



**ANNUAL REPORT
2011 - 2012**



GKB Ophthalmics Ltd.



Main building of the Company



New building for manufacture of plastic lenses



BOARD OF DIRECTORS:

K. G. Gupta Chairman & Managing Director

K. M. Gupta

Vikram Gupta

Gaurav Gupta

Somnath SinaiPriolkar

Anil Palekar

Sadashiv Shet

Joseph A. A. D'Costa

CFO & COMPANY SECRETARY:

Noel da Silva

AUDITORS:

M/s Sharp & Tannan
Chartered Accountants
Mumbai

BANKERS:

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

REGISTERED OFFICE:

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

Email : investor.grievance @gkb.net

Website : www.gkb.net

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STANDALONE

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NOTICE

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

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. M. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vikram Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gaurav Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“ RESOLVED THAT pursuant to the Articles of Association of the Company and Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the Central Government thereon, if necessary, the consent of the Company be and is hereby accorded for the re-appointment of Mr. K. G. Gupta as Managing Director of the Company at a remuneration and on the terms set out below for a period of three years with effect from April 01, 2012 to March 31, 2015 .

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

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



NOTICE

IV. Perquisites/Benefits:

- a) Reimbursement of domiciliary medical expenses and Mediclaim Policy for hospitalization for self and spouse.
- b) Leave and Leave Travel Concession as per the rules of the Company.
- c) Personal Accident Insurance Policy.
- d) Expenses actually and properly incurred by him in the course of business.
- e) Free use of car with driver on Company's business and telephone at residence.

V. Other Benefits:

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

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

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

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

Registered Office:

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

May 30, 2012

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

Noel da Silva
CFO & Company Secretary



NOTICE

NOTES:

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

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

2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the August 6, 2012 to Monday, the August 13, 2012 (both days inclusive).
3. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting. They are also requested to bring their copies of the Annual Report. Copies of the Annual Report will not be distributed at the meeting.
4. Members holding shares in physical form are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company and to their respective Depository Participants, in case shares are held in electronic mode.
5. Members desirous of asking any questions at the Annual General Meeting (AGM) are requested to send in their questions so as to reach the Company at least 7 days before the AGM so that the same can be suitably replied.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at this AGM is annexed.
7. Dividends which remain unpaid/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund (IEPF) as per Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the shareholders shall lie for the unclaimed dividend transferred by the Company to IEPF.



NOTICE

8. Re-appointment of the Directors

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

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

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

Registered Office:

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Mapusa, Goa – 403 526

May 30, 2012

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

Noel da Silva
CFO & Company Secretary



ANNEXURE TO THE NOTICE

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

Item No. 6

The Board of Directors at their meeting held on February 13, 2012, considering the contribution made by Mr. K. G. Gupta, thought it fit in the interest of the Company to retain and avail the continuity of his expertise by re-appointing Mr. K. G. Gupta as Managing Director for a further period of three years w.e.f. April 01, 2012.

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

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

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

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

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

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

I. GENERAL INFORMATION:

- (1) Nature of Industry :
The Company is engaged in the business of manufacture and export of Ophthalmic lenses. It has manufacturing facilities at Tivim Industrial Estate, Mapusa – Goa.
- (2) Date or expected date of Commencement of Commercial Production:
The Company started its commercial production in the year 1983.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (4) Financial performance based on given indicators: Rs. in lakhs

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

- (5) Export performance and net foreign exchange collaborations:
Earnings in Foreign Exchange Rs. in lakhs

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



ANNEXURE TO THE NOTICE

- (6) Foreign investments or Collaborations, if any:

The details of foreign investments are:

- (i) One equity share of Dirhams 1,50,000/- in GKB Ophthalmics Products FZE, Sharjah, UAE, equivalent Rs. 18,30,150/- at par.
- (ii) Investment of Euros 25,564.59 in GKB Ophthalmics GmbH Bremen, Germany, equivalent to Rs. 10,81,488/- at par.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background Details:

Mr. K. G. Gupta is a Science Graduate and is well known figure in the Ophthalmic Industry all over the world, has a rich experience of over 50 years in the field.

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

He has been the Chairman of the Board of Directors and is Managing Director of the Company since inception.

- (2) Past Remuneration:

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

- (3) Recognition and Awards:

- (i) Mr. K. G. Gupta is the Past Chairman of Confederation of Indian Industry (CII) in Goa and is presently a member of Western Regional Council of CII.
- (ii) Mr. K. G. Gupta is a member of Regional Governing Council for the year 2010-2012, SEEPZ, Special Economic Zone, Mumbai.
- (iii) Under the leadership of Mr. K. G. Gupta, the Company has been winning the CAPEXIL Award for its performance in International Trade, since inception.
- (iv) Also during the last term as Chairman and Managing Director, the Company has:
 - (a) Won the prestigious Business Today – YES Bank, Best SME award 2010, in the International Trade.
 - (b) Been accorded the status of Star Export House, by the Government of India, Ministry of Commerce and Industry, SEEPZ, Special Economic Zone, Mumbai, based on its performance in the International Trade.
 - (c) Been ISO certified – 9001: 2008, for the manufacture and supply of glass and plastic lenses and glass moulds.

- (4) Job profile and his suitability:

Mr. K. G. Gupta has been responsible and instrumental in achieving substantial growth in terms of revenue and profits for the Company during the tenure as the Managing Director.



ANNEXURE TO THE NOTICE

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

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

Looking at the contribution made by Mr. K. G. Gupta, for the growth of the Company's business operations, it is in the interest of the Company to re-appoint him for a period of three years w.e.f. April 01, 2012 to March 31, 2015.

(5) **Remuneration Proposed:**

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

(6) **Comparative Remuneration:**

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

(7) **Pecuniary Relationship:**

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

III. OTHER INFORMATION:

- (1) Reasons for inadequacy of Profit : Not applicable
- (2) Steps taken or proposed to be taken for improvement : Not applicable
- (3) Expected increase in productivity and profits in measurable terms : Not applicable

IV. DISCLOSURES:

- (1) An abstract dated March 30, 2012 of the terms of appointment and payment of remuneration of Mr. K. G. Gupta as Chairman and Managing Director and a Memorandum as to the nature of the concern or interest of the Director has been sent to members of the Company as required under Section 302 of the Companies Act, 1956.
- (2) The disclosures regarding all elements of remuneration package and other required details have been made.

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May 30, 2012

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

Noel da Silva
CFO & Company Secretary