

*ANNUAL
REPORT
2008-2009*

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GKB Ophthalmics Ltd.



GKB Ophthalmics Ltd.

BOARD OF DIRECTORS:

K. G. Gupta (Chairman & Managing Director)

K. M. Gupta

B. K. Gupta

R. K. Gupta

Vikram Gupta

Gaurav Gupta

Somnath Priolkar

CFO & COMPANY SECRETARY:

Noel da Silva

Contents

AUDITORS:

M/s. Borkar & Muzumdar

Chartered Accountants,

Panaji - Goa. 403 001

BANKERS:

State Bank of India

Canara Bank

REGISTERED OFFICE :

16-A, Tivim Industrial Estate

Mapusa - Goa. 403 526.

India.

Corporate information	1
Notice	2
Directors' Report	8
Management Discussion and Analysis Report	15
Report on Corporate Governance	18
Practicing Company Secretary's Certificate on Corporate Governance	27
Auditors' Report	28
Annexure to Auditors' Report	30
Balance Sheet	34
Profit & Loss Account	35
Schedules forming part of the Balance Sheet	36
Notes forming part of the Balance Sheet and Profit and Loss Account	43
Cash Flow Statement	58



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Saturday, 19th September, 2009 at 11.00 a.m. at the Registered Office of the Company at 16-A, Tivim Industrial Estate, Mapusa - Goa, to transact the following business :-

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2009, the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year 2008-09
3. To appoint a Director in place of Mr. B. K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

- 6 To consider and, if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

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

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

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

IV Perquisites/Benefits :

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



NOTICE OF THE ANNUAL GENERAL MEETING

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

V. Other Benefits:

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

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

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

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

By order of the Board of Directors
For GKB Ophthalmics Limited

Noel da Silva

CFO & Company Secretary

17th August, 2009

NOTES:

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

A Proxy form, duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.
2. The Register of Members of the Company will remain closed from Thursday, the 10th September, 2009 to Saturday, the 19th September, 2009 (both days inclusive). The Share Transfer Books of the Company shall also remain closed during the aforesaid period.
3. The dividend, if declared, at the meeting will be paid on or after 23rd day of September, 2009 to those members or their mandates whose names stand registered on the Company's register of the Members:-
 - a) As Beneficial Owners as at the end of business on 9th day of September, 2009 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - b) As Members in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company on or before 9th day of September, 2009.
4. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting. They are also requested to bring their copies of the Annual Report. Copies of the Annual Report would not be distributed at the meeting.



GKB Ophthalmics Ltd.

NOTICE OF THE ANNUAL GENERAL MEETING

5. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at this AGM is annexed.
6. Dividends which remain unpaid/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund (IEPF) as per Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the shareholders shall lie for the unclaimed dividend transferred by the Company to IEPF.
7. Re-appointment of the Directors

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

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

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

8. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, upto the date of the Annual General Meeting.



GKB Ophthalmics Ltd.

ANNEXURE TO THE NOTICE

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

Item No. 6

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

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

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

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

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

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

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

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

1. General Information:

a) Nature of Industry :

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

b) Date of Commencement of Commercial Production :

The Company started its commercial production in the year 1983

c) Financial Performance :

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



GKB Ophthalmics Ltd.

ANNEXURE TO THE NOTICE

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

e) Foreign investment or Collaborations:

The details of foreign investments are :

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

II. Information about the appointee :

a) Background details :

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

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

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

b) Past remuneration :

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

c) Recognition or award:

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

d) Job Profile and his suitability :

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



GKB Ophthalmics Ltd.

ANNEXURE TO THE NOTICE

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

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

e) Proposed remuneration :

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

f) Comparative Remuneration :

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

g) Pecuniary Relationship :

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

III. Other information :

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

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

By order of the Board of Directors
For GKB Ophthalmics Limited

17th August, 2009

Noel da Silva
CFO & Company Secretary



GKB Ophthalmics Ltd.

DIRECTORS' REPORT

Dear Shareholders,

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

FINANCIAL RESULTS:

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

OPERATIONS

During the year under review, the Company has improved its performance and the trend is continuing. The turnover of the Company increased to Rs. 3,015.26 lakhs during the year against Rs. 1,930.25 lakhs in the previous year.

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

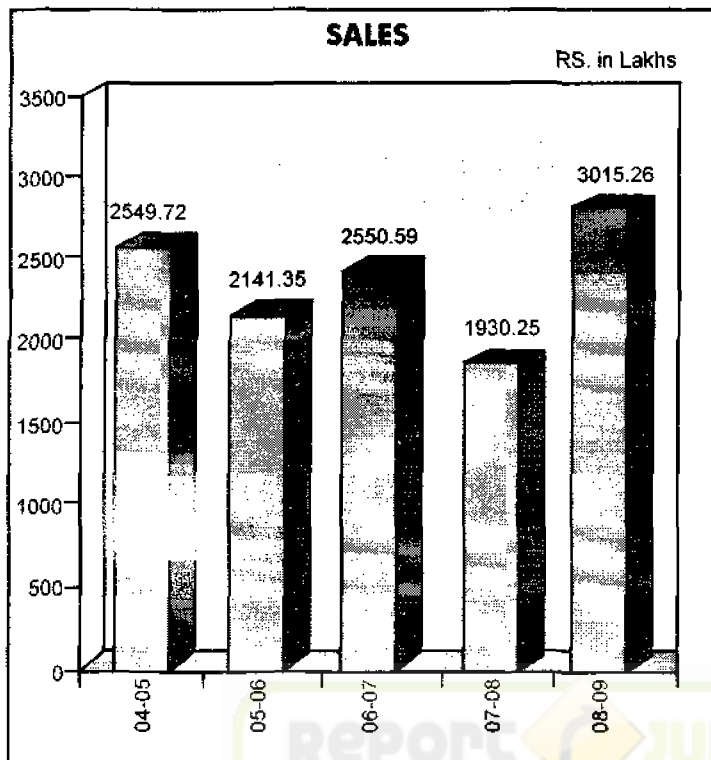
CURRENT YEAR :

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



GKB Ophthalmics Ltd.

DIRECTORS' REPORT



DIVIDEND

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

ASSOCIATES AND SUBSIDIARIES

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

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

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

CORPORATE GOVERNANCE :

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

