

ANNUAL REPORT 2015 – 2016



GKB Ophthalmics Ltd.



Mr. K. G. Gupta	Chairman & Managing Director
Mr. K. M. Gupta	
Mr. Vikram Gupta	
Mr. Gaurav Gupta	
Mr. Anil Palekar	
Mr. Sadashiv Shet	
Mr. Joseph A. A. D'Costa	
Mr. Christopher Hickman	
Mrs. Shashi K. Katreddi	

Mr. Noel da Silva

M/s. Sharp & Tannan
Chartered Accountants
Mumbai

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

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

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NOTICE

NOTICE is hereby given that the THIRTY FOURTH ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Saturday, September 24, 2016 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(a). To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Directors and Auditors thereon.
- 1(b). To consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Vikram Gupta, (DIN: 00052019), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Sharp & Tannan, Chartered Accountants, Mumbai, (Registration No. 109982 W), be and is hereby appointed as the Statutory Auditors of the Company for a period of five years and to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Company's Thirty Ninth Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting, on such remuneration plus applicable Service Tax, out of pocket expenses and other incidental expenses as may be mutually agreed by and between the Board of Directors and the Auditor.”

SPECIAL BUSINESS :

4. 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 provisions of section 5 and 14 of the Companies Act, 2013 ('the Act'), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association, pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company. Proxies submitted on behalf of the Companies, etc. must be supported by appropriate resolution/letter of authority, as applicable. A proxy form is sent herewith.

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. 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.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the September 16, 2016 to Saturday, the September 24, 2016 (both days inclusive)
5. 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.
6. Electronic copy of the Annual Report 2015-16 is being sent to all members whose e-mail IDs are registered with the Depository Participants for communication purposes, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies are being sent in the permitted mode and the Annual Report 2015-16, is also available on Company's website www.gkb.net
7. 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.
8. 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 124 and 125 of the Companies Act, 2013. Further, no claim by the shareholders shall lie for the unclaimed dividend transferred by the Company to IEPF.
9. 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	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 20 years
Directorship held in other Listed companies	Nil *
Membership / Chairmanships of committees in GKB Ophthalmics Limited.	Member Stakeholders' Relationship Committee
Number of shares held in the Company	373105
Relationship between Directors inter-se	1. Son of Mr. K. G. Gupta, Managing Director 2. Nephew of Mr K. M. Gupta, Non Executive Director 3. Brother of Mr. Gaurav Gupta, Non Executive Director

* Does not hold any directorship and membership in the Committees of the Board in any other listed entity. Is CEO and Executive Director of Prime Lenses Private Limited, Non Executive Director in GKB Vision Private Limited and Non Executive Director in Crysta Lenses Private Limited.



10. Instructions for voting by Electronic means (e-voting).

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 21.09.2016 at 10.00 A.M. and ends on 23.09.2016 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 16.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on 'Login'.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bk Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none">• 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 (iv).



- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **GKB OPHTHALMICS LIMITED** on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) **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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **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 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.
 - 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 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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



11. All the 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 5.00 P.M., upto the date of the Annual General Meeting.

Explanatory Statement under Section 102 of the Companies Act, 2013

Item No. 4

With the coming into force of the Companies Act, 2013, several articles of the existing Articles of Association of the Company require alteration/deletions.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company.

A copy of the proposed set of new Articles of Association of the Company is available for inspection by the Members of the Company at the Registered Office during business hours, on any working day of the company, upto the date of the Annual General Meeting. The proposed draft Articles of Association is also available on the Company's website www.gkb.net

The Board of Directors commend the Special Resolution set out at item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, are in any way concerned or interested in this Resolution.

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

Place: Mapusa-Goa
Date : May 30, 2016

By order of the Board of Directors
For GKB Ophthalmics Limited

Noel da Silva
CFO & Company Secretary
FCS 3083



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 34th Annual Report and the Audited Accounts of the year ended March 31, 2016.

FINANCIAL RESULTS :

		Rs. in lakhs	
		2015-16	2014-15
a)	Sales & Other Income	3,347.93	3,105.56
b)	Profit/Loss before Depreciation and Tax	(278.67)	(206.19)
c)	Provision for Depreciation	142.26	147.69
d)	Provision for Tax	(394.87)	76.62
e)	Exceptional Items	2,181.91	51.20
f)	Profit after Depreciation and Tax	1,366.09	(226.06)
g)	Balance from previous years	195.43	465.06
h)	Balance carried forward	1,561.52	195.43

OPERATIONS :

During the year under review, the turnover of the Company was higher to the tune of Rs. 3,347.93 lakhs compared to Rs. 3,105.56 lakhs in the previous financial year. There was a net loss from operations of Rs. 278.67 lakhs during the current financial year compared to a net loss of Rs. 206.19 lakhs during the previous financial year due to write off of non moving inventory of glass lenses. Sale of plastic lenses has picked up but there is severe competition from China.

There was a net profit of Rs. 1366.09 lakhs due to sale of stake of the Company in GKB Vision Limited.

DIVIDEND :

Since the Company has posted an operating loss, your Directors regret their inability to recommend any dividend for the year 2015-16.

No amount has been transferred to reserve for the financial year ended March 31, 2016.

SUBSIDIARIES :

The Company's Wholly Owned Subsidiary (WOS) in Sharjah, UAE, Free Trade Zone Establishment, has achieved a turnover of Dirhams 6.41 million for the year ended December 31, 2015, as compared to Dirhams 7.13 million during the previous year. The net profit is Dirhams 0.93 million as compared to Dirhams 1.16 million during the previous year and has declared a dividend which entails an outflow of Dirhams 0.37 million.

The proposal for winding up GKB Ophthalmics GmbH, is pending for approval with Reserve Bank of India, Mumbai.

A statement under Section 129(3) of the Companies Act, 2013 giving details of subsidiaries is attached in Form AOC-1. Audited Accounts in respect of subsidiaries is placed on website of the Company www.gkb.net. The Company will make the said annual accounts of its subsidiaries available to the members upon a written request. The audited annual accounts of the Subsidiaries is available at the Registered Office of the Company for inspection.

However, in accordance with Accounting Standards 21, issued by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries have been prepared and form part of this Annual Report.



DELISTING :

The government has formally withdrawn the recognition of Delhi Stock Exchange. Hence the equity shares of the Company stand delisted.

ACCREDITATION :

The company has been accredited with ISO 9001:2008 by TUV Nord.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Vikram Gupta will retire by rotation, 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. 09 of the Notice for the ensuing Annual General Meeting.

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 Board of Directors have designated the following existing officers of the Company as Whole-Time Key Managerial Personnel.

Mr. K. G. Gupta, Managing Director and Mr. Noel da Silva, CFO & Company Secretary, are Whole-Time Key Managerial Personnel of the Company .

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS :

In terms of Section 149 (8) read in terms of schedule IV, the Independent Directors held a Meeting on March 30, 2016, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting.

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 Directors 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.

The Independent Directors have confirmed that they meet with the criteria of Independence laid down under the Act and Listing Regulations.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that they meet the criteria of independence as provided therein.

MEETINGS OF THE BOARD OF DIRECTORS :

During the year under review, six 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 :

As provided in section 177(8) of the Act, the information about composition of Audit Committee and other details are given in Corporate Governance Report. The Board has accepted the recommendations of the Audit Committee.

The Audit Committee is comprising of Mr. Sadashiv Shet as Chairman, Mr. Gaurav Gupta, Mr. Anil Palekar, Mr. Joseph A.A. D'Costa and Mr. Christopher Hickman, as members.

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.

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

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 the Regulation 17(10) of the Listing Regulations. 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 March 30, 2016.

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.