

 **GKB Ophthalmics Ltd.**

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**ANNUAL
REPORT
1999-2000**





GKB Ophthalmics Ltd.

BOARD OF DIRECTORS:

K. G. Gupta (Chairman & Managing Director)

K. M. Gupta

B. K. Gupta

R. K. Gupta

Vikram Gupta (Wholetime Director)

Gaurav Gupta

A. G. Ghatkar (Nominee EDC)

COMPANY SECRETARY:

Prashanth D. Mallya

AUDITORS:

M/s. Borkar & Mazumdar

Chartered Accountants,

Panaji - Goa.

BANKERS:

State Bank of India, Panaji - Goa.

State Bank of India, Mapusa - Goa.

REGISTERED OFFICE :

16-A, Tivim Industrial Estate

Mapusa - Goa. 403 526.

India.



GKB Ophthalmics Ltd.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the Members of GKB OPHTHALMICS LIMITED will be held at the Registered office of the Company at 16-A, Tivim Industrial Estate, Mapusa-Goa, on Saturday the 30th September, 2000 at 11.00 a.m to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To approve the interim dividend paid as the dividend for the financial year 1999-2000
3. To appoint a Director in place of Mr. K. M. Gupta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. B. K. Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of Members of the Company will remain closed from 27th September, 2000 to 30th September, 2000 (both days inclusive). The transfer Books of the Company will also remain closed during the aforesaid period.
4. The member of the Company are requested to intimate immediately to the Company, any change in their registered address.

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

By order of the Board of Directors
For **GKB OPHTHALMICS LIMITED**

8th August, 2000

Prashanth D. Mallya
Company Secretary



GKB Ophthalmics Ltd.

I/We _____ of _____
 _____ in district of _____ being a Member / Member of
M/s. GKB OPHTHALMICS LIMITED, hereby appoint _____ of
 _____ in the district of _____ or
 failing him _____ of _____ in
 The district of _____ as my / our proxy to attend and vote for me / us and
 on my / our behalf at the Seventeenth Annual General Meeting of the Company to be held on the
 30th September, 2000 and at any adjournment thereof.
 As witness I / We set my / our hand(s) this _____ day of _____ 2000.



Signed by the said _____

Folio No. _____

No. of Shares held _____

Signature _____

Affix a 1 Re. Revenue Stamp here
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Note: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.



GKB Ophthalmics Ltd.

DIRECTOR'S REPORT

To the Members,

Your Directors present with great pleasure their 18th Annual Report and the Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS:

The salient features of the Company's financial results for the year under review are as under:

	1999-2000	1998-99
a) Profit before Interest, Depreciation & Taxes	2,22,01,215	1,48,02,497
b) Less: Interest	42,87,198	59,62,036
c) Profit before Depreciation & taxes	1,79,14,017	88,40,461
d) Less: Depreciation	44,08,780	39,21,362
e) Profit before Taxes	1,35,05,237	49,19,099
f) Profit after taxes	1,35,05,237	49,19,099
g) Less: Prior Period Adjustment.	46,503	-
h) Add: Balance of profit brought forward from previous year.	59,60,871	10,41,772
i) Profit available for appropriation was	1,94,19,605	59,60,871
Which your Directors have appropriated as under to:		
i) General Reserve	1,30,00,000	-
ii) Dividend on Equity Shares	45,45,456	-
iii) Tax on Dividend	4,54,546	-
TOTAL	1,80,00,002	-
Leaving a Balance to be carried forward	14,19,603	59,60,871

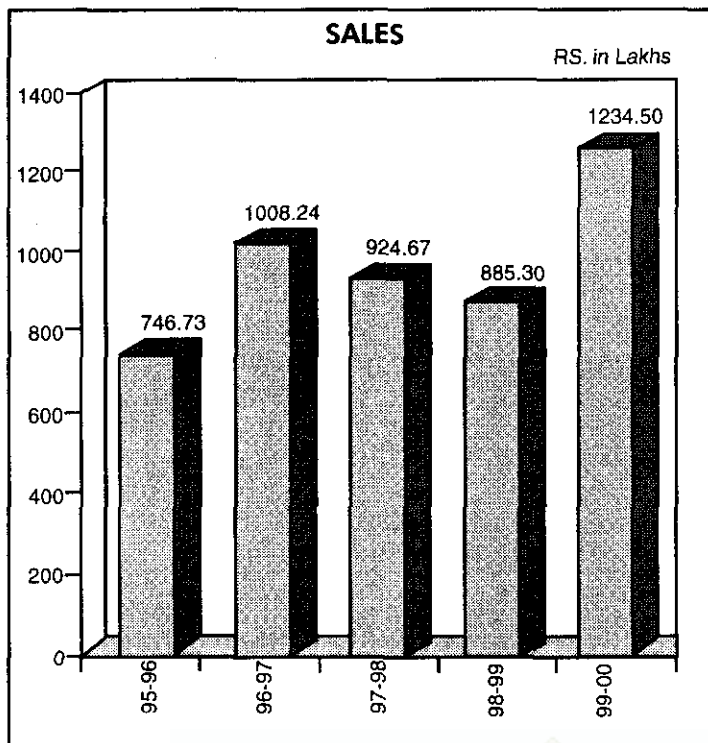
DIVIDEND:

Company has paid an Interim Dividend of Rs. 1.20 per equity share as declared by your Directors in the Board Meeting held on 31.03.2000. Payment of dividend including tax on dividend entailed an outflow of Rs. 50.00 lacs. Your Directors do not recommend a final dividend and propose that the interim dividend already paid be considered as the dividend for the year 1999-2000.



GKB Ophthalmics Ltd.

DIRECTOR'S REPORT (Contd.)



OPERATIONS:

The year under review ended on a positive note, the Company having achieved significant improvement in production, sales and net profit.

The Company produced 21,74,819 pieces of Ophthalmic lenses during the year as compared to 16,36,741 pieces produced in the previous year - an increase of 33%. Export sales also registered an increase of 39%, which rose to Rs. 1234.50 lacs as compared to Rs. 885.00 lacs in the previous year. Net profit for the year review stands at Rs. 132.00 lacs as compared to Rs. 49.19 lacs earned in the previous year - an increase of 164%. The improvement in performance, is mainly due to the measures company initiated in the past to increase its customer base, cut cost and improve quality of its products.

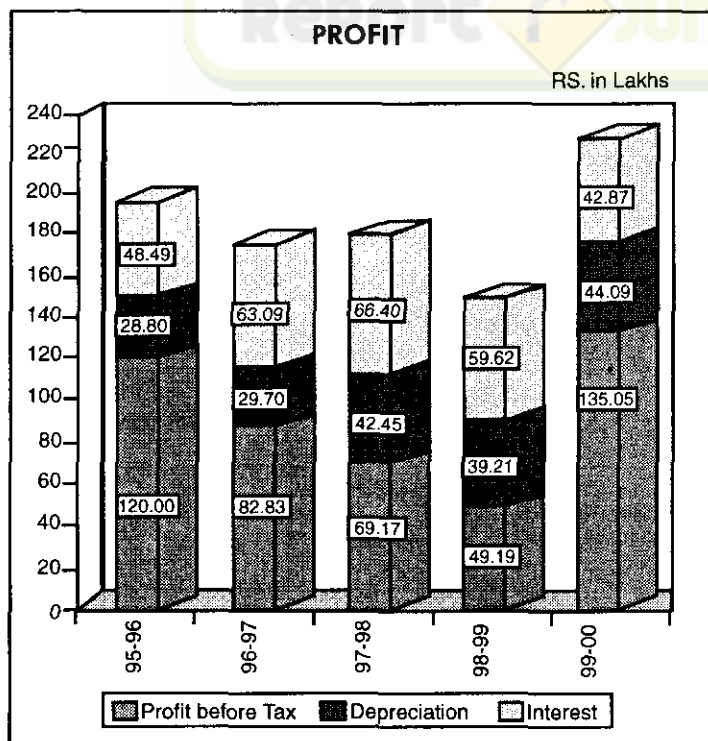
Your Company has succeeded to great extent in carving out a place of its own in the global market for optical goods, particularly in Europe and neighboring markets, despite fierce competition.

CURRENT YEAR:

The outlook is promising. The export market has shown signs of recovery. Orderbook position is also encouraging.

Your Company has been trying to make its presence felt more in export markets in and around Europe and has achieved a good measure of success. The Company participates in the Optical Trade Fairs regularly, in order to keep itself informed of the new developments and make its presence felt in the Optical world.

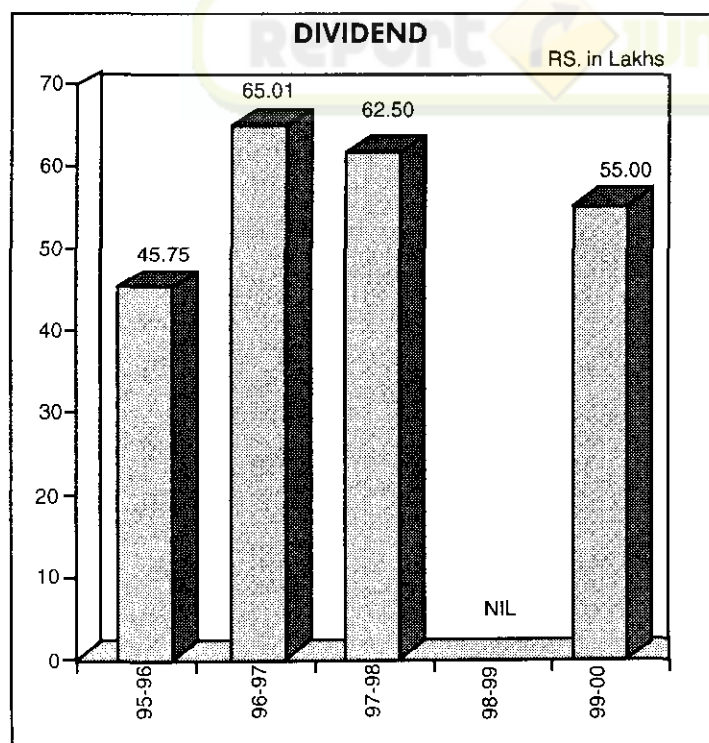
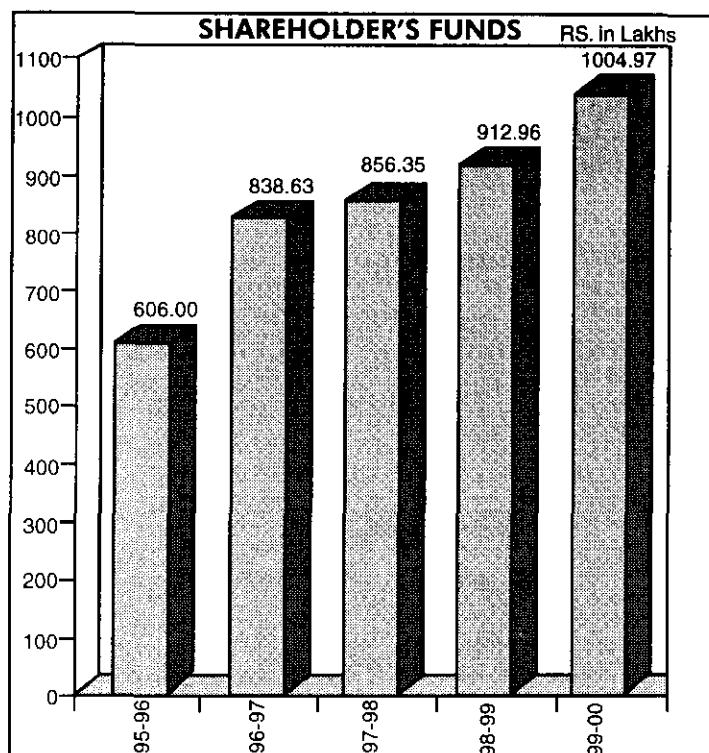
We had set up a Company, i.e GKB Ophthalmics GmbH (GmbH) in Bremen Germany to cater to the needs of our buyers abroad more effectively. In the accounting year 1998, the Company being in infancy stage, faced some problems and as a result incurred loss. In the year 1999, GmbH improved its performance having achieved an impressive sale of DM 19,32,250.20 as compared to DM 2,85,715.19 in the previous year. It incurred a marginal loss of DM 4,216.12 in 1999. Also GmbH has contributed significantly to the growth in sales achieved and profit earned by the parent Company i.e GKB Ophthalmics Ltd.





GKB Ophthalmics Ltd.

DIRECTOR'S REPORT (Contd.)



PROJECTS:

The Company has launched a new project for manufacture of progressive and specialised aspheric and bifocal lenses. These type of lenses were so far imported and your Company is bringing in technology to make them in India. A new subsidiary by name GKB Vision Limited has been registered in July 2000. The project will come up at Pilerne Industrial Estate, Bardez-Goa and will go on stream by January, 2001. Machinery is being imported from Germany which will start arriving in Goa by October/November, 2000. The project cost is estimated to be Rs. 4.5 crores and will have a production capacity of 6,00,000 pairs per year. Most of the production will be exported to Europe and our German subsidiary will play an important role in marketing the products of the new Company.

DIRECTORS:

Mr. B. K. Gupta and Mr. K.M. Gupta retire from the Board by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible, offer themselves for reappointment.

Dr. Gyanendra Nath Agrawal resigned from the Board of Directors during the year under review. The Board placed on record its appreciation of services rendered by Dr. Agrawal during his tenure of Directorship.

AUDITORS:

M/s. Borkar & Muzumdar, who are our Auditors for the present retire at the conclusion of the ensuing Annual General Meeting. The members are requested to appoint Auditors for the current year and to fix their remuneration. M/s. Borkar & Muzumdar have offered themselves for reappointment.

INDUSTRIAL RELATIONS:

Industrial relations remained cordial during the year. There was good understanding and harmony between the management and the workers.



GKB Ophthalmics Ltd.

DIRECTOR'S REPORT (Contd.)

PARTICULARS OF EMPLOYEES

The statutory statement regarding the employees of the Company as required by the provisions of Section 217 (2A) of Companies Act, 1956 read with Companies (Particulars of (Employees) Rules 1975 and as amended in 1990 is annexed and forms an integral part of this report.

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

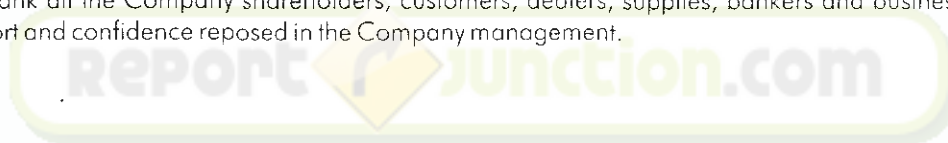
A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors). Rules 1988 is annexed and forms an integral part of this report.

STATEMENT UNDER CLAUSE 32 OF THE LISTING AGREEMENT

The statement containing details as required under clause 43 of the Listing Agreement with the Stock Exchanges is appended hereto and forms part of this report.

ACKNOWLEDGEMENT:

The Directors thank all the Company shareholders, customers, dealers, supplies, bankers and business associates for the continued support and confidence reposed in the Company management.



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

K. G. GUPTA
CHAIRMAN

Place : Mapusa-Goa.
Date : 8th August, 2000.



GKB Ophthalmics Ltd.

ANNEXURE TO DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.

A. CONSERVATION OF ENERGY

The Company has been endeavouring since inception to conserve energy. All the available measures of energy conservation have been already adopted. No further investment on conservation measures is contemplated at this stage.

B. Technology Absorption (Particulars are per form B)

Research and Development (R&D)

1. Specific areas in which R & D is carried out by the Company.

The product we manufacture and export is Ophthalmic lenses of glass. In its manufacture what matters the most is the quality of the material and precision. Our R & D effort therefore extends to all the areas of manufacturing process.

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

Import substitution and Product improvement.

3. Future Plan of Action :

Emphasis on R & D with a view to keeping abreast with the new developments/innovations in the Company's line of product and adopting and assimilating them of minimum cost.

4. Expenditure on R & D

a) Capital Rs.1.15

b) Recurring Rs.1.91

c) Total Rs.3.06

d) Total R & D expenditure as a percentage of total turnover :0.25 %

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

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

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

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

Product improvement, cost reduction and import substitution.