-content/uploads/Accounts/Familiarisation-Programme-for-Independent-Directors.pdf>)

**f) Reasons for resignation of Independent Director before the expiry of his tenure.**

There were no resignations by Independent Directors of the Company during FY 2019-20.

**g) Core skills/expertise/competencies of the Directors.**

Pursuant to provisions in sub-para 2(h) of Part C of Schedule V of the Listing Regulations given below is the list of core skills/expertise/competencies that the Company's Board has identified as particularly valuable to the effective oversight and functioning of the Company:

<b>Name of the Director</b>	<b>Skills/expertise/Competence possessed</b>
Mr. K. G. Gupta	Corporate Management and strategy planning, Leadership Experience, Operational and technical skill with commercial knowledge.
Mr. Vikram Gupta	Corporate Management and strategy planning, Leadership Experience, Operational and technical skill with commercial knowledge.
Mr. Subhash Redkar	Corporate Management and strategy planning, Operational and technical skill with commercial knowledge.
Mr. Anil Palekar	Financial and Accounting Expertise , Legal, Regulatory and Compliance skill , Business Planning experience.
Mr. Sadashiv Shet	Financial and Accounting Expertise , Legal, Regulatory and Compliance skill, Business Planning experience.
Mr. Joseph A. A. D'Costa	Financial and Accounting Expertise , Regulatory and Compliance skill, Business Planning experience.
Mrs. Shashi K. Katreddi	Administration, Regulatory and Compliance skill.

**3. AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee are as per the guidelines set out in Part C of Schedule II of the Listing Regulations.

**a) Brief description of terms of reference: -**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.



2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing with the management, the annual financial statement before submission to the board for approval.
4. Reviewing with the management the quarterly financial statement before submission to the board for approval.
5. Reviewing and monitoring auditor's independence and performance and effectiveness of audit process.
6. Evaluation of internal financial controls.
7. Scrutiny of inter corporate loans and investments.
8. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the chief internal auditor, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
9. Discussing with the internal auditor and senior management, significant internal audit findings and follow-up thereon.

**b) Composition, name of members and chairperson: -**

The Composition of the Audit Committee is in compliance with Regulation 18 of Listing Regulations. The Audit Committee comprises of three Non-Executive Independent Directors and one Executive Director as on March 31, 2020. Mr. Sadashiv Shet is the Chairman of the Audit Committee and was present at the 37<sup>th</sup> Annual General Meeting of the Company held on September 30, 2019. All these Directors possess knowledge of Corporate Finance, Accounts and Company Law. Ms. Pooja Bicholkar, Company Secretary, acts as the Secretary of the Committee.

The Managing Director, Internal Auditors, Statutory Auditors, Executives of Accounts and Finance Department are the permanent invitees to the Audit Committee meetings.

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

Four meetings were held on May 30, 2019; August 14, 2019; November 13, 2019 and February 13, 2020.

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

Name	Category	Designation	No. of Meetings attended
Mr. Sadashiv Shet	Independent & Non-Executive	Chairman	4
Mr. Gaurav Gupta *	Promoter & Non-Executive	Member	0
Mr. Anil Palekar	Independent & Non-Executive	Member	4
Mr. Joseph A. A. D'Costa	Independent & Non-Executive	Member	4
Mr. Subhash Redkar **	Non-Promoter & Executive	Member	1

\* Mr. Gaurav Gupta ceased to be the member of Audit committee on April 20, 2019.

\*\* Mr. Subhash Redkar was appointed as the member of Audit Committee w.e.f. November 13, 2019



**4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read with Section 178 of the Companies Act, 2013. The broad terms of reference of the NRC are as follows:

**a) Brief description of terms of reference.**

- (i) The Nomination and Remuneration Committee has been constituted to recommend / review the remuneration of the Managing Director and Whole Time Directors, if any, based inter alia on their experience, qualifications, individual and company performance and comparable industry practices.
- (ii) The Committee shall carry out evaluation of every Director's performance and support the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- (iii) Recommend to the Board the appointment or reappointment of Directors, including Independent directors, on the basis of the performance evaluation.

**b) Composition, No. of Meetings held and attendance.**

Name of the Director	Category	Designation	No. of Meetings attended
Mr. Anil Palekar	Independent & Non-Executive	Chairman	2
Mr. Sadashiv Shet	Independent & Non-Executive	Member	2
Mr. Joseph A. A. D'Costa	Independent & Non-Executive	Member	1

During the Financial Year 2019-20, two Meetings were held on April 20, 2019 and August 14, 2019

**c) Performance Evaluation criteria for Independent Directors.**

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

The parameters considered were promoting objectives of the Company for the benefit of its members as a whole and in the best interest of the Company, its employees, the community and for the protection of the environment, fulfilling the key responsibilities by exercising reasonable care, skill, diligence and independent judgement, level of engagement / contribution in decision making, interpersonal relationship, attendance, quality time spent for Board Meetings and leadership and commitment of Directors.

**5. REMUNERATION POLICY OF DIRECTORS**

The Company has a Remuneration Policy for Directors, KMP and others in accordance with the provisions of the Act and the Listing Regulations. For details on Remuneration Policy for Directors, KMP and others, kindly refer to the Board's Report and the website of the Company – [www.gkb.net](http://www.gkb.net).

**REMUNERATION POLICY FOR MANAGING DIRECTOR/ WHOLE TIME DIRECTOR/ KEY MANAGERIAL PERSONNEL.**

**1) Remuneration to Managing Director / Whole Time Director or Manager:**

The Nomination and Remuneration Committee shall make recommendations to the Board of Directors regarding the remuneration and perquisites payable to the Managing Director, Whole Time Director or Manager.





The remuneration and perquisites payable to the Managing Director, Whole Time Director or Manager shall be governed by the provisions of Section 197 and Schedule V and other applicable provisions of the Companies Act, 2013 and rules in force, subject to the approval of the members by way of a suitable resolution at the next General Meeting of the Company.

## 2) Remuneration to Non- Executive / Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. Provided that the amount of such fees shall not exceed Rupees one lakh per meeting of the Board or Committee thereof. For Independent Directors and Woman Directors, the sitting fees shall not be less than sitting fees paid to other Directors. The Company also reimburses the travelling expenses incurred by the Directors, for attending the meetings.
- Other criteria of making payment to Non-Executive Directors has been disseminated on Company's website [www.gkb.net](http://www.gkb.net).
- Details of remuneration paid to all the Directors.

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

Remuneration paid to Managing Director, sitting fees paid to Non-Executive Directors during the year 2019-20 are as under:

Name of the Director	Salary	Benefits	Sitting fees	Total
Mr. K.G. Gupta	30,00,000*	10,30,150	—	40,30,150
Mr. Vikram Gupta	—	—	10,000	10,000
Mr. Anil Palekar	—	—	1,30,000	1,30,000
Mr. Sadashiv Shet	—	—	1,30,000	1,30,000
Mr. Joseph A. A. D'Costa	—	—	1,10,000	1,10,000
Mrs. Shashi K. Katreddi	—	—	40,000	40,000
Mr. Prakash Joshi	—	—	20,000	20,000
Mr. Subhash Redkar	5,87,000*	60,060	—	6,47,060

\* fixed component.

Minimum Remuneration paid to the Managing Director and Executive Director. No commission or bonus or incentive pay was paid during the year 2019-20, as the Company did not make profit.

Mr. K. G. Gupta Service Contract : April 01, 2018 to March 31, 2021  
 Notice Period : 3 months  
 Severance fee : Not applicable

Mr. Subhash Redkar Service Contract : August 14, 2019 to August 13, 2022  
 Notice Period : 3 months  
 Severance fee : Not applicable

The Company does not have any Employee Stock Option Scheme.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

This committee is constituted under Section 178(5) of the Companies Act, 2013 and in terms of Regulation 20 of Listing Regulations. The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends.

**a) Name of Non-Executive Director heading the committee.**

Mrs. Shashi K. Katreddi, a Non – Executive Director, is the Chairperson of the Committee .

**b) Name and designation of Compliance Officer.**

Ms. Pooja Bicholkar  
Company Secretary  
E-mail : pooja.bicholkar@gkb.net

**c) No. of Meetings held and Attendance during the year.**

As per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders' Relationship Committee shall meet at least once in a year. The yearly meeting of the Stakeholders' Relationship Committee for the financial year 2019-20, was scheduled to be held on March 24, 2020 and the Notice for the same was circulated on March 16, 2020. However, due to the lockdown imposed by the State Government on March 23 and 24, 2020, and thereafter, the nationwide lockdown imposed by the Central Government, in order to curtail the spread of the Covid -19 pandemic, the scheduled meeting could not be held. Subsequently, SEBI vide Circular dated March 26, 2020, provided relaxation to Companies by allowing them to hold the said meeting by June 30, 2020. Accordingly, the Committee meeting for the year 2019-20, was held on June 29, 2020.

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

Name of the Director	Category	Designation	No. of Meetings attended
Mrs. Shashi K. Katreddi	Independent & Non-Executive	Chairman	1
Mr. Vikram Gupta	Promoter & Non-Executive	Member	1
Mr. Prakash Joshi**	Non-Executive Director	Member	0
Mr. Subhash Redkar **	Executive Director	Member	1

\*\*Mr. Prakash Joshi resigned as a member from Stakeholders' Relationship Committee w.e.f. November 12, 2019 and Mr. Subhash Redkar was appointed as a member of the Committee w.e.f. November 13, 2019.

**d) Details of Shareholders' complaints:**

During the year under review , a complaint was received from a shareholder and the same was pending as on March 31, 2020.

No. of shareholders' complaints at the beginning of the year	0
No. of shareholders' complaints received during the year	1
No. of shareholders' complaints resolved during the year	0
No. of pending complaints as on March 31, 2020	1



**7. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

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

The Company has appointed Ms. Pooja Bicholkar, Company Secretary, as the Compliance Officer under the Code to deal with dissemination of Unpublished Price Sensitive Information and for complying with the Regulations.

**8. GENERAL BODY MEETINGS**

a) The last three Annual General Meetings of the Company were held at the Conference Room, GKB Ophthalmics Limited, 16-A, Tivim Industrial Estate, Mapusa, Goa, as under:

<b>Financial Year</b>	<b>Date &amp; Time</b>	<b>Special Resolutions passed</b>
2016-17	September 23, 2017, 11.00 A.M.	None
2017-18	August 27, 2018, 11.00 A.M.	a) Ratification of corrected Shareholding Pattern in the EGM notice dated May 10, 2018 b) Ratification of Compliance Certificate issued by Statutory Auditors. c) Ratification of correction in the name of Polus Global Fund.
2018-19	September 30, 2019, 11.00 A.M.	a) Variation in remuneration of Mr. K.G.Gupta, Managing Director of the Company. b) Appointment of Mr. Subhash Redkar as an Executive Director of the Company. c) To approve the Annual limits for Related Party Transactions for the period April 01, 2020 to March 31, 2023.

All resolutions moved at the last AGM were passed by means of electronic and physical voting by the requisite majority.

**Postal Ballot: -**

There were no resolutions passed by Postal Ballot by the Company during the year under review.

**9. MEANS OF COMMUNICATION**

All important information relating to the Company, its financial performance, shareholding pattern, quarterly results, other information as per the Listing Regulations are regularly posted on Company's website, [www.gkb.net](http://www.gkb.net). The quarterly, half-yearly and annual financial results of the Company are published in newspapers such as Financial Express -English Daily and Pudhari -Marathi Daily. These results are also available on the website of the Company and BSE Limited. No presentations have been made to institutional investors/analysts during the financial year.



**10. GENERAL SHAREHOLDER INFORMATION**

i.	38th Annual General Meeting	
	Date	: September 26, 2020
	Time	: 11.00 A.M.
	Venue	: The Company is conducting the AGM through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 read with MCA Circulars and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India.
ii.	Financial Year	: The financial year of the Company is from April 1st to March 31st.
iii.	Date of Book closure	: Book Closure is from Sunday, September 20, 2020 to Saturday September 26, 2020
iv.	Dividend payment date	: No dividend is proposed
v.	Listing on Stock Exchanges	: BSE Ltd. ( Bombay Stock Exchange Ltd.) : 25 <sup>th</sup> Floor, Phiroze Jeejubhoy Towers, Dalal Street, Mumbai - 400 001 Phone : 91 -22-227 21233/4 Fax : 91-22-22721919
	Fees	: Annual Listing fees have been paid to BSE Ltd., for the year 2020-21.
vi.	Stock Code BSE ISIN NUMBER	: 533212 INE 265 D01015

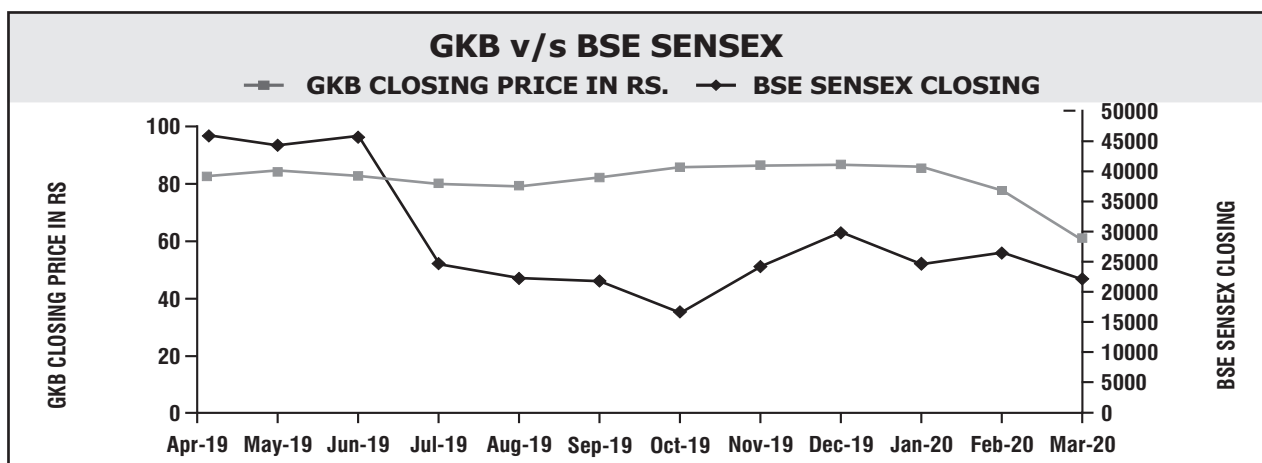
vii. Market Price Data  
High, Low during each month in the last financial year

in Rs.

Months	BSE Equity Shares	
	High	Low
April, 2019	98.95	85.50
May, 2019	90.00	80.35
June, 2019	95.00	90.25
July, 2019	90.00	47.75
August, 2019	47.00	42.40
September, 2019	42.40	40.80
October, 2019	41.00	30.30
November, 2019	51.40	28.35
December, 2019	58.80	42.20
January, 2020	75.00	46.95
February, 2020	55.85	41.80
March, 2020	56.95	41.20



**Share price performance in comparison to broad based indices – BSE Sensex**



viii. Share Registrars & Transfer Agents

SHAREX DYNAMIC (INDIA) PVT. LTD.,  
C 101, 247 Park, L BS Marg, Vikhroli West,  
Mumbai 400 083

Phone: + 91 22 2851 5606/ 2851 5644.  
Email: [support@sharexindia.com](mailto:support@sharexindia.com)

Fax : +91 22 2851 2885  
Web : [www.sharexindia.com](http://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.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities, as per the requirement of Regulation 40(9) of the Listing Regulations.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with the Securities and Exchange Board of India (SEBI) requirements. The audit reports for the financial year under review have been filed with the stock exchanges within one month of the end of each quarter.

x. Distribution of Shareholding

The distribution of shareholding as on March 31, 2020, is as under:

Range		Shareholders		Total Amount	
Rs.	Rs.	Number	% to Total Nos	Rs.	% to Total Amount
(1)	(2)	(2)	(3)	(4)	(5)
Upto	5,000	966	80.233	14,56,290.00	2.889
5,001	to 10,000	96	7.973	8,01,520.00	1.590
10,001	to 20,000	48	3.987	7,20,960.00	1.430
20,001	to 30,000	23	1.910	5,85,290.00	1.161
30,001	to 40,000	10	0.831	3,51,800.00	0.698
40,001	to 50,000	5	0.415	2,35,790.00	0.468
50,001	to 1,00,000	14	1.163	9,73,280.00	1.931
1,00,001	and above	42	3.488	4,52,80,870.00	89.833
Total		1,204	100.00	5,04,05,800.00	100.00



xi. The categories of shareholding as on March 31, 2020, are as under:

Sr. No	Category	No of Shares held	Percentage (%)
1	Indian Promoters	24,68,611	48.97
2	Banks, Financial Institutions & Insurance Companies	19,600	0.39
3	Private Corporate Bodies	3,31,862	6.58
4	Indian Public	18,24,168	36.18
5	Others (a) NRI/OCB	2,70,738	5.40
	(b) Clearing member	24,601	0.48
	(c) NBFC Reg	1,000	0.02
	(d) FPI Category II - Corp	1,00,000	1.98
	Total	50,40,580	100.00

xii. Dematerialization of shares and liquidity :

98.84% of the Company's equity shares were dematerialised and the shares are traded on the BSE Ltd.

As per SEBI Notification, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders still holding shares in physical form are requested to dematerialise their shares at the earliest. For further information / clarification / assistance in this regard, please contact Sharex Dynamic India Pvt. Ltd., Registrar and Share Transfer Agent.

xiii. Address for correspondence and Plant Locations:

**Address for correspondence:**

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

Phone : +91 832 2257253/6714444

Fax : + 91 832 2257044

Email : [gkbophthalmics@gkb.net](mailto:gkbophthalmics@gkb.net)

**Plant Locations :**

Unit I - 16-A  
Unit II - D2-14, 18 & 19  
Unit III -16 C & D

Tivim Industrial Estate

Mapusa, Goa – 403 526

xiv. **Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs and ADRs.

The Company had issued 7,50,000 Equity Convertible Warrants on July 27, 2018, at an issue price of Rs. 155/- per warrant at a premium of Rs. 145 out of which 25% of the consideration was received upfront, in compliance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The warrants are issued to Promoters and Non- Promoters/ Non Promoter Groups. The balance 75% of the total consideration was to be paid at the time of exercise of the conversion option.

The Board of Directors at its meeting held on January 22, 2020, allotted 4,00,000 Equity Shares to respective warrant-holders who had decided to exercise their option to convert the warrants into equity shares and had paid the balance 75% outstanding warrants amount.

Out of 7,50,000 Equity Convertible Warrants, 3,50,000 warrants have lapsed due to non-exercise of said warrants and the Board forfeited related upfront payment of Rs.1,35,62,500, which was received from warrant holders at the time of allotment of said warrants.



The converted Equity Shares rank pari- passu in all respects including dividend, with the existing Equity Shares of the company.

xv. **Credit Rating**

CRISIL Limited – Credit Rating Agency, has assigned the credit rating of “CRISIL B/Stable (Re-affirmed)” to the long-term Bank facilities availed by the Company and credit rating of “CRISIL A4 (Re-affirmed)” to the short-term Bank facilities availed by the Company.

xvi. **Commodity price risks or foreign exchange risks and hedging activities**

The Company manages commodity and foreign exchange risk as per its policies. To control and minimize foreign exchange risk, the Company has documented Forex Policy, according to which currency forecast is received from various banks on regular basis.

**11. OTHER DISCLOSURES**

a) Related Party Transactions.

All transactions entered into with related parties pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations, during the Financial Year 2019-20, were at arm's length price basis and in ordinary course of business. These transactions have been approved by the Audit Committee.

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions in terms of Regulation 23(1) of Listing Regulations. The Board of Directors of the Company has approved and adopted a policy on related party transactions and the same has been uploaded on Company's website(<http://gkb.net/en/wp-content/uploads/Accounts/Related-party-transactions-policy.pdf>)

The Company has not entered into any transactions of material nature with the related parties viz. its promoters, the directors or the management or their subsidiaries or relatives during the year that have potential conflicts with the interest of the Company.

Related party transactions have been disclosed in **Note to accounts** to the Standalone Financial Statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review.

b) Statutory Compliance.

There were no instances of non-compliance by the Company, no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c) Establishment of Vigil Mechanism

The Company has in place a Vigil Mechanism. It provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. It provides for adequate safeguards against victimization of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy of the Company has been posted on the website of the Company.



- d) Compliance with mandatory requirements:
- A certificate from the Chief Executive Officer/Managing Director and Chief Financial Officer on the financial statements of the Company was placed before the Board in terms of Regulation 17(8) as specified in Part B of Schedule II of Listing Regulations. All other mandatory requirements have been duly complied with, to the extent applicable.
  - The Company has partially adopted the non-mandatory requirements.
- e) The policy for determining material subsidiaries is disclosed on Company's website. The web link for the same is (<http://gkb.net/en/wp-content/uploads/Accounts/Policy-for-Determining-Material-Subsidiary.pdf>)
- f) The policy on dealing with related party transactions is available on Company's website. The web link is (<http://gkb.net/en/wp-content/uploads/Accounts/Related-party-transactions-policy.pdf>)
- g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

The Company has raised funds through preferential allotment during the year under review. The utilization / status of funds raised from the preferential issue as at March 31, 2020, is as follows:-

Particulars	Amount (Rs. in lakhs) March 31, 2020	Amount (Rs. in lakhs) March 31, 2019
Towards funding growth plans – Inorganic	300.00	300.00
Towards scaling up of operations, long term capital requirements and other general corporate purposes - Organic	334.91	334.91
Total Funds Utilised (A)	634.91	634.91
Balance in Escrow account	877.36	412.36
Total Funds Raised (B)	1,512.27	1,047.27

- h) Certificate from PCS under sub-para 10(i) of Part C of Schedule V of the Listing Regulations
- A Certificate has been received from Ms. Girija Nagvekar, Practicing Company Secretary, under sub-para 10(i), Part C of Schedule V of the Listing Regulations, which is annexed to this report as Annexure IV, which is self explanatory.
- i) Confirmation by the Board of Directors' acceptance of recommendation of mandatory committees
- In terms of the amended SEBI Listing Regulations, the Board of Directors of the Company, confirm that during the year under review, it has accepted all recommendations received from its mandatory committees.
- j) Details of total fees paid to the Statutory Auditors of the Company

The details of the total fees paid to MSKA & Associates, Chartered Accountants, Statutory Auditors of the Company, during the Financial Year ended 31st March 2020, is given below:

Sr. No.	Description of fees paid	Amount in lakhs
1	Statutory Audit fees paid for Audit of the Company	6.30
2	Fees paid for Tax Audit	1.95
3	Other Matter- Limited review	6.75
4	Reimbursement of expenses	1.61
	<b>Total</b>	<b>16.61</b>





- k) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, no complaints have been received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**12. NON-COMPLIANCE WITH REQUIREMENTS OF CORPORATE GOVERNANCE**

The Company has complied with all the requirements of the Corporate Governance Report of sub paras (2) to (10) of Part C, Schedule V of Listing Regulations.

**13. ADOPTION OF NON-MANDATORY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

- a) There are no audit qualifications in the Auditors' Report.
- b) Other non-mandatory requirements shall be adopted as and when considered appropriate.

**14. DETAILS OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**

The Company has complied with the applicable corporate governance requirements as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**15. CERTIFICATE ON CORPORATE GOVERNANCE**

As required by the Listing Regulations, the compliance certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance, is annexed to the Directors' Report.

**16. RISK MANAGEMENT:**

Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company.

**17. COMPLIANCE CERTIFICATE FROM CEO & CFO**

The Executive Director and CFO have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO & CFO certification for the Financial Year ended March 31, 2020.

**18. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT AS REQUIRED**

Nil

**19. TRANSFER OF UNCLAIMED/UNPAID AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year, there were no amounts transferred from unclaimed dividend account to Investor Education and Protection Fund.



## **20. CODE OF CONDUCT**

The Company has adopted a Code of Conduct for Board of Directors and Senior Management (the Code). The Code has been communicated to the Directors and the members of Senior Management. The Code has also been posted on the Company's website at [www.gkb.net](http://www.gkb.net). All Board members and senior management have confirmed compliance with the Code for the year ended March 31, 2020. A certificate from Mr. K.G. Gupta, Managing Director, to this effect, is given below.

### **DECLARATION**

As required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and the Senior Management for the year ended March 31, 2020.

Place: Goa  
Date: July 07, 2020

Mr. K.G.Gupta  
Managing Director  
DIN: 00051863



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

**The Members,  
GKB OPHTHALMICS LIMITED  
16A TIVIM INDUSTRIAL ESTATE,  
MAPUSA – GOA 403526**

Dear Sirs,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **GKB OPHTHALMICS LIMITED** having CIN L26109GA1981PLC000469 and having registered office at 16A TIVIM INDUSTRIAL ESTATE, MAPUSA – GOA 403526 and (hereinafter referred to as the Company), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority .

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 25.06.2020  
Place: Panaji Goa

CS Girija G. Nagvekar  
Practicing Company Secretary  
FCS: 10358/ COP: 10335  
**UDIN No. F010358B000382092**



**COMPLIANCE CERTIFICATE FROM PRACTISING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members  
GKB OPHTHALMICS LIMITED

I have examined the compliance of conditions of Corporate Governance by **GKB OPHTHALMICS LIMITED**, for the year ended 31<sup>st</sup> March, 2020, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Place: Panaji Goa  
Date: July 16, 2020

CS Girija Nagvekar  
Practising Company Secretary  
Membership No. F10358  
CP No. 10335

**UDIN number F010358B000463338**



## **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

We, Mr. K.G.Gupta, Managing Director and Mr. Gurudas Sawant, Chief Financial Officer of GKB Ophthalmics Limited ("the Company") hereby certify that:

- A) We have reviewed the financial statements and the cash flow statement of GKB Ophthalmics Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that ;
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
  - 2) These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
- (1) Significant changes in internal control over financial reporting during the year and that the same have been disclosed in the notes to the financial statements;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K. G. Gupta  
Managing Director

Gurudas Sawant  
Chief Financial Officer

Place : Mapusa, Goa  
Date : July 07, 2020



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **GKB Ophthalmics Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **GKB Ophthalmics Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

As mentioned in Note 44 to the standalone financial statements, the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the standalone financial statements. Accordingly, no adjustments have been made to the standalone financial statements. However, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**1. Revenue Recognition**

Refer note 25 to the standalone financial statements.

The Company's revenue is derived from the sale of unfinished ophthalmic lenses. The Company recognises revenue when performance obligations as per the underlying contracts are satisfied in accordance with Ind AS 115 - Revenue from Contract with Customers. The terms set out in the Company's sales contracts are varied which affect the timing of revenue recognition.

We have focused on this area because revenue is one of the key performance indicators and timing of revenue recognition involves significant management judgement.

Our audit procedures, in respect of this matter included the following:

- a. Obtained an understanding and assessed the design, implementation and operating effectiveness of internal controls over the existence, accuracy and timing of revenue recognition;
- b. Verified the contracts on test check basis to identify performance obligations under the contract and to assess whether revenue is recognised and recorded in the period in which the performance obligation is satisfied;
- c. Performed substantive transactional testing on test check basis and applied analytical procedures to validate the recognition of revenue.
- d. Verified the completeness and accuracy of disclosures, which are included in note 25 of the standalone financial statements

**2. Contingent Liabilities & Provisions**

Refer note 36 to the standalone financial statements

The Company has received certain claims from the government authorities, which are disputed, with respect to demands and penalty for Excise duty, Sales Tax, Entry Tax and Income tax. These involve a high degree of judgement to determine the possible outcomes, and estimates relating to the timing and the amount of outflow of resources embodying economic benefits.

The possible outcomes of the claims will have a material effect on the financial position, results of operations and cash flows.

Our audit procedures, in respect of this matter included the following:

- a. Obtaining a detailed understanding of the processes and controls of the Management with respect to claims or disputes.
- b. Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company, and perusing legal opinions, if any, obtained by the Management.
- c. Understanding the matters by reading the correspondences, communications, minutes of the Audit Committee and/or the Board meetings and discussions with the appropriate Management personnel.
- d. Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates.
- e. Evaluating appropriateness of disclosures in note 36 to the standalone financial statements.



### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss(including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31,2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statement;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. Unpaid Dividend of Rs. 12,822/- pertaining to financial year 2010-11 has not been transferred to the Investor Education and Protection Fund by the Company as on March 31, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Anup Mundhra**  
Partner

Membership No.:061083  
UDIN: 20061083AAAADA6115

Place: Pune  
Date: July 07, 2020



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GKB OPHTHALMICS LIMITED**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore, the key audit matters.



We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates  
Chartered Accountants**

ICAI Firm Registration No. 105047W

**Anup Mundhra**

Partner

Membership No.:061083

UDIN: 20061083AAAADA6115

Place: Pune  
Date: July 07, 2020



**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GKB OPHTHALMICS LIMITED FOR THE YEAR ENDED MARCH 31, 2020**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of GKB Ophthalmics Limited on the Standalone Financial Statements for the year ended March 31, 2020]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) All the fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year in accordance with a planned programme of verifying them in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provision of section 186 of the Act. Accordingly provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in accordance with the provisions of 73 to 76 of the Act and the rules framed thereunder.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and records examined by us, the company has been generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues as applicable, with the appropriate authorities though there has been delays in few cases with regards to income tax (Tax Deducted at Source), provident fund and employees' state insurance.
- (b) According to the information and explanation given to us, the outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable is as follows.



Name of the statute	Nature of the dues	Amount Rs.	Financial Year	Due Date	Date of Payment
Companies Act, 2013	Unpaid Dividend	12,822	2010-11	November 01, 2017	Not Paid till June 07, 2020
		<b>12,822</b>			

- (c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax, Interest and Penalty	41.37	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax, Interest and Penalty	39.25	2013-14	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Duty, Interest and Penalty	17.82	2005-06	Central Excise and Service Tax Appellate Tribunal(CESTAT)
The Central Excise Act, 1944	Duty, Interest and Penalty	17.07	2006-07	Joint Commissioner/ Commissioner of Customs and Central Excise (Appeals)
The Central Excise Act, 1944	Duty, Interest and Penalty	1,155.59	2007-08 to Sep' 2015	Commissioner of Central Excise and Service Tax, Goa
The Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	111.71	2008-09	Additional Commissioner of Commercial Tax, Panaji
The Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	54.94	2014-15	Additional Commissioner of Commercial Tax, Panaji
The Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	18.42	2014-15	Additional Commissioner of Commercial Tax, Panaji
Goa Tax on Entry of Goods Act, 2000	Entry Tax and Interest	51.20	2015-16	Additional Commissioner of Commercial Tax, Panaji
Goa Tax on Entry of Goods Act, 2000	Entry Tax and Interest	28.61	2013-14	Additional Commissioner of Commercial Tax, Panaji
		<b>1535.98</b>		

(Amount paid in protest against the above dues is Rs. 36,64,750/-)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company does not have dues to financial institutions and has not issued any debentures and therefore repayment to financial institutions and debenture holders is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.



- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards (Ind AS 24), "Related Party Disclosures" specified under Section 133 of the Act, read with the relevant rules issued thereunder.
- xiv. During the financial year ended March 31, 2019, the Company has made a preferential issue of 7,50,000 equity convertible share warrants. During the year the Company allotted 4,00,000 equity shares to warrant holders who exercised the option of conversion. According to the information and explanations given to us and based on our examination of the records of the Company the requirements of Section 42 of the Companies Act, 2013 have been complied with regards to the allotment of 4,00,000 equity shares. Further as per the information, explanation provided to us and based on the examination of records produced before us the amount raised has been utilized for the purpose for which funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

**For MSKA & Associates  
Chartered Accountants**

ICAI Firm Registration No.105047W

**Anup Mundhra**  
Partner

Membership No.:061083  
UDIN: 20061083AAAADA6115

Place: Pune  
Date: July 07, 2020



**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GKB OPHTHALIMICS LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of GKB Ophthalmics Limited on the Standalone Financial Statements for the year ended March 31, 2020]

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

We have audited the internal financial controls with reference to standalone financial statements of GKB Ophthalmics Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

**Meaning of Internal Financial Controls With Reference to Standalone Financial Statements**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of



records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For MSKA & Associates  
Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Anup Mundhra**  
Partner  
Membership No.:061083  
UDIN: 20061083AAAADA6115

Place: Pune  
Date: July 07, 2020



**Balance Sheet as at March 31,2020**

(Amount in INR, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	248,183,501	242,716,804
Other intangible assets	6	103,873	163,491
Capital work-in-progress		-	-
Financial assets			
Investments	7	31,955,450	3,036,938
Other financial assets	8	900,144	30,363,529
Other non-current assets	9	19,289,028	22,692,981
<b>Total Non-current Assets</b>		<b>300,431,996</b>	<b>298,973,743</b>
<b>Current Assets</b>			
Inventories	10	47,000,010	67,867,103
Financial Assets			
Investments	7	120,204	114,514
Trade receivables	11	103,741,665	108,141,706
Cash and cash equivalents	12	96,534,761	58,944,142
Bank balances other than cash and cash equivalents	13	7,021,541	7,170,912
Loans and advances	14	1,093,084	1,037,561
Other financial assets	15	8,072,153	6,694,596
Current Tax Assets (net)		-	-
Other Current assets	16	2,832,601	2,678,444
<b>Total Current Assets</b>		<b>266,416,019</b>	<b>252,648,978</b>
<b>Total Assets</b>		<b>566,848,015</b>	<b>551,622,721</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	50,405,800	46,405,800
Other equity	18	302,093,872	300,312,714
<b>Total equity</b>		<b>352,499,671</b>	<b>346,718,514</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	-	-
Provisions	20	7,493,765	7,436,585
Deferred Tax Liabilities	33	4,868,781	4,518,280
<b>Total non-current liabilities</b>		<b>12,362,546</b>	<b>11,954,865</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	21	99,912,609	100,360,658
Trade payables	22		
i) total outstanding dues of micro enterprises and small enterprises		2,067,009	2,058,874
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		76,442,234	73,039,661
Other financial liabilities	23	1,921,261	2,494,336
Other current liabilities	24	16,971,581	9,919,638
Provisions	20	4,671,104	5,076,175
<b>Total current liabilities</b>		<b>201,985,798</b>	<b>192,949,342</b>
<b>Total liabilities</b>		<b>214,348,344</b>	<b>204,904,207</b>
<b>Total equity and liabilities</b>		<b>566,848,015</b>	<b>551,622,721</b>
See accompanying notes to the financial statements	1-45		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

Place : Mapusa, Goa  
Date : July 07, 2020

Place : Mapusa, Goa  
Date : July 07, 2020

**Statement of Profit and Loss for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>Income</b>			
Revenue from operations	25	254,822,730	304,681,758
Other income	26	14,630,931	26,247,009
<b>Total income</b>		<b>269,453,661</b>	<b>330,928,767</b>
<b>Expenses</b>			
Cost of materials consumed	27	106,333,882	161,321,082
Purchase of Stock-in-trade		6,301,984	946,351
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	15,920,678	(2,309,757)
Employee benefits expenses	29	62,146,712	75,613,678
Finance costs	30	13,503,956	13,933,842
Depreciation and amortization expense	31	34,733,091	34,312,777
Other expenses	32	72,229,779	79,649,693
<b>Total expenses</b>		<b>311,170,082</b>	<b>363,467,666</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(41,716,421)</b>	<b>(32,538,899)</b>
Exceptional items		-	-
<b>Profit / (Loss) before tax</b>		<b>(41,716,421)</b>	<b>(32,538,899)</b>
<b>Tax expense</b>			
Current tax	33	-	-
Deferred tax	33	-	(4,754,134)
<b>Total income tax expense</b>		<b>-</b>	<b>(4,754,134)</b>
<b>Profit / (Loss) for the year</b>		<b>(41,716,421)</b>	<b>(27,784,765)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability		1,348,079	806,133
Income tax effect		(350,501)	(209,594)
		997,578	596,539
<b>Other comprehensive income for the year, net of tax</b>		<b>997,578</b>	<b>596,539</b>
<b>Total comprehensive income for the year</b>		<b>(40,718,843)</b>	<b>(27,188,226)</b>
<b>Earnings per equity share</b>			
Basic	34	(8.28)	(5.99)
Diluted	34	(8.28)	(5.15)
See accompanying notes to the financial statements	1-45		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047WFor and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469**Anup Mundhra**  
Partner  
Membership No. 061083**K. G. Gupta**  
Managing Director  
DIN : 00051863**Vikram Gupta**  
Director  
DIN : 00052019**Gurudas Sawant**  
Chief Financial Officer**Pooja Bicholkar**  
Company SecretaryPlace : Mapusa, Goa  
Date : July 07, 2020Place : Mapusa, Goa  
Date : July 07, 2020



## Statement of changes in equity for the year ended March 31, 2020

## (A) Equity share capital

Particulars	31-Mar-20	31-Mar-19
	Amount	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
Opening	46,405,800	41,535,800
Add: issue during the year	4,000,000	4,870,000
Closing	<b>50,405,800</b>	<b>46,405,800</b>

## (B) Other equity

## For the year ended March 31, 2019

Particulars	Balance as at April 01, 2018	Total Comprehensive Income/(Loss) for the year	Other comprehensive income	Dividends	Others	Balance as at March 31, 2019
<b>Reserves</b>						
Retained earnings	138,008,616	(27,784,765)	-	-	-	110,223,851
General Reserve	65,056,619	-	-	-	-	65,056,619
FVTOCI Reserve on defined benefit plan	(2,075,445)	-	596,539	-	-	(1,478,906)
Other Reserves						
Capital Reserves	4,328,500	-	-	-	-	4,328,500
Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
Capital Redemption Reserve	-	-	-	-	29,062,500	29,062,500
Securities Premium Reserve	20,276,000	-	-	-	70,615,000	90,891,000
<b>Total reserves</b>	<b>227,823,440</b>	<b>(27,784,765)</b>	<b>596,539</b>	<b>-</b>	<b>(99,677,500)</b>	<b>300,312,714</b>

## For the year ended March 31, 2020

Particulars	Balance as at April 01, 2019	Total Comprehensive Income/(Loss) for the year	Other comprehensive income	Dividends	Others	Balance as at March 31, 2020
<b>Reserves</b>						
Retained earnings	110,223,851	(41,716,421)	-	-	-	68,507,430
General Reserve	65,056,619	-	-	-	-	65,056,619
FVTOCI Reserve on defined benefit plan	(14,78,906)	-	997,578	-	-	(481,328)
Other Reserves						
Capital Reserves	4,328,500	-	-	-	-	4,328,500
Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
Money received against share warrants	29,062,500	-	-	-	(7,750,000)	21,312,500
Securities Premium Reserve	90,891,000	-	-	-	50,250,000	141,141,000
<b>Total reserves</b>	<b>300,312,714</b>	<b>(41,716,421)</b>	<b>997,578</b>	<b>-</b>	<b>(425,00,000)</b>	<b>(302,093,871)</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

Place : Mapusa, Goa  
Date : July 07, 2020

Place : Mapusa, Goa  
Date : July 07, 2020

**Statement of Cash Flows for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Profit / (Loss) before tax and extraordinary items	(41,716,420)	(32,538,899)
Adjustments for:		
Depreciation and amortization expenses	34,733,091	34,312,777
Finance cost	13,311,531	13,721,732
Provision for doubtful debts	3,954,156	393,393
Unrealised exchange loss /(gain) (net)	154,886	5,731,646
Interest on income tax	3,850	-
Dividend income	(10,378,944)	(6,419,509)
Interest income	(305,509)	(328,735)
Liabilities written back	(202,895)	(38,494)
(Gain)/ loss on sale of fixed assets	(96,438)	(14,375,039)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(542,693)</b>	<b>458,872</b>
<b>Changes in working capital</b>		
Decrease/ (Increase) in inventories	20,867,093	80,545,006
Decrease/ (Increase) in trade receivables	2,063,976	(4,172,231)
(Increase) / Decrease in current assets	28,520,841	(44,156,085)
(Decrease)/ Increase in trade payables	2,198,700	16,972,437
(Decrease)/ Increase in financial liabilities	70,000	(292,813)
(Decrease)/ increase in other current liabilities	7,051,943	3,062,682
(Decrease)/ Increase in provisions	1,000,188	1,011,102
<b>Cash generated used in operations</b>	<b>61,230,048</b>	<b>53,428,970</b>
Income tax paid	(104,387)	(319,874)
<b>Net cash flows used in operating activities (A)</b>	<b>61,125,661</b>	<b>53,109,096</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	(37,743,818)	(129,180,545)
Proceeds from sale / disposal of fixed assets	1,130,459	32,608,794
Investment in subsidiary	(30,000,000)	-
Purchase of current investments	(5,690)	(74,134)
Proceeds from sale of current investments	-	3,600,000
Dividend received	9,807,358	6,503,509
Interest received	222,952	215,062
<b>Net cash flow from investing activities (B)</b>	<b>(56,588,740)</b>	<b>(86,327,314)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity shares on preferential basis	46,500,000	75,485,000
Proceeds from issuance of share warrants	-	29,062,500
Proceeds from / (Repayments of) short term borrowings (net)	(448,049)	1,731,728
Repayment of long term borrowings	313,277	(496,685)
Interest paid	(13,311,531)	(13,721,732)
<b>Net cash flow from financing activities (C)</b>	<b>33,053,697</b>	<b>92,060,811</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>37,590,619</b>	<b>58,842,593</b>
Cash and cash equivalents at the beginning of the year	58,944,142	101,549
Cash and cash equivalents at the end of the year	<b>96,534,761</b>	<b>58,944,142</b>
<b>Cash and cash equivalents comprise (Refer note 12)</b>		
Balances with banks		
On current accounts	96,533,759	58,943,846
Cash on hand	1,002	296
<b>Total cash and bank balances at end of the year</b>	<b>96,534,761</b>	<b>58,944,142</b>
See accompanying notes to the financial statements	1-45	

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083  
Place : Mapusa, Goa  
Date : July 07, 2020

**K. G. Gupta**  
Managing Director  
DIN : 00051863  
Place : Mapusa, Goa  
Date : July 07, 2020

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**1 GENERAL INFORMATION**

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

The company is engaged in manufacture and sale of unfinished ophthalmic lenses.

**2 SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies adopted by the company are as under:

**2.1 Basis of Preparation of Financial Statements**

**(a) Compliance with Ind AS**

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

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

**(b) Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement Basis</b>
Certain Financial Assets and Financials Liabilities	Fair Value
Net Defined Benefit(asset)/liability	Present value of defined benefit obligation less fair value of plan assets

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

**(d) Use of estimates**

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

**(e) Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rupee, unless otherwise indicated.



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**2.2 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to it up to the date it is ready for its intended use. Cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date are shown under capital work-in-progress.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

**Depreciation methods, estimated useful lives**

The Company depreciates Property, plant and equipments using the straight line method over their estimated useful lives as under :

<b>Property, plant and equipment</b>	
Building	30 to 60 years
Plant & Machinery	1 to 15 years
Furniture and Fixtures	1 to 10 years
Office Equipment	1 to 5 years
Vehicles	8 to 10 years
Computers	1 to 15 years

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

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

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**2.3 Other Intangible Assets**

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

**Amortisation**

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

**Intangible assets**

Computer Software	6 years
-------------------	---------

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

**2.4 Foreign Currency Transactions**

**(a) Functional and presentation currency**

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

**(b) Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**2.5 Revenue Recognition**

**Sale of goods**

Revenue from the sale of goods is recognised when the Company satisfies the performance obligation by transferring promised goods to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, Goods and Services Tax (GST) and amounts collected on behalf of third party.

**Rendering of services**

Revenue from services is recognized in accordance with the terms of the contract with customers when the identified performance obligation is completed. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of Goods and Services Tax (GST) and amounts collected on behalf of third party.

**Other Income**

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**2.6 Taxes on Income**

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

**(a) Current income tax**

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

**(b) Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

**2.7 Leases****As a lessee**

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

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

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





**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**2.8 Inventories**

Inventories are valued at the lower of cost and net realisable value.

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

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

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

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

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

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

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

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

**2.9 Impairment of non-financial assets**

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**2.10 Provisions, contingent liabilities, Contingent assets**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent assets are neither recognised nor disclosed.

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

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

**2.11 Cash and cash equivalents**

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

**2.12 Employee Benefits**

**(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Other long-term employee benefit obligations**

**(i) Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

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

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



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

(iii) **Other long term employee benefit obligations**

Compensated Absences: 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.

**2.13 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**2.14 Borrowing Costs**

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

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

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

**2.15 Statement of cash flows**

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

**2.16 Exceptional items**

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

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**2.17 Segment accounting**

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

**2.18 Fair value measurement**

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**2.19 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets****(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**(iii) Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 8-quarters ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 8 quarters ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 8 quarters ECL is a portion of the lifetime ECL which results from default events that are possible within 8 quarters after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**(iv) Derecognition of financial assets**

A financial asset is derecognized only when a) the rights to receive cash flows from the financial asset is transferred or b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(b) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

**(ii) Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

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

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**(c) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.20 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest rupee as per requirement of Schedule III of the Act, unless otherwise stated.

**3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 are as below :

**(a) Taxes**

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

**(b) Useful lives of property, plant and equipment and intangible assets**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

**(c) Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**(d) Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

- 4** Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from April 01, 2020.



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**5 PROPERTY, PLANT AND EQUIPMENT**

(Amount in INR)

	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Freehold Land	429,910	-	-	429,910	-	-	-	-	429,910	429,910
Leasehold Land	895,500	-	-	895,500	159,850	9,426	-	169,276	726,224	735,650
Buildings	59,816,388	22,880,450	-	82,696,838	17,369,543	2,189,484	-	19,559,027	63,137,811	42,446,845
Plant and Equipment	246,230,383	6,806,164	-	253,036,547	150,365,659	11,427,187	-	161,792,846	91,243,701	95,864,724
Plant and Equipment - Moulds	110,769,683	10,981,593	1,045,460	120,705,816	16,165,668	19,243,495	11,438	35,397,725	85,308,091	94,604,015
Furniture and Fixtures	17,306,278	315,500	-	17,621,778	12,032,880	814,600	-	12,847,480	4,774,298	5,273,398
Office Equipment	4,309,561	190,485	-	4,500,046	3,416,588	355,714	-	3,772,302	727,744	892,973
Vehicles	10,795,814	-	412,150	10,383,664	8,326,525	633,567	412,150	8,547,942	1,835,722	2,469,289
<b>Total</b>	<b>450,553,517</b>	<b>41,174,192</b>	<b>1,457,610</b>	<b>490,270,099</b>	<b>207,836,713</b>	<b>34,673,473</b>	<b>423,588</b>	<b>242,086,598</b>	<b>248,183,501</b>	<b>242,716,804</b>

	Gross block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Freehold Land	429,910	-	-	429,910	-	-	-	-	429,910	429,910
Leasehold Land	895,500	-	-	895,500	150,424	9,426	-	159,850	735,650	745,076
Buildings	70,875,658	312,110	11,371,380	59,816,388	17,419,120	2,084,641	2,134,218	17,369,543	42,446,845	53,456,538
Plant and Equipment	241,480,523	4,749,860	-	246,230,383	136,885,591	13,480,068	-	150,365,659	95,864,724	104,594,932
Plant and Equipment - Moulds	-	120,178,477	9,408,794	110,769,683	-	16,577,869	412,201	16,165,668	94,604,015	-
Furniture and Fixtures	17,058,170	248,108	-	17,306,278	11,164,529	868,351	-	12,032,880	5,273,398	5,893,641
Office Equipment	4,220,245	89,316	-	4,309,561	3,033,847	382,741	-	3,416,588	892,973	1,186,398
Vehicles	10,795,814	-	-	10,795,814	7,491,141	835,384	-	8,326,525	2,469,289	3,304,673
<b>Total</b>	<b>345,755,820</b>	<b>125,577,871</b>	<b>20,780,174</b>	<b>450,553,517</b>	<b>176,144,652</b>	<b>34,238,480</b>	<b>2,546,419</b>	<b>207,836,713</b>	<b>242,716,804</b>	<b>169,611,168</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**6 OTHER INTANGIBLE ASSETS**

	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer Software	1,956,977	-	-	1,956,977	1,793,486	59,618	-	1,853,104	103,873	163,491
<b>Total</b>	<b>1,956,977</b>	<b>-</b>	<b>-</b>	<b>1,956,977</b>	<b>1,793,486</b>	<b>59,618</b>	<b>-</b>	<b>1,853,104</b>	<b>103,873</b>	<b>163,491</b>

	Gross block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Computer Software	1,883,477	73,500	-	1,956,977	1,719,189	74,297	-	1,793,486	163,491	164,288
<b>Total</b>	<b>1,883,477</b>	<b>73,500</b>	<b>-</b>	<b>1,956,977</b>	<b>1,719,189</b>	<b>74,297</b>	<b>-</b>	<b>1,793,486</b>	<b>163,491</b>	<b>164,288</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**7 FINANCIAL ASSETS- INVESTMENTS**

Non Current Investments

i) At cost

a) Unquoted equity shares

- In Subsidiaries

GKB Ophthalmic Products FZE, Sharjah

1 equity share (31 March 2019: 1 equity share) of nominal value of AED 150,000 fully paid-up

GKB Ophthalmics GmbH, Germany #

Nil (31 March 2019: 1 equity share of the capital stock fully paid-up)

GSV Ophthalmics Private Limited

30,10,000 equity shares (31 March 2019: 10,000 equity shares) of <sup>1</sup> 10 each fully paid-up

- Others

Saraswat Co-operative Bank Limited

2,500 equity shares (31 March 2019: 2,500 equity shares) of <sup>1</sup> 10 each fully paid-up

	31 March 2020	31 March 2019
	1,830,150	1,830,150
	-	1,081,488
	30,100,000	100,000
	-	-
	25,300	25,300
	<b>31,955,450</b>	<b>3,036,938</b>

# During the year the investment in GKB Ophthalmics GmbH, Germany ("the Investee Company") of Rs. 10,81,488 (March 31, 2019 - Rs. Nil) has been written off consequent to the winding up of the investee company. No amount was realised as proceeds from the investment. However, the Company has written back an amount of Rs. 11,89,094 (March 31, 2019 - Rs. Nil) payable to the investee company. The net amount written back of Rs. 107,606 is shown as part of liabilities written back under Note 26 Other Income

\* 10,000 (March 31, 2019 - 10,000) Equity Shares of GSV Ophthalmics Private Limited are held by director and a nominee in trust on behalf of the Company.

Current Investments

Fair value through profit and loss (FVTPL)

- Investments in Mutual Funds (unquoted) (Refer footnote i)

Current

Non- Current

**Aggregate book value of:**

Mutual Funds (unquoted)

**Aggregate market value of:**

Mutual Funds (unquoted)

**Aggregate amount of impairment in value of Investments**

	120,204	114,514
	<b>120,204</b>	<b>114,514</b>
	120,204	114,514
	31,955,450	3,036,938
	<b>32,075,654</b>	<b>3,151,452</b>
	120,204	114,514
	120,204	114,514
	-	-

**Footnotes****I. Details of investments in Mutual Funds designated at FVTPL:**

	Number of units		Amount (in Rs.)	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
JM Liquid Fund - Savings Plan	575	575	5,709	5,709
HDFC Money Market Fund - Direct Plan	107	102	114,495	108,805
	<b>682</b>	<b>677</b>	<b>120,204</b>	<b>114,514</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**8 OTHER NON-CURRENT FINANCIAL ASSETS**

Advances to related parties  
Margin money deposits:  
Margin money deposits maturing after 12 months from reporting date

31 March 2020	31 March 2019
-	29,831,135
900,144	532,394
<b>900,144</b>	<b>30,363,529</b>

Foot note :

Advance to related parties represents amount given to GSV Ophthalmics Private Limited which is converted into equity shares of Rs. 10 each during the year ended March 31, 2020.

**9 OTHER NON-CURRENT ASSETS**

Capital advance\*  
Security deposits  
Balance with Government authorities  
Advance income tax (net of provisions amounting to Rs. 3,73,75,215/- (31st March 2019 - Rs. 3,73,75,215/-))

31 March 2020	31 March 2019
255,000	4,641,725
6,670,444	5,900,878
10,375,435	10,262,766
1,988,149	1,887,612
<b>19,289,028</b>	<b>22,692,981</b>

\* Value of contracts in capital account remaining to be executed as at 31 March 2020 is Rs. 3,99,947 (31 March 2019: Rs. 2,59,28,684/-)

**10 INVENTORIES\***

Raw material  
GIT  
Work in progress  
Finished goods  
Packing material  
Store and spares parts

31 March 2020	31 March 2019
10,534,033	19,974,942
4,084,121	-
1,843,605	2,657,482
20,145,640	35,252,441
1,156,909	1,128,575
9,235,702	8,853,663
<b>47,000,010</b>	<b>67,867,103</b>

\*Hypothecated as charge against short term-borrowings. Refer note 21.

**11 TRADE RECEIVABLES**

Secured, considered good  
Unsecured  
Considered good  
- Related parties (refer note 37)  
- Others  
-Considered doubtful  
Less-Allowance for bad and doubtful debts

31 March 2020	31 March 2019
-	-
52,760,968	55,148,389
50,980,697	52,993,317
6,753,729	2,799,573
(6,753,729)	(2,799,573)
<b>103,741,665</b>	<b>108,141,706</b>

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

Due from related parties includes reinstated amount of Rs. 91,12,980/- (previous year Rs. 85,30,101) due from Lensco - The Lens Company, USA against exports which are overdue for a period exceeding 6 months.

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**12 CASH AND CASH EQUIVALENTS**

Balances with banks:  
On current accounts  
Cash on hand

31 March 2020	31 March 2019
96,533,759	58,943,846
1,002	296
<b>96,534,761</b>	<b>58,944,142</b>

Includes amount of Rs. 9,54,85,342/- (31st March 2019 Rs. 4,12,35,990/-) received on account of preferential allotment of equity shares and equity convertible share warrants.

**13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date

31 March 2020	31 March 2019
-	-
12,822	12,822
7,008,719	7,158,090
<b>7,021,541</b>	<b>7,170,912</b>

**Other balances**

Earmarked balances with banks:  
Unpaid dividends \*  
Margin money deposits

\* Amount of Rs. 12,822/- is due to be transferred to the Investors Education & Protection Fund as at 31 March 2020.

# Kept as lien against bank guarantee and letter of credit facility amounting to Rs. 4,42,36,288/- (31st March 2019 - 3,96,31,104/-)

**14 CURRENT FINANCIAL ASSETS - LOANS AND ADVANCES**

Unsecured, considered good  
Employee advances  
CST receivable

31 March 2020	31 March 2019
93,731	38,208
999,353	999,353
<b>1,093,084</b>	<b>1,037,561</b>

**15 OTHER FINANCIAL ASSETS**

Dividend receivable from GKB Ophthalmic Products FZE, Sharjah (Subsidiary)  
Interest accrued on fixed deposits

31 March 2020	31 March 2019
7,636,000	6,341,000
436,153	353,596
<b>8,072,153</b>	<b>6,694,596</b>

**16 OTHER CURRENT ASSETS**

Advance recoverable in kind  
Prepaid expenses

31 March 2020	31 March 2019
1,969,673	1,570,899
862,928	1,107,545
<b>2,832,601</b>	<b>2,678,444</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**17 SHARE CAPITAL****(a) EQUITY SHARES****Authorised**

[70,00,000 equity shares (31 March 2019: 70,00,000 equity shares) of Rs. 10 each]

**Issued, subscribed and paid up****Issued :**

[50,86,980 equity shares (31 March 2019 : 46,86,980 equity shares) of Rs. 10 each fully paid]

**Subscribed and Paid up :**

[50,40,580 equity shares (31 March 2019: 46,405,800 equity shares) of Rs. 10 each fully paid]

	31 March 2020	31 March 2019
	70,000,000	70,000,000
	<b>70,000,000</b>	<b>70,000,000</b>
	50,869,800	46,869,800
	50,405,800	46,405,800
	<b>50,405,800</b>	<b>46,405,800</b>

**(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	4,640,580	46,405,800	4,153,580	41,535,800
Add: Issued during the year (refer note f)	400,000	4,000,000	487,000	4,870,000
Equity Shares at the end of the year	<b>5,040,580</b>	<b>50,405,800</b>	<b>4,640,580</b>	<b>46,405,800</b>

**(c) Rights, preferences and restrictions attached to equity shares**

Equity Shares : The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	31 March 2020		31 March 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>				
Krishna Gopal Gupta	900,024	17.86%	800,024	17.24%
Krishna Murari Gupta	328,207	6.51%	328,207	7.07%
Vikram Gupta	423,105	8.394%	373,105	8.04%
Gaurav Gupta	407,966	8.09%	357,966	7.71%
Veena Gupta	300,753	5.97%	300,753	6.48%
Shefali Chawla	242,464	4.81%	242,464	5.22%
Brijendra Kumar Gupta	244,950	4.86%	244,950	5.28%

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(g) On July 27, 2018 the Company had allotted 7,50,000 equity convertible warrants at a price of Rs. 155 per warrant and received the 25% upfront money amounting to Rs. 2,90,62,500/-. On January 22, 2020 the Company allotted 4,00,000 equity shares to warrant holders who exercised the option of conversion and received the balance amount of Rs. 4,65,00,000/- from these allottees. Warrant holders of the remaining 3,50,000 warrants did not exercise the option of conversion and consequently the Company has cancelled these warrants and the upfront amount of Rs. 1,35,62,500/- received on these warrants has been forfeited and transferred to capital reserve. Pursuant to this allotment, the share capital of the Company stands increased by Rs. 40,00,000/- and other equity has increased by Rs. 5,80,00,000/-.

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**18 OTHER EQUITY****(A) Securities Premium Reserve (SPR)\***

Opening balance

Add : Securities premium credited on issue of shares (refer note 19 (G))

31 March 2020	31 March 2019
90,891,000	20,276,000
58,000,000	70,615,000
<b>148,891,000</b>	<b>90,891,000</b>

\* SPR comprises of premium on issue of shares to be utilised in accordance with the Companies Act, 2013

**(B) General Reserve (GR)\***

Opening balance

Add: Transfer during the year

**Closing balance**

\* GR is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

65,056,619	65,056,619
13,562,500	-
<b>78,619,119</b>	<b>65,056,619</b>

**(c) Surplus/(deficit) in the Statement of Profit and Loss**

Opening balance

Add/ (Less): Profit / (Loss) for the current year

**Closing balance**

31 March 2020	31 March 2019
110,223,851	138,008,616
(41,716,421)	(27,784,765)
<b>68,507,430</b>	<b>110,223,851</b>

**(D) FVTOCI reserve on defined benefit plan (net of tax)**

Opening Balance

Remeasurement gain / (loss) on defined benefit plans (net of tax)

**Closing balance**

31 March 2020	31 March 2019
(1,478,906)	(2,075,445)
997,578	596,539
<b>(481,328)</b>	<b>(1,478,906)</b>

**(E) Capital reserve (CR)\***

Opening balance

Add : Amount forfeited on cancellation of warrants

**Closing balance**

31 March 2020	31 March 2019
4,328,500	4,328,500
13,562,500	-
<b>17,891,000</b>	<b>4,328,500</b>

\* CR up to the nominal value of shares is created out of distributable profit for buyback of shares as per the Act.

**(F) Investment Allowance (utilised) Reserve**

Opening balance

Add : Movement during the year

**Closing balance**

31 March 2020	31 March 2019
2,229,150	2,229,150
-	-
<b>2,229,150</b>	<b>2,229,150</b>

**(G) Money received against share warrants**

Opening balance

Add : Amount received on issue of warrants

Add : Amount received on exercise of option for conversion of warrants

Less: Transfer to equity share capital on allotment of equity shares

Less: Transfer to Share premium reserve

Less: Transfer of forfeited amount to General Reserve

**Closing balance**

31 March 2020	31 March 2019
29,062,500	-
-	29,062,500
46,500,000	-
(4,000,000)	-
(58,000,000)	-
(13,562,500)	-
-	<b>29,062,500</b>
<b>302,093,871</b>	<b>300,312,714</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**19 NON-CURRENT BORROWINGS****Secured**

Term loan

From Bank (Refer note below)

	31 March 2020	31 March 2019
	483,407	170,131
	<b>483,407</b>	<b>170,131</b>
	483,407	170,131
	-	-

Less: Current maturity of long term loans

**Total non current maturities of long term borrowings****Terms of repayment**

Vehicle loan of Rs Nil/- (31 March 2019: Rs 1,70,131/-) secured by charge of vehicle is repayable in 48 equated monthly installments from November, 2015.

**20 PROVISIONS**

Provision for gratuity (funded) (Refer note 35)  
 Provision for gratuity (unfunded) (Refer note 35)  
 Provision for leave encashment (unfunded)  
 (Refer note 35)

	Long term		Short term	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	-	-	3,803,643	4,175,392
	5,555,538	5,411,538	-	-
	1,938,227	2,025,047	867,461	900,783
	<b>7,493,765</b>	<b>7,436,585</b>	<b>4,671,104</b>	<b>5,076,175</b>

**21 SHORT -TERM BORROWINGS#****Secured, from bank, term loan (Refer footnote)**

-Packing credit

-Cash credit

-Overdrawn bank balances

	31 March 2020	31 March 2019
	9,138,041	9,985,670
	90,707,524	90,352,739
	67,044	22,249
	<b>99,912,609</b>	<b>100,360,658</b>

(I)

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

**22 TRADE PAYABLES**

Total outstanding dues of micro enterprises and small enterprises  
 Total outstanding dues of creditors other than micro enterprises and small enterprises

	31 March 2020	31 March 2019
	2,067,009	2,058,874
	76,442,234	73,039,661
	<b>78,509,243</b>	<b>75,098,535</b>

(II)



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31 March 2020	31 March 2019
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	2,067,009	2,058,874
Interest	188,191	212,110
<b>Total</b>	<b>2,255,200</b>	<b>2,270,984</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	188,191	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	400,301	212,110
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Due to other than micro enterprises and small enterprises includes reinstated amount of Rs. 1,95,89,589/- (previous year Rs. 1,79,40,021 /-) due to Alpha Diamond Industry, Japan against imports which are overdue for a period exceeding 6 months.

**23 OTHER FINANCIAL LIABILITIES****Other financial liabilities at amortised cost**

Current maturity of long term loans  
 Creditors for capital goods  
 Unpaid dividend \*  
 Others liabilities

	31 March 2020	31 March 2019
Current maturity of long term loans	483,407	170,131
Creditors for capital goods	931,215	1,887,566
Unpaid dividend *	12,822	12,822
Others liabilities	493,817	423,817
<b>Total other financial liabilities</b>	<b>1,921,261</b>	<b>2,494,336</b>
	<b>180,343,113</b>	<b>177,953,529</b>

**Total other financial liabilities****(III)**

\* Amount of Rs. 12,822/- is due to be credited to the Investors Education & Protection Fund as at 31 March 2020.

**(I+II+III)****24 OTHER CURRENT LIABILITIES**

Statutory due payable  
 Advance from customer  
 Excess payment on share allotment pursuant to share warrant  
**Employee Benefits payable:**  
 - Salary payable  
 - Bonus payable  
 - Superannuation payable

	31 March 2020	31 March 2019
Statutory due payable	1,010,117	344,837
Advance from customer	171,558	1,226,813
Excess payment on share allotment pursuant to share warrant	7,750,000	-
<b>Employee Benefits payable:</b>		
- Salary payable	4,742,186	5,062,877
- Bonus payable	2,862,980	3,001,285
- Superannuation payable	434,740	283,826
<b>Total</b>	<b>16,971,581</b>	<b>9,919,638</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**25 REVENUE FROM OPERATIONS**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Sale of goods	250,727,601	304,667,177
Sale of services	2,148,176	14,581
Other operating income - Sale of raw materials, stores and packing material	1,946,953	-
	<b>254,822,730</b>	<b>304,681,758</b>

**26 OTHER INCOME**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Merchandise Export from India Scheme (MEIS) receipts	305,036	2,541,386
Interest income		
- on fixed deposits	305,509	328,735
Dividend income		
-from subsidiary Company	10,368,879	6,341,000
-from others	10,065	78,509
Foreign exchange fluctuation (net)	1,776,858	-
Freight Recovery	488,664	-
Rental income	1,076,587	2,543,846
Gain on sale/disposal of fixed assets (net)	96,438	14,375,039
Liabilities written back	202,895	38,494
	<b>14,630,931</b>	<b>26,247,009</b>

#includes Rs. 107,606 write back of payables net of write off of investment in GKB Ophthalmics GmbH, Germany, refer note 7.

**27 COST OF RAW MATERIAL CONSUMED**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Inventory at the beginning of the year	21,103,517	18,615,321
Add: Purchases	101,005,427	163,809,278
Less: Inventory at the end of the year	(15,775,063)	(21,103,517)
	<b>106,333,882</b>	<b>161,321,082</b>

**28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Inventories at the beginning of the year</b>		
-Finished goods	35,252,441	32,624,034
-Work-in-progress	2,657,482	2,976,132
-Stock-in-trade	-	-
	<b>37,909,923</b>	<b>35,600,166</b>
<b>Less: Inventories at the end of the year</b>		
-Finished goods	20,145,640	35,252,441
-Work-in-progress	1,843,605	2,657,482
-Stock-in-trade	-	-
	<b>21,989,245</b>	<b>37,909,923</b>
<b>Net decrease/ (increase)</b>	<b>15,920,678</b>	<b>(2,309,757)</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**29 EMPLOYEE BENEFITS EXPENSES**

Salaries, wages, bonus and other allowances	
Contribution to Provident Fund and Other Social Securities fund / schemes # (Refer Note 35)	
Contribution to Gratuity fund (Refer Note 35)	
Staff welfare and other employee expenses	

31 March 2020	31 March 2019
54,819,810	66,652,311
5,180,248	6,477,152
1,212,067	1,306,100
934,587	1,178,115
<b>62,146,712</b>	<b>75,613,678</b>

#Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of PF. However, the Company believes that there is not likely to be material impact and hence has not provided for any additional liability as on March 31, 2020 in the books of account.

**30 FINANCE COSTS**

Interest on long term borrowing	
Interest on working capital	
Bank charges	
Interest on income taxes	
Interest on delay in payment to MSME creditors	

31 March 2020	31 March 2019
57,082	85,366
11,190,087	11,297,686
2,064,362	2,338,680
3,850	-
188,575	212,110
<b>13,503,956</b>	<b>13,933,842</b>

**31 DEPRECIATION AND AMORTIZATION EXPENSE**

Depreciation (Refer note 5)	
Amortization (Refer note 6)	

31 March 2020	31 March 2019
34,673,473	34,238,480
59,618	74,297
<b>34,733,091</b>	<b>34,312,777</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**32 OTHER EXPENSES**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Electricity and water	16,070,137	18,479,530
Rent (refer foot note 1)	557,816	480,000
Repairs and maintenance-Building	126,743	456,983
Repairs and maintenance- Machinery	1,276,443	2,009,559
Repairs and maintenance - others	568,371	936,136
Rates and Taxes	540,204	516,497
Travelling and conveyance	2,444,894	2,648,027
Freight and forwarding	-	230,435
Insurance	400,229	518,042
Other manufacturing expenses	17,512,749	21,489,046
Stores and spares consumed	19,546,957	18,249,950
Printing & Stationery	373,706	776,736
Communication, broadband and internet expenses	1,235,104	1,057,826
Security Charges	2,165,668	2,554,237
Legal and professional charges	2,496,188	5,377,719
Audit fees (refer foot note 2)	1,661,567	1,347,918
Advertisement	176,417	166,084
Directors' fees	450,000	750,000
Foreign exchange fluctuation	-	426,413
Membership and Subscription	156,564	238,563
Provision for doubtful debts	3,954,156	393,393
Miscellaneous expenses	515,866	546,599
	<b>72,229,779</b>	<b>79,649,693</b>

Foot note 1 :The Company has taken a residential apartment on operating lease. The Company also pays lease rent on the factory premises and warehouse shed. Being short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Accordingly, lease rent amounting to Rs. 5,57,816 (31 March 2019: Rs. 4,80,000) has been charged to the Statement of Profit and Loss.

Foot note 2 :The following is the break-up of Auditors remuneration (exclusive of Goods and service tax).

**Auditor's Remuneration****As auditor:**

Statutory audit

**In other capacity:**

Tax audit

Other matters

Reimbursement of expenses

**Total**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Statutory audit	630,000	825,000
Tax audit	195,000	195,000
Other matters	675,000	255,000
Reimbursement of expenses	161,567	72,918
<b>Total</b>	<b>1,661,567</b>	<b>1,347,918</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**33 INCOME TAX**

(A) Deferred tax relates to the following:

**Deferred tax assets**

On provision for employee benefits  
 Previous year losses  
 Unabsorbed depreciation  
 On others

**Deferred tax liabilities**

On property, plant and equipment

Deferred tax Expense  
 Less: Deferred tax (asset) / Liability not recognized  
 Deferred tax liability, net

	31 March 2020	31 March 2019
	3,794,340	4,144,841
	3,137,410	3,137,410
	9,077,080	9,077,080
	783,038	783,038
	16,791,868	17,142,369
	21,660,649	21,660,649
	21,660,649	21,660,649
	4,868,781	4,518,280
	-	-
	4,868,781	4,518,280

(B) Reconciliation of deferred tax (assets) / liabilities (net):

Opening balance as of 1 April 2019  
 Tax liability recognized in Statement of Profit and Loss  
 Tax liability recognized in OCI  
 Closing balance as at 31 March 2020

	31 March 2020	31 March 2019
	4,518,280	9,062,820
	-	(4,754,134)
	350,501	209,594
	4,868,781	4,518,280

(C) Deferred tax (assets) / liabilities to be recognized in Statement of Profit and Loss

Tax asset  
 Tax Liabilities

	31 March 2020	31 March 2019
	-	(12,815,779)
	-	8,061,645
	-	(4,754,134)

(D) Income tax expense

- Current tax taxes  
 - Adjustments in respect of current income tax of previous year  
 - Deferred tax charge / (income)  
 Income tax expense reported in the statement of profit or loss

	31 March 2020	31 March 2019
	-	-
	-	-
	-	(4,754,134)
	-	(4,754,134)

(E) Income tax expense charged to OCI

Net loss/(gain) on remeasurements of defined benefit plans  
 Income tax charged to OCI

	31 March 2020	31 March 2019
	350,501	209,594
	350,501	209,594

(F) Reconciliation of tax charge

Profit before tax  
 Income tax expense at tax rates applicable  
 Tax effects of:  
 - Item not deductible for tax  
 - Others  
 Income tax expense

	31 March 2020	31 March 2019
	(41,716,420)	(32,538,899)
	-	-
	-	-
	-	-
	-	-

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**34 EARNINGS/ LOSS PER SHARE**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>31 March 2020</b>	<b>31 March 2019</b>
Loss attributable to equity holders	(41,716,421)	(27,784,765)
Weighted average number of equity shares for basic EPS	5,040,580	4,640,580
Effect of dilution:		
Convertible share warrants	-	750,000
Weighted average number of equity shares adjusted for the effect of dilution	5,040,580	5,390,580
Basic loss per share (INR)	(8.28)	(5.99)
Diluted loss per share (INR)	(8.28)	(5.15)

**35 Employee benefits****(A) Defined Contribution Plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

	<b>31 March 2020</b>	<b>31 March 2019</b>
Employers' Contribution to Provident Fund	3,697,392	4,238,429
Employer contribution to Employee State Insurance and employee social securities fund / scheme	1,160,362	1,910,457
Employers' Contribution to Superannuation Fund	250,534	234,516
Employers' Contribution to Labour Welfare Fund	71,960	93,750
	<b>5,180,248</b>	<b>6,477,152</b>

**(B) Defined benefit plans****I Gratuity****i) Actuarial assumptions**

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>	<b>31 March 2020 Gratuity (unfunded)</b>	<b>31 March 2019 Gratuity (unfunded)</b>
Discount rate (per annum)	6.84%	7.50%	8.25%	8.25%
Rate of increase in Salary	5.00%	6.00%	-	-
Attrition rate	2%	2%	-	-
	IALM (2006-08) Ult.	IALM (2006-08) Ult.		

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**ii) Changes in the present value of defined benefit obligation & plan assets**

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>	<b>31 March 2020 Gratuity (unfunded)</b>	<b>31 March 2019 Gratuity (unfunded)</b>
<b>Present value of obligation at the beginning of the year</b>	13,772,096	13,401,299	5,411,538	5,267,308
Interest cost	1,032,907	1,072,104	-	-
Current service cost	795,205	810,751	144,000	144,230
Benefits paid	(326,192)	(528,300)	-	-
Actuarial (gain)/ loss on obligations	(1,348,079)	(983,758)	-	-
<b>Present value of obligation at the end of the year</b>	<b>13,925,937</b>	<b>13,772,096</b>	<b>5,555,538</b>	<b>5,411,538</b>
<b>Plan assets at the beginning of the year</b>	<b>9,596,704</b>	<b>9,036,762</b>	<b>-</b>	<b>-</b>
Expected return of plan assets	760,045	720,985	-	-
Contributions	91,737	367,257	-	-
Benefits paid	(326,192)	(528,300)	-	-
Actuarial gain / (loss)	-	-	-	-
<b>Plan assets at the end of the year</b>	<b>10,122,294</b>	<b>9,596,704</b>	<b>-</b>	<b>-</b>

**iii) Expense recognized in the Statement of Profit and Loss**

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>	<b>31 March 2020 Gratuity (unfunded)</b>	<b>31 March 2019 Gratuity (unfunded)</b>
Current service cost	795,205	810,751	144,000	144,230
Interest cost	1,032,907	1,072,104	-	-
Expected return on plan assets	(760,045)	(720,985)	-	-
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>1,068,067</b>	<b>1,161,870</b>	<b>144,000</b>	<b>144,230</b>

\*Included in Employee benefits expense (Refer Note 29). Actuarial loss of INR 13,48,079/- (31 March 2019: Rs. 9,83,758) is included in other comprehensive income.

**iv) Assets and liabilities recognized in the Balance Sheet:**

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>	<b>31 March 2020 Gratuity (unfunded)</b>	<b>31 March 2019 Gratuity (unfunded)</b>
Present value of obligation as at the end of the year	(13,925,937)	(13,772,096)	(5,555,538)	(5,411,538)
Plan assets at the end of the year	10,122,294	9,596,704	-	-
<b>Net asset / (liability) recognized in Balance Sheet</b>	<b>(3,803,643)</b>	<b>(4,175,392)</b>	<b>(5,555,538)</b>	<b>(5,411,538)</b>

\*Included in provision for employee benefits (Refer note 20)

**v) Expected contribution to the fund in the next year**

<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>
1,541,935	-

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

vi) **A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:**

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>
Impact on defined benefit obligation		
Discount rate		
1% increase	12,733,750	-
1% decrease	15,305,439	-
Rate of increase in salary		
1% increase	15,317,218	-
1% decrease	12,703,524	-

vii) **Maturity profile of defined benefit obligation**

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>
Year		
Year 1	1,020,795	-
Year 2	621,854	-
Year 3	1,319,428	-
Year 4	842,446	-
Year 5	548,602	-
Year 6 to 10	5,402,134	-

**36 Contingent liabilities (to the extent not provided for)**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Sales Tax liability that may arise in respect of matters in appeal	18,506,729	18,506,729
Entry Tax liability that may arise in respect of matters in appeal	7,981,583	7,981,583
Excise duty / service tax liability that may arise in respect of matters in appeal	119,048,230	119,048,230
Income Tax liability that may arise in respect of matters in appeal	8,061,660	8,061,660
Guarantees given on behalf of associate companies	-	14,500,000
Letters of credit outstanding	35,073,570	29,216,445
Bank guarantees	9,162,718	101,414,659

**Commitments**

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

	<b>31 March 2020</b>	<b>31 March 2019</b>
	399,947	25,928,684

**Other commitments**

The Company is a 100% EOU registered under the SEEPZ Special Economic Zone. As per the amendment to Letter of Permission dated November 20, 2008, the Company was required to achieve export turnover of USD 35.82 million and Net Foreign Exchange Earning (NFE) of USD 3.26 million during the period April 1, 2008 to March 31, 2013. Although the Company achieved Net Foreign Exchange Earnings (NFE) as required, export turnover obligation remained unfulfilled to the extent of USD 8.03 million. By letter dated May 27, 2013, the EOU status of the Company has been further extended by a period of 5 years. However, the letter granting the extension does not make any mention of export turnover obligation. The Company is of the view that the condition of achieving export turnover no longer applies and the only requirement is that the Company should be NFE positive.



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**37 Related Party Disclosures**

(A) Names of related parties and description of relationship as identified and certified by the Company:

**Subsidiary Companies**

GKB Ophthalmics Products FZE  
 GKB Ophthalmics GmbH (till March 06, 2020)  
 GSV Ophthalmics Private Limited

**Associates / Enterprises in which Directors exercise significant influence**

Lensco-The Lens Company  
 Prime Lenses Private Limited  
 GKB Vision Private Limited  
 GKB Vision FZC

**Key Management Personnel (KMP)**

Mr K G Gupta	Chairman and Managing Director
Mr. Subhash Redkar (w.e.f. August 14, 2019)	Executive Director
Mr. Prakash Joshi (till November 12, 2019)	Non-Executive Director
Mr Vikram Gupta	Promoter / Non-Executive Director
Mr Gaurav Gupta (till April 20, 2019)	Non-Executive Director
Mr. Anil Palekar	Non-Executive/ Independent Director
Mr. Sadashiv Shet	Non-Executive/ Independent Director
Mr. Joseph A.A. D'Costa	Non-Executive/ Independent Director
Mrs. Shashi Katredcli	Non-Executive/ Independent Director
Mr. Noel Da Silva (till March 31, 2019)	Chief Financial Officer & Company Secretary
Mr. Gurudas Sawant (w.e.f. April 01, 2019)	Chief Financial Officer
Ms. Pooja Bicholkar (w.e.f. April 01, 2019)	Company Secretary

**Relatives of the Key Management Personnel**

Mrs Veena Gupta  
 Mr Gaurav Gupta  
 Mr Vikram Gupta

(B) **Details of transactions with related party in the ordinary course of business for the year ended:****(I) Purchases of goods and services****Subsidiary Companies**

GKB Ophthalmics Products FZE

**Associate/Significant influence enterprise**

GKB Vision Private Limited

**Total****(ii) Sales of goods and services****Subsidiary Companies**

GKB Ophthalmics Products FZE

**Associate/Significant influence enterprise**

Lensco-The Lens Company  
 GKB Vision FZC  
 GKB Vision Private Limited  
 Prime Lenses Private Limited

**Total**

	31 March 2020	31 March 2019
<b>(I) Purchases of goods and services</b>		
<b>Subsidiary Companies</b>		
GKB Ophthalmics Products FZE	1,312,876	3,683,190
<b>Associate/Significant influence enterprise</b>		
GKB Vision Private Limited	11,250,410	1,083,287
<b>Total</b>	<b>12,563,286</b>	<b>4,766,477</b>
<b>(ii) Sales of goods and services</b>		
<b>Subsidiary Companies</b>		
GKB Ophthalmics Products FZE	-	6,457,551
<b>Associate/Significant influence enterprise</b>		
Lensco-The Lens Company	6,537,331	13,480,055
GKB Vision FZC	7,191,848	8,930,460
GKB Vision Private Limited	12,106,986	25,927,103
Prime Lenses Private Limited	126,934,819	126,208,405
<b>Total</b>	<b>152,770,984</b>	<b>181,003,574</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

<b>(iii) Sale of fixed asset</b> <b>Associate/Significant influence enterprise</b> GKB Vision Private Limited	<b>31 March 2020</b>	<b>31 March 2019</b>	
	-	8,332,539	
<b>Total</b>	<b>-</b>	<b>8,332,539</b>	
<b>(iv) Reimbursement of expenses</b> <b>Associate/Significant influence enterprise</b> Lensco-The Lens Company GSV Ophthalmics Pvt Ltd GKB Vision Private Limited Prime Lenses Private Limited	<b>31 March 2020</b>	<b>31 March 2019</b>	
	442,647	-	
	168,865	-	
	-	30,443	
	-	116,165	
<b>Total</b>	<b>611,512</b>	<b>146,608</b>	
<b>(v) Dividend income</b> <b>Subsidiary company</b> GKB Ophthalmics Products FZE	<b>31 March 2020</b>	<b>31 March 2019</b>	
	10,368,879	6,341,000	
<b>Total</b>	<b>10,368,879</b>	<b>6,341,000</b>	
<b>(vi) Compensation of key management personnel</b> Mr K G Gupta Mr Noel Da Silva Mr. Subhash Redkar Mr. Gurudas Sawant Ms. Pooja Bicholkar	<b>31 March 2020</b>	<b>31 March 2019</b>	
	3,670,150	4,178,564	
	-	1,433,000	
	6,47,060	-	
	1,004,800	-	
	427,000	-	
<b>Total</b>	<b>5,749,010</b>	<b>5,611,564</b>	
<b>(vii) Director's sitting fees</b> <b>Key Management Personnel (KMP)</b> Mr Gaurav Gupta Mr Vikram Gupta Mr. Anil Palekar Mr. Sadashiv Shet Mr. Joseph AA. D'Costa Mr. Christopher Hickman (till September 05, 2018) Mrs Shashi Katreddi Mr. Prakash Joshi (till November 12, 2019)	<b>31 March 2020</b>	<b>31 March 2019</b>	
	-	110,000	
	10,000	20,000	
	130,000	150,000	
	130,000	150,000	
	110,000	150,000	
	-	40,000	
	40,000	110,000	
	20,000	20,000	
	<b>Total</b>	<b>440,000</b>	<b>750,000</b>
	<b>(viii) Rent paid</b> <b>Relatives of the Key Management Personnel</b> Veena Gupta	<b>31 March 2020</b>	<b>31 March 2019</b>
480,000		480,000	
<b>Total</b>	<b>480,000</b>	<b>480,000</b>	
<b>(ix) Purchase of Equity Shares</b> <b>Subsidiary Companies</b> GSV Ophthalmics Private Limited	<b>31 March 2020</b>	<b>31 March 2019</b>	
	30,000,000	100,000	
<b>Total</b>	<b>30,000,000</b>	<b>100,000</b>	
<b>(C) Amount due to/from related party as on:</b>			
<b>(i) Accounts payable and other payables</b> <b>Subsidiary Companies</b> GKB Ophthalmics Products FZE	<b>31 March 2020</b>	<b>31 March 2019</b>	
	1,312,876	-	

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**Associate/Significant influence enterprise**

GKB Vision Private Limited

6,929,106	15,189,601
144,000	252,000
<b>8,385,981</b>	<b>15,441,601</b>

**Associates / Enterprises in which Directors exercise significant influence**

Veena Gupta

**Total****(ii) Accounts Receivable and Other Receivables****Subsidiary Companies**

GKB Ophthalmics Products FZE

31 March 2020	31 March 2019
7,636,000	-
12,449,921	18,247,024
3,671,904	4,233,389
24,175,827	32,667,976
<b>47,933,652</b>	<b>55,148,389</b>

**Associate/Significant influence enterprise**

Lensco-The Lens Company

GKB Vision FZC

Prime Lenses Private Limited

**Total****(iii) Advances Received  
Subsidiary Companies**

GKB Ophthalmics GmbH

31 March 2020	31 March 2019
-	1,189,094
<b>-</b>	<b>1,189,094</b>

**Total****(iv) Advances Recoverable  
Subsidiary Companies**

GSV Ophthalmics Pvt Ltd

31 March 2020	31 March 2019
-	29,831,135
<b>-</b>	<b>29,831,135</b>

**Total****(D) Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The Company's international / domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to 31 March, 2018, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered into with 'associated enterprises' as defined in section 92A of the Income Tax Act, 1961. The Management believes that the international transactions and specified domestic transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**38 Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, Operating Segments****a) Operating segment**

The Company's operations predominantly relate to manufacturing of unfinished ophthalmic lenses made up of Plastic. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

**b) Geographical segment**

	31 March 2020			31 March 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from external customers * (excluding other operational revenue)	218,225,224	34,650,553	252,875,777	251,873,812	52,807,946	304,681,758
Carrying amount of segment assets	529,952,520	36,895,496	566,848,016	510,093,772	41,528,949	551,622,721
Additions to fixed assets during the year	41,174,192	-	41,174,192	21,243,958	-	21,243,958

\* Revenue within India includes deemed export sales of Rs 1,04,96,161 (31 March 2019: Rs 2,11,38,649) made to other EOU units in India.

**Country wise breakup of revenue and assets outside India**

Country	Revenue (Rs)	Revenue (Rs)	Assets (Rs)	Assets (Rs)
	2019-20	2018-19	2019-20	2018-19
Australia	-	-	-	-
Cameroon	-	-	-	-
China	-	-	406,315	1,334,034
Czech Republic	7,067,023	5,497,454	2,990,288	1,741,725
Ecuador	-	-	-	-
Germany	1,490,580	1,419,113	1,601,908	1,202,920
Greece	-	-	-	-
Guyana	-	-	-	-
Hong Kong	-	-	-	-
Iraq	-	-	-	-
Israel	3,080,539	-	858,882	-
Italy	-	-	-	412,805
Japan	-	-	505,296	-
Jordan	655,393	-	-	-
Morocco	-	-	-	-
Philippines	343,342	-	416,043	-
Portugal	1,226,530	-	407,087	-
Saudi Arabia	6,970,399	11,571,504	1,817,333	3,307,424
South Africa	-	-	-	-
South Korea	-	-	119,977	295,936
Sri Lanka	87,568	160,515	-	67,974
Thailand	-	-	-	-
Turkey	-	-	-	-
UAE	7,191,848	20,325,515	14,359,516	14,932,254
USA	6,537,331	13,833,845	13,318,334	18,233,877
Zimbabwe	-	-	-	-
	<b>34,650,553</b>	<b>52,807,946</b>	<b>36,800,979</b>	<b>41,528,949</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**c) Major customers**

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

Customer A

Customer B

	31 March 2020	31 March 2019
Customer A	126,934,819	116,744,516
Customer B	35,624,466	74,855,623
	<b>162,559,285</b>	<b>191,600,139</b>

**39 Fair values of financial assets and financial liabilities****A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**B. Measurement of fair value**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

- The fair value of other current financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and advances, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts largely due to short-term maturities of these instruments.
- The fair value of non-current financial assets comprising of security deposits and non-current term deposits at amortised cost using Effective Interest Rate (EIR) are not significantly different from the carrying amount.

**Fair value hierarchy**

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

**Fair value measurement hierarchy of assets****(a) Financial Assets measured at fair value**

Investments in mutual funds at FVTPL

Fair value hierarchy	31 March 2020	31 March 2019
Level 2	120,204	114,514

**Financial assets measured at amortized cost**

Trade receivables

Cash and cash equivalents

Bank balances other than cash and cash equivalent

Loans and advances (Current)

Other financial assets

	31 March 2020	31 March 2019
Level 3	103,741,665	108,141,706
Level 3	96,534,761	58,944,142
Level 3	7,021,541	7,170,912
Level 3	1,093,084	1,037,561
Level 3	8,972,297	6,694,596

**Financial liabilities measured at amortized cost (at Level 3)**

Short term Borrowings

Trade payables

Other financial liabilities

Level 3	99,912,609	100,360,658
Level 3	78,509,243	75,098,535
Level 3	1,921,261	2,494,336

There have been no transfers between Level 1 and Level 2 during the period



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**40 Financial risk management objectives and policies**

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

**(A) Market risk**

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

**(I) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
31 March 2020		
INR	+100	1,003,960
INR	-100	(1,003,960)
31 March 2019		
INR	+100	1,005,308
INR	-100	(1,005,308)

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency rate , with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

<b>Foreign currency risk exposure as at 31 March 2020</b>				
<b>Particulars</b>	<b>USD</b>		<b>Euro</b>	
Trade receivables (Note 11)	22,507,207		4,592,196	
Trade payables (Note 22)	(29,946,357)		(159,557)	
Net exposure to foreign currency risk assets / (liabilities)	(7,439,150)		4,432,639	
<b>Foreign currency risk exposure as at 31 March 2019</b>				
<b>Particulars</b>	<b>USD</b>		<b>Euro</b>	
Trade receivables	27,820,038		1,402,318	
Trade payables	(28,289,337)		(67,799)	
Net exposure to foreign currency risk assets / (liabilities)	(469,299)		1,334,519	
<b>Foreign currency sensitivity</b>				
<b>Particulars</b>	<b>2019-20</b>		<b>2018-19</b>	
	<b>1 % Increase</b>	<b>1 % decrease</b>	<b>1 % Increase</b>	<b>1 % decrease</b>
USD	(74,392)	74,392	(4,693)	4,693
Euro	44,326	(44,326)	13,345	(13,345)

**(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

However, the credit risk arising on cash and cash equivalents is limited as the Company invest in deposits with banks and financial institution with credit ratings and strong repayment capacity. Investment in securities primarily include investment in liquid mutual funds units and equity shares.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	<b>31 March 2020</b>	<b>31 March 2019</b>
Not due	51,745,312	61,856,183
Past due 1-180 days	37,293,101	38,175,145
Past due for more than 180 days	19,861,096	10,932,158

**Expected credit loss assessment**

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Movement of provision for doubtful debts:

Balance at the beginning of the year  
 Amount provided during the year (net of reversal)  
 Amounts written off  
**Balance at the end of the year**

	31 March 2020	31 March 2019
	2,799,573	2,406,180
	4,300,875	393,393
	(346,719)	-
	<b>6,753,729</b>	<b>2,799,573</b>

**Cash and cash equivalent**

As at the year end, the Company held cash and cash equivalents Rs. 9,65,34,761/- [31 March 2019 - Rs. 5,89,44,142/-] The cash and cash equivalents are held with banks with good credit rating.

**Other bank balances**

Other bank balances are held with banks with good credit rating.

**Other financial assets**

Other financial assets are neither past due nor impaired.

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2020</b>						
Term loan from banks	-	483,407	-	-	-	483,407
Short term borrowings	99,912,609	-	-	-	-	99,912,609
Trade payables	-	31,583,657	34,954,936	11,970,649	-	78,509,242
Other financial liabilities	-	70,000	1,367,854	-	-	1,437,854
	99,912,609	32,137,064	36,322,790	11,970,649	-	180,343,112
<b>31 March 2019</b>						
Term loan from banks	-	76,500	93,631	-	-	170,131
Short term borrowings	100,360,658	-	-	-	-	100,360,658
Trade payables	-	43,759,622	19,368,264	11,970,649	-	75,098,535
Other financial liabilities	-	2,044,214	279,991	-	-	2,324,205
	100,360,658	45,880,336	19,741,886	11,970,649	-	177,953,529



**Notes forming part of the Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**41 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current borrowing. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		<b>31 March 2020</b>	<b>31 March 2019</b>
Total equity	(i)	352,499,671	346,718,514
Borrowings other than convertible preference shares		100,396,016	100,530,789
Less: cash and cash equivalents		(96,534,761)	(58,944,142)
Adjusted net debt	(ii)	3,861,255	41,586,647
Adjusted Net Debt to Equity ratio	(ii)/ (iii)	1.10%	11.99%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

- 42** The products manufactured by the company do not have a warranty period, hence provision for warranty as specified in Indian Accounting Standard (Ind AS) 37 on "Provisions, Contingent Liabilities and Contingent Assets" is not required to be made.
- 43** During the year the Company has not capitalised any borrowing costs as per Ind AS 23 - "Borrowing costs".
- 44** The Pandemic 'COVID-19' has severely impacted business globally, including India. There has been severe disruption in regular business operations. This pandemic is creating disruption in global supply chain and adversely impacting most of the industries which has resulted in a global slowdown, including India. The Company has evaluated the impact of the pandemic on its business operations, liquidity, internal financial reporting and control and financial position and based on the management's review of the current indicators and economic conditions, there is no material impact on its financial results as at 31st March 2020. The assessment of impact of COVID -19 is a continuing process given the uncertainties associated with the nature and duration of the pandemic. The Company will continuously monitor any material changes to future economic conditions and business of the Company.
- 45** Previous year figures have been regrouped/ reclassified to conform to the presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundra**  
Partner  
Membership No. 061083

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

Place : Mapusa, Goa  
Date : July 07, 2020

Place : Mapusa, Goa  
Date : July 07, 2020



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of GKB Ophthalmics Limited Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **GKB Ophthalmics Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2020, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

As mentioned in Note 45 to the consolidated financial **statements**, the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the consolidated financial statements. Accordingly, no adjustments have been made to the consolidated financial statements. However, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**1. Revenue Recognition**

Refer Note 25 to the consolidated financial statements.

The Group's revenue is derived from the sale of unfinished ophthalmic lenses. The Group recognises revenue when performance obligations as per the underlying contracts are satisfied in accordance with Ind AS 115 - Revenue from Contract with Customers. The terms set out in the Group's sales contracts are varied which affect the timing of revenue recognition.

We have focused on this area because revenue is one of the key performance indicators and timing of revenue recognition involves significant management judgement.

Our audit procedures, in respect of this matter included :

- a. We obtained an understanding and assessed the design, implementation and operating effectiveness of internal controls over the existence, accuracy and timing of revenue recognition;
- b. Verified the contracts on test check basis to identify performance obligations under the contract and to assess whether revenue is recognised and recorded in the period in which the performance obligation is satisfied;
- c. Performed substantive transactional testing on test check basis and applied analytical procedures to validate the recognition of revenue.
- d. Verified the completeness and accuracy of disclosures, which are included in note 25 of the consolidated financial statements

**2. Contingent Liabilities & Provisions**

Refer Note No 37 to the consolidated Financial Statements

The Group has received certain claims from the government authorities, which are disputed, with respect to demands and penalty for Excise duty, Sales Tax, Entry Tax and Income tax. These involve a high degree of judgement to determine the possible outcomes, and estimates relating to the timing and the amount of outflow of resources embodying economic benefits.

The possible outcomes of the claims will have a material effect on the financial position, results of operations and cash flows.

Our audit procedures, in respect of this matter included :

- a. Obtaining a detailed understanding of the processes and controls of the Management with respect to claims or disputes.
- b. Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Group, and perusing legal opinions, if any, obtained by the Management.
- c. Understanding the matters by reading the correspondences, communications, minutes of the Audit Committee and/or the Board meetings and discussions with the appropriate Management personnel.
- d. Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates.
- e. Evaluating appropriateness of disclosures in note 37 to the consolidated financial statements.



### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report including annexures, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.



## **Other Matters**

- a. We did not audit the financial information of two subsidiaries and one step down subsidiary whose Financial information reflects Group's share in total assets of Rs. 5,265.79 lakhs as at March 31, 2020, Group's share of total revenue of Rs. 3,415.93 lakhs and Group's share of total net profit after tax of Rs. 235.82 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid entities, is based solely on the reports of the other auditors.

Certain of these subsidiaries and the associate are located outside India whose financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b. The Statement also includes the Group's share of net profit of Rs. 61.10 lakhs for the year ended March 31, 2020, in respect of an associate, whose financial results have not been audited by us. The annual unaudited financial statements have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, the financial information of the associate are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.



- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 37 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. Unpaid Dividend of Rs. 12,822/- pertaining to financial year 2010-11 has not been transferred to the Investor Education and Protection Fund by the Holding Company as on March 31, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.
- 2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group companies to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Anup Mundhra**  
Partner  
Membership No.:061083  
UDIN: 20061083AAAADB2595

Place: Pune  
Date: July 07, 2020



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GKB OPHTHALMICS LIMITED**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

**Anup Mundhra**

Partner

Membership No.:061083

UDIN: 20061083AAAADB2595

Place: Pune

Date: July 07, 2020





**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GKB OPHTHALMICS LIMITED**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **GKB Ophthalmics Limited** on the consolidated Financial Statements for the year ended March 31, 2020]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of **GKB Ophthalmics Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and associate company which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies and its associate company, which are companies incorporated in India.



### **Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies and 1 associate company is based on the corresponding reports of the auditors of such companies incorporated in India.

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W

**Anup Mundhra**  
Partner  
Membership No.:061083  
UDIN: 20061083AAAADB2595

Place: Pune  
Date: July 07, 2020

**Consolidated Balance Sheet as at March 31, 2020**

(Amount in INR, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	5	255,823,871	250,959,129
Other Intangible assets	6	7,483,078	7,542,696
Financial Assets			
Investments	7	11,403,800	5,294,073
Other financial assets	8	900,144	532,394
Other non-current assets	9	19,325,028	30,686,480
<b>Total Non-current Assets</b>		<b>294,935,921</b>	<b>295,014,772</b>
<b>Current Assets</b>			
Inventories	10	304,182,619	277,346,105
Financial Assets			
Investments	7	120,204	114,514
Trade receivables	11	249,165,041	235,371,984
Cash and cash equivalents	12	131,662,361	93,268,449
Bank balances other than cash and cash equivalents	13	7,021,541	7,170,912
Loans and advances	14	27,207,970	19,017,556
Other financial assets	15	436,153	353,596
Other Current assets	16	7,796,019	6,674,076
<b>Total Current Assets</b>		<b>727,591,908</b>	<b>639,317,192</b>
<b>Total Assets</b>		<b>1,022,527,829</b>	<b>934,331,964</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	50,405,800	46,405,800
Other equity	18	542,106,227	501,655,802
<b>Total equity</b>		<b>592,512,027</b>	<b>548,061,602</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	-	-
Provisions	20	11,306,881	10,283,065
Deferred Tax Liabilities	33	4,868,781	4,518,280
<b>Total non-current liabilities</b>		<b>16,175,662</b>	<b>14,801,345</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	21	151,162,532	140,543,840
Trade payables	22		
i) total outstanding dues of micro enterprises and small enterprises		2,067,009	2,058,874
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		235,633,934	209,739,217
Other financial liabilities	23	2,027,709	2,250,510
Other current liabilities	24	18,277,852	11,800,401
Provisions	20	4,671,104	5,076,175
<b>Total current liabilities</b>		<b>413,840,140</b>	<b>371,469,017</b>
<b>Total liabilities</b>		<b>430,015,802</b>	<b>386,270,362</b>
<b>Total equity and liabilities</b>		<b>1,022,527,829</b>	<b>934,331,964</b>
See accompanying notes to the financial statements	1-47	-	-

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083  
Place : Mapusa, Goa  
Date : July 07, 2020

**K. G. Gupta**  
Managing Director  
DIN : 00051863  
Place : Mapusa, Goa  
Date : July 07, 2020

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>Income</b>			
Revenue from operations	25	584,548,500	571,608,383
Other income	26	5,748,852	21,789,754
<b>Total income</b>		<b>590,297,352</b>	<b>593,398,137</b>
<b>Expenses</b>			
Cost of materials consumed	27	104,869,709	135,410,708
Purchase of Stock-in-trade		302,871,946	255,473,177
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(36,697,191)	(35,142,400)
Employee benefits expense	29	81,025,169	92,688,004
Finance costs	30	14,633,948	14,837,017
Depreciation and amortization expense	31	36,201,406	35,362,440
Other expenses	32	111,898,109	111,739,991
<b>Total expenses</b>		<b>614,803,097</b>	<b>610,368,937</b>
<b>Profit / (Loss) before share of profit / (loss) of associates and exceptional items</b>		<b>(24,505,745)</b>	<b>(16,970,800)</b>
Share in profit of associates		6,109,727	1,176,033
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(18,396,018)</b>	<b>(15,794,767)</b>
Exceptional Items		-	-
<b>Profit / (Loss) before tax</b>		<b>(18,396,018)</b>	<b>(15,794,767)</b>
<b>Tax expense</b>			
Current tax	33	-	-
Deferred tax	33	-	(4,754,134)
<b>Total income tax expense</b>		<b>-</b>	<b>(4,754,134)</b>
<b>Profit / (Loss) for the year</b>		<b>(18,396,018)</b>	<b>(11,040,633)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability		1,348,079	806,133
Income tax effect		(350,501)	(209,594)
		997,578	596,539
<b>Total comprehensive income for the year</b>		<b>(17,398,440)</b>	<b>(10,444,094)</b>
<b>Earnings per Equity share</b>			
Basic earnings per share (INR)	35	(3.65)	(2.38)
Diluted earnings per share (INR)	35	(3.65)	(2.05)
See accompanying notes to the financial statements	1-47		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

Place : Mapusa, Goa  
Date : July 07, 2020

Place : Mapusa, Goa  
Date : July 07, 2020

**Consolidated Statement of changes in equity for the year ended March 31, 2020****(A) Equity share capital**

Particulars	31-Mar-20	31-Mar-19
	Amount	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
Opening	46,405,800	41,535,800
Add: issue during the year	4,000,000	4,870,000
Closing	<b>50,405,800</b>	<b>46,405,800</b>

**(B) Other equity****For the year ended March 31, 2019**

Particulars	Balance as at April 01, 2018	Profit / (Loss) for the year	Other comprehensive income	Dividends	Others	Balance as at March 31, 2019
<b>Reserves</b>						
Retained earnings	302,562,687	(11,040,633)	-	-	-	291,522,054
General Reserve	65,056,619	-	-	-	-	65,056,619
FVTOCI Reserve on defined benefit plan	(2,075,445)	-	596,539	-	-	(1,478,906)
Capital Reserves	4,328,500	-	-	-	-	4,328,500
Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
Money received against share warrants	-	-	-	-	29,062,500	29,062,500
Foreign Currency Translation Reserve	15,507,517	-	-	-	4,537,368	20,044,885
Securities Premium Reserve	20,276,000	-	-	-	70,615,000	90,891,000
<b>Total reserves</b>	<b>407,885,028</b>	<b>(11,040,633)</b>	<b>596,539</b>	<b>-</b>	<b>104,214,868</b>	<b>501,655,802</b>

**For the year ended March 31, 2020**

Particulars	Balance as at April 01, 2019	Profit / (Loss) for the year	Other comprehensive income	Dividends	Others	Balance as at March 31, 2020
<b>Reserves</b>						
Retained earnings	291,522,054	(18,396,018)	-	-	-	273,126,036
General Reserve	65,056,619	-	-	-	-	65,056,619
FVTOCI Reserve on defined benefit plan	(1,478,906)	-	997,578	-	-	(481,328)
Capital Reserves	4,328,500	-	-	-	13,562,500	17,891,000
Investment Allowance (Utilised) Reserve	2,229,150	-	-	-	-	2,229,150
Money received against share warrants	29,062,500	-	-	-	(29,062,500)	-
Foreign Currency Translation Reserve	20,044,885	-	-	-	15,348,865	5,393,750
Securities Premium Reserve	90,891,000	-	-	-	58,000,000	148,891,000
<b>Total reserves</b>	<b>501,655,802</b>	<b>(18,396,018)</b>	<b>997,578</b>	<b>-</b>	<b>57,848,865</b>	<b>542,106,227</b>

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

Place : Mapusa, Goa  
Date : July 07, 2020

Place : Mapusa, Goa  
Date : July 07, 2020

**Consolidated Statement of Cash Flows for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
<b>Cash flow from operating activities</b>		
Profit / (Loss) before tax and extraordinary items	(18,396,018)	(15,794,767)
Adjustments for:		
Depreciation and amortization expenses	36,201,406	35,362,440
Finance cost	14,633,948	14,837,017
Provision for doubtful bad debts (net)	4,507,538	725,463
Sundry balances written back (net)	(202,895)	(38,494)
Unrealised exchange loss /(gain) (net)	878,300	5,731,646
(Gain)/ loss on sale of fixed assets	(96,438)	(14,377,895)
Share of profit in associate	(6,109,727)	(1,176,033)
Dividend Income	(10,065)	(78,509)
Interest income	(305,509)	(1,337,549)
<b>Operating Profit/(loss) before working capital changes</b>	<b>31,100,540</b>	<b>23,853,319</b>
<b>Changes in working capital</b>		
Decrease/ (Increase) in inventories	(26,836,514)	42,798,101
Decrease/ (Increase) in trade receivables	(13,793,056)	39,256,269
(Increase) / Decrease in current assets	(5,344,918)	(1,616,207)
(Decrease)/ Increase in trade payables	38,769,644	(35,361,029)
(Decrease)/ Increase in financial liabilities	420,274	(196,227)
(Decrease)/ increase in other current liabilities	6,477,451	4,974,001
(Decrease)/ Increase in provisions	1,966,824	(34,211,755)
<b>Cash generated used in operations</b>	<b>32,760,244</b>	<b>39,496,472</b>
Income tax paid	(104,387)	(319,874)
<b>Net cash flows used in operating activities (A)</b>	<b>32,655,857</b>	<b>39,176,598</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	(38,610,177)	(131,967,428)
Proceeds from sale / disposal of fixed assets	1,130,460	32,300,709
Investment in associate	-	(4,092,740)
Purchase of Current Investments	(5,690)	(74,134)
Proceeds from sales of investments	-	3,600,000
Interest received	222,952	1,223,876
Dividend received	10,065	78,509
<b>Net cash flow from investing activities (B)</b>	<b>(37,252,390)</b>	<b>(98,931,207)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity shares on preferential basis	32,937,500	75,485,000
Proceeds from issuance of share warrants	-	29,062,500
Proceeds from / (Repayments of) long term borrowings (net)	313,276	(496,685)
Proceeds from short-term borrowings	10,618,692	41,914,907
Interest paid	(14,441,523)	(14,624,907)
<b>Net cash flow from financing activities (C)</b>	<b>29,427,945</b>	<b>131,340,815</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>24,831,412</b>	<b>71,586,206</b>
Cash and cash equivalents at the beginning of the year	93,268,450	21,682,244
Cash and cash equivalents at the end of the year	<b>118,099,861</b>	<b>93,268,450</b>
<b>Cash and cash equivalents comprise (Refer note 12)</b>		
Balances with banks		
On current accounts	131,101,528	92,753,140
Cash on hand	560,833	515,309
Cheques on hand	-	-
<b>Total cash and bank balances at end of the year</b>	<b>131,662,361</b>	<b>93,268,450</b>
See accompanying notes to the financial statements	1-47	

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

Place : Mapusa, Goa  
Date : July 07, 2020

Place : Mapusa, Goa  
Date : July 07, 2020



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**1 GENERAL INFORMATION**

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies adopted by the company are as under:

**2.1 Basis of Preparation of Financial Statements**

**(a) Compliance with Ind AS**

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

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

**(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement Basis</b>
Certain Financial Assets and Financials Liabilities	Fair Value
Net Defined Benefit (asset)/liability	Present value of defined benefit obligation less fair value of plan assets

**(c)** All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisitions of materials for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

**(d) Use of estimates**

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**(e) Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rupee, unless otherwise indicated.

**(f) Principles of consolidation :**

The consolidated financial statements comprise the financial statements of the Parent and its Subsidiaries as at March 31, 2019. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

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

Generally, there is a presumption that a majority voting rights results in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights, and
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders

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

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

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

**(g) Basis of consolidation :**

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



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

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

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting reporting date as that of parent company i.e. year ended on March 31, 2020

**2.2 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to it up to the date it is ready for its intended use. Cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date are shown under capital work-in-progress.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

**Depreciation methods, estimated useful lives**

The Group depreciates Property, plant and equipments using the straight line method over their estimated useful lives as under :

<b>Property, plant and equipment</b>	
Building	30 to 60 years
Plant & Machinery	1 to 15 years
Furniture and Fixtures	1 to 10 years
Office Equipment	1 to 5 years
Vehicles	8 to 10 years
Computers	1 to 15 years

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

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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

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

**2.3 Goodwill**

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

**2.4 Other Intangible Assets**

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

**Amortisation, estimated useful lives**

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

**Intangible assets**

Computer Software	6 years
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Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

**2.5 Foreign Currency Transactions****(a) Functional and presentation currency**

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

**(b) Transactions and balances**

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

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

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

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

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

**2.6 Revenue Recognition****Sale of goods**

Revenue from the sale of goods is recognised when the Company satisfies the performance obligation by transferring promised goods to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, Goods and Services Tax (GST) and amounts collected on behalf of third party.

**Rendering of services**

Revenue from services is recognized in accordance with the terms of the contract with customers when the identified performance obligation is completed. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of Goods and Services Tax (GST) and amounts collected on behalf of third party.

**Other Income**

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

**2.7 Taxes on Income**

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

**(a) Current income tax**

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

**(b) Deferred tax**

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

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

**2.8 Leases****As a lessee**

The Group's lease asset classes primarily consist of leasehold land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

**2.9 Inventories**

Inventories are valued at the lower of cost and net realisable value.

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

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

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

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

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

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**2.10 Impairment of non-financial assets**

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the asset's recoverable amount and the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**2.11 Provisions, contingent liabilities, Contingent assets**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent assets are neither recognised nor disclosed.

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

**2.12 Cash and cash equivalents**

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

**2.13 Employee Benefits****(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**(b) Other long-term employee benefit obligations****(i) Defined contribution plan**

**Provident Fund:** Contribution towards provident fund is made to the regulatory authorities, where the Company or Parent has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

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

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

**(ii) Defined benefit plans**

**Gratuity:**

**Gratuity:** The Parent Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Parent Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

**(iii) Other long term employee benefit obligations**

**Compensated Absences:**

The employees of the Parent 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 Parent 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.

**2.14 Contributed equity**

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.15 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**2.16 Borrowing Costs**

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

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

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

**2.17 Statement of cash flows**

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

**2.18 Exceptional items**

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

**2.19 Segment accounting**

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

**2.20 Business combinations**

Business combinations are accounted for using acquisition method. The cost of acquisition is measured as aggregate of consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the group elects whether it measures non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value on acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit and loss

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from acquisition date, allocated to each of the groups cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where the goodwill forms the part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a Group

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

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

**2.21 Investment in associates and joint ventures**

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

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

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

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

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



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

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

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

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

**2.22 Fair value measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: 0% In the principal market for the asset or liability, or 0% In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**2.23 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets****(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**(iii) Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 8-quarters ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 8-quarter ECL.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 8-quarters ECL is a portion of the lifetime ECL which results from default events that are possible within 8-quarters after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(iv) **Derecognition of financial assets**

A financial asset is derecognized only when a) the rights to receive cash flows from the financial asset is transferred or b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) **Financial liabilities**

(i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

(ii) **Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**(c) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.24 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest rupee as per requirement of Schedule III of the Act, unless otherwise stated.

**3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 are as below :

**(a) Taxes**

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

**(b) Useful lives of property, plant and equipment and intangible assets**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**(c) Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**(d) Actuarial Valuation**

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

- 4** Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from April 01, 2020.



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**5 PROPERTY, PLANT AND EQUIPMENT**

(Amount in INR)

	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 1 April 2019
<b>Owned assets</b>										
Freehold Land	429,910	-	-	429,910	-	-	-	-	429,910	429,910
Leasehold Land	4,241,906	-	(296,349)	4,538,255	1,254,394	93,045	(95,143)	1,442,582	3,095,673	2,987,512
Buildings	62,174,501	22,880,450	(207,154)	85,262,105	17,497,974	2,652,627	(40,301)	20,190,902	65,071,203	44,676,527
Plant and Machinery	246,645,146	6,806,164	(36,730)	253,488,040	150,782,097	11,427,187	(36,730)	162,246,014	91,242,026	95,863,049
Plant and Machinery - Moulds	110,769,683	10,981,593	1,045,460	120,705,816	16,165,668	19,243,495	11,438	35,397,725	85,308,091	94,604,015
Furniture and Fixtures	23,182,966	315,500	(515,465)	24,013,931	17,025,163	1,047,739	(464,468)	18,537,370	5,476,561	6,157,803
Office Equipment	5,712,169	412,819	(139,935)	6,264,923	4,236,807	631,742	(89,572)	4,958,121	1,306,802	1,475,362
Vehicles	21,586,526	-	(535,351)	22,121,877	16,821,575	1,045,953	(360,744)	18,228,272	3,893,605	4,764,951
	<b>474,742,807</b>	<b>41,396,526</b>	<b>(685,524)</b>	<b>516,824,857</b>	<b>223,783,678</b>	<b>36,141,788</b>	<b>(1,075,520)</b>	<b>261,000,986</b>	<b>255,823,871</b>	<b>250,959,129</b>

	Gross block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 1 April 2018
<b>Owned assets</b>										
Freehold Land	429,910	-	-	429,910	-	-	-	-	429,910	429,910
Leasehold Improvement	4,040,089	-	(201,817)	4,241,906	1,106,946	91,859	(55,589)	1,254,394	2,987,512	2,933,143
Buildings	70,875,658	2,761,729	11,462,886	62,174,501	17,419,119	2,214,253	2,135,398	17,497,974	44,676,527	53,456,539
Plant and Machinery	241,870,272	4,749,860	(25,014)	246,645,146	137,277,015	13,480,068	(25,014)	150,782,097	95,863,049	104,593,257
Plant and Machinery - Moulds	-	120,178,477	9,408,794	110,769,689	-	16,577,869	412,201	16,165,668	94,604,015	-
Furniture and Fixtures	22,451,052	392,520	(339,394)	23,182,966	15,672,436	1,059,430	(293,297)	17,025,163	6,157,803	6,778,616
Office Equipment	5,515,726	228,961	32,518	5,712,169	3,691,208	622,755	77,156	4,236,807	1,475,362	1,824,518
Vehicles	20,941,267	-	(645,259)	21,586,526	15,098,711	1,241,909	(480,955)	16,821,575	4,764,951	5,842,556
	<b>366,123,974</b>	<b>128,311,547</b>	<b>19,692,714</b>	<b>474,742,807</b>	<b>190,265,435</b>	<b>35,288,143</b>	<b>1,769,900</b>	<b>223,783,678</b>	<b>250,959,129</b>	<b>175,858,539</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**6 OTHER INTANGIBLE ASSETS**

	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 1 April 2019
Computer Software	1,956,977	-	-	1,956,977	1,793,486	59,618	-	1,853,104	103,873	163,491
Goodwill	7,379,205	-	-	7,379,205	-	-	-	-	7,379,205	7,379,205
<b>Total</b>	<b>9,336,182</b>	<b>-</b>	<b>-</b>	<b>9,336,182</b>	<b>1,793,486</b>	<b>59,618</b>	<b>-</b>	<b>1,853,104</b>	<b>7,483,078</b>	<b>7,542,696</b>

	Gross block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 1 April 2018
Computer Software	1,883,477	73,500	-	1,956,977	1,719,189	74,297	-	1,793,486	163,491	164,288
Goodwill	7,379,205	-	-	7,379,205	-	-	-	-	7,379,205	7,379,205
<b>Total</b>	<b>9,262,682</b>	<b>73,500</b>	<b>-</b>	<b>9,336,182</b>	<b>1,719,189</b>	<b>74,297</b>	<b>-</b>	<b>1,793,486</b>	<b>7,542,696</b>	<b>7,543,493</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**7 FINANCIAL ASSETS- INVESTMENTS**

	31 March 2020	31 March 2019
<b>A Non Current Investments</b>		
At Cost		
<b>a Unquoted equity shares</b>		
- In Associate		
GKB Vision FZC, Sharjah		
49 equity shares (31 March 2019: 49 shares) of nominal value of AED 1500 each fully paid-up	5,268,773	4,092,740
Add : Share in profit of associates for current year	6,109,727	1,176,033
	11,378,500	5,268,773
- In Others		
Saraswat Co-operative Bank Limited		
2,500 equity shares (31 March 2019: 2,500 equity shares) of Rs. 10 each fully paid-up	25,300	25,300
	<b>11,403,800</b>	<b>5,294,073</b>
<b>B Current Investments</b>		
i Fair value through profit and loss (FVTPL)		
- Investments in Mutual Funds (unquoted) (Refer footnote i)	120,204	114,514
	<b>120,204</b>	<b>114,514</b>
Current	120,204	114,514
Non- Current	11,403,800	5,294,073
	<b>11,524,004</b>	<b>5,408,587</b>
<b>Aggregate book value of:</b>		
Mutual Funds (unquoted)	120,204	114,514
<b>Aggregate market value of:</b>		
Mutual Funds (unquoted)	120,204	114,514
<b>Aggregate amount of impairment in value of Investments</b>	-	-

**I. Details of investments in Mutual Funds designated at FVTPL:**

	Number of units		Amount (in Rs.)	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
JM Liquid Fund - Savings Plan	575	575	5,709	5,709
HDFC Money Market Fund - Direct Plan	107	102	114,495	108,805
	<b>682</b>	<b>677</b>	<b>120,204</b>	<b>114,514</b>

**8 OTHER NON CURRENT FINANCIAL ASSETS**

Margin money deposits:

Margin money deposits maturing after 12 months from reporting date

	31 March 2020	31 March 2019
	900,144	532,394
	900,144	532,394

**9 OTHER NON-CURRENT ASSETS**

Capital advance\*

Security deposits

Balance with Government authorities

Advance income tax (net of provisions amounting to Rs. 3,73,75,215/- (31st March 2019 - Rs. 3,73,75,215/-))

	31 March 2020	31 March 2019
	255,000	4,641,725
	6,670,444	13,894,377
	10,411,435	10,262,766
	1,988,149	1,887,612
	<b>19,325,028</b>	<b>30,686,480</b>

\* Value of contracts in capital account remaining to be executed as at 31 March 2020 is Rs. 3,99,947 (31 March 2019: Rs. 2,59,28,684/-)



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**10 INVENTORIES\***

	<b>31 March 2020</b>	<b>31 March 2019</b>
Raw material	10,534,033	29,478,399
Raw Materials - Goods in Transit	40,841,121	-
Work in progress	1,843,605	26,57,482
Finished goods	20,145,640	35,252,441
Packing material	1,156,909	1,128,575
Store and spares parts	9,235,702	8,853,663
Stock in trade	259,262,471	204,564,740
Less:- Unrealised Gain on Closing stock	(2,079,862)	(4,589,195)
	<b>304,182,619</b>	<b>277,346,105</b>

Inventories of the holding company amounting to Rs. 4,70,00,010 (Rs. 6,78,67,103 as on March 31, 2019) is hypothecated as charge against short term-borrowings. Refer note 21

**11 TRADE RECEIVABLES**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Secured, considered good	-	-
Unsecured		
Considered good		
- Related parties (refer note 38)	39,745,059	36,901,365
- Others	209,419,982	198,470,619
- Considered doubtful	8,913,241	5,131,151
Less-Allowance for bad and doubtful debts	(8,913,241)	(5,131,151)
	<b>249,165,041</b>	<b>235,371,984</b>

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

**12 CASH AND CASH EQUIVALENTS**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Balances with banks:		
On current accounts	131,101,528	92,753,140
Cash on hand	560,833	515,309
	<b>131,662,361</b>	<b>93,268,449</b>

Includes amount of Rs. 8,77,35,342/- (31st March 2019 Rs. 4,12,35,990/-) received on account of preferential allotment of equity shares and equity convertible share warrants.

**13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT**

	<b>31 March 2020</b>	<b>31 March 2019</b>
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	-	-
<b>Other balances</b>		
Earmarked balances with banks:		
Unpaid dividends *	12,822	12,822
Margin money deposits	7,008,719	7,158,090
	<b>7,021,541</b>	<b>7,170,912</b>

\* Amount of Rs. 12,822/- is due to be credited to the Investors Education & Protection Fund as at 31 March 2020.

# Kept as lien against bank guarantee and letter of credit facility amounting to Rs. 4.42,36,288/- (31st March 2019 - 3,96,31,104/-)

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**14 CURRENT FINANCIAL ASSETS - LOANS**Unsecured, considered goodEmployee advances  
Security deposit  
CST receivable

	31 March 2020	31 March 2019
Employee advances	257,908	178,056
Security deposit	25,950,709	17,840,147
CST receivable	999,353	999,353
	<b>27,207,970</b>	<b>19,017,556</b>

**15 OTHER FINANCIAL ASSETS**

Interest accrued on fixed deposits

	31 March 2020	31 March 2020
Interest accrued on fixed deposits	436,153	353,596
	<b>436,153</b>	<b>353,596</b>

**16 OTHER CURRENT ASSETS**Advances recoverable in kind  
Balance with tax authorities  
Prepaid expenses

	31 March 2020	31 March 2019
Advances recoverable in kind	2,263,954	2,024,123
Balance with tax authorities	170,723	144,616
Prepaid expenses	5,361,342	4,505,337
	<b>7,796,019</b>	<b>6,674,076</b>

**17 EQUITY SHARE CAPITAL****(a) Equity Shares****Authorized**

[70,00,000 equity shares (31 March 2019: 70,00,000 equity shares) of Rs. 10 each]

**Issued, subscribed and paid up****Issued :**

[50,86,980 equity shares (31 March 2019: 46,86,980 equity shares) of Rs. 10 each fully paid

**Subscribed and Paid up :**

[50,40,580 equity shares (31 March 2019: 46,40,580 equity shares) of Rs. 10 each fully paid

	31 March 2020	31 March 2019
Authorized	70,000,000	70,000,000
	<b>70,000,000</b>	<b>70,000,000</b>
Issued	-	-
Issued and fully paid	50,869,800	46,869,800
Subscribed and paid up	50,405,800	46,405,800
	<b>50,405,800</b>	<b>46,405,800</b>

**(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	4,640,580	46,405,800	4,153,580	41,535,800
Add: Issued during the year	400,000	4,000,00	487,000	4,870,000
Equity Shares at the end of the year	<b>5,040,580</b>	<b>50,405,800</b>	<b>4,640,580</b>	<b>46,405,800</b>

**(c) Rights, preferences and restrictions attached to equity shares**

Equity Shares: The Holding Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**d) Details of shares held by shareholders holding more than 5% of the aggregate shares**

Name of the shareholder	31 March 2020		31 March 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs. 10 each fully paid				
Krishna Gopal Gupta	900,024	17.86%	800,024	17.24%
Krishna Murari Gupta	328,207	6.51%	328,207	7.07%
Vikram Gupta	423,105	8.39%	373,105	8.04%
Gaurav Gupta	407,966	8.09%	357,966	7.71%
Veena Gupta	300,753	5.97%	300,753	6.48%
Shefali Chawla	242,464	4.81%	242,464	5.22%
Brijendra Kumar Gupta	244,950	4.86%	244,950	5.28%

- (e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company or Parent during the period of five years immediately preceding the current year end.
- (f) No class of shares have been bought back by the Company or the Parent during the period of five years immediately preceding the current year end.
- (g) On July 27, 2018 the holding Company allotted 7,50,000 equity convertible warrants at a price of Rs. 155 per warrant and received the 25% upfront money amounting to Rs. 2,90,62,500/-. On January 22, 2020 the holding Company allotted 4,00,000 equity shares to warrant holders who exercised the option of conversion and received the balance amount of Rs. 4,65,00,000/- lakhs from these allottees. Warrant holders of the remaining 3,50,000 warrants did not exercise the option of conversion and consequently the Company has cancelled these warrants and the upfront amount of Rs. 1,35,62,500/- received on these warrants has been forfeited and transferred to Capital Reserve. Pursuant to this allotment, the share capital of the holding Company stands increased by Rs. 40,00,000/- and other equity has increased by Rs. 5,80,00,000/-.



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**18 OTHER EQUITY**

**(A) Securities premium reserve (SPR)\***

Opening balance  
Add : Securities premium credited on issue of shares

**Closing balance**

\* SPR comprises of premium on issue of shares to be utilised in accordance with the Companies Act, 2013

**(B) General reserve (GR)**

Opening balance  
Add: Transfer during the year

**Closing balance**

\* GR is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

**(c) Surplus/(deficit) in the Statement of Profit and Loss**

Opening balance  
Current year

**Closing balance**

**(D) FVTOCI reserve on defined benefit plan (net of tax)**

Opening Balance  
Remeasurement gain / (loss) on defined benefit plans (net of tax)

**Closing balance**

**(D) Capital reserves (CR)\***

Opening balance  
Add : Amount profited on cancellation of warrants

**Closing balance**

\* CR up to the nominal value of shares is created out of distributable profit for buyback of shares as per the Act.

**(E) Investment Allowance (utilised) Reserve**

Opening balance  
Add : Movement during the year

**Closing balance**

**(E) Money received against share warrants**

Opening balance  
Add : Amount received on issue of warrants  
Add : Amount received on exercise of option for conversion of warrants  
Less: Transfer to equity share capital on allotment of equity shares  
Less: Transfer to share premium reserve  
Less: Transfer of forfeited amount to Capital Reserve

**Closing balance**

**(E) Foreign currency translation reserve**

Opening balance  
Add : Movement during the year

**Closing balance**

**Total other equity**

	31 March 2020	31 March 2019
<b>(A) Securities premium reserve (SPR)*</b>		
Opening balance	90,891,000	20,276,000
Add : Securities premium credited on issue of shares	58,000,000	70,615,000
<b>Closing balance</b>	<b>148,891,000</b>	<b>90,891,000</b>
<b>(B) General reserve (GR)</b>		
Opening balance	65,056,619	65,056,619
Add: Transfer during the year	-	-
<b>Closing balance</b>	<b>65,056,619</b>	<b>65,056,619</b>
<b>(c) Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	291,522,054	302,562,687
Current year	(18,396,018)	(11,040,633)
<b>Closing balance</b>	<b>273,126,036</b>	<b>291,522,054</b>
<b>(D) FVTOCI reserve on defined benefit plan (net of tax)</b>		
Opening Balance	(1,478,906)	(2,075,445)
Remeasurement gain / (loss) on defined benefit plans (net of tax)	997,578	596,539
<b>Closing balance</b>	<b>(481,328)</b>	<b>(1,478,906)</b>
<b>(D) Capital reserves (CR)*</b>		
Opening balance	4,328,500	4,328,500
Add : Amount profited on cancellation of warrants	13,562,500	-
<b>Closing balance</b>	<b>17,891,000</b>	<b>4,328,500</b>
<b>(E) Investment Allowance (utilised) Reserve</b>		
Opening balance	2,229,150	2,229,150
Add : Movement during the year	-	-
<b>Closing balance</b>	<b>2,229,150</b>	<b>2,229,150</b>
<b>(E) Money received against share warrants</b>		
Opening balance	29,062,500	-
Add : Amount received on issue of warrants	-	29,062,500
Add : Amount received on exercise of option for conversion of warrants	46,500,000	-
Less: Transfer to equity share capital on allotment of equity shares	(4,000,000)	-
Less: Transfer to share premium reserve	(58,000,000)	-
Less: Transfer of forfeited amount to Capital Reserve	(13,562,500)	-
<b>Closing balance</b>	<b>-</b>	<b>29,062,500</b>
<b>(E) Foreign currency translation reserve</b>		
Opening balance	20,044,885	15,507,517
Add : Movement during the year	15,348,865	4,537,368
<b>Closing balance</b>	<b>35,393,750</b>	<b>20,044,885</b>
<b>Total other equity</b>	<b>542,106,227</b>	<b>501,655,802</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**19 NON-CURRENT BORROWINGS****Secured**

## (a) Term loan

From Bank (Refer note below)

From Financial Institutions (Refer note below)

Less: Amount disclosed under the head "Other financial liabilities"

	31 March 2020	31 March 2019
	483,407	170,131
	-	-
	<b>483,407</b>	<b>170,131</b>
	483,407	170,131
	-	-

**Total non current maturities of long term borrowings****Terms of repayment**

Vehicle loan of Rs. Nil/- (31 March 2019: Rs. 1,70,131/-) secured by charge of vehicle is repayable in 48 equated monthly installments from November, 2015.

During the year ended March 31, 2020, the Company obtained a term loan of Rs. 32,52,150/- for purchase of fixed asset. The loan is secured by charge over fixed assets of the Company.

**20 PROVISIONS**

Provision for gratuity (funded) (Refer note 36)  
Provision for gratuity (unfunded) (Refer note 36)  
Provision for leave encashment (unfunded)

	Long term		Short term	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	-	-	3,803,643	4,175,392
	9,368,654	8,258,018	-	-
	1,938,227	2,025,047	867,461	900,783
	<b>11,306,881</b>	<b>10,283,065</b>	<b>4,671,104</b>	<b>5,076,175</b>

**21 SHORT -TERM BORROWINGS****Secured, from bank, term loan (Refer footnote)**

-Packing credit

-Cash credit

-Overdrawn bank balances

**Unsecured, from others**

(I)

	31 March 2020	31 March 2019
	9,138,041	9,985,670
	90,707,524	90,352,739
	67,044	22,249
	51,249,923	40,183,182
	<b>151,162,532</b>	<b>140,543,840</b>

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

**22 Trade payables**

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

(II)

	31 March 2020	31 March 2019
	2,067,009	2,058,874
	235,633,934	209,739,217
	<b>237,700,943</b>	<b>211,798,091</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Group:

Particulars	31 March 2020	31 March 2019
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	2,067,009	2,058,874
Interest	188,191	212,110
<b>Total</b>	<b>2,255,200</b>	<b>2,270,894</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	188,191	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	400,301	212,110
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Due to creditors other than micro enterprises and small enterprises includes reinstated amount of Rs. 1,95,89,589/- (previous year Rs.1,79,40,021 /-) due to Alpha Diamond Industry, Japan against imports which are overdue for a period exceeding 6 months for which the Company is in the process of complying with the foreign exchange regulations with respect to this outstanding.

**23 Other financial liabilities****Other financial liabilities at amortised cost**

Current maturity of long term loans  
 Creditors for capital goods  
 Unpaid dividend \*  
 Others liabilities

**Total other Financial Liabilities****(III)**

\* Amount of Rs. 12,822/- is due to be credited to the Investors Education & Protection Fund as at 31 March 2020.

**Total Financial Liabilities****(I+II+III)**

	31 March 2020	31 March 2019
	483,4071	170,131
	931,215	1,887,566
	12,822	12,822
	600,265	179,991
<b>Total other Financial Liabilities</b>	<b>2,027,709</b>	<b>2,250,510</b>
<b>Total Financial Liabilities</b>	<b>390,891,184</b>	<b>354,592,441</b>

**24 Other current liabilities**

Statutory due payable  
 Advance from customer  
 Excess payment on share allotment pursuant to share warrant

**Employee benefits payable :**

Salary payable  
 Bonus payable  
 Superannuation payable

	31 March 2020	31 March 2019
	1,167,695	488,898
	826,748	1,824,746
	7,750,000	-
	5,235,689	6,201,646
	2,862,980	3,001,285
	434,740	283,826
<b>Total</b>	<b>18,277,852</b>	<b>11,800,401</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**25 Revenue from operations**

Sale of goods	
Sale of services	
Other operating income - Sale of raw materials, stores and packing material	

31 March 2020	31 March 2019
580,453,371	571,593,803
2,148,176	14,580
1,946,953	-
<b>571,608,383</b>	<b>571,608,383</b>

**26 Other income**

Merchandise Export from India Scheme (MEIS) receipts	
Interest income	
- on fixed deposits	
Dividend income	
-from others	
Foreign exchange fluctuation (net)	
Freight Recovery	
Rental income	
Commission on sales	
Miscellaneous income	
Gain on sale/disposal of fixed assets	
Liabilities written back#	

31 March 2020	31 March 2019
305,036	2,541,386
305,509	328,735
10,065	78,509
2,081,955	849,335
488,664	-
1,915,166	2,543,846
343,124	451,209
-	580,345
96,438	14,377,895
202,895	38,494
<b>5,748,852</b>	<b>21,789,754</b>

# During the year the investment in GKB Ophthalmics GmbH, Germany ("the Investee Company") of Rs. 10,81,488 (March 31, 2019 - Rs. Nil) has been written off consequent to the winding up of the investee company. No amount was realised as proceeds from the investment. However, the Holding Company has written back an amount of Rs. 11,89,094 (March 31, 2019 - Rs. Nil) payable to the investee company. The net amount written back of Rs. 107,606 is shown as part of liabilities written back.

**27 Cost of material consumed**

Inventory at the beginning of the year	
Add: Purchases	
Less: Inventory of raw materials at the end of the year	
Cost of raw material consumed	

31 March 2020	31 March 2019
26,017,779	15,875,946
94,626,993	145,552,541
(15,775,063)	(26,017,779)
<b>104,868,709</b>	<b>135,410,708</b>

**28 Changes in inventories of finished goods, stock-in-trade and work-in-progress****Inventories at the beginning of the year**

-Finished goods	
-Work-in-progress	
-Stock-in-trade	

**Less: Inventories at the end of the year**

-Finished goods	
-Work-in-progress	
-Stock-in-trade	

**Net decrease/ (increase)**

31 March 2020	31 March 2019
35,624,441	32,624,034
2,657,482	2,976,132
204,564,740	171,732,097
<b>242,474,663</b>	<b>207,332,263</b>
20,145,640	35,252,441
1,843,605	2,657,482
257,182,609	204,564,740
<b>279,171,854</b>	<b>242,474,663</b>
(36,697,191)	(35,142,400)

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**29 Employee benefits expense**

Salaries, wages, bonus and other allowances	
Contribution to Provident Fund (PF) and Other Social Securities fund / schemes # (Refer Note 36)	
Gratuity expenses (Refer note 36)	
Staff welfare expense	

31 March 2020	31 March 2019
72,637,890	82,720,128
5,180,248	6,477,152
2,065,028	2,156,939
1,142,003	1,333,785
<b>81,025,169</b>	<b>92,688,004</b>

#Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of PF. However, the Company believes that there is not likely to be material impact and hence has not provided for any additional liability as on March 31, 2020 in the books of account.

**30 Finance costs**

Interest on long term borrowings	
Interest on working capital	
Bank charges	
Interest on delay in payment to MSME creditors	
Interest on income taxes	

31 March 2020	31 March 2019
57,082	85,366
11,190,087	11,297,686
3,194,354	3,241,855
188,575	212,110
3,850	-
<b>14,633,948</b>	<b>14,837,017</b>

**31 Depreciation and amortization expense**

Depreciation (Refer note 5)	
Amortization (Refer note 6)	
<b>Total depreciation and amortization expense</b>	

31 March 2020	31 March 2019
36,141,788	35,288,143
59,618	74,297
<b>36,201,406</b>	<b>35,362,440</b>



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**32 Other expenses**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Electricity and water	17,138,670	19,425,613
Rent (refer foot note 1)	11,415,150	11,522,429
Repairs and maintenance-Building	126,743	456,983
Repairs and maintenance- Machinery	1,276,443	2,009,560
Repairs and maintenance - others	1,856,517	2,105,958
Rates and Taxes	6,928,559	3,103,045
Travelling and conveyance	4,071,016	4,016,473
Freight and forwarding	2,259,584	2,122,072
Insurance	1,375,885	1,578,313
Other manufacturing expenses	15,698,660	18,923,945
Stores and spares consumed	19,546,957	18,249,950
Printing & Stationery	809,113	965,796
Communication, broadband and internet expenses	2,239,597	1,967,279
Security Charges	2,165,668	2,668,891
Legal and professional charges	4,657,270	5,928,461
Audit fees (refer foot note 2)	1,925,468	1,347,918
Advertisement	596,854	2,684,633
Directors' fees	450,000	750,000
Commission on sales	8,134,081	5,229,479
Miscellaneous expenses	4,650,744	5,957,730
Provision for doubtful debts	4,507,538	725,463
Donation	67,592	-
	<b>111,898,109</b>	<b>111,739,991</b>

Foot note 1 :The Group has taken a residential apartment on operating lease. The Group also pays lease rent on the factory and office premises, warehouse shed and staff accomodation. Being short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Accordingly, lease rent amounting to Rs.1,14,15,150/- (31 March 2019: Rs. 1,15,22,429/-) has been charged to the Statement of Profit and Loss.

Foot note 2 :The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)

**Auditor's Remuneration****As auditor:**

Statutory audit

**In other capacity:**

Tax audit

Other matters - Limited review

Reimbursement of expenses

**Total**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	630,000	825,000
	195,000	195,000
	450,000	255,000
	161,567	72,918
	<b>1,925,468</b>	<b>1,347,918</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**33 Income Tax**

(A) Deferred tax relates to the following:

**Deferred tax assets**

On provision for employee benefits  
 Business losses  
 Unabsorbed depreciation  
 On others

31 March 2020	31 March 2019
3,794,340	4,144,841
3,137,410	3,137,410
9,077,080	9,077,080
783,038	783,038
16,791,868	17,142,369
21,660,649	21,660,649
21,660,649	21,660,649
4,868,781	4,518,280

**Deferred tax liabilities**

On property, plant and equipment

Net deferred tax liability (net)

(B) Reconciliation of deferred tax (assets) / liabilities (net):

Opening balance  
 Tax asset recognized in Statement of Profit and Loss  
 Tax liability recognized in OCI  
 Closing balance

31 March 2020	31 March 2019
4,518,280	9,062,820
-	(4,754,134)
350,501	209,594
4,868,781	4,518,280

(C) Deferred tax (assets) / liabilities to be recognized in Statement of Profit and Loss

Tax asset  
 Tax Liabilities

31 March 2020	31 March 2019
-	(12,815,779)
-	8,061,645
-	(4,754,134)

(D) **Income tax expense**

- Current tax taxes  
 - Adjustments in respect of current income tax of previous year  
 - Deferred tax charge / (income)

**Income tax expense reported in the statement of profit or loss**

31 March 2020	31 March 2019
-	-
-	-
-	(4,754,134)
-	(4,754,134)

(E) **Income tax expense charged to OCI**

Net loss/(gain) on remeasurements of defined benefit plans

**Income tax charged to OCI**

31 March 2020	31 March 2019
350,501	209,594
<b>350,501</b>	<b>209,594</b>

(F) **Reconciliation of tax charge**

Profit/(loss) before tax  
 Income tax expense at tax rates applicable  
 Tax effects of:  
 - Item not deductible for tax  
 - Others

**Income tax expense**

31 March 2020	31 March 2019
(41,716,421)	(32,538,899)
-	-
-	-
-	-
-	-

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**34 Basis of preparation of Consolidated Financial Statements (CFS) :**

The Consolidated Financial Statements (CFS) are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 21, 'Consolidated Financial Statements', (Ind AS) 110, 'Accounting for Investments in Associates in Consolidated Financial Statements' and (Ind AS) 28 as notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The CFS comprises the financial statements of GKB Ophthalmics Limited and its subsidiaries. References in these notes to GKB, Company, Companies, Parent Company or Group shall mean to include GKB Ophthalmics Limited or any of its subsidiaries, unless otherwise stated.

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

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

Name of the Company	Relationship	Country of Incorporation	Proportion of ownership interest
1. GSV Ophthalmics Private Limited	Subsidiary	India	100%
2. GKB Ophthalmics Products [FZE], Sharjah (Limited Liability Establishment) (including its following subsidiary and associate)	Subsidiary	United Arab Emirates	100%
a. Lensco - the lens company (Subsidiary - 100%)			
b. GKB Vision FZC (Associate - 49%)			

The following investment in subsidiary has been de-recognised during the year:

GKB Ophthalmics GmbH, Oytten	Subsidiary	Germany	100%
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# During the year the investment in GKB Ophthalmics GmbH, Germany ("the Investee Company") of Rs. 10,81,488 (March 31, 2019 - Rs. Nil) has been written off consequent to the winding up of the investee company. No amount was realised as proceeds from the investment. However, the Holding Company has written back an amount of Rs. 11,89,094 (March 31, 2019 - Rs. Nil) payable to the investee company. The net amount written back of Rs. 107,606 is shown as part of liabilities written back under note 26 other income.

**35 Earnings/ Loss per share**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>31 March 2020</b>	<b>31 March 2019</b>
Loss attributable to equity holders	(18,396,018)	(11,040,633)
Weighted average number of equity shares for basic EPS*	5,040,580	4,640,580
Effect of dilution:		
Share warrants	-	750,000
Weighted average number of equity shares adjusted for the effect of dilution	5,040,580	5,390,580
Basic loss per share (INR)	(3.65)	(2.38)
Diluted loss per share (INR)	(3.65)	(2.05)

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**36 Employee benefits****(A) Defined Contribution Plans**

During the year, the Company has recognized the amounts in the Statement of Profit and Loss as follows –

	<b>31 March 2020</b>	<b>31 March 2019</b>
Employers' Contribution to Provident Fund and Employee State Insurance	3,697,392	4,238,429
Employer contribution to Employee State Insurance and employee social securities fund / scheme	1,160,362	1,910,457
Employers' Contribution to Superannuation Fund	250,534	234,516
Employers' Contribution to Labour Welfare Fund	71,960	93,750
	<b>5,180,248</b>	<b>6,477,152</b>

**(B) Defined benefit plans****I Gratuity****i) Actuarial assumptions**Discount rate (per annum)  
Rate of increase in Salary  
Attrition rate

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>	<b>31 March 2020 Gratuity (unfunded)</b>	<b>31 March 2019 Gratuity (unfunded)</b>
Discount rate (per annum)	6.84%	7.50%	8.25%	8.25%
Rate of increase in Salary	5.00%	6.00%	-	-
Attrition rate	2.00%	2.00%	-	-
IALM (2006-08) Ult.	-	IALM (2006-08) Ult.	-	-

**ii) Changes in the present value of defined benefit obligation**

	<b>31 March 2020 Gratuity (funded)</b>	<b>31 March 2019 Gratuity (funded)</b>	<b>31 March 2020 Gratuity (unfunded)</b>	<b>31 March 2019 Gratuity (unfunded)</b>
<b>Present value of obligation at the beginning of the year</b>	13,772,096	13,401,299	8,258,019	7,360,791
Interest cost	1,032,907	1,072,104	-	-
Past service cost	-	-	-	-
Current service cost	795,205	810,751	996,961	995,069
Settlements	-	-	113,674	-
Benefits paid	-	(326,192)	(528,300)	(97,841)
Actuarial (gain)/ loss on obligations	-	(1,348,079)	(983,758)	-
<b>Present value of obligation at the end of the year*</b>	<b>13,925,937</b>	<b>13,772,096</b>	<b>9,368,654</b>	<b>8,258,019</b>
<b>Plan assets at the beginning of the year</b>	9,596,704	9,036,762	-	-
Expected return of plan assets	760,045	720,985	-	-
Contributions	91,737	367,257	-	-
Benefits paid	(326,192)	(528,300)	-	-
Actuarial gain / (loss)	-	-	-	-
<b>Plan assets at the end of the year</b>	<b>10,122,294</b>	<b>9,596,704</b>	<b>-</b>	<b>-</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**iii) Expense recognized in the Statement of Profit and Loss**

	31 March 2020 Gratuity (funded)	31 March 2019 Gratuity (funded)	31 March 2020 Gratuity (unfunded)	31 March 2019 Gratuity (unfunded)
Current service cost	795,205	810,751	996,961	995,069
Interest cost	1,032,907	1,072,104	-	-
Expected return on plan assets	(760,045)	(720,985)	-	-
Total expenses recognized in the Statement Profit and Loss*	1,068,067	1,161,870	996,961	995,069

\*Included in Employee benefits expense (Refer Note 29). Actuarial loss of INR 13,48,079/- (31 March 2019: Rs. 9,83,758) is included in other comprehensive income.

**iv) Assets and liabilities recognized in the Balance Sheet:**

	31 March 2020 Gratuity (funded)	31 March 2019 Gratuity (funded)	31 March 2020 Gratuity (unfunded)	31 March 2019 Gratuity (unfunded)
Present value of obligation as at the end of the year	(13,925,937)	(13,772,096)	(9,368,654)	(8,258,019)
Plan assets at the end of the year	10,122,294	9,596,704	-	-
<b>Net asset / (liability) recognized in Balance Sheet*</b>	<b>(3,803,643)</b>	<b>(4,175,392)</b>	<b>(9,368,654)</b>	<b>(8,258,019)</b>

\*Included in provision for employee benefits (Refer note 20)

**v) Expected contribution to the fund in the next year**

31 March 2020 Gratuity (funded)	31 March 2019 Gratuity (funded)
1,541,935	-

**vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:**

	31 March 2020 Gratuity (funded)	31 March 2019 Gratuity (funded)
Impact on defined benefit obligation		
Discount rate		
1% increase	12,733,750	-
1% decrease	15,305,439	-
Rate of increase in salary		
1% increase	15,317,218	-
1% decrease	12,703,524	-

**vii) Maturity profile of defined benefit obligation**

Year	31 March 2020 Gratuity (funded)	31 March 2019 Gratuity (funded)
Year 1	1,020,795	-
Year 2	621,854	-
Year 3	1,319,428	-
Year 4	842,446	-
Year 5	548,602	-
Years 6 to 10	5,402,134	-



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**37 Contingent liabilities (to the extent not provided for)**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Sales Tax liability that may arise in respect of matters in appeal	18,506,729	18,506,729
Entry Tax liability that may arise in respect of matters in appeal	7,981,583	7,981,583
Excise duty / service tax liability that may arise in respect of matters in appeal	119,048,230	119,048,230
Income Tax liability that may arise in respect of matters in appeal	8,061,660	8,061,660
Guarantees given on behalf of associate companies	-	10,414,659
Letters of credit outstanding	35,073,570	29,216,445
Bank guarantees	9,162,718	10,414,659

**Commitments**

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

	<b>31 March 2020</b>	<b>31 March 2019</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	399,947	25,928,684

**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 or Parent was required to achieve export turnover of USD 35.82 million and Net Foreign Exchange Earning (NFE) of USD 3.26 million during the period April 1, 2008 to March 31, 2013. Although the Company achieved Net Foreign Exchange Earnings (NFE) as required, export turnover obligation remained unfulfilled to the extent of USD 8.03 million. By letter dated May 27, 2013, the EOU status of the Company has been further extended by a period of 5 years. However, the letter granting the extension does not make any mention of export turnover obligation. The Company is of the view that the condition of achieving export turnover no longer applies and the only requirement is that the Company should be NFE positive.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**38 Related Party Disclosures: 31 March 2020**

(A) Names of related parties and description of relationship as identified and certified by the Company:

**Associates / Enterprises in which Directors exercise significant influence**

Prime Lenses Private Limited  
GKB Vision Pvt Ltd  
GKB Vision FZC

**Key Management Personnel (KMP)**

Mr K G Gupta	Chairman and Managing Director
Mr. Subhash Redkar (w.e.f. August 14, 2019)	Executive Director
Mr. Prakash Joshi (till November 12, 2019)	Non-Executive Director
Mr Vikram Gupta	Non-Executive Director
Mr Gaurav Gupta (till April 20, 2019)	Non-Executive Director
Mr. Anil Palekar	Non-Executive/ Independent Director
Mr. Sadashiv Shet	Non-Executive/ Independent Director
Mr. Joseph A.A. D'Costa	Non-Executive/ Independent Director
Mrs. Shashi Katreddi	Non-Executive/ Independent Director
Mr. Christopher Hickman (till September 05, 2018)	Non-Executive/ Independent Director

**Relatives of the Key Management Personnel**

Mrs Veena Gupta  
Mr Gaurav Gupta  
Mr Vikram Gupta

(B) **Details of transactions with related party in the ordinary course of business for the year ended:****(i) Purchase of goods and services****Associate/Significant influence enterprise**

GKB Vision FZC  
GKB Vision Private Limited

**Total**

31 March 2020	31 March 2019
89,557,071	36,032,215
78,919,949	110,361,337
<b>168,477,021</b>	<b>146,393,552</b>

**(ii) Purchases of fixed assets**

GKB Vision Private Limited

**Total**

31 March 2020	31 March 2019
11,960,008	37,749,965
<b>11,960,008</b>	<b>37,749,965</b>

**(iii) Sales of goods and services****Associates / Enterprises in which Directors exercise significant influence**

GKB Vision Private Limited  
GKB Vision FZC  
Prime Lenses Private Limited

**Total**

31 March 2020	31 March 2019
14,756,878	27,401,566
18,338,104	19,696,889
147,010,716	126,208,405
<b>180,105,698</b>	<b>173,306,860</b>

**(iv) Sale of fixed assets****Associates / Enterprises in which Directors exercise significant influence**

GKB Vision Private Limited

**Total**

31 March 2020	31 March 2019
-	8,332,539
<b>-</b>	<b>8,332,539</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

<b>(v) Re-imbursment of expenses</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Associates / Enterprises in which Directors exercise significant influence</b>		
GKB Vision Private Limited	-	30,443
Prime Lenses Private Limited	-	116,165
GKB Vision FZC	3,012,834	4,576,772
<b>Total</b>	<b>3,012,834</b>	<b>4,723,380</b>
<b>(vi) Commission income</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Associate/Significant influence enterprise</b>		
GKB Vision Private Limited	343,124	451,209
<b>Total</b>	<b>343,124</b>	<b>451,209</b>
<b>(vii) Remuneration of key management personnel #</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Short term employee benefits</b>		
Mr K G Gupta	3,670,150	3,818,564
Mr. Subhash Redkar	614,300	-
	4,284,450	3,818,564
<b>Post employee benefits</b>		
Mr K G Gupta	360,000	360,000
Mr. Subhash Redkar	32,760	-
	<b>392,760</b>	<b>360,000</b>
<b>(viii) Director's sitting fees</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Relatives of the Key Management Personnel</b>		
Mr Gaurav Gupta	-	110,000
Mr Vikram Gupta	10,000	20,000
Mr. Anil Palekar	130,000	150,000
Mr. Sadashiv Shet	130,000	150,000
Mr. Joseph A.A. D'Costa	110,000	150,000
Mr. Christopher Hickman (till September 05, 2018)	-	40,000
Mrs. Shashi Katreddi	50,000	110,000
Mr. Prakash Joshi (till November 12, 2019)	20,000	20,000
<b>Total</b>	<b>450,000</b>	<b>750,000</b>
<b>(ix) Rent paid</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Relatives of the Key Management Personnel</b>		
Veena Gupta	480,000	480,000
<b>Total</b>	<b>480,000</b>	<b>480,000</b>
<b>(C) Amount due to/from related party as on:</b>		
<b>(i) Accounts Recievable and Other Recievable</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Associate/Significant influence enterprise</b>		
GKB Vision FZC	3,671,904	4,233,389
Prime Lenses Private Limited	36,073,155	32,667,976
<b>Total</b>	<b>39,745,059</b>	<b>36,901,365</b>



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

<b>(ii) Accounts payable and other payables</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Associate/Significant influence enterprise</b>		
GKB Vision Private Limited	38,312,303	62,278,264
GKB Vision FZC	17,917,072	18,494,186
<b>Relatives of the Key Management Personnel</b>		
Veena Gupta	144,000	252,000
<b>Total</b>	<b>56,373,375</b>	<b>81,024,450</b>

**(D) Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The Company's international / domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to 31 March, 2018, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered into with 'associated enterprises' as defined in section 92A of the Income Tax Act, 1961. The Management believes that the international transactions and specified domestic transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

**39 Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, Operating Segments****a) Operating segment**

The Group's operations predominantly relate to manufacturing and trading in unfinished ophthalmic lenses made up of Plastic. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

**b) Geographical segment**

	31 March 2020			31 March 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from external customers * (excluding other operational revenue)	218,225,224	364,376,323	582,601,547	251,873,812	319,734,571	571,608,383
Carrying amount of segment assets	529,952,520	492,575,310	1,022,527,829	510,093,771	424,238,193	934,331,964
Additions to fixed assets during the year	41,174,192	222,334	41,396,526	125,651,371	2,733,676	128,385,047

\* Revenue within India includes deemed export sales of Rs 10,496,161 (31 March 2019: Rs 21,138,649) made to other EOU units in India.

**c) Major customers**

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

Customer A  
Customer B

	31 March 2020	31 March 2019
Customer A	147,010,716	116,744,516
Customer B	60,692,631	74,855,623
<b>Total</b>	<b>207,703,347</b>	<b>191,600,139</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**40 Fair values of financial assets and financial liabilities****A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**B. Measurement of fair value**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

1. The fair value of other current financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and advances, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts largely due to short-term maturities of these instruments.
2. The fair value of non-current financial assets comprising of security deposits and non-current term deposits at amortised cost using Effective Interest Rate (EIR) are not significantly different from the carrying amount.

**Fair value hierarchy**

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

**Fair value measurement hierarchy of assets**(a) Financial Assets measured at fair value

Investments in mutual funds at FVTPL

Financial assets measured at amortized cost

Trade receivables

Cash and cash equivalents

Bank balances other than cash and cash equivalent

Loans and advances

Other financial assets

Financial liabilities measured at amortized cost

Borrowings

Trade payables

Other financial liabilities

Fair value hierarchy	31 March 2020	31 March 2019
Level 2	120,204	114,514
Level 3	249,165,041	235,371,984
Level 3	131,662,361	93,268,449
Level 3	7,021,541	7,170,912
Level 3	27,207,970	19,017,556
Level 3	436,153	353,596
Level 3	151,162,532	140,543,840
Level 3	237,700,943	211,798,091
Level 3	2,027,709	2,250,510

There have been no transfers between Level 1 and Level 2 during the period

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**41 Financial risk management objectives and policies**

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

**(A) Market risk**

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

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit / (loss) before tax
2020		
INR	+100	1,516,459
INR	-100	(1,516,459)
2019		
INR	+100	1,407,140
INR	-100	(1,407,140)

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

<b>Foreign currency exposure (in INR) as at 31 March 2020</b>			
<b>Particulars</b>	<b>USD</b>	<b>Euro</b>	<b>Total</b>
Trade receivables	23,701,249	6,348,771	30,050,020
Trade payables	30,276,071	554,618	30,830,689
<b>Foreign currency exposure (in INR) as at 31 March 2019</b>			
<b>Particulars</b>	<b>USD</b>	<b>Euro</b>	<b>Total</b>
Trade receivables	108,655,002	6,190,543	114,845,545
Trade payables	133,589,128	27,006,829	160,595,957

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

Foreign currency sensitivity Particulars	2019-20		2018-19	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	65,748	(65,748)	2,422,441	(2,422,441)
Euro	57,942	(57,942)	331,974	(331,974)
<b>Increase \ (Decrease) in profit or loss</b>	<b>7,806</b>	<b>7,806</b>	<b>2,754,415</b>	<b>(2,754,415)</b>

**(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of credit losses in respect of trade and other receivables.

However, the credit risk arising on cash and cash equivalents is limited as the Company invest in deposits with banks and financial institution with credit ratings and strong repayment capacity. Investment in securities primarily include investment in liquid mutual funds units and equity shares.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31 March 2020	31 March 2019
Not due	115,393,011	94,652,584
Past due 1-180 days	79,007,971	58,204,533
Past due for more than 180 days	62,081,416	87,667,816

**Expected credit loss assessment**

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Movement of provision for doubtful debts:

	31 March 2020	31 March 2019
Balance at the beginning of the year	5,131,151	4,470,623
Amount provided during the year (net of reversal)	4,507,538	725,463
Amounts written off	(725,448)	(64,935)
<b>Balance at the end of the year</b>	<b>8,913,241</b>	<b>5,131,151</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

**Cash and cash equivalent**

As at the year end, the Company held cash and cash equivalents Rs 131,662,361/- [31 March 2019 - Rs. 93,268,449/-] The cash and cash equivalents are held with banks with good credit rating.

**Other bank balances**

Other bank balances are held with banks with good credit rating.

**Other financial assets**

Other financial assets are neither past due nor impaired.

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

**Maturities of financial liabilities**

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2020</b>						
Term loan from banks	-	483,407	-	-	-	483,407
Short term borrowings	151,162,532	-	-	-	-	151,162,532
Trade payables	-	58,279,332	167,405,962	12,015,649	-	237,700,943
Other financial liabilities	-	70,000	1,474,302	-	-	1,544,302
	151,162,532	58,832,739	168,880,264	12,015,649	-	390,891,184
<b>31 March 2019</b>						
Term loan from banks	-	76,500	93,631	-	-	170,131
Short term borrowings	140,543,840	-	-	-	-	140,543,840
Trade payables	-	124,357,812	70,351,482	11,970,649	-	206,679,943
Other financial liabilities	-	6,872,894	495,764	-	-	7,368,658
	140,543,840	131,307,206	70,940,877	11,970,649	-	354,762,572

**42 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current borrowing. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2020	31 March 2019
Total equity	(i)	592,512,027	548,061,602
Borrowings		151,645,939	140,713,971
Less: cash and cash equivalents		(131,662,361)	(93,268,449)
Adjusted net debt	(ii)	19,983,578	47,445,522
Adjusted Net Debt to Equity ratio	(ii)/ (I)	3.37%	8.66%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

(Amount in INR, unless otherwise stated)

- 43** The products manufactured and sold by the group do not have a warranty period, hence provision for warranty as specified in Indian Accounting Standard (Ind AS) 37 on "Provisions, Contingent Liabilities and Contingent Assets" is not required to be made.
- 44** During the year the Group has not capitalised any borrowing costs as per Ind AS 23 - "Borrowing costs".
- 45** The Pandemic 'COVID-19' has severely impacted business globally, including India. There has been severe disruption in regular business operations. This pandemic is creating disruption in global supply chain and adversely impacting most of the industries which has resulted in a global slowdown, including India. The Group has evaluated the impact of the pandemic on its business operations, liquidity, internal financial reporting and control and financial position and based on the management's review of the current indicators and economic conditions, there is no material impact on its financial results as at 31st March 2020. The assessment of impact of COVID -19 is a continuing process given the uncertainties associated with the nature and duration of the pandemic. The Group will continuously monitor any material changes to future economic conditions and business of the Group.
- 46** Disclosure required under Schedule III of Companies Act, 2013

Name of the Entity	Year ending	Net Asset, i.e. total asset minus		Share in Profit or (Loss)		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
GKB Ophthalmics Limited (Consolidated)	31-Mar-20 31-Mar-19	100.00 100.00	592,512,027 548,061,602	100.00 100.00	(18,396,018) (15,794,767)	100.00 100.00	(17,398,440) (10,444,094)
<b>Parent</b>							
GKB Ophthalmics Limited	31-Mar-20 31-Mar-19	59.49 63.26	352,499,672 346,718,514	226.77 222.48	(41,716,645) (35,140,720)	234.04 285.23	(40,719,067) (29,790,047)
<b>Subsidiaries</b>							
GKB Ophthalmics Products FZE	31-Mar-20 31-Mar-19	37.96 36.54	224,898,526 200,288,390	(93.73) (106.25)	17,241,691 16,782,605	(99.01) (159.23)	17,226,925 16,629,901
GSV Ophthalmics Pvt. Ltd.	31-Mar-20 31-Mar-19	4.65 (0.07)	27,547,808 (399,289)	11.16 3.02	(2,052,903) (476,731)	11.80 4.56	(2,052,903) (476,731)
GKB OPHTHALMICS GmbH	31-Mar-20 31-Mar-19	- 0.41	- 2,243,032	- -	- -	- -	- -
<b>Step down Subsidiary</b>							
LenSCO The Lens Company	31-Mar-20 31-Mar-19	1.67 0.01	9,865,614 55,791	(45.63) 124.82	8,393,382 (19,715,413)	(48.24) 188.77	8,393,382 (19,715,413)
<b>Elimination and Adjustment due to Consolidation</b>	31-Mar-20 31-Mar-19	(3.76) (0.15)	(22,299,593) (844,836)	1.42 (144.07)	(261,542) 22,755,493	1.42 (219.34)	(246,776) 22,908,197
<b>Total</b>	31-Mar-20 31-Mar-19	100.00 100.00	592,512,027 548,061,602	100.00 100.00	(18,396,017) (15,794,767)	100.00 100.00	(17,398,439) (10,444,094)

- 47** Previous year figures have been regrouped/ reclassified to conform to the presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

For and on behalf of the Board of Directors of  
**GKB Ophthalmics Limited**  
CIN : L26109GA1981PLC000469

**Anup Mundhra**  
Partner  
Membership No. 061083

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary

Place : Mapusa, Goa  
Date : July 07, 2020

Place : Mapusa, Goa  
Date : July 07, 2020



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries / Associate Companies/Joint Ventures.

**Part "A" : Subsidiaries**

**In Rupees**

1	Name of the Subsidiary	GKB Ophthalmics Products,FZE (UAE)	GSV Ophthalmics Private Limited, India
2	Reporting period of the subsidiary concerned, if different from the holding company reporting		
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	<b>AED 1=INR 20.52</b>	
4	Share Capital	30,78,320	30,10,000
5	Reserve & Surplus	22,18,20,206	-25,52,192
6	Total Assets	33,08,55,117	2,76,99,256
7	Total Liabilities	10,59,56,591	1,51,448
8	Investments	—	—
9	Turnover	23,60,07,061	—
10	Profit / (loss) before taxation	1,66,94,837	-20,52,903
11	Provision for taxation	—	0
12	Profit / (loss) after taxation	1,66,94,837	-20,52,903
13	Proposed Dividend	1,13,06,669	—
14	% of shareholding	100.00%	99.67%

Notes : 1. Names of subsidiaries which are yet to commence operation – GSV Ophthalmics Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year – Nil

**Part " B " : Association and Joint Ventures - Not Applicable**

**For and on behalf of the Board of Directors**

Place : Mapusa, Goa  
Date : July 07, 2020

**K. G. Gupta**  
Managing Director  
DIN : 00051863

**Vikram Gupta**  
Director  
DIN : 00052019

**Gurudas Sawant**  
Chief Financial Officer

**Pooja Bicholkar**  
Company Secretary