ANNUAL
REPORT
2001-2002

GKB Ophthalmics Ltd.

BOARD OF DIRECTORS:

K. G. Gupta [illegible]

K. M. Gupta

B. K. Gupta

R. K. Gupta

Vikram Gupta [illegible]

Gaurav Gupta

Cesar Menezes

Somnath Phalkar

COMPANY SECRETARY

[illegible]

AUDITORS.

M/s. [illegible] & Mazumdar

Chartered Accountants

Panaji - Goa

BANKERS:

State Bank of India, Commercial Branch,

Panaji - Goa

REGISTERED OFFICE:

16 - [illegible]

[illegible]

[illegible]

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the [illegible] ANNUAL GENERAL MEETING of the Members of [illegible] will be held at the Registered Office of the Company at [illegible] Industrial Estate, [illegible] on [illegible] 30th September, 2002 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, 2002, 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 declare a dividend for the financial year 2001-2002.
3. To appoint a Director in place of Mr. [illegible] Gupta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. [illegible] Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To appoint a Director in place of Mr. Somnath Bhalla who was appointed an additional Director of the Company by the Board of Directors with effect from 31.12.2001 pursuant to Article 130 of the Articles of Association of the Company and who under Section 260 of the Companies Act holds office upto the date of the forthcoming Annual General Meeting, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 257 of the Act.
7. To appoint a Director in place of Mr. [illegible] Menezes who was appointed an additional Director of the Company by the Board of Directors with effect from 27.03.2002 pursuant to Article 130 of the Articles of Association of the Company and who under Section 260 of the Companies Act holds office up to the date of the forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 257 of the Act.

NOTICE OF THE ANNUAL GENERAL MEETING (Contd.)

NOTES:

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

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

2. The Register of Members of the Company will remain closed from Thursday 26[th] September, 2002 to Monday 30[th] September, 2002 (both days inclusive). The transfer Books of the Company shall also remain closed during the aforesaid period.

3. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

4. The dividend as recommended by the Board, if sanctioned at the meeting will be paid on or after 15[th] day of October, 2002 to those members or their mandates whose names stand registered on the Company's register of Members -

   a) As Beneficial Owners as at the end of business on 25[th] day of September, 2002, as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and

   b) As Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 25[th] of September, 2002.

5. Members holding shares in identical order of names in more than one folio are requested to write to the Registered Office of the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio. The Share Certificates will be returned to the members after making requisite changes thereon.

6. Depository System
   The Company consequent to introduction of the Depository System (DS), entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members, therefore, now have the option of holding and dealing in the Shares of the Company in electronic form through NSDL or CDSL.

   The DS envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

   Further for the information of shareholders ISIN no. of the Company is INE265D01015 for both the depositories viz National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL).

NOTICE OF THE ANNUAL GENERAL MEETING (Contd.)

7. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form 2B prescribed by the Government can be obtained from the Registered Office of the Company.

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

9. Queries on Accounts
It will be desirable that queries, if any, on the accounts and operation of the company are sent to the company 10 days in advance of the meeting so that the answers may be made readily available, which would both be appreciable and facilitate smooth functioning of the meeting.

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

By order of the Board of Directors
For GKB OPHTHALMICS LIMITED

30th August, 2002

Prashant K.D. Mallya
Company Secretary

ANNEXURE TO NOTICE

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

Re : Item No. 6

Mr. Somnath S. Phadke was appointed as an additional Director of the Company w.e.f. 31.12.2001 pursuant to Article 130 of the Articles of Association of the Company under Section 260 of the Companies Act, 1956. Mr. Phadke ceases to hold office at the end of the Annual General Meeting and is eligible for re-appointment.

Mr. Somnath Phadke is a Arts & Law graduate from Mumbai University. He has worked as the head of Accounts and Finance in the Company for about 10 years. He has wide range of experience and expertise of service in different departments of the government of Goa and the Economic Development Corporation, Goa.

Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Somnath S. Phadke as a Director of the Company.

Re: Item No. 7

Mr. Cesar Menezes was appointed as an additional Director of the Company w.e.f. 27.03.2002 pursuant to Article 130 of the Articles of Association of the Company under Section 260 of the Companies Act, 1956. Cesar Menezes ceases to hold office at the end of the Annual General Meeting and is eligible for re-appointment.

Mr. Cesar Menezes, who is the Managing Director of Wallace Pharmaceuticals Ltd., is a leading industrialist of Goa. He has wide range of expertise in all departments of the organisations. He has also travelled worldwide and he has added to his marketing skills which will be of immense use to any exporting Company.

Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Cesar Menezes as a Director of the Company.

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

By order of the Board of Directors
For GKB OPHTHALMICS LIMITED

30th August, 2002

Prashanth D. Mallya
Company Secretary

GKB Ophthalmics Limited

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

ATTENDANCE SLIP

Please complete the Attendance Slip and hand it over at the entrance of the Meeting [illegible] shareholders [illegible] Attendance Slip [illegible]

Name & Address of the Shareholder(s)

Ledger Folio [illegible]
Client ID No.
No. of Shares

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the Company held [illegible] Monday, 30th September 2002

SIGNATURE OF THE SHAREHOLDER/REPRESENTATIVE/PROXY

*Strike out whichever is not applicable

. . . . cut here

GKB Ophthalmics Limited

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

FORM OF PROXY

Proxy No.
Ledger Folio No. & Client ID No(s)
No. of Shares

I/We . . . . of

being a member of GKB Ophthalmics Limited hereby appoint

. . . . of . . . . .

or failing him . . . . of

as my/our proxy to vote for me/us on my/our behalf at the 20th ANNUAL GENERAL MEETING of the Company to be held on Monday, 30th September 2002 and at any adjournment thereof.

Signed this . . . . day of 2002

Affix Revenue Stamp of 1 Rupee

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

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure to present their 20th Annual Report and [illegible] Audited Statement of the Company for the year ended 31st March 2002.

FINANCIAL RESULTS

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

	2001-2002	2000-2001
a) Profit before Interest, Depreciation & Taxes	2,19,76,492	2,15,58,5[illegible]
b) Less : Interest	52,21,705	18,00,655
c) Profit before Depreciation & Taxes	1,67,54,787	1,97,57,698
d) Less : Depreciation	52,49,829	47,86,087
e) Profit before Taxes	1,15,04,958	1,49,71,6[illegible]
f) Profit after Taxes	1,04,58,958	1,41,71,[illegible]
g) Less : Prior Period Taxation & other Adjustment (Net)	51,550	65,1[illegible]
h) Add : Balance of profit brought forward from previous year	15,33,399	14,19,603
i) Profit available for appropriation was	1,20,43,907	1,55,26,093
Which your Directors have appropriated as under to		
j) General Reserve	40,00,000	85,00,000
k) Proposed Dividend on Equity shares	49,84,296	49,84,296
l) Tax on Proposed Dividend	---	5,08,398
TOTAL	89,84,296	1,39,92,694
Leaving a Balance to be carried forward	30,59,611	15,33,399

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

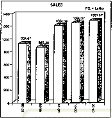
a) that in preparation of Annual Accounts, applicable accounting standards have been followed.

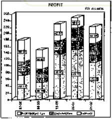
b) that the Directors have applied sound accounting policies and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the Profit of the Company for the year;

c) that the Directors have taken sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the [illegible]

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

DIRECTOR'S REPORT (Contd.)





DIVIDEND:

Your Directors [illegible] recommended a dividend of Rs. 1.20 per equity share on 41,53,581 Equity shares of Rs. 10/- each for the financial year ended 31st March 2002, which if approved at the forthcoming Annual General Meeting, will be paid to all those Equity Shareholders [illegible] names appear in the Register of Members [illegible] September 2002.

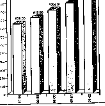
Direct outgo [illegible] dividend to be paid is Rs. 49.84 lacs. In respect of the shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

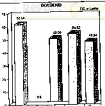
OPERATIONS:

Company's performance during the year under review was satisfactory. The Company produced during the year 19,48,045 pieces of Optimal [illegible] lenses as against 23,96,312 produced in the previous year. Net export sales for the year amounted to Rs. 1331.67 lacs as compared to Rs. 1306.07 lacs for the previous year. Company's profit before tax for the year under review was Rs. 115.05 lacs as compared to Rs. 149.72 lacs for the previous year. Until year before last your company, being a 100% Export Oriented Unit, was exempt from corporate tax. From the year 2000-2001 onwards, it has been brought under tax bracket, but [illegible] shows.

Our main marketing continues to be Europe which is now taking 50% of share of our total turnover. This has geared up the production department for optimum quality levels and need investment and expenses on quality upgradation [illegible] resulted in lower profit margins.

The year under review was [illegible] as compared to the turbulent world market position. In spite of the adverse conditions worldwide, your Company has maintained the present level of operations. This must be understood in the light of heavy cancellations of our orders [illegible] 11th September 2001 from our US and South American customers. To add to this the Company has also maintained its leadership position as one of the top manufacturers and exporters of quality Optimal [illegible] lenses in the country due to its concentrated efforts for





Strengthening its productivity. The Company has been in the forefront of [illegible] that [illegible] of its [illegible].

CURRENT YEAR:

The Company's exploration efforts [illegible] performance during the current year and the turnover is expected to rise by 50% [illegible] year. The appreciation of Company's products by customers in particular [illegible] the [illegible] the Company [illegible] of Rs. 2000 Lacs in the current year. The Company is expected to be the beginning of further prospects of the Company in the long run.

PROJECTS

The Company has plans to extend its operations and have taken up a new shed adjacent to the current factory of the area of 1056 sq mtrs. This will not only allow the Company to conduct its operations smoothly, but also will allow the utilisation of full capacity in the coming years.

The Company also has plans to add to its present set of Plant and machineries, new and most sophisticated machineries, which will not only reduce rejections and cost, but also will increase the quality of the products of the company, which in turn will allow the Company to maintain its reputation as the supplier of high quality [illegible] to [illegible] in the world market.

DEMATERIALISATION OF EQUITY SHARES:

Equity Shares of the Company are admitted for dematerialisation on National Securities Depository Limited and Central Depository Services (India) limited in May, 2000. The shareholders have now an option to demat their shares.

So far 29,61,205 shares out of a total of 41,53,980 have been dematted, which constitutes about 71.28% of the total number of shares of the Company. The Company expects that in the coming years more and more shareholders will utilise the benefits of dematerialised shares.