

## Chairman's Speech

Dear Shareholders,

I am pleased to inform you that , the Company has received an 'in- principle' approval from BSE dated July 13, 2018, for preferential allotment of Equity shares and Equity Convertible Warrants. On July 27, 2018, the Company has allotted 4,87,000 Equity shares and has received an amount aggregating to Rs.7.54 crores. The same is held in an Escrow account in a bank.

The Company has also issued 7,50,000 Equity Convertible Warrants, out of which the Promoters have subscribed to 2,00,000 Warrants amounting to Rs.3.10 crores and equal number of warrants have been subscribed by SOMO Vision Co., Ltd., South Korea and the balance 3,50,000 warrants have been subscribed by other Indian investors. From all these parties we have received 25% of the issue price of the Warrants upfront, aggregating to Rs. 2.90 crores.

The Company is in the advance stage of incorporating a new Joint Venture by the name GSV Ophthalmics Private Limited, with SOMO Vision Co. Ltd., South Korea, in which the Company will hold 50% plus 1 share and SOMO Vision Co., Ltd., will hold 30% shares. The remaining 20% will be held by other domestic investors who would be our potential customers..

The existing Plant and Machinery of SOMO Group, manufacturing Hi-Index lenses will be relocated from South Korea to India and their staff will train our staff to use the machines. This will enable us to produce most advanced plastic lenses with latest technology.

During the year under review, the turnover of the company was lower to the tune of Rs.3,848.66 lakhs compared to Rs. 4214.26 lakhs in the previous financial year. There was a net loss from operations of Rs. 265.42 lakhs during the current financial year compared to a net profit of Rs. 63.23 lakhs during the previous financial year. The demand for glass lenses has dropped drastically. The drop in sales of glass lenses has been partly made up by plastic lenses.

The Company has gone through a changeover from manufacture of glass lenses to plastic lenses and this transformation was in process for nearly a decade. Since we have come out of that phase, I want to share with the shareholders about this difficult transition from glass to plastic lenses which your company has gone through..

GKB Ophthalmics was a prime Company selling its manufactured glass lenses all over the world, receiving awards after awards for our export performance right from its inception. The Company was established as a glass lens making Company but since last