

ANNUAL REPORT 2016 – 2017



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 FIFTH ANNUAL GENERAL MEETING of GKB OPHTHALMICS LIMITED will be held on Saturday, September 23, 2017, 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, 2017, 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, 2017, together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Gaurav Gupta, (DIN: 00051974), 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 the provisions of Section 139, 141 and 142 of the Companies Act, 2013 and rules made there under and other applicable provisions of the Act, if any, read with the Companies (Audit and Auditors) Rules, 2014, including any Statutory modifications, amendments or re-enactment thereof, consent of the members be and is hereby accorded to appoint M/s. Sharp & Tannan, (Firm Registration Number 127145 W), as Statutory Auditors of the Company, who shall hold the office for a term of 4 years, with effect from Financial year 2017-18 till the conclusion of the Annual General Meeting to be held in the year 2020-21, subject to ratification by the members, at each Annual General Meeting, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

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 fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. 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 15, 2017 to Saturday, the September 23, 2017 (both days inclusive).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Ordinary Business to be transacted at the meeting is annexed herewith, although not statutorily required.



6. Members are also requested to note that, the Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) details of every participant in securities market. Those holding shares in electronic form are requested to submit the PAN to their Depository Participants, with whom they are maintaining their dematerialised accounts.

Whereas, members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agent.

7. Electronic copy of the Annual Report 2016-17 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 2016-17, is also available on Company's website www.gkb.net
8. 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.
9. The Company has not declared any dividend since 2010 -11. There are no unclaimed dividends of previous years to be transferred to Investor Education and Protection Fund.
10. 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	Gaurav Gupta Promoter, Non Executive Director
Date of Birth	26.03.1972
Date of Appointment on the Board	03.07.1999
Qualifications	Master in Computer Engineering from Iowa State University, USA
Expertise	Indepth experience in the field of Ophthalmic Lenses for 18 years
Directorship held in other Listed companies	Nil *
Membership / Chairmanships of committees in GKB Ophthalmics Limited.	Member of Audit Committee
Number of shares held in the Company	3,57,966
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. Vikram 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 GKB Vision Private Limited, Non Executive Director in Prime Lenses Private Limited and Non Executive Director in Crysta Lenses Private Limited.



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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 20.09.2017 at 9.00 A.M. and ends on 22.09.2017 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 16.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on shareholders /members.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on 'Login'.
- (vi) 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.
- (vii) 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 Bank 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.



- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **GKB OPHTHALMICS LIMITED** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **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. Apple and Windows phone users can download the app from the App Store and the windows Phone respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **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.
- (xx) 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.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.

- a) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off-date (record date) of September 16, 2017.



- b) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-of-date and not casting their vote electronically, may cast their vote at the AGM venue.
 - c) The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - d) The results shall be declared after the AGM of the Company. The results declared along with the scrutinizer's report shall be placed on the Company's website www.gkb.net and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited.
 - e) A member can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.
 - f) The Board of Directors has appointed Mr. Shivaram Bhat, Practising Company Secretary, failing him, Mrs. Shubhangi Baichwal, Practising Company Secretary as a Scrutinizer to scrutinize e-voting process in a fair and transparent manner.
12. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working hours and including the date upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 :

M/s. Sharp & Tannan (Firm Registration No. 109982W), Chartered Accountants, have been Statutory Auditors of the Company and they are retiring at the ensuing Annual General Meeting. As a part of their internal reorganization, they are seeking appointment in the name of Sharp & Tannan (Firm Registration No. 127145W) for the remaining term as available under the provisions of Companies Act, 2013. The Board of Directors of the Company at their meeting held on May 29, 2017, approved the appointment and recommended the members to approve the same.

M/s. Sharp & Tannan, have confirmed that the appointment, if made would be within the limits specified under Section 141(3) of the Companies Act, 2013 and that they are not disqualified to be appointed as Statutory Auditors as per provisions of Section 139 and 141 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014.

The Board, therefore, commends the ordinary resolution set out at item No.3 of the accompanying notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise, concerned or interested in the resolution.

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

Place: Mapusa-Goa
Date : May 29, 2017

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 35th Annual Report and the Audited Accounts of the year ended March 31, 2017.

FINANCIAL RESULTS :

			Rs. in lakhs
		2016-17	2015-16
a)	Sales & Other Income	3,978.18	3,347.93
b)	Profit/Loss before Depreciation and Tax	(44.03)	(278.67)
c)	Provision for Depreciation	133.63	142.26
d)	Provision for Tax	(28.87)	(394.87)
e)	Exceptional Items	269.77	2,181.91
f)	Profit after Depreciation and Tax	63.24	1,366.09
g)	Balance from previous years	1,561.52	195.43
h)	Balance carried forward	1,624.76	1,561.52

OPERATIONS :

During the year under review, the turnover of the Company was higher to the tune of Rs. 3,978.18 lakhs compared to Rs. 3,347.93 lakhs in the previous financial year, due to increase in sale of plastic lenses and the trend is expected to continue during the current financial year.

Exceptional item of Rs. 269.77 lakhs was due to sale of entire stake of the Company in Prime Lenses Private Limited.

DIVIDEND :

With the view to conserve the resources, your Directors regret their inability to recommend any dividend for the year 2016-17.

No amount has been transferred to reserve for the financial year ended March 31, 2017.

SHARE CAPITAL :

The paid up equity share capital as on March 31, 2017 was Rs. 415.35 lakhs. There was no change in the share capital of the Company, during the year under review.

SUBSIDIARIES :

The Company has a Wholly Owned Subsidiary, namely, GKB Ophthalmics Products FZE, Sharjah, UAE. The Lens Company NJ, USA, is a Wholly Owned Subsidiary of GKB Ophthalmics Products FZE.

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

A statement under Section 129(3) of the Companies Act, 2013, containing salient features of the financial statement of subsidiaries in Form AOC-1 is annexed herewith as Annexure - I. In terms of Section 136(1)(a) of the Companies Act, 2013, the Audited Accounts of the subsidiaries are placed on website of the Company at www.gkb.net. A copy of the audited financial statements in respect of each of the subsidiaries will be made available to interested shareholders, upon a written request, as per Section 136(1) (b) of the Act.

The audited accounts of the subsidiaries are also available at the Registered Office of the Company for inspection, during business hours.

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



CHANGE IN NATURE OF BUSINESS, IF ANY :

There has been no change in the nature of business of the Company during the year 2016-17.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Gaurav 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. Gaurav Gupta are given in Note No. 10 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 27, 2017, 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 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, four 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 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 27, 2017.

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.

AUDITORS :

M/s. Sharp & Tannan (Firm Registration No. 109982W), Chartered Accountants, have been Statutory Auditors of the Company and they are retiring at the ensuing Annual General Meeting. As a part of their internal reorganization, they are seeking appointment in the name of Sharp & Tannan (Firm Registration No. 127145W) for the remaining term as available under the provisions of Companies Act, 2013. The Board of Directors of the Company at their meeting held on May 29, 2017, approved the appointment and recommended the members to approve the same.

M/s. Sharp & Tannan, have confirmed that the appointment, if made would be within the limits specified under Section 141(3) of the Companies Act, 2013 and that they are not disqualified to be appointed as Statutory Auditors as per provisions of Section 139 and 141 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014.