Sensing Technology

OPTO CIRCUITS (INDIA) LTD.

2010

a decade onward

18th ANNUAL REPORT

2009–10

Board of Directors

Mr. Vinod Ramnani, *Chairman & Managing Director*
Mrs. Usha Ramnani, *Executive Director*
Mr. Jayesh C Patel, *Director*
Mr. Thomas Dietiker, *Director*
Dr. Suleman Adam Merchant, *Independent Director*
Mr. V Bala Subramaniam, *Independent Director*
Dr. Anvay Mulay, *Independent Director*
Mr. Rajkumar Raisinghani, *Independent Director*
Dr. William Walter O'Neill, *Independent Director*

Auditors

Anand Amarnath & Associates
Chartered Accountants
S-2, II Floor, Gem Plaza
No 66, Infantry Road
Bengaluru 560 001

Company Secretary

Mr. Srinatha A N

Bankers

State Bank of India
State Bank of Travancore
United Bank of India
IndusInd Bank Ltd.
DBS Bank Ltd.

Registered Office

Plot No. 83, Electronic City
Hosur Road, Bengaluru 560 100, India.

18th Annual General Meeting

Day & Date: Tuesday, 28th September 2010
Time: 12:00 noon
Venue: St. John's Medical College Hospital Auditorium
Opp. Koramangala BDA Complex, 100 Feet Road
Koramangala, Bengaluru 560 034, India.

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Message from the Chairman

Dear Shareholders,

Fiscal 2010 marks an important milestone in the history of Opto Circuits India (OCI). This is our tenth year of being a publicly-owned company, of creating wealth and consistent returns for all shareholders and of uninterrupted technology innovation and business growth. This is also the year in which we crossed INR 1000 crores in revenues, a dream that the OCI management held on to from the very beginning of this decade.

The year 2000 was the time when we decided to take the leap from being a small private company in the opto-electronics industry to being a contending global peer to the best and the biggest in the medtech industry. Back then, our three objectives were to grow the business faster than industry standards, to protect shareholder interests at all costs and to institute the right processes, people and philosophies that will ensure sustainable business expansion. The Management and the employees pursued a vision of excellence and innovation and worked hard to lend the company the industry reputation and market renown that it enjoys today.

Not content with the technologies we owned, we took to acquiring companies across geographies and segments and added to our list of products, patents, distributors and markets. The decision to chase a strategy of inorganic growth ensured unrivalled year-on-year growth rates and created a record of sorts in the stock markets.

Our most strategic acquisition was that of Germany-based Eurocor GmbH in 2006 and which saw us foray into the highly profitable interventional space. In 5 years, Eurocor has been able to draw up a remarkable product line of cardiac stents and balloon catheters and which helped us achieve a growth of 1471%. Our acquisition of US-based Criticare Systems Inc. was also a landmark deal as it helped elevate the customer-profile and price-realizations of our patient monitoring systems. With Criticare also came the super-speciality anaesthetic gas measurement technology, which we have been able to innovate on and leverage for more OEM business. Such successes have given us the faith and the fire to continue with our acquisitive strategy in the years to come.

> “The next target for the Management of your company is to reach a US$ Billion in revenues in the coming years.”

Today, we are a thriving conglomerate of 13 companies that design, develop and manufacture more than 100 life-saving and life-sustaining products which are used in tens of thousands of hospitals and care centres in more than 100 countries in every major continent. We have created multiple business centres, some of which drive innovation and some others, cost advantages, but all of which guarantee products of the highest standards. We continue working with OEMs who relied on us and continue doing so for technology niches and quality guarantees and some of our product brands compete with and complement some of theirs. The Group also owns 49 patents and 34 trademarks and have several hundred years of R&D man-hours, located out of the US, Europe and Asia.

During fiscal 2010, we completed a Qualified Institutional Placement (QIP) and raised approx. INR 400 crores, as a result of which, the company has now become practically debt free for possible acquisitions in the future. I thank all the investors and supporters for the overwhelming response to the placement and for deciding to partner in our growth.

Before I lay out our plans for the coming decade, I'll take this opportunity to thank our shareholders, employees, vendors, family and friends for a decade full of unprecedented support, patience and confidence that has enabled us to become proud custodians of world-class medical brands and a corporate with a market capitalization of more than a US$ Billion.

The next target for the Management of your company is to reach a US$ Billion in revenues in the coming years. The strategy laid out emphasises the need for the right minds and the right methods to achieve this goal. We've been constantly adding to our Top Management Team and have been investing in projects and processes that will help realise our dream. The Management of OCI also believes in the power of change and in the power of fresh, transcending ideas. In the last few years, we have made conscious efforts to recruit young talent and we are grooming and training them to take over the reins of the company in the future.

In the following decade, we plan to add those products to our portfolio that are indispensable to the tertiary care sector. Our efforts will be focussed on making operative and intensive care easy, affordable and seamless. We also wish to enhance our market share in the minimally-invasive treatment space and will endeavour to bring more efficient and effective technologies to the cardiac care industry. Further outlay will be made in generating clinical data and research papers that drive product sales in the developed world. For the developing economies that are making huge investments in healthcare, we have set out to design products that match their infrastructure and purchasing power. As always, we aim to put technology in the forefront and make it our key driver of growth.

The definitive result of all such measures would be more acute synergies in our product lines to enable our sales personnel and distributors expand markets and market shares, lower marketing costs, whilst still leading to double-digit sales growth.

It is also our fondest hope that, through all our business successes and laurels, we are able to positively impact healthcare as a human development goal. Universal health insurance and access to primary healthcare for the poorest and the most afflicted will be two agendas that we, as Opto Circuits (India) Ltd., will support, espouse and encourage in the coming decade.

You'll be happy to know that since the IPO in September 2000 the volume of investment has grown over 6,490% to our shareholders. I want to thank you again for sharing in our dream and our journey and I hope you'll continue doing so for many more years to come.

Sincerely,

Vinod Ramnani
Chairman and Managing Director
9th August 2010

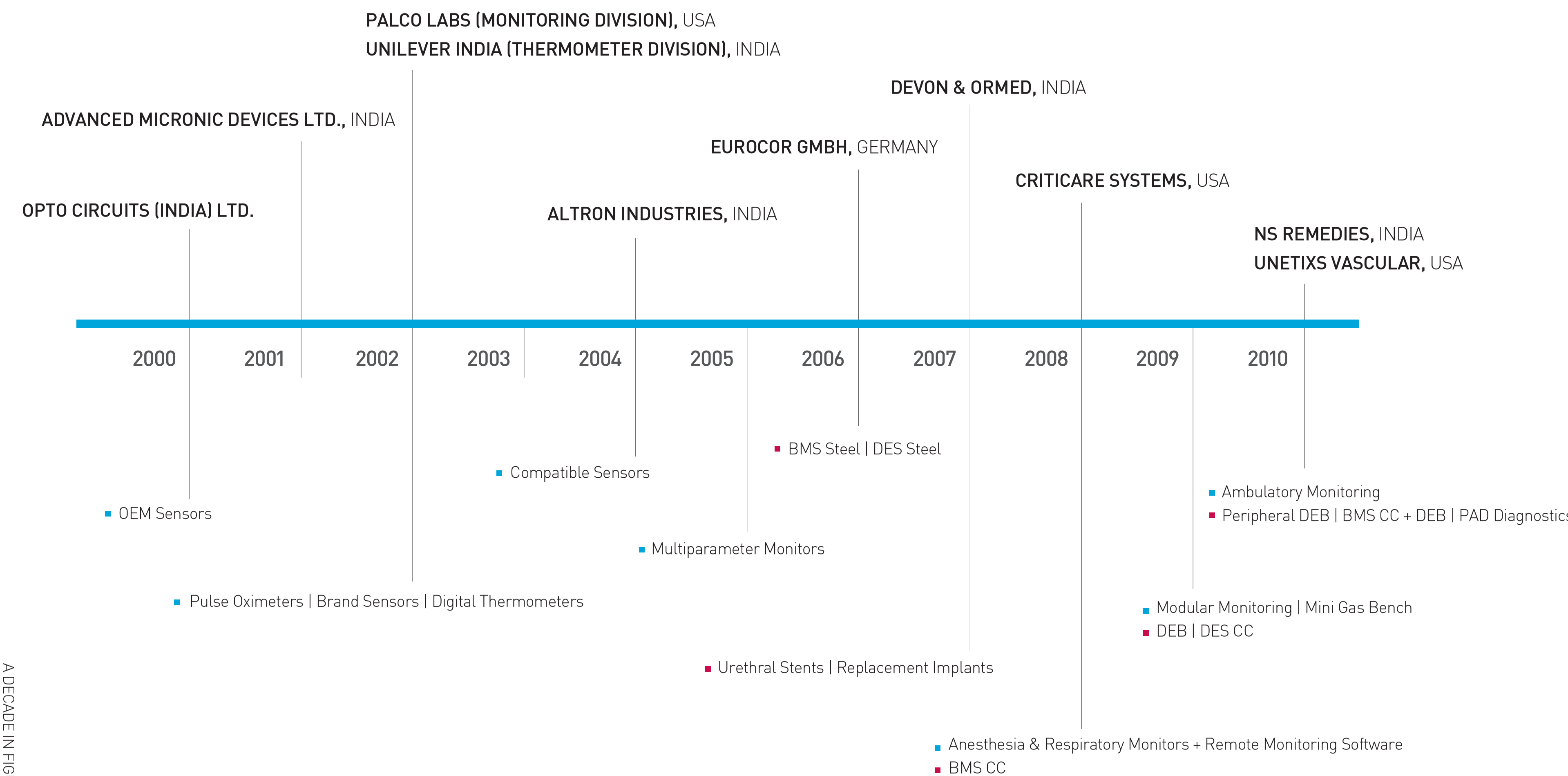
Snapshot of the Past Decade

Year	Units	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Revenues	Rs. in Million	286	566	686	1030	1336	1398	2516	4681	8185	10776
EBITDA/ Sales	%	18%	18%	18%	18%	19%	34%	34%	33%	35%	33%
Gross Block	Rs. in Million	103	166	224	314	334	379	607	778	2636	3574
Networth	Rs. in Million	221	297	353	442	560	795	2125	3346	5166	10444
Debt/ Equity Ratio	Times	0.38	0.48	0.86	0.78	0.62	0.98	0.30	0.30	1.04	0.22
Bonus Declared	Ratio	0:00	1:10	2:10	3:10	5:10	1:1	1:2	7:10	0:00	0.00
Bonus Shares Issued	No. of shares in Million	0	0	1	2.3	4.1	8.9	30.8	31.4	66.8	0
Equity Issuance*	No. of shares in Million	2.3	0	0	0.1	0	0	4.0	1.2	0.5	21.4
Total Equity (as on 31st March)	No. of shares in Million	10.3	10.3	11.4	13.8	17.9	26.8	61.6	94.2	161.5	182.9
Bonus/ Equity Ratio	%										79%
% of Dividend Declared	%	30%	30%	30%	30%	35%	40%	50%	50%	40%	40%
Dividend per share (Rs.)	Rs.	3.00	3.00	3.00	3.00	3.50	4.00	5.00	5.00	4.00	4.00
Dividend Payout	Rs. in Million	32	35	44	52	77	144	366	567	755	959
Dividend Payout Ratio	%	50%	49%	56%	39%	40%	38%	50%	43%	36%	37%
Market Capitalization	Rs. in Million	412	340	503	718	3201	9615	23679	27848	26239	39670

*Issue of Convertible Warrants shall be included in the equity issuance on the date of executing the option to convert

Acquisitions & Product Development

Product Developments
- Non-Invasive Products
- Invasive Products



Recap: 2009-10

Opto Circuits India was awarded the prestigious ranking of being one of the 200 Best Under a Billion Asian companies by FORBES in its annual listing in 2009 for the second consecutive year, reiterating our track record of profitability, growth and future prospects. OCI's selection was made in a year wrought with global economic uncertainties but at a time when OCI spearheaded its own business in the highly technology-intensive medical device industry through sustained product and marketing innovation.

Some of the developments of the last fiscal are captured below:

LAUNCH OF NEW PRODUCTS

Criticare Systems Inc. (CSI) launched three contemporary monitors that will help us access large hospitals and group purchase organizations

1. eVision 9100: a modular, green, state-of-the-art vital signs monitor
2. Poet IQ 8500H: an anesthetic mini gas bench module
3. eTraq: a compact, portable, multi-parameter transport monitor developed for the emerging markets

MAGICAL, Eurocor's CE-marked novel drug-eluting option that combines a bare metal stent with a drug-coated balloon for rapid healing without long-term anti-platelet therapy was launched. The product is set to compete with conventional drug-eluting stent options for some applications.

PRODUCT APPROVALS & CERTIFICATIONS

M50 NanoSAT, a new Mediaid pocket sized finger pulse oximeter (SPO2 monitor), one of the smallest and lightest of such monitors available in the market, received CE mark and is now available for marketing and distribution in key markets like Europe, Asia and Latin America.

Sequel, is CSI's, USFDA-listed, next-generation pulse oximeter (SpO2) module. The accreditation enables immediate integration of the module into CSI monitors and marketing and sale of the product to OEM manufacturers across the globe.

M900 and M960, Mediaid bedside monitors, got UFDA-listed.

The Mediaid brand of USFDA-listed Pulse Oximetry (SPO2) products (Patient Monitors & Sensors) received Brazilian FDA agency - Agencia Nacional de Vigilancia Sanitaria (ANVISA) approval for marketing and sale in the US and surrounding geographies.

Taxcor Plus, Eurocor's drug eluting stent on a Cobalt Chromium platform with Stent struts of 0.0025" received CE-certification. The stent is coated with Paclitaxel.

CE-marked product – **DIOR**, the Paclitaxel coated Coronary Balloon Dilatation Catheter, became the first drug eluting balloon to be used in Canada. Dr. Olivier Bertrand used the special access program from Santé Canada to successfully perform an angioplasty using DIOR.

THE VALENTINES TRIAL

The Valentines trial is a multicenter, open-label, one-week registry of up to 300 patients recruited from up to 100 centers around the globe who presented with in-stent restenosis (ISR) of a previously placed stent. Eurocor GmbH provided DIOR, drug-eluting balloon, for use in the trial and managed both the trial and its investigators via its own organization and the international distributor network. All data for analysis was collected via an electronic data capture system and analyzed within the Cardiovascular Research Institute Data Coordinating Center of the Washington Hospital Center. The preliminary results were presented at CRT, Washington 2010 and the final results will be presented at CRT 2011. Three principal investigators will chair the trial: Dr. Giuseppe Sangiorgi (Modena, Italy), Prof. Dr. Sigmund Silber (Munich, Germany), and Dr. Pieter R. Stella (Utrecht, The Netherlands).

OEM PARTNERSHIPS

We entered into OEM partnerships for sharing proprietary technologies this year. OCI and our subsidiaries entered into contractual agreements to private label our gas analysis, vital signs and pulse oximetry modules for a few Fortune 500 medical device companies, addressing some of the world's fastest growing medical markets.

Agenda: 2010-11

LAUNCH OF NEW PRODUCTS

Eurocor will be ready to market a breakthrough product, Freeway.

FREEWAY, a paclitaxel eluting balloon dilatation catheter, is slated to be a prime option for interventionists treating diabetic and atherosclerotic patients with peripheral artery blockages. Studies to prove the clinical efficacy of Freeway are under way and after the collation of post-implantation data, the company would be ready to release the product for sale. Freeway will help us further expand our addressable market by extending our product applications, consequently enabling us to reach a much larger number of medical professionals and interventionalists.

Eurocor is also working on different drug options for coronary and peripheral interventional devices.

CSI will also go full force in its marketing of eVision, the modular monitor it launched in the last fiscal.

MANUFACTURING

We are in the process of establishing a manufacturing facility in a tax free zone in Malaysia. The unit will be operational in the course of this year; this will help us diversify our manufacturing base closer to the markets.

OCI will also foray into manufacturing cardiac stents and catheters. A move to achieve the same was made in April 2010 when the company acquired Kolkata-based N.S. Remedies.

OCI's infrastructure arm, Opto Infrastructure Limited has received Central Government approval for an SEZ in Mysore district in Karnataka. OCI intends to set up an assembly for patient monitoring in this location.

MERGERS & ACQUISITIONS

Our foray into invasive segment has been further strengthened by the acquisition of Kolkata based N.S. Remedies Ltd. for about US$ 1.5 million. The company has an advanced facility for stent manufacturing and research and development. It has the capabilities to manufacture stainless steel and cobalt chromium stents and also has necessary CE marking on its stents. The acquisition will also significantly lower our manufacturing costs of bare metal stents and dependency on external agencies.

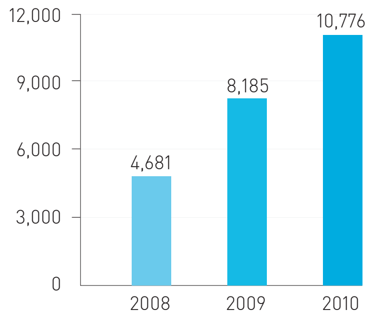
To strengthen its US presence, OCI acquired Unetixs Vascular, Inc. a world leader in equipment for measurement of peripheral arterial disease. Unetixs holds 14 patents worldwide and is driven by a strong R&D team based out of Rhode Island, USA.

Three Years at a Glance

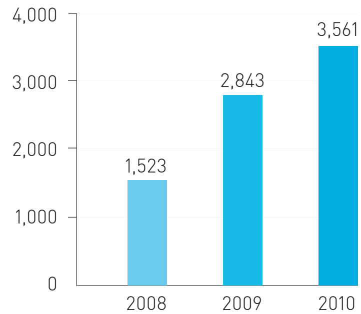
Financial data summary	Units	2008	2009	2010
Profit & Loss				
Sales	Rs. Million	4,681	8,185	10,776
EBITDA	Rs. Million	1,523	2,843	3,561
PBT	Rs. Million	1,352	2,168	2,901
PAT	Rs. Million	1,313	2,093	2,604
Balance Sheet				
Gross Block	Rs. Million	778	2,636	3,574
Net Block	Rs. Million	556	1,980	2,721
Net Current Assets	Rs. Million	3,174	6,134	7,491
Share Capital	Rs. Million	981	1,615	2,075
Reserves and Surplus	Rs. Million	2,364	3,551	8,369
Capital Employed	Rs. Million	4,442	10,682	12,909
Performance Ratios				
EBITDA/Sales	%	33%	35%	33%
PBT/Sales	%	29%	26%	27%
PAT/Sales	%	28%	26%	24%
Turnover Ratios				
FA Turnover Ratio		8.42	4.13	3.96
WC Turnover Ratio		1.47	1.33	1.44
Leverage Ratios				
Debt/Equity Ratio		0.3	1.04	0.22
Share Data				
Dividend	%	50%	40%	40%
Dividend per Share	Rs.	5	4	4
Basic EPS (restated)	Rs.	7.14	11.41	14.24
Other Key Parameters - Balance Sheet				
Goodwill/Total Assets	%	7%	17%	15%
Capital Expenditure/Sales	%	3%	18%	9%
Other Key Parameters - P&L				
Employee Cost/Sales	%	5%	5%	5%
SGA Total/Sales	%	12%	12%	10%
Interest Cost/Sales	%	2%	7%	4%

Key Parameters

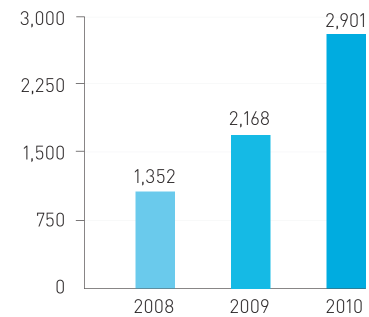
Sales (All Figures in Rupees Millions)



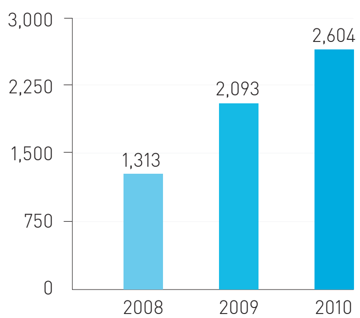
EBITDA (All Figures in Rupees Millions)



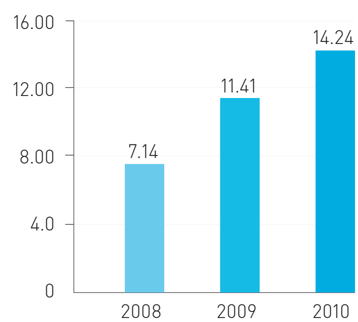
PBT (All Figures in Rupees Millions)



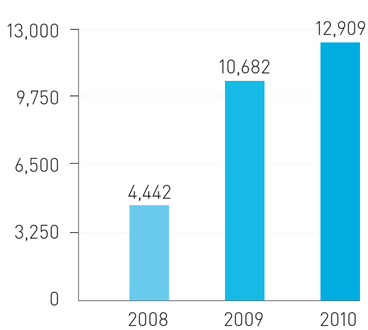
PAT (All Figures in Rupees Millions)



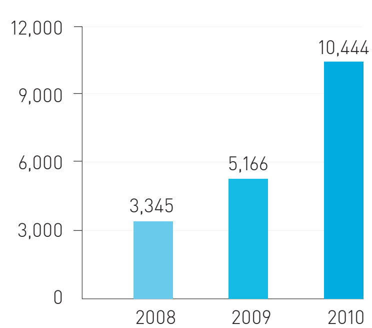
EPS (All Figures in Rupees)



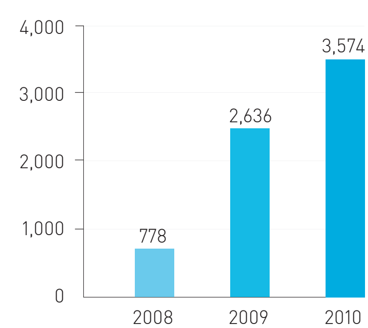
Capital Employed (All Figures in Rupees Millions)



Net worth (All Figures in Rupees Millions)



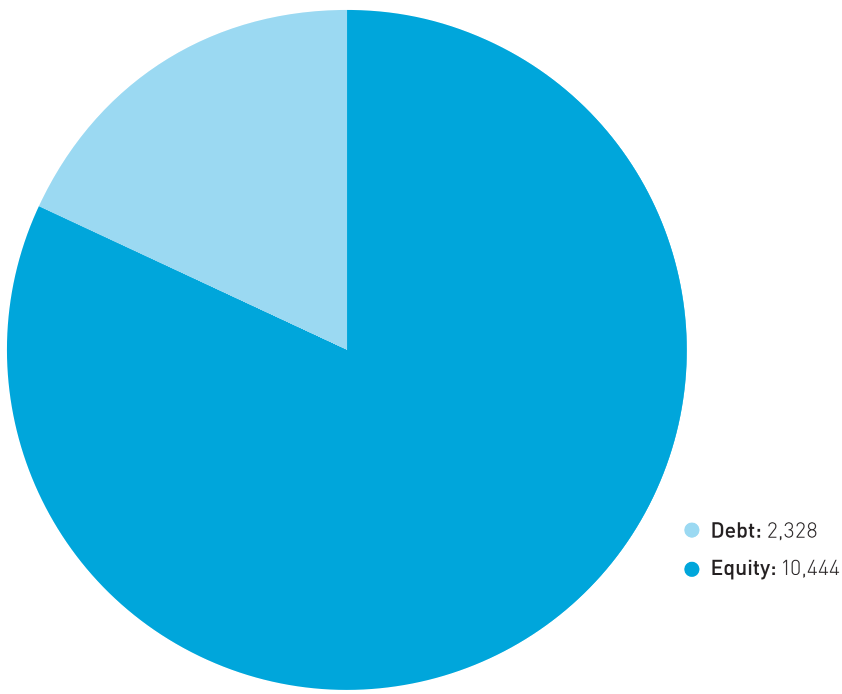
Gross Block (All Figures in Rupees Millions)



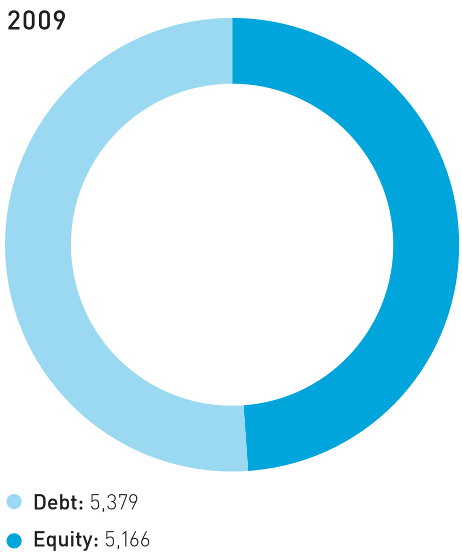
Debt Equity Mix

(All Figures in Rupees Millions)

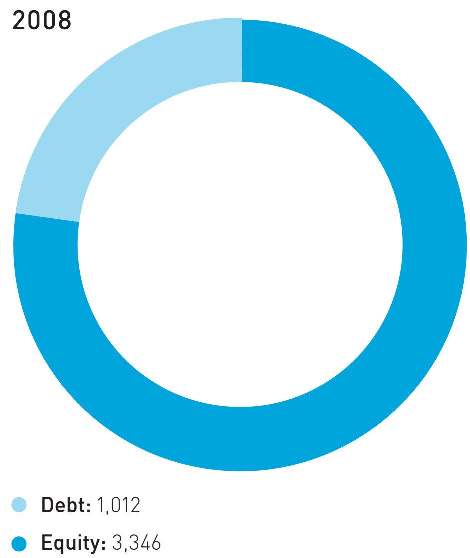
2010



2009



2008



Product Portfolio and Focus: Criticare & Eurocor

Non-Invasive

1. **Patient Monitors**
   a. Pulse Oximeters
   b. Vital Signs Monitors
   c. Respiratory & Anesthesia Care Equipment
2. **Consumables**
   a. Disposable & Reusable Sensors
   b. Accessories
3. **Diagnostic Equipment**

Pulse Oximeter

Respiratory & Anesthesia Care Equipment

Vital Signs Monitor

Disposable Sensors

PAD Diagnostic Equipment

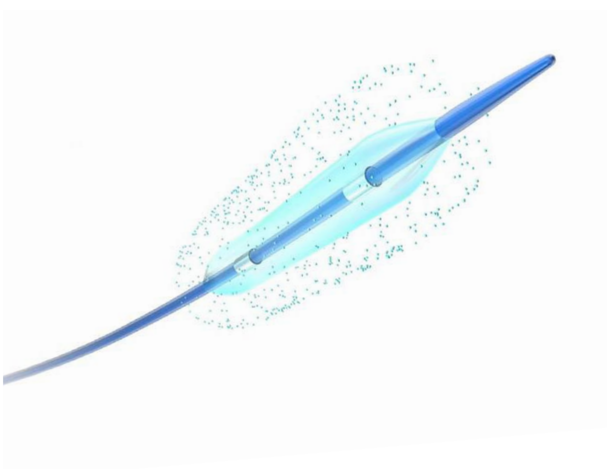
Invasive

1. Cardiac
- a. Drug Eluting Stents
- b. Bare Metal Stents
- c. Drug Eluting Balloons
- d. Combination device

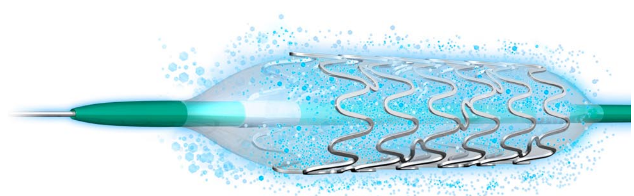
2. Peripheral Stents

3. Catheters & Implants

Orthopaedic Implants

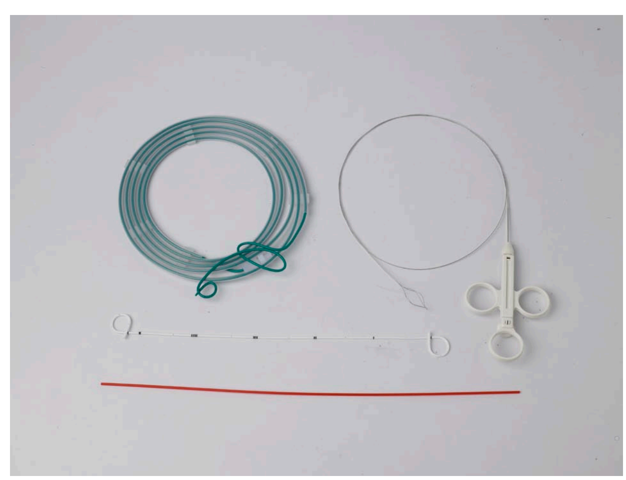


Drug Eluting Balloon



Combination Device

Stenting Systems



Catheters

Non-Medical

→ IT & Bankcard Technology
→ Strategic Electronics
→ Electronic Design Automation

Booth at AICT, Singapore 2010

Booth at EuroPCR, Paris 2010

CSI Headquarters

CSI Assembly Area

Focus: Criticare Systems Inc.

eVision 9100

Criticare Systems Inc. (CSI), based out of Waukesha, USA, is a 100% subsidiary of Opto Circuits (India) Ltd. CSI develops, manufactures and markets patient monitoring systems and accessories used in anesthesia, critical care, medical transport and outpatient care settings. CSI's offering includes some of the most advanced patient care equipment which includes vital signs multi-parameter modular monitors, anesthesia monitors and portable monitors. The products are distributed through a world-wide direct sales and distributor network.

CSI launched **eVision 9100**, the first modular and green patient monitoring system from the Opto Group. This modular design, with a touch screen display and an interactive user interface, allows the base configurations to be easily upgraded in the field or factory.

Poet® IQ 8500H

CSI also launched **Poet IQ 8500H**, a modular mini gas bench developed by the CSI team. It provides a unique combination of leading edge vital signs technology and anesthesia gas monitoring in a compact, modular system.

eTraq is a compact, portable, multi-parameter monitor specifically targeting the Transport Monitoring Segment.

eTraq

Focus: Eurocor GmbH

Eurocor GmbH, based out of Bonn, Germany, is a 100% subsidiary of Opto Circuits (India) Ltd. It is a rapidly growing life sciences company specialising in the research and development of cardiovascular products, in particular, coronary stent technologies. Eurocor's products are used in minimally invasive cardiovascular surgery and comply with biological and biomechanical principles to offer highly flexible, adaptable solutions.

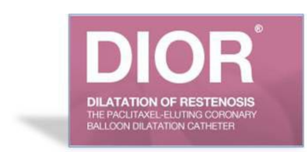
DIOR is among the first CE marked drug (paclitaxel) eluting coronary balloon dilatation catheter.

The Valentines Trial

Valentines Trial

The Valentines Trial is a multicentre, open-label, one-week registry of up to 300 patients recruited from up to 100 centers around the globe who presented with in-stent restenosis (ISR) of a previously placed stent. It began on February 14th 2010 and the primary results were presented at CRT Washington 2010.

The Valentines Trial delves into the use of DIOR in ISR cases and provides a global snapshot of the use and success of the product for the treatment of ISR.



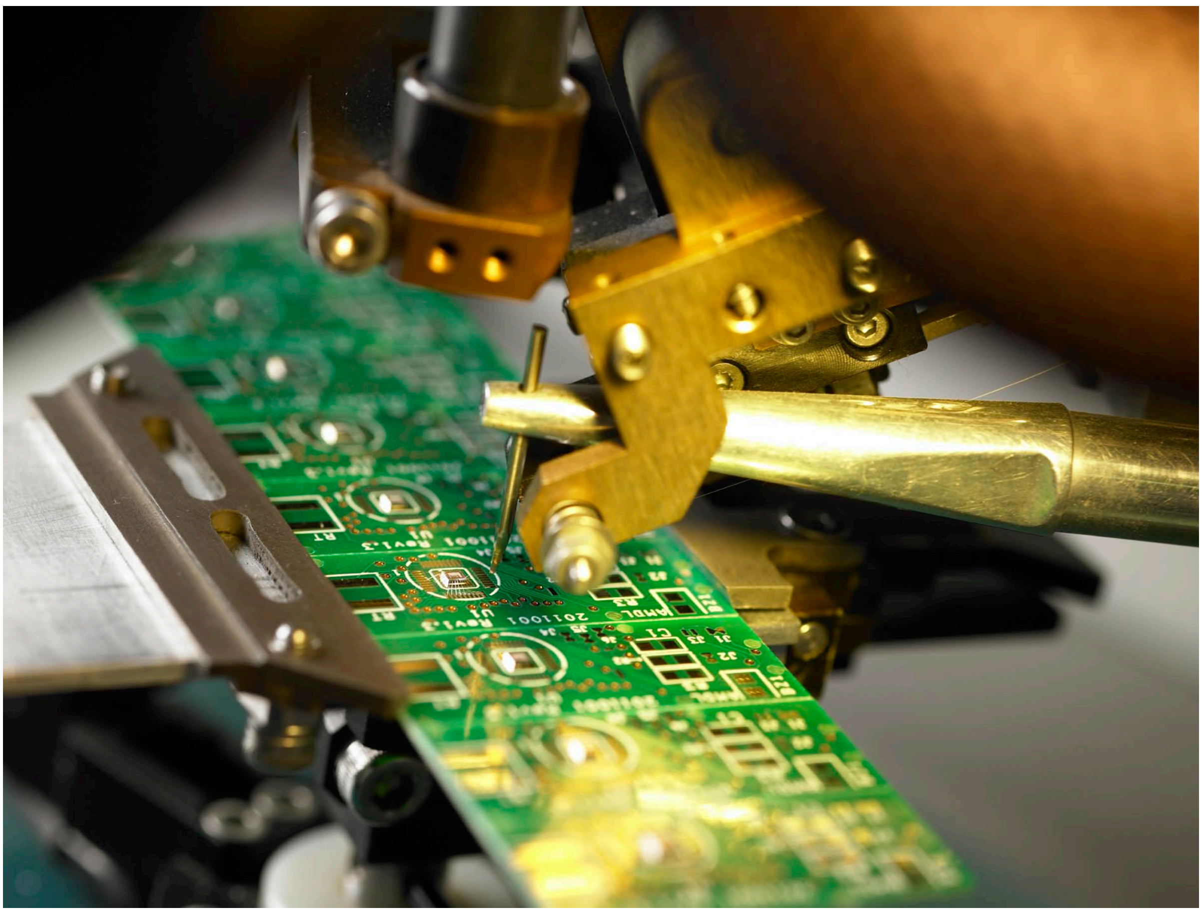
DEBIUT Trial

The Drug Eluting Balloon In Bifurcation Trial (DEBIUT) compared the effectiveness of Eurocor's DIOR - drug eluting balloon (DEB), in combination with a bare metal stent (BMS) vs. other treatment options involving drug-eluting stents and uncoated balloon catheters. The study results clearly showed very strong and significant clinical advantages provided by DIOR in bifurcated lesions.

New products:

MAGICAL is a CE marked novel coronary stent system which combines DIOR (drug-eluting balloon) and (MAGIC) cobalt chromium stent.

FREEWAY is a paclitaxel eluting balloon dilatation catheter. It is slated to be a prime option for interventionalists treating diabetic and atherosclerotic patients with peripheral artery blockages.



Statutory Reports

DIRECTORS' REPORT TO THE SHAREHOLDERS

To
The Members,
We are pleased to present the 18th Annual Report on the business and operations of Opto Circuits (India) Ltd., together with the audited financial statements and the Auditors' Report of your company for the financial year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

The financial highlights for Opto Standalone for the year under review are given below.

Rupees in Lacs

Particulars for the year-ended March 31st	2010	2009
Total Revenue	**46,092.51**	**42,915.72**
Expenditure	29,576.68	28,656.92
Profit before Depreciation	16,825.54	14,546.72
Depreciation	309.71	287.92
Profit before Tax	16,515.83	14,258.81
Provision for Tax	1,648.72	87.15
Prior year Adjustment	(163.53)	(178.30)
Profit for the Year	14,703.58	13,993.35
Appropriations		
Proposed Dividend	8,173.20	6,403.76
Tax on Dividend	1,389.03	1,088.32
Surplus carried to Balance Sheet	5,141.34	6,501.27

OPERATIONS

The journey of growth for the company continued during the year. The total revenue raised to Rs.46,092.51 Lacs for the year ended 31st March 2010 as against Rs. 42,915.72 Lacs of the previous year. The profit of the company for the year is Rs.14,703.58 Lacs as against Rs.13,993.35 Lacs for the corresponding previous year.

Your company, subsequent to 31st March 2010 incorporated a wholly owned subsidiary in Malaysia viz. Opto Circuits (Malaysia) SDN BHD and acquired N. S. Remedies Pvt. Ltd., in India and Unetixs Vascular Inc. in USA. Other than the above, there were no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year 2009-2010 and the date of this report.

DIVIDEND

Considering the performance of the company and its resources to meet its future developmental requirements, your Directors are pleased to recommend a dividend at the rate of Rs. 4/- per equity share of Rs. 10 each for the year ended 31st March 2010.

TRANSFER TO RESERVES

The company proposes to transfer Rs. 1,500.00 Lacs to General Reserve out of the amount available for appropriation. An amount of Rs. 20,971.14 Lacs is proposed to be retained in the Profit and Loss Account.

CONSOLIDATED FINANCIAL STATEMENT

Rupees in Lacs

Particulars for the year-ended March 31st	2010	2009
Total Revenue	**1,06,999.76**	**84,728.70**
Expenditure	74,893.81	61,316.77
Profit before Depreciation	32,105.92	23,411.92
Depreciation	2,779.92	1,380.95
Profit before Tax	29,326.00	22,030.98
Provision for Tax	2,963.73	749.56
Prior year Adjustment	(319.12)	(352.90)
Profit for the Year	26,043.15	20,928.52
Appropriations		
Proposed Dividend	8,194.48	6,456.57
Tax on Dividend	1,396.44	1,095.73
Minority Interest	10.42	55.48
Surplus carried to Balance Sheet	16,441.81	13,320.74

As stipulated in the Listing Agreement with the Stock Exchanges, the consolidated financial statements have been prepared by the company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors Report thereon form part of the Annual Report. The consolidated net profit of the Group for the year ended 31st March 2010 amounted to Rs. 26,043.15 Lacs as compared to Rs. 20,928.52 Lacs during the previous year.

PREFERENTIAL ISSUES

During the year, on 29th July 2009, the company has allotted 31,79,000 Convertible Share Warrants to the promoters and employees of the company/subsidiaries and the same is pending for conversion. The company has allotted 15,00,000 Convertible Share Warrants to an NRI on 9th April, 2010 against the amount received during the Financial Year 2009-10. Further, on 15th September 2009, the company has allotted 2,14,30,484 Equity Shares under Qualified Institutional Placements at Rs.186.65 per Share.

SUBSIDIARY COMPANY ACCOUNTS

Ministry of Corporate Affairs, Government of India, vide letter No.47/479/2010-CL-III dated 26th July 2010, has granted approval that the requirements to attach various documents in respect of subsidiary companies pursuant to Section 212 of the Companies Act, 1956, shall not be applicable to the company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the company. Financial information of the subsidiary companies, as required by the said letter is disclosed in the annual report. The company will make available the annual accounts of the subsidiary companies and the related detailed information to any investor of holding and of subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the registered office of the company and that of the respective subsidiary companies. The consolidated financial statements presented by the company include financial results of its subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

Your company operates in a working capital intensive industry driven by sustained innovation, rigorous government regulation and longer payment terms. Whether a multi-bed hospital or a small physical clinic, more than a thousand devices are used in today's medical facilities that strive to meet multifarious patient needs in differing economic landscapes. Government policies make the installation and use of many of these mandatory, rendering them non discretionary in nature. Insurance penetration, private or national, also dictates usage patterns and product design. The speedy progress of medical science and laboratory research and the globalization of diseases and disease control are actively propelling the industry to new levels.

Some of the factors that are distinctively influencing the growth in the industry are:

i. The increase of demand for health and safety, aging population, rising income levels has substantial influence on the growth of the Industry.

ii. The insurance penetration in the industry has helped in the phenomenal growth in product development, process development and innovations.

iii. The consumers in fast developing countries like the BRICs, especially in the urban areas are increasingly becoming more aware about the latest medical technologies which will increase the demand.

iv. The growth in purchasing power and per capita income amongst the people in developing countries is forcing industry players to develop and design medical devices with the latest technology.

v. The interventional cardiology market is currently seeing rapid technological advances with the increasing popularity of products such as drug eluting stents, intravascular ultrasound and vascular closure devices.

A. Patient Monitors and Accessories

The patient monitoring equipment industry has evolved over the years owing to deeper penetration of the technologies that have enhanced the development of best-of-the-class products. Patient monitoring, one of the biggest occupants of the medical technology pie, has been infused with several new technologies, ever since it was developed. The patient monitoring devices is expected to have significant growth in the fast developing countries due to increasing life expectancy, government-initiated healthcare reforms, rising income of middle class, and growing population in these countries. The market is expected to grow at the rate of 29.08% from 2010 to 2015. The global market for patient monitoring devices is estimated to grow to US$ 6 billion by 2011, with multi-parameter patient monitors accounting for over 40 per cent of the market. The USA is the largest market for medical equipment and supplies valued at US$ 94.9 billion in 2010, equal to 38.6% of the global market and is expected to have CAGR of 2.8% by 2015, will take the market value over US$ 100 billon. The patient monitoring equipment industry in Indian market is expected to have a growth rate of 15% during the next fiscal.

Some of the most compelling trends in this industry are:

i. The cardiovascular monitoring equipment is an integral component of the diagnostic testing suite for hospitals worldwide. The cardiovascular monitoring equipment industry has been spurred by the increasing technology content of the equipment, the potential to realize dramatic gains in market share, and the ability to manage the growing cost of research. As a result, market penetration levels of cardiovascular monitoring devices are deep and consistently improving.

ii. Advanced technologies integrated in patient monitoring equipment allow specialists to stay connected to patients admitted in the critical care units of the hospitals.

iii. The patient monitoring equipment market is witnessing a substantial growth due to increase in ageing population, rise in health care expenditure, and government initiative to improve health care delivery.

iv. The pressure on health care facilities around the world to cut costs and therefore, the need to lower the staff-per-patient ratio has dictated the development of central station monitoring software.

B. Stents and Catheters

The global market for coronary stents is expected to grow at a CAGR of 2.5% till 2016. Drug Eluting Stents segment has a substantial share in the Coronary Stent Market. The segment is expected to reach US$ 5.6 billion by 2016, with a CAGR of 3%.

Minimally invasive treatment, which save patients a lot of time and costs are increasingly preferred over full surgeries today. Stents, for the past decade have been undergoing rapid innovation and constant scrutiny. Angioplasty, as a method to treatment, first evolved from the use of a dilatation balloon and is, today, evaluating the clinical efficacies of a drug coated balloon catheter for multiple site applications.

The latest development in stent technologies like diamond carbon coating, platinum enriched stainless steel stents, completely bio-absorbable stents and antibody coated or gene therapy stents are becoming more popular recently.

The global market for interventional cardiology devices is projected to exceed US$13 billion by the year 2015. The Cardiac Stents, with a share of about 45%, represents the largest segment of the world interventional cardiology devices market. The cardiovascular diseases affect more than 60 million individuals in the US alone. While the United States, Europe and Japan represent mature interventional cardiology devices markets, the Asia-Pacific region constitutes a rapidly expanding market. The US followed by Europe represents the largest market for drug eluting stents. Asia-Pacific represents the fastest growing market, with China as both the largest and fastest growing market within Asia-Pacific, followed by India.

Catheterization procedures have steadily increased as interventional and less-invasive procedures have become more popular. Catheters are vital to the completion of many procedures, and some procedures or interventions, particularly in cardiovascular surgery and neurosurgery, could not be done without the use of catheters. The global catheter market is expected to reach US$ 32.1 billion in 2014, for a 5-year compound annual growth rate (CAGR) of 12.3%. The market's cardiovascular segment is the largest with sales, is projected to rise at a CAGR of 10.2% to US$11.6 billion in 2014. The second-largest segment is urology, which is expected to reach US$13.2 billion in 2014, with the highest CAGR among all segments at 17.1%.

2. Opportunities

The diversity of the product range and the ability of the company to find technological and distribution synergies amongst these is the company's greatest strength and an opportunity at further product extension. A strong base of proprietary technology has also helped in house product development without much external aid or interference. Your company's low cost manufacturing base in India is another advantage it enjoys compared to some of its biggest peers.

The patient monitoring devices market in BRIC is expected to witness significant growth due to increasing life expectancy, government-initiated healthcare reforms, rising income of middle class, and the growing urban population in these nations. We have also opened up emerging markets like Myanmar, Vietnam, Africa etc.

The increasing prevalence of cardiovascular diseases and diabetes especially in the elderly population is creating enormous growth opportunity for the NIBP, multi-parameter patient monitoring and remote monitoring devices categories. Currently there are more than 81 million patients suffering from cardiovascular diseases (CVDs) in the US only. Out of these, nearly 90% of the patients suffer from high blood pressure. Diabetes prevalence is also very high in the US with nearly 24 million patients suffering from the disease. These diseases combined with a large elderly population will create a huge demand for remote patient monitoring devices, multi parameter monitors as well as non-invasive blood pressure monitors in the US.

Your company's focus on path breaking and innovative technologies in the invasive space, like DIOR and Magical, attracts the best talent and resources and also helps mark a distinct identity for itself in an industry crowded by multi billion dollar companies. Eurocor's product pipeline of some innovative cardiovascular and peripheral devices is also expected to drive deeper market penetration.

3. Threats

In the event, we are unable to develop and commercialize new products, it will adversely affect our ability to compete effectively. Any product liability claims or potential safety related regulatory actions could adversely affect our goodwill, business and results of operations. The development of disruptive technologies in invasive non-invasive or drug related, may affect the prospects of our current line of products and in the event we are unable to adapt to these new developments, it may adversely affect our growth. The industry is highly patent driven. The inability to invent new products will adversely affect the growth of the company.

4. Segment Wise Performance

Your company's main business relates to development, manufacturing, distribution and marketing of medical equipments and devices which account for a substantial part of the Group's consolidated sales. For the year 2009-10, in consolidated sales, our invasive business grew by 43% and non invasive segment grew by 30% compared to the previous year.

In addition, we also provide ancillary and complementary services such as after sales service for our patient monitoring devices. We also provide information technology consulting global positioning systems and electronic design automation services in India.

5. Outlook

The overall outlook for the company remains highly promising. Your company has been able to generate and mobilize funds even during stressed financial conditions and has also steadily built up human resources and trained them well to realize opportunities. Your Directors are therefore confident that your company will continue to grow steadily.

The economic outlook has stabilized and has started to recover. The Indian economy is expected to grow at a rate of more than 8.5% during the financial year 2010-11 comparing to the previous year growth of 7.2%. Such growth momentum and the revisionist measures taken up by the Government of India and the RBI would enable your company to optimize its resources and achieve continuous growth.

6. Risks and Concerns

Risks are integral to every business in general, and for going concerns, in particular. The endeavor of your company is to maximize returns by achieving appropriate balance between risks and returns.

The Risk Management System put in place by your company has provisions for prioritization of risks and includes a Risk Matrix Framework. The Board of Directors of the company has also adopted a Risk Management Policy which would be reviewed and updated periodically.

Some of the external risks that the company is subject to are political, environmental, macro economic, legal and those related to exchange rate fluctuations and technological obsolescence.

Some of the important risks which your company faces internally and which it is constantly working on eliminating or mitigating are those related to the investment process, regulatory compliance, human resources management, cash management, execution delays in performance etc.

Some of these could be elaborated thus:

a) High Inventory Days

Your company makes around 100 types of products with multiple variants in some of its key categories. We develop around 80 types of sensors and our stents come in approximately 32 sizes and types. This makes it important for us to ensure an extensive inventory to effectively service our distributors and direct customers; hence the average inventory holding levels are at 100 days.

b) R&D Investments

Although we are committed to continue growing our business through innovation and new product development, customarily, players in this industry are exposed to the risk of non-fruition of human and pecuniary investments in research and development.

c) Regulatory Compliance

We are subject to laws and governmental regulations that are stringent. Typically adverse regulatory actions may affect our financial condition and business operations.

Your company, now on a growth trajectory, also operates in a competitive environment. Therefore, it is bound to undertake risks, but it has always ensured that the risks undertaken are commensurate with the returns and enables the company to capitalize on new opportunities.

7. Internal Control and their Adequacy

The organizational structure of the company is well defined with adequate and well defined systems for internal control; these ensure optimum utilization of resources and compliance with all applicable laws and regulations. The system also provides for adequate documentation, guidelines, and authority structures and approved procedures covering all the activities of the company.

The Internal Control System is commensurate with the size and nature of the business of the company, ensuring effective checks and balances within the system to arrest possible gaps if and when they occur. The company also continuously reviews and upgrades the Internal Control systems in line with the best practices in the industry.

RESULTS OF OPERATIONS

The following table sets forth selected financial data from our audited standalone Profit and Loss Statement, the components of which are also expressed as a percentage of our total income for the periods indicated:

Standalone Profit & Loss Account

Rupees in Lacs

Particulars for the year-ended March 31st	2010	% to Total Income	2009	% to Total Income
Income				
Sales	47,149.67	102.29%	40,123.14	93.49%
Other Income	(1,057.16)	-2.29%	2,792.58	6.51%
TOTAL	**46,092.51**	**100.00%**	**42,915.72**	**100.00%**
Expenditure				
Manufacturing Expenses	24,129.42		23,967.71	
Increase/Decrease in WIP & FG	50.55		(1,311.21)	
Net Manufacturing Expenses	**24,179.98**	**52.46%**	**22,656.50**	**52.79%**
Administrative & Selling Expenses	1,634.68	3.55%	1,608.31	3.74%
Financial Expenses	3,452.31	7.49%	4,104.18	9.56%
Depreciation	309.71	0.67%	287.92	0.67%
TOTAL	**29,576.68**	**64.17%**	**28,656.92**	**66.77%**
Profit for the year before Tax	**16,515.83**	**35.83%**	**14,58.80**	**33.23%**
Add/(Less): Prior Year Adjustment	(163.53)	-0.35%	(178.30)	-0.42%
Profit Before Tax	**16,352.30**	**35.48%**	**14,080.50**	**32.81%**
Provision for Taxation	1,648.72	3.58%	87.15	0.20%
Profit After Tax	**14,703.58**	**31.90%**	**13,993.35**	**32.61%**

INCOME

Total Turnover

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Sales	47,149.67	40,123.14
Other Income	(1,057.16)	2,792.58
Total Income	**46,092.51**	**42,915.72**

Total Turnover: The total turnover increased by 18% to Rs. 47,149.67 Lacs for the fiscal year 2010 from Rs. 40,123.14 Lacs for the fiscal year 2009.

Other Income: Other income decrease is primarily due to "difference in exchange rate" due to volatility in foreign exchange rates during such period.

EXPENDITURE

Net Manufacturing Expenses

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Manufacturing Expenses	23,821.47	23,682.19
Less: (Inc)/Dec in WIP & Finished Goods	50.55	(1,311.20)
Factory Expenses	307.95	285.52
Total Expense	**24,179.98**	**22,656.50**
Total Expense as % of Income	**52.46%**	**52.79%**

Administrative and Selling Expenses

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Administrative Expenses	761.33	714.41
Staff Expenses	534.64	574.14
Selling Expenses	338.71	319.76
Total	**1,634.68**	**1,608.31**
Total Expense as % of Income	**3.55%**	**3.75%**

Financial Expenses

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Financial Charges	3,452.31	4,104.18
Total	**3,452.31**	**4,104.18**
Financial Expense as % of Income	**7.49%**	**9.56%**

Financial expenses decreased to Rs. 3,452.31 Lacs for the fiscal year 2010 from Rs. 4,104.18 Lacs for the fiscal year 2009. The decrease in interest expense is owing to the decrease in long term loans paid during the third quarter of fiscal year.

PBDIT

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Profit before Depreciation, Interest & Tax	20,114.32	18,472.60
PBDIT as % of Income	**43.64%**	**43.04%**

Cash Profit after Tax

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Cash Profit after Tax	15,013.29	14,281.27
Cash Profit after Tax as % of Income	**32.57%**	**33.28%**

The decrease of cash profit after tax % is mainly due to tax.

Net Profit

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Net Profit after Tax	14,703.58	13,993.35
Net Profit after tax as % of Income	**31.90%**	**32.61%**

The decrease of net profit after tax % is mainly due to provision for Income Tax.

STANDALONE BALANCE SHEET

Rupees in Lacs

Particulars	As on March 31, 2010	As on March 31, 2009
I. Sources of Funds		
Share Holders Fund		
Capital	18,289.95	16,146.91
Share Warrant	2,456.48	-
Reserves & Surplus	65,385.40	24,051.47
Loan Funds		
Secured Loans	19,250.05	51,248.78
Unsecured Loans	210.11	104.11
Deferred Tax (Asset)/Liability	(15.77)	-
TOTAL	**105,576.21**	**91,551.27**
II. Application of Funds		
Fixed Assets		
Gross Block	9,393.44	4,587.03
Less: Accumulated Depreciation	1,350.04	1,172.87
Net Block	**8,043.40**	**3,414.16**
Capital Work-in-progress	75.12	560.10
Investments	**51,799.88**	**51,799.88**
Current Assets, Loans & Advances		
Inventories	11,534.51	9,966.88
Sundry Debtors	19,866.56	24,646.25
Cash & Bank Balances	11,083.83	8,057.15
Loans & Advances	19,860.03	8,132.04
	62,344.93	**50,802.32**
Less: Current Liabilities & Provisions		
Liabilities	2,488.28	4,206.76
Provisions	14,385.04	10,842.57
Net Current Assets	**45,471.61**	**35,752.99**
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	186.21	24.14
TOTAL	**105,576.21**	**91,551.27**

Net Worth

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Share Capital	18,289.95	16,146.91
Share Warrant	2,456.48	-
Reserves & Surplus	65,385.40	24,051.47
Net Worth	**86,131.83**	**40,198.38**

The increase in net worth is Rs. 45,933.46 Lacs. This is Rs. 38,377.10 Lacs (net of issue expenses) increase due to Qualified Institutional Placement of 214.31 Lacs equity shares at Rs.186.65 per share, Rs. 2,456.48 increase due to issue of Convertible Share Warrants of 46.79 Lacs, Rs. 5,141.34 Lacs increase being current year profit.

Loan Funds

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Total Loan Funds	**19,460.15**	**51,352.89**

The total loan funds decreased to Rs. 19,460.15 Lacs in fiscal year 2010 from Rs. 51,352.90 Lacs in fiscal year 2009 is mainly due to repayment of long term loans.

Fixed Assets

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Total Net Block	**8,043.40**	**3,414.16**

The total net asset block increase is mainly contributed by increase in plant and machinery.

Raw Material Inventory

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Raw Materials & Consumables	9,441.26	7,823.07
Number of days to Consumption	**145**	**121**

Finished Goods and Work in Progress

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Finished Goods and Work in Process	2,093.25	2,143.81
Stock of Finished Goods and Work in Process	2,093.25	2,143.81
Number of days to Sales	**16**	**20**

Debtors

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Debtors	19,866.56	24,646.25
Number of days to Sales	**154**	**224**

Current liabilities

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Current Liabilities	2,488.28	4,206.76
Number of days to Sales	**19**	**38**

RESULTS OF OPERATIONS

The following table sets forth selected financial data from our audited Consolidated Profit and Loss statement, the components of which are also expressed as a percentage of our total income for the periods indicated:

CONSOLIDATED PROFIT & LOSS ACCOUNT

Rupees in Lacs

Particulars for the year-ended March 31st	2010	% to Total Income	2009	% to Total Income
Income				
Sales	107,758.26	100.71%	81,851.97	96.60%
Other Income	(758.50)	-0.71%	2,876.72	3.40%
TOTAL	**106,999.76**	**100.00%**	**84,728.70**	**100.00%**
Expenditure				
Manufacturing Expenses	59,867.21		47,532.08	
Increase/Decrease in WIP & Finished Goods	87.57		(1,291.33)	
Net Manufacturing Expenses	**59,954.78**	**56.03%**	**46,240.74**	**54.58%**
Administrative & Selling Expenses	11,117.98	10.39%	9,705.86	11.46%
Financial Expenses	3,821.08	3.57%	5,370.17	6.34%
Depreciation	2,779.92	2.60%	1,380.95	1.63%
TOTAL	**77,673.76**	**72.59%**	**62,697.72**	**74.00%**
Profit for the year before Tax	**29,326.00**	**27.41%**	**22,030.98**	**26.00%**
Add/(Less):Prior Year Adjustment	(319.12)	-0.30%	(352.90)	-0.42%
Profit Before Tax	**29,006.88**	**27.11%**	**21,678.08**	**25.58%**
Provision for Taxation	2,963.73	2.77%	749.56	0.88%
Profit After Tax	**26,043.15**	**24.34%**	**20,928.52**	**24.70%**

Reflected below are tables comparing key items of the Profit and Loss Account with a brief variance analysis summary. This variance analysis summary is to be read along with supporting schedules to the Consolidated Profit and Loss Account.

INCOME

Total Turnover

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Sales	107,758.26	81,851.97
Other Income	(758.50)	2,876.73
Total Income	**106,999.76**	**84,728.70**

Total Turnover: The total turnover increased by 32% to Rs. 107,758.26 Lacs for the fiscal year 2010 from Rs. 81,851.97 Lacs for the fiscal year 2009.

The increase in the total turnover is driven by strong growth in our twin revenue streams viz., non-invasive and invasive businesses. Our non-invasive business grew by 30% to Rs.79,608.58 Lacs for the fiscal year 2010 from Rs. 61,334.47 Lacs for the fiscal year 2009 and our invasive business grew by 43% to Rs.25,681.78 Lacs for the fiscal year 2010 from Rs. 17,943.64 Lacs for the fiscal year 2009.

Other Income: Other income decreased by 126% to Rs. (758.50) Lacs for the fiscal year 2010 from Rs. 2,876.72 Lacs for the fiscal year 2009. This decrease was primarily in the line item "difference in exchange rate" which decreased to Rs. (1,082.96) Lacs for the fiscal year 2010 from Rs. 2,593.23 Lacs in fiscal year 2009, due to volatility in foreign exchange rates during such period.

EXPENDITURE

Net Manufacturing Expense

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Manufacturing Expenses	58,618.13	46,817.31
Less: (Inc)/Dec in WIP & Finished Goods	87.57	(1,291.34)
Factory Expenses	1,249.08	714.77
Total expense	**59,954.78**	**46,240.74**
Total expense as % of Income	**56.03%**	**54.57%**

The increase in factory expenses was due to service charges, net manufacturing expense as a percentage to total income increased to 56.03% in fiscal year 2010 versus 54.57% in fiscal year 2009.

Net manufacturing expenses increased by 30% to Rs. 59,954.78 Lacs for the fiscal year 2010 from Rs. 46,240.74 Lacs for the fiscal year 2009. This increase is primarily due to increase in consumption of materials which is in proportion to the increase in turnover.

Administrative and Selling Expense

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Administrative Expenses	5,343.84	4,567.19
Staff Expenses	4,970.75	4,005.05
Selling Expenses	803.38	1,133.62
Total	**11,117.97**	**9,705.86**
Total expense as % of Income	**10.39%**	**11.46%**

The administrative and selling expenses has decreased to 10.39% for the fiscal year 2010 from 11.46% for the fiscal year 2009. Total administrative and selling expenses increased by 15% to Rs. 11,117.97 Lacs for the fiscal year 2010 from Rs. 9,705.86 Lacs for the fiscal year 2009.

Financial Expense

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Financial Charges	3,821.08	5,370.17
Total	**3,821.08**	**5,370.17**
Financial expense as % of Income	**3.57%**	**6.34%**

Financial expenses decreased to Rs. 3,821.08 Lacs for the fiscal year 2010 from Rs. 5,370.17 Lacs for the fiscal year 2009. The significant decrease in interest expense is owing to the decrease in long term loans.

Depreciation and Amortisation

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Depreciation & Amortisation	2,779.93	1,380.95
Total	**2,779.93**	**1,380.95**
Depreciation and Amortisation as % of Income	**2.60%**	**1.63%**

Depreciation and Amortisation expenses increased to Rs. 2,779.93 Lacs for the fiscal year 2010 from Rs. 1,380.95 Lacs for the fiscal year 2009, primarily due to amortisation of intangible assets.

PBDIT

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Profit Before Depreciation, Interest & Tax	35,607.88	28,429.20
PBDIT as % of Income	**33.28%**	**33.55%**

PBDIT has increased by 25% to Rs. 35,607.88 Lacs for the fiscal year 2010 from Rs. 28,429.20 for the fiscal year 2009.

Cash Profit after Tax

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Cash Profit after Tax	28,823.07	22,309.47
Cash profit after Tax as % of Income	**26.94%**	**26.33%**

Cash profit after tax has increased by 29% to Rs. 28,823.07 Lacs for the fiscal year 2010 from Rs. 22,309.47 for the fiscal year 2009.

Net Profit

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Net Profit after Tax	26,043.15	20,928.52
% to Sales	**24.34%**	**24.70%**

Net Profit has increased by 24% to Rs. 26,043.15 Lacs for the fiscal year 2010 from Rs. 20,928.52 for the fiscal year 2009.

CONSOLIDATED BALANCE SHEET

Rupees in Lacs

Particulars	As on March 31, 2010	As on March 31, 2009
I. Sources of Funds		
Share Holders Fund		
Capital	18,289.95	16,146.91
Share Warrant	2,456.48	-
Reserves & Surplus	83,690.22	35,509.95
Loan Funds		
Secured Loans	21,923.54	53,627.98
Unsecured Loans	1,358.81	162.31
Deferred Tax Liability	19.23	30.55
Minority Interest	1,350.40	1,339.98
TOTAL	**129,088.62**	**106,817.68**
II. Application of Funds		
Fixed Assets		
Gross Block	35,737.10	26,360.36
Less: Accumulated Depreciation	8,531.04	6,559.01
Net Block	**27,206.05**	**19,801.35**
Capital Work-in-progress	2,614.91	1,723.12
Goodwill	**23,744.93**	**23,744.93**
Investments	**28.50**	**28.50**
Current Assets, Loans & Advances		
Inventories	22,125.11	23,052.34
Sundry Debtors	43,960.11	40,598.07
Cash & Bank Balances	12,232.68	9,133.49
Loans & Advances	30,537.87	25,650.04
	108,855.78	**98,433.94**
Less : Current Liabilities & Provisions		
Liabilities	17,819.72	25,104.97
Provisions	16,127.58	11,984.76
Net Current Assets	**74,908.47**	**61,344.20**
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	585.75	175.57
TOTAL	**129,088.62**	**106,817.68**

Net Worth

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Share Capital	18,289.95	16,146.91
Share Warrant	2,456.48	-
Reserves & Surplus	83,690.22	35,509.95
Net Worth	**104,436.65**	**51,656.86**

The increase in net worth is Rs. 52,779.79 Lacs. This is Rs. 38,377.10 Lacs (net of issue expenses) increase due to Qualified Institutional Placement of 214.30 Lacs equity shares at Rs.186.65 per share, Rs. 2,456.48 increase due to issue of Convertible Share Warrants of 46.79 Lacs. Rs. 16,441.81 Lacs increase being current year profit after providing for dividend and dividend tax and decrease of Rs. 4,454.14 Lacs from Foreign Currency Translation Reserve.

Loan Funds

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Total Loan Funds	23,282.34	53,790.29

The total loan funds decreased to Rs. 23,282.34 Lacs in fiscal year 2010 from Rs. 53,790.29 Lacs in fiscal year 2009 is mainly due to repayment of long term loans.

Fixed Assets

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Net block of Tangible Assets	16,539.01	9,339.87
Net block of Intangible Assets	10,667.04	10,461.48
Total Net Block	**27,206.05**	**19,801.35**

The total net asset block increase is mainly contributed by increase in plant and machinery.

Raw Material Inventory

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Raw materials & Consumables	19,971.63	20,811.29
Number of days to Consumption	**125**	**162**

Finished Goods and Work in Process

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Finished Goods	38.13	57.31
Work in Process	2,115.35	2,183.74
Stock of Finished Goods and Work in Process	**2,153.48**	**2,241.05**
Number of days to Sales	**7**	**10**

Debtors

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Debtors	43,960.11	40,598.07
Number of days to Sales	**149**	**181**

Current Liabilities

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Current Liabilities	17,819.72	25,104.97
Number of days to Sales	**60**	**112**

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The company has always recognized the importance of Human Resources and considers it as one of the key factors for the company's growth. All efforts are made to create an environment in which opportunities are available for innovation and work satisfaction with these practices, the company has a committed workforce.

Training and knowledge-sharing practices have helped the employees of the company in achieving excellence and adopting contemporary skills.

As on 31st March, 2010 the employee's strength of the company was 196 and the Group as a whole employed 755 people from diverse nationalities.

Employees Stock Option Scheme

The company, during the year allotted Convertible Share Warrants to employees of the company/subsidiaries as per the guidelines of Securities and Exchange Board of India (SEBI) and option of conversion is pending for exercise. On exercise of option to Converting of Share Warrants into equity shares does not affect the profits of the company, as the Convertible

Warrants are allotted at the market price as on the date of allotment.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the particulars relating to Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange earnings and Outgo are furnished below:

Conservation of Energy

The company does not come under the category of power-intensive industries. However, adequate measures have been taken to reduce energy consumption by using energy efficient equipments incorporating latest technology. Further, the Management of the company gives due importance to conservation of energy and reviews the measures taken for reduction in consumption of energy. An energy audit was done at the company's facilities at Bengaluru and Vishakapatnam which suggested many short and medium term projects to accrue energy conservation and company is in the process of implementation of the same.

The organization is an ISO 14001 certified company, which is an International Environmental Management System Standard. The environmental policy of the company aims at conservation of natural resources and minimization of pollution.

Research & Development

The Company's research and development initiatives are focused on improving the application characteristics of our existing devices and developing innovative proprietary devices. As of March, 31st 2010 the company employed 20 people for its R&D facility in Bengaluru. Further, the group has its research and development units in the United States, Germany and India.

Most of the technology for our devices is proprietary in nature which gives us sole control over the features and intellectual property cost of our devices and minimizes dependence on third-party technology. Proprietary technology has also allowed us to leverage our research and development capabilities to further improve our existing devices. As of March 31st 2010, we had 35 International patents registered in our name and have several applications pending. Our R&D also supports development of new products for our OEM partners.

To enhance our future growth and strengthen our market position, we have made and will continue to make significant investments in research and developments. Our teams, across functions, collaborate to identify trends and seek to implement the latest and clinically relevant engineering and design systems. We have developed a number of market leading technologies, particularly a precutaneous transluminal coronary angioplasty (PTCA) drug eluting balloon catheter, a drug eluting stent with a biodegradable polymer, a bare and drug eluting peripheral balloon catheter and peripheral stent system, a mini gas bench module for critical care monitors and a water separation system for monitoring gases in a high humidity environment. We continually seek to broaden our market reach by introducing new and more advanced products and product lines that address different end-user segments.

Technology Absorption

During the year under review, efforts were taken to strengthen the operations of the company by implementation of updated technologies.

Foreign Exchange Earnings & Outgo

The company earned Rs. 51,082.99 Lacs in Foreign Exchange. Foreign Exchange outgo including expenditure on capital goods was Rs. 41,373.28 Lacs.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975 as amended is as follows:

1. Employed for the full year

Name	Mr. Vinod Ramnani	Mrs. Usha Ramnani
Designation and Nature of Duties	Chairman & Managing Director	Executive Director
Remuneration Received	Salary: Rs. 5,247,027	Salary: Rs. 5,247,027
	Perquisites: Rs. 2,623,513	Perquisites: Rs.2,623,513
Qualification and Experience	B.E. 31 years	M Com 27 years
Date of commencement of employment	08.06.1992	08.06.1992
Age	54 years	53 years
Last employment held	Elekon Industries Pte Limited	United India Insurance Company Limited

2. Employed for part of the year: Nil

3. There was no employee covered under the Provisions of Section 217 (2A) (a) (iii) of the Companies Act, 1956.

4. Mr. Vinod Ramnani and Mrs. Usha Ramnani, being husband and wife are related to each other.

SUBSIDIARIES

As on 31st March 2010, your company had nine subsidiary companies, namely, Advanced Micronic Devices Ltd., a listed company, Mediaid Inc., Altron Industries Private Ltd., Eurocor GmbH, Germany, Devon Innovations Pvt. Ltd. and Ormed Medical Technology Ltd., Criticare Systems Inc., Opto Infrastructure Ltd. and Maxcor Lifescience Inc.

Advanced Micronic Devices Limited (AMDL)

AMDL is about 30 years old and is engaged in providing innovative product ranges both in hardware and software segments. It has recently forayed into Mapping and Survey activities also which has huge potential for growth.

AMDL with it's high profile customer base including government organizations, super specialty hospitals, Research Institutions and banks etc. has played an important role in the distribution and marketing of varied range of products of Opto Circuits (India) Ltd. especially in the Indian Sub Continent.

Last year, AMDL ventured into the fast developing Specialty Ambulance business in India and is now bidding for developing turnkey solutions in Basic Life Support and Advanced Life Support Ambulances. Some of our own monitoring equipment will be fitted into these ambulances, creating a fresh revenue stream for our existing product range of 40 monitors. The segment is expected to be worth US$ 150 million in the next five years.

AMDL is continuously rewarding its shareholders by payment of dividend. For the year 2009-10 a dividend of Re.1/- per equity share of Rs.10/- is proposed for the approval of the shareholders.

Mediaid Inc. USA

Mediaid Inc. is based in California USA and has offices in Germany and Dubai. It is into non-invasive medical devices such as pulse oximeters, digital thermometers, SpO2 sensors and multi-parameter monitors.

It also has a well spread distribution network, with which it is able to function as an overseas marketing wing of OCI. It has dealers across United States, Latin America and Europe.

Most of its products are approved by United States Food and Drug Administration (FDA) and CE marked in addition to relevant country specific registrations.

Mediaid received approval from the USFDA for Model 900, a bedside monitor, and Model 960, a vital sign monitor. Both monitors have been designed and developed by Opto's Research & Development centre at Bangalore.

Eurocor GmbH, Germany

Eurocor GmbH is a German company focusing on design and development of interventional cardiovascular products. Its product portfolio includes drug eluting stent, bare metal stent, coronary dilatation catheter and drug eluting balloon catheters.

During the year, Eurocor launched two invasive products: (i) Magical, a CE-marked novel drug-eluting option that combines a bare metal stent with a drug-coated balloon for rapid healing without long-term anti-platelet therapy. The product is set to compete with conventional drug-eluting stent options for some applications. Magical is ready for commercial production (ii) Freeway, a paclitaxel eluting balloon dilatation catheter, slated to be a prime option for interventionists treating diabetic and atherosclerotic patients with peripheral artery blockages.

During the year, Taxcor Plus, Eurocor's cobalt chromium drug eluting stent received CE-certification.

Altron Industries Private Limited

Altron Industries Pvt. Ltd. is in the process of diversifying its business operations to the hospitality sector.

Ormed Medical Technology Limited

Ormed Medical Technology Ltd. is a medical equipment company manufacturing mainly orthopedic implants (medical device designed to replace or act as a missing biological structure) and trauma treatment devices.

It has designed and developed devices including total hip replacement devices, polyethylene cups and other surgical consumables.

Devon Innovations Private Limited

Devon Innovations Pvt. Ltd. is also a medical equipment company engaged in the designing and manufacture of variety of catheters, stone graspers, stone baskets and dilator sets for different specialized applications mainly in the areas of Urology, Gastroenterology and Gynecology.

Devon operates out of its facility in Bengaluru, Karnataka and Parwanoo, Himachal Pradesh.

Criticare Systems Inc. (CSI), USA

Criticare Systems Inc., USA (CSI) was acquired by Opto Circuits (India) Ltd. during April 2008. It is a leading medical device company specializing in non invasive patient monitors and anesthetic gas benches.

Some of CSI's manufacturing is being moved to our facility in Vizag, Andhra Pradesh, India, thereby leveraging on the existing manufacturing base and other labor cost benefits. CSI's R&D is front ended by its team in Wisconsin and it receives backend engineering support from OCI's team in Bengaluru. We adopted a leaner Management approach too, further cutting down costs and increasing efficiencies.

During the year, CSI launched three contemporary monitors that will help the company to access large hospitals and group purchase organizations:

(i) eVision 9100, a modular, green vital signs monitor for modern healthcare facilities

(ii) Poet IQ 8500H, an anesthetic mini gas bench module.

(iii) eTraq, a compact, portable, multi-parameter transport monitor developed for the emerging markets.

Opto Infrastructure Limited (OIL)

The main objective of Opto Infrastructure Ltd. (OIL) is to develop specialized infrastructures such as Special Economic Zones (SEZ), industrial parks, hospitality establishments, townships and other challenging infrastructure projects.

It is a Special Purpose Vehicle (SPV) of Opto Circuits (India) Ltd. for its diversification plans.

OIL has commenced SEZ Projects at Hassan and Mysore in the state of Karnataka.

The SEZ project at Hassan is undertaken in an area of 250 acres. The Government has allotted the land and OIL has already taken possession.

OIL has commenced SEZ project at Mysore in an area of 130 acres. OIL has already obtained possession of 33 acres of land and the process of taking the remaining land is in the final stage.

Maxcor Lifescience Inc., USA

Maxcor Lifescience Inc., was incorporated by Opto Circuits (India) Ltd. as a wholly-owned subsidiary during 2008 for the development of Cardiovascular Interventional Devices. It has signed a strategic agreement with New Carolina, US-based Micell Technologies to develop rapamycin-coated drug eluting balloon and stent systems. Micell, which has a strong intellectual property portfolio, will coat products developed on Eurocor technologies.

CORPORATE GOVERNANCE REPORT

Corporate Governance Report, and Certificate of the Statutory Auditors dated 9th August, 2010 of your company regarding compliance of the conditions for Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges, is enclosed.

DIRECTORS' RESPONSIILITY STATEMENTS

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed:

a) That in the preparation of the Annual Accounts for the Financial Year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) That they have selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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 the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) That the Directors have prepared the annual accounts on a going concern basis.

LISTING OF SECURITIES

The company's securities are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

FIXED DEPOSITS

The company has not accepted any fixed deposits from the public during the financial year under review.

DIRECTORS

Mr. Thomas Dietiker, Mr. V. Bala Subramaniam and Dr. William Walter O'Neill, retire by rotation and offer themselves for re-appointment.

AUDITORS

The auditors M/s. Anand Amarnath and Associates, Chartered Accountants, Bangalore, retire at the conclusion of the forthcoming Annual General Meeting. Your company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provisions of Section 224 (1B) of the Companies Act 1956.

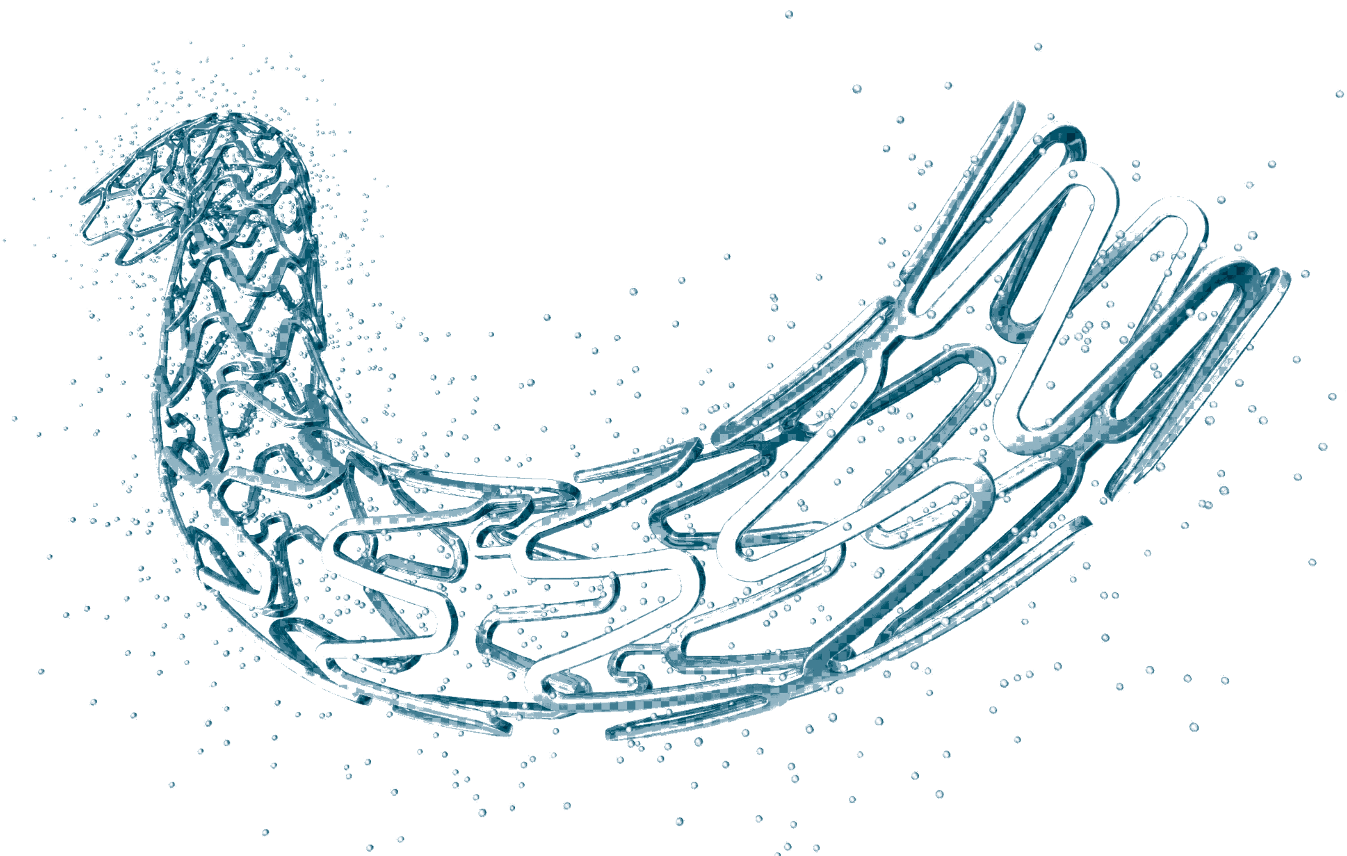
ACKNOWLEDGEMENTS

Your Directors greatly appreciate the commitment and dedication of all the employees at all levels that has contributed to the growth and success of the company. We would also like to thank all our clients, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

For and on behalf of the Board

Vinod Ramnani
Chairman and Managing Director

Place: Bengaluru, Karnataka, India
Date: 9th August, 2010



REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges and forms a part of the report of the Board of Directors. The company has complied with all applicable requirements of revised Clause 49 of the Listing Agreement.

1. PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

Opto Circuits (India) Ltd., which endeavors to implement the best Corporate Governance practices by adhering to the well defined policy framework, continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and sprit but also to implement the best international practices of Corporate Governance in the overall interest of all the stakeholders. The company's philosophy on Corporate Governance is to meet the aspirations and expectations of all stakeholders and the same is demonstrated in shareholders returns and performance of the company. The cardinal principles such as accountability, independence, trust, responsibility, transparency, fair and timely disclosures, etc., serve as the means of implementing the philosophy of Corporate Governance. The company has the best policies and practices with respect to employment and employee satisfaction and same is reflected in the stability of senior management, low attrition across various levels and increased productivity.

2. BOARD OF DIRECTORS

(i) Composition of Board and Committees:

The Board of Directors of the company comprises nine Directors. Mr.Vinod Ramnani is the Chairman & Managing Director and Mrs. Usha Ramnani is the Executive Director. The remaining seven Directors are Non–Executive, out of whom five are Independent Directors.

Meeting of the Board of Directors held during the year 2009-10 are detailed hereunder:

1. 09.04.2009	4. 18.06.2009	7. 28.08.2009	10. 12.12.2009
2. 27.05.2009	5. 16.07.2009	8. 29.09.2009	11. 28.01.2010
3. 03.06.2009	6. 29.07.2009	9. 29.10.2009	

(ii) (iii) & (iv) The details of the Directors as on 31st March 2010 and their attendance at the Board / Last Annual General Meeting are as follows:

Name & Category	Date of Appoint-ment	No of Board Meetings Attended	Memberships in the Boards of other Com-panies*	Memberships of Board Committees in all Companies*	Chairman-ships of Board Com-mittees in all Companies**	Attended the last AGM
Mr. Vinod Ramnani | Promoter	08.06.1992	11	03	Nil	Nil	yes
Mrs. Usha Ramnani | Promoter	08.06.1992	10	03	02	Nil	yes
Mr. Jayesh C Patel | Promoter	03.04.2000	05	Nil	Nil	Nil	yes
Mr. Thomas Dietiker | Promoter	03.04.2000	01	Nil	Nil	Nil	yes
Dr. Suleman Adam Merchant | Independent	20.08.2001	01	01	02	02	yes
Mr. Rajkumar Raisinghani | Independent	31.12.2005	11	02	04	Nil	yes
Mr. V. Bala Subramaniam | Independent	31.12.2005	09	01	Nil	02	yes
Dr. Anvay Mulay | Independent	31.12.2005	04	01	Nil	Nil	yes
Dr. William Walter O' Neill | Independent	28.09.2006	Nil	Nil	Nil	Nil	No

*Membership across all companies excluding private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
**Chairmanship and Membership of Audit Committee and Shareholders/Investors Grievance Committee only.

Pursuant to the provisions of the Companies Act, 1956, Mr. Thomas Dietiker, Mr. V Bala Subramaniam, and Dr.William Walter O'Neill, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Relationship between Directors

Mr. Vinod Ramnani, Chairman & Managing Director and Mrs. Usha Ramnani, Executive Director, being husband and wife, are related to each other.

Code of Conduct

The Board of Directors of your company have laid down a Code of Conduct ("the Code") applicable to all Board Members and Senior Management. A Declaration from the CEO to the effect that all the Board Members and Senior Management Personnel have affirmed compliance with "the code" forms a part of this report.

3. AUDIT COMMITTEE

(i) & (ii) The company has a qualified and independent Audit Committee with three members. Mr. V.Bala Subramaniam is the Chairman of the Committee and Mr. Rajkumar Raisinghani and Dr. Suleman Adam Merchant are the members. All the members of the committee including the Chairman are Independent Directors.

The audit committee has the following powers

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the following

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are fairly stated.

2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

3. Reviewing the internal audit system and scope of internal audit.

4. Reviewing with the management the annual financial statement before submission to the Board with particular reference to:

a. Matters required to be included in the Directors' Responsibility Statement in the Board's Report, in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.

b. Changes, if any, in accounting policies and practices and reasons for the same.

c. Major accounting entries involving estimates based on the exercise of judgment by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with the listing and other legal requirements relating to financial statements.

f. Disclosure of related party transactions.

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this manner.

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control system.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

9. Discussion with internal auditors on any significant findings and follow up thereon.

10. Reviewing the findings of any internal investigations, by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.

11. Discussions with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

13. To review the functioning of the Whistle Blower mechanism, in case the same exists.

14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(iii) Seven Audit Committee Meetings were held during the year 2009-10. The attendance is as follows.

Name	Number of Meetings Attended
Mr. V Bala Subramaniam	06
Dr. Suleman Adam Merchant	01
Mr. Rajkumar Raisinghani	07

The requirements regarding number of meetings to be held, quorum and the time gap between two meetings were in accordance with the requirements of Clause 49 of the Listing Agreement.

4. REMUNERATION COMMITTEE AND REMUNERATION TO DIRECTORS

(i) (ii) & (iii) The Board has constituted a Remuneration Committee to determine on their behalf and on behalf of the shareholders, the company's policy on specific remuneration package for executive directors including pension rights and any other compensation.

The committee reviews and decides the overall remuneration of the key employees of the company including Managing Director and the Executive Directors.

Mr. V Bala Subramaniam is the Chairman of the committee and Dr. Suleman Adam Merchant and Mr. Rajkumar Raisinghani are members. The Chairman and all the members of the Committee are Non executive, Independent Directors.

The committee has been empowered to review/recommend appointment and remuneration of the Executive and Non-Executive Directors. The committee met once during the financial year where the Chairman and a member were present.

(iv) Remuneration Policy

Payment of remuneration to the Managing Director and to the Executive Director is in accordance with the service contracts entered into with them, the terms and conditions of which are approved by the Remuneration Committee, the Board as well as shareholders of the company. No sitting fees are paid to the Directors of the company for attending the Board/Committee meetings.

The remuneration policy of the company is aimed at motivating the employees to excel in their performance. It also recognizes the contribution of the employees and aim to retain talent in the organization and reward merit. The remuneration paid is commensurate with industry standards.

(v) (a). The details of the remuneration paid to the Directors during the year 2009-10 are given below:

Amount in Rupees

Name of the Director	Salary	Perquisites*	Total
Mr. Vinod Ramnani	5,247,027	2,623,513	7,870,540
Mrs. Usha Ramnani	5,247,027	2,623,513	7,870,540
Mr. Thomas Dietiker	Nil	Nil	Nil
Mr. Jayesh C Patel	Nil	Nil	Nil
Dr. Suleman Adam Merchant	Nil	Nil	Nil
Dr. Anvay Mulay	Nil	Nil	Nil
Mr. V Bala Subramaniam	Nil	Nil	Nil
Mr. Rajkumar Raisinghani	Nil	Nil	Nil
Dr. William Walter O'Neill	Nil	Nil	Nil

* Out of the eligible perquisites, only house rent allowance at the rate of 50% of salary were drawn by Mr.Vinod Ramnani and Mrs.Usha Ramnani during the year 2009-10. Besides perquisites, Mr.Vinod Ramnani and Mrs. Usha Ramnani are also entitled to gratuity and encashment of leave at the end of tenure, as per the rules of the company.

(b) During the year no payments were made to the Non-Executive Directors of the company.

(c) Apart from the above fixed components, no performance linked incentives are paid to Mr. Vinod Ramnani and Mrs. Usha Ramnani.

(d) Mr. Vinod Ramnani, Chairman & Managing Director and Mrs. Usha Ramnani, Executive Director, have entered into Service Contracts with the company on 24th May 2010. Pursuant to the said Service Contracts, the notice period and the Severance Fee applicable to both of them are as follows:

I. No notice for termination need to be given by the company within two years from the date of appointment. But severance compensation of twelve months remuneration is to be given by the company.

II. Six months notice or payment in lieu of notice for termination by the company is to be given after two years from the date of employment with no severance compensation.

III. However if the termination is for "cause" no notice or payment in lieu of notice need be given by the company.

IV. The Chairman and Managing Director and the Executive Director may resign after two years from the date of appointment by giving three months notice to the company.

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

(i) The Shareholders and Investors Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. The committee also approves the transfer/transmission etc. of shares.

The Shareholders/Investors Grievance Committee consists of the following Directors.

Dr. Suleman Adam Merchant	Chairman
Mrs. Usha Ramnani	Member
Mr. Rajkumar Raisinghani	Member

During the year, eleven meetings were held and the attendance was as follows.

Name of the Member	No of Meetings Attended
Dr. Suleman Adam Merchant	NIL
Mrs. Usha Ramnani	11
Mr. Rajkumar Raisinghani	11

(ii) Mr. Srinatha A N, Company Secretary, acts as a Compliance Officer.

(iii) (iv) & (v) The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 254. There were no outstanding complaints as on 31st March 2010. No requests for transfers and for dematerializations were pending for approval as on 31st March 2010.

6. GENERAL MEETINGS

(i) & (ii) Location and time where last three AGMs were held and the Special Resolutions passed.

Financial Year	2006-07	2007-08	2008-09
Date, Time and Venue	25th September 2007 1.00 pm The Grand Ashok Kumara Krupa High Grounds Bengaluru 560 001	30th September 2008 12.00 noon NIMHANS Convention Centre NIMHANS Campus Hosur Road Bengaluru 560 029	29th September 2009 12.00 noon St. John's Medical - College Hospital Auditorium Opp. Koramangala BDA - Complex, 100ft Road Koramangala Bengaluru 560 034
Special Resolutions Passed	1. Increase of Authorized Share Capital from Rs.65.00 Crores to Rs.100.00 Crores and amendment to the Memorandum of Association accordingly 2. Amendment to the Articles of Association for Increase the Authorized Share Capital as above	1. Increase of Authorized Share Capital from Rs.100.00 Crores to Rs.200.00 Crores and amendment to the Memorandum of Association accordingly 2. Amendment to the Articles of Association for increase the Authorized Share Capital as above	NIL

(iii) & (iv) During the financial year 2009-10, the company has passed special resolutions through postal ballot on 11th June 2009 and the same has been disclosed in the Corporate Governance Report dated 16th July 2009. Other than the above, there were no Special Resolutions passed through postal ballot during the financial year 2009-10.

(v) Resolution through postal ballot will be conducted as and when required by following the prescribed procedure.

7. DISCLOSURES

(i) Basis of Related Party Transaction

Your Company places details with respect to related party transactions before the Audit Committee periodically. No transaction of a material nature has been entered into by the company with Directors or Management and their relatives etc. that may have a potential conflict with the interest of the company.

(ii) There has been no instance of non-compliance by the company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.

(iii) Whistle Blower policy is at present not adopted by the company.

(iv) All the mandatory requirements of corporate governance clause have been complied with by the company and compliance with non-mandatory requirements have been detailed under Sl. no.10 of this report.

(v) Disclosure of Accounting Treatments

The company has followed all relevant Accounting Standards while preparing the financial statements.

(vi) Risk Management

The company has laid down risk assessment and minimization procedures which are in line with the best practices in the industry and as per its experience and objectives. The risk management system is reviewed periodically and updated.

(vii) Proceeds from public issues, rights issues and preferential issues etc.,

Proceeds from the follow on public issue made during 2006 have been fully utilized.

The company allotted 31,79,000 Convertible Share Warrants on 29th July 2009 to the promoters of the company, employees of the company/subsidiaries and others at a price of Rs.210/- each, 25% of which was paid at the time of allotment aggregating to Rs.16.69 crores and the company has also allotted 2,14,30,484 equity shares to Qualified Institutional Buyers (QIB) on 15th September 2009, at a price of Rs.186.65 per share (including a premium of Rs.176.65 per share) aggregating to Rs. 400 crores.

(viii) No significant material transactions have been made with the Non-Executive Directors vis-a-vis the company.

(ix) The number of shares held by the Directors as on 31st March 2010 is as follow:

Name	No. of shares	% of holding
Mr. Vinod Ramnani	25,150,986	13.75
Mrs. Usha Ramnani	5,946,635	3.25
Mr. Jayesh C Patel	8,674,311	4.74
Mr. Thomas Dietiker	10,473,485	5.73
Dr. Suleman Adam Merchant	2,15,508	0.12
Mr. V Bala Subramaniam	19,890	0.01
Mr. Rajkumar Raisinghani	19,000	0.01
Dr. Anvay Mulay	2,300	0.00
Dr. William Walter O'Neill	NIL	NIL

(x) CEO/CFO Certification.
CEO/CFO has given a certificate to the Board as contemplated in Clause 49 of the listing agreements.

8A. MEANS OF COMMUNICATION

(i) & (ii) The annual, half yearly and quarterly financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and the same published in leading newspapers as required under the Listing Agreement.

(iii) The financial results of the company are displayed on the company's website www.optoindia.com.

(iv) & (v) The official presentations made to the institutional investors and the analysts are also displayed on the company's website www.optoindia.com.

8B. MANAGEMENT DISCUSSIONS AND ANALYSIS

The management discussions and analysis report is part of the Annual Report and is captioned "Management Discussion and Analysis" in the Directors' Report.

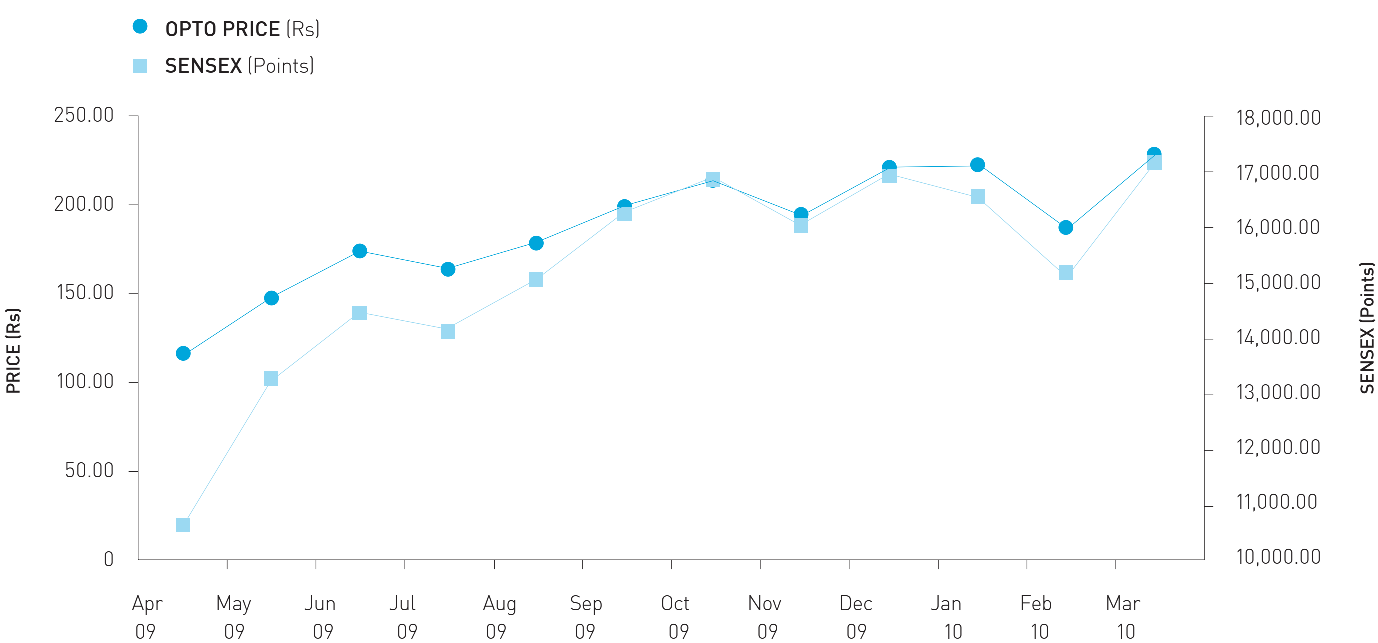
9. GENERAL SHAREHOLDER INFORMATION

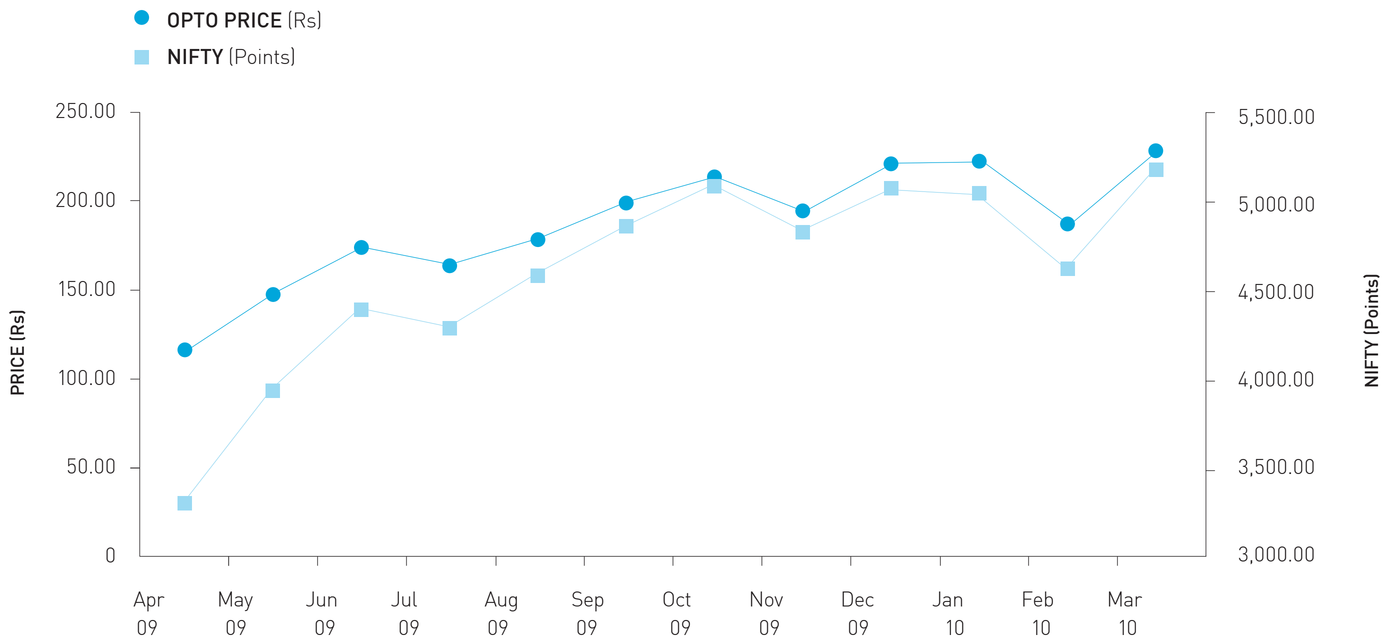
(i) Annual General Meeting	
Date and time	Tuesday, 28th September 2010 at 12.00 noon
Venue	St. Johns Medical College Hospital Auditorium Opp. Koramangala BDA Complex 100ft Road, Koramangala Bengaluru 560 034
(ii) Financial Calendar (Tentative)	
Results	Reporting
Quarter 30th June 2010	On or before 15th August 2010
Quarter 30th September 2010	On or before 15th November 2010
Quarter 31st December 2010	On or before 15th February 2011
Quarter ended 31st March 2011	On or before 31st May 2011
AGM for approval of Audited accounts for the year ended 31st March 2011	On or before 30th September 2011
Financial year	1st April to 31st March
(iii) Details of Book closure	From 23rd September 2010 to 28th September 2010
(iv) Dividend payment	On or after 28th September 2010
(v) Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai 400 051
(vi) Stock code	
a. Trading code/symbol	
Bombay Stock Exchange code	532391
National Stock Exchange code	OPTOCIRCUI
b. Demat ISIN Number in NSDL and CDSL for equity shares	INE808B01016
Listing fee	PAID

(vii) Stock Market Data: High and low quotation at Bombay Stock Exchange and at National Stock Exchange and Number of Shares Traded:

	BSE			NSE		
MONTH	HIGH (Rs)	LOW (Rs)	NO. OF SHARES	HIGH (Rs)	LOW (Rs)	NO. OF SHARES
Apr-09	128.10	101.00	15,028,765	129.40	100.85	33,267,896
May-09	175.00	112.00	12,243,886	175.00	112.05	27,996,089
Jun-09	195.00	146.55	9,569,599	193.00	145.00	23,491,361
Jul-09	181.45	131.25	13,461,453	182.00	131.10	25,987,732
Aug-09	195.95	167.00	6,893,667	205.00	166.50	20,081,882
Sep-09	212.90	180.00	11,064,528	213.40	178.10	27,001,103
Oct-09	221.00	191.00	6,213,043	220.90	190.00	18,244,477
Nov-09	224.50	181.10	3,577,452	225.00	182.60	12,504,277
Dec-09	237.00	206.10	4,753,812	233.45	205.05	15,062,269
Jan-10	247.90	207.75	3,176,584	247.60	207.50	11,544,969
Feb-10	224.80	203.25	1,426,749	227.80	203.50	6,359,771
Mar-10	235.80	211.40	2,446,735	235.00	211.60	10,855,338

(viii) The performance of the company's shares at Stock Exchanges (quotation) in comparison to board based indices i.e. BSE Sensex and NSE Nifty are as follows (Average of monthly high/low prices/indices)





(ix) Registrar & Transfer Agents

Share transfer and communication regarding share certificate, dividends and change of address	Karvy Computershare Pvt. Ltd. No.17 to 24, Near Image Hospital Vittal Rao Nagar Madhapur, Hyderabad 500 081 Phone 040 23420815 to 828 | Fax 040 23420814 Email: mailmanager@karvy.com

(x) Share Transfer System

Presently the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Share transfers/ transmissions are approved by shareholders/Investors Grievance Committee.

(xi) Distribution of Shareholding as on 31st March 2010

Sl No	Category		No. of Shareholders	% of Shareholders	Amount Rs.	% of Shareholding
	From	To				
1	1	500	41573	81.83	49,253,790	2.69
2	501	1000	4030	7.94	29,004,320	1.59
3	1001	2000	2400	4.72	34,286,720	1.87
4	2001	3000	911	1.79	22,623,260	1.24
5	3001	4000	385	0.76	13,509,940	0.74
6	4001	5000	260	0.51	11,789,710	0.64
7	5001	10000	560	1.10	38,967,980	2.13
8	10001	above	687	1.35	1,629,559,720	89.10
	Total		**50806**	**100.00**	**1,828,995,440**	**100**

Categories of Shareholders as on 31st March 2010

Sl. No.	Description of Holders	No. of Shareholders	Shares	% of Equity
1	Banks	6	133,680	0.07
2	Clearing Member	96	417,597	0.23
3	Employees	6	4,446	0.00
4	FII's	105	63,257,738	34.59
5	Foreign Nationals	2	5,130	0.00
6	Foreign Promoter	1	10,473,485	5.73
7	HUF	1,054	814,557	0.45
8	Indian Financial Institutions	3	1,207,746	0.66
9	Indian Promoters	3	39,771,932	21.75
10	Bodies Corporate	1,049	12,446,453	6.81
11	Mutual Funds	22	3,613,413	1.98
12	Non Resident Indians	1,174	13,946,337	7.63
13	Resident Individuals	47,274	36,793,275	20.12
14	Trusts	11	13,755	0.01
TOTAL		**50,806**	**182,899,544**	**100**

(xii) Dematerialization of Shares and Liquidity
As on 31st March 2010, 92.87% of the company's total paid up capital representing 169,866,680 shares were held in dematerialized form and the balance 7.13% representing 13,032,864 shares were held in physical form.

Secretarial Audit: As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial Audit and provides a report to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board of Directors. The audit, inter alia, confirms that the total listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

(xiii) There were no outstanding GDRs / ADRs etc. as on 31st March 2010.

(xiv) The company's plants are located at:
(i) Plot No.83, Electronic City, Hosur Road, Bengaluru 560 100
(ii) Shed No.15, VSEZ Duuvada, SDF-1 Building, Vadlapudi post, Vishakapatnam, AP 530 046

(xv) Address for correspondences:

(a) Correspondence for shares held in physical form:

Share transfer and communication regarding share certificate, dividends and change of address	Karvy Computershare Pvt. Ltd. No.17 to 24, Near Image Hospital Vittal Rao Nagar, Madhapur Hyderabad 500 081 Phone: 040 23420815 to 828 | Fax: 040 23420814 Email: mailmanager@karvy.com

(b) For shares held in Demat Form to the Depository participant.

(c) The company has designated investorsservices@optoindia.com as the e-mail ID for the purpose of registering complaints by investors.

(d) Disclosure regarding Suspense Account pursuant to SEBI Circular No.SEBI/CFD/DIL/LA1/ 2009/24/04 dated April 24, 2009.

Since there is neither unclaimed shares lying in the escrow account nor unclaimed benefits like dividend, bonus shares etc., there is no information to disclose under the above notification.

10. NON-MANDATORY REQUIREMENTS

1. The company has an Executive Chairman on its Board.
2. The Remuneration Committee is constituted by the Board, the details of which are provided under the heading "Remuneration Committee and Remuneration to Directors".
3. There are no qualifications in the Audit Report for the year 2009-10.
4. The company has not adopted the other non-mandatory requirements as specified in Annexure 1D of Clause 49 of Listing Agreements.

For and on behalf of the Board

Vinod Ramnani
Chairman & Managing Director.

Date: 9th August 2010
Place: Bengaluru

CERTIFICATES UNDER CORPORATE GOVERANCE REPORT

Certificate relating to the Code of Conduct for Directors/Senior Management.

This is to certify that as per revised Clause 49 of the Listing Agreement the code of conduct has been laid down for all the Board Members and Senior Management of the company. The Board Members and Senior Management have affirmed compliance with the company's Code of Conduct for the year 2009-10.

Vinod Ramnani
Chairman & Managing Director

Date: 9th August 2010
Place: Bengaluru

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the members of Opto Circuits (India) Limited,

We have examined the compliance of the conditions of Corporate Governance by Opto Circuits (India) Ltd. for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated under the Clause 49 of the Listing Agreements.

For Anand Amarnath & Associates
Chartered Accountants

BK Amarnath
Partner
Membership Number: 26536

Date: 9th August 2010
Place: Bengaluru

Standalone Financial Statements

AUDITOR'S REPORT

To,
The Members of
OPTO CIRCUITS (INDIA) LIMITED, BANGALORE.

1. We have audited the attached Balance Sheet of Opto Circuits (India) Limited as on 31st March 2010 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies' (Auditor's Report) Order, 2003 in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and according to the information and explanation given to us during the course of the audit and on the basis of such checks as we consider appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

(iii) The Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account.

(iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with in this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(v) On the basis of written representation received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(vi) Subject to the foregoing, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) in the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2010:

(b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and

(c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

Read with our report
For Anand Amarnath & Associates
Chartered Accountants

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 24th May 2010

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our Report of even date on the accounts of Opto Circuits (India) Limited for the year ended 31st March 2010)

i (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Physical verification of Fixed Assets is performed by the management in a regular programme for verification once in a year. In our opinion, the frequency of verification is reasonable, having regard to the size and the nature of its business.

(c) There was no substantial disposal of fixed assets during the year.

ii (a) We are informed that the physical verifications of inventories except inventories lying with the third parties were conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company has maintained proper records of inventories. According to the records produced to us, no discrepancies were noticed on verification between physical stocks and stock records.

iii (a) As per the explanation given to us the company has given loans to the parties listed in the register maintained under section 301 of the Companies Act 1956, the rate of interest and other terms and conditions of such loans given are not prejudicial to the interest of the company.

(b) As per the explanation given to us the company has taken loans from the parties listed in the register maintained under section 301 of the Companies Act 1956, and there was no payment of any interest by the company during the year.

iv. In our opinion, and according to the information and explanations given to us, there is adequate internal control procedure commensurate with size of the company and the nature of its business for the purchase of inventory and assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.

v (a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000 in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.

The company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

vi. In our opinion, the internal audit system in the company during the year is adequate and commensurate to the size and the nature of the business of the company.

vii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any product of the company.

viii. On the basis of records produced before us, the company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty and Service Tax. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Customs Duty, Excise Duty and Service Tax which are outstanding as on 31st March 2010 for a period of more than six months from the date on which they became payable.

ix. The company has no accumulated losses and has not incurred cash losses during the current financial year and in the immediately preceding financial year.

x. During the year, the company has not taken any additional term loan from banks/financial institutions. It has not defaulted in repayment of its dues to financial institutions and banks.

xi. In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xii. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special status applicable to Chit-Fund and

Nidhi / Mutual Benefit Fund/ Societies, accordingly Clause 4 (xii) of the order is not applicable.

xiii. In our opinion, the company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirement of Clause 4 (xiv) of the order is not applicable to the company.

xiv. In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantee for loans taken by its subsidiary from a bank, are not prima-facie prejudicial to the interest of the company.

xv. In our opinion and based on information and explanations given to us by the management, term loans have been applied for the purpose for which they were obtained.

xvi. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purpose. No long-term funds have been used to finance short-term assets except permanent working capital.

xvii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956, during the year

xviii. The company has not issued debentures during the financial year.

xix. During the year the company has raised Rs 38,377.10 Lacs (net of issue expenses) through Qualified Institutional Placement of 214.30 Lacs Equity shares at Rs 186.65 per share fully paid up, and also issued 60 lacs Equity warrant @ Rs 210 per share with each warrant convertible into one equity share of the company, out of which 46.79 lacs share warrants has been subscribed and 25% of the issue price i.e Rs 52.50 were paid by the allotees of the share warrant holders. The Share warrant could be converted in to the equity shares of company within a period of 18 months from the date of allotment.

xx. On the basis of our examination and according to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 24th May 2010

OPTO CIRCUITS (INDIA) LIMITED

BALANCE SHEET AS ON 31.03.2010

Amount in Rupees

Particulars	Schedule	31.03.2010	31.03.2009
I. Sources of Funds			
Share Holders Fund			
Capital	A	1,828,995,440	1,614,690,600
Share Warrant	A (a)	245,647,500	-
Reserves & Surplus	B	6,538,539,993	2,405,146,586
Loan Funds			
Secured Loans	C	1,925,004,649	5,124,878,574
Unsecured Loans	D	21,010,839	10,411,525
TOTAL		**10,559,198,421**	**9,155,127,285**
II. Application of Funds			
Fixed Assets	E		
Gross Block		939,343,991	458,703,429
Less Depreciation		135,003,527	117,286,897
Net Block		**804,340,464**	**341,416,532**
Capital work - in - progress		7,511,868	56,010,382
Investments	F (a)	5,179,987,824	5,179,987,824
Deferred Tax Asset	F (b)	1,576,971	-
Current Assets, Loans & Advances	G		
Inventories		1,153,451,041	996,687,929
Sundry Debtors		1,986,656,011	2,464,625,379
Cash & Bank Balances		1,108,382,686	805,714,632
Loans & Advances		1,986,002,923	813,204,305
TOTAL (A)		**6,234,492,661**	**5,080,232,245**
Less: Current Liabilities & Provisions	H		
Liabilities		248,828,346	420,676,554
Provisions		1,438,503,564	1,084,256,854
TOTAL (B)		**1,687,331,910**	**1,504,933,408**
Net Current Assets (TOTAL A-B)		**4,547,160,751**	**3,575,298,837**
Miscellaneous Expenditure (to the extent not written off or adjusted)	I	**18,620,543**	**2,413,710**
TOTAL		**10,559,198,421**	**9,155,127,285**
Notes forming part of accounts and Significant Accounting Policies	Q		

For and on behalf of the Board of Directors

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 24th May 2010

OPTO CIRCUITS (INDIA) LIMITED

PROFIT & LOSS ACCOUNT FOR PERIOD ENDED 31.03.2010

Amount in Rupees

Particulars	Schedule	31.03.2010	31.03.2009
Income			
Sales	J	4,714,966,979	4,012,314,127
Other Income	K	(105,716,186)	279,258,252
Increase/Decrease in W I P & FG	L	(5,055,447)	131,120,815
TOTAL		**4,604,195,346**	**4,422,693,194**
Expenditure			
Manufacturing Expenses	M	2,412,942,243	2,396,771,494
Administrative & Selling Expenses	N	163,468,124	160,830,850
Financial Expenses	O	345,231,252	410,418,405
Depreciation	E	30,970,730	28,791,752
TOTAL		**2,952,612,349**	**2,996,812,501**
Profit for the year before Tax		**1,651,582,997**	**1,425,880,692**
Add/(Less):Prior Year Adjustment		(16,352,706)	(17,830,449)
Profit Before Tax		**1,635,230,291**	**1,408,050,243**
Provision for Taxation	P	164,872,496	8,714,974
Profit After Tax		**1,470,357,795**	**1,399,335,269**
Profit brought forward from Previous Year		1,732,979,904	1,232,852,817
Profit available for appropriation		**3,203,337,699**	**2,632,188,086**
Amount Transferred to General Reserve		150,000,000	150,000,000
Proposed Dividend		817,320,112	640,376,240
Tax on Distributed Profits		138,903,553	108,831,942
Profit carried to Balance Sheet		**2,097,114,034**	**1,732,979,904**
Number of Equity Shares		182,899,544	161,469,060
Basic earnings per equity share (Rs.)		**8.04**	**7.65**
Diluted earnings per equity share (Rs.)		**7.95**	
Notes forming part of accounts and Significant Accounting Policies	Q		

For and on behalf of the Board of Directors

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 24th May 2010

OPTO CIRCUITS (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

Amount in Rupees

Particulars	31.03.2010	31.03.2009
I. Cash Flow from Operating Activities	**1,651,582,997**	**1,425,880,692**
Net profit before tax & extraordinary items		
Adjustments from non operating items		
Amortisation and other non cash items	36,717,089	24,606,745
Depreciation	30,970,730	28,791,753
Dividend received for the year	(3,153,165)	(6,306,330)
Interest paid on borrowings	345,231,252	410,418,405
Interest received of Fixed Deposit	(1,293,539)	(18,238,700)
Profit / (Loss) on sale of Fixed Asset	13,076,882	12,254,467
	2,073,132,246	**1,877,407,032**
Adjustments for Working Capital		
(Increase)/Decrease in Inventories	(156,763,112)	(333,706,610)
(Increase)/Decrease in loans & advances	(1,172,798,618)	(499,043,124)
(Increase)/Decrease in Sundry Debtors	477,969,366	(459,926,561)
(Increase)/Decrease in Current Liabilities	(129,525,898)	379,482,481
Cash operating profit/ (loss) before income tax	**1,092,013,984**	**964,213,216**
Income Tax	(164,872,496)	(8,714,974)
Cash flow from operating activities before extraordinary items	**927,141,488**	**955,498,242**
Extraordinary items & previous year transactions	(16,352,706)	(17,830,449)
Net Cash Flow from Operations	**910,788,782**	**937,667,793**
II. Cash Flow from Investing Activities		
Dividend Income	3,153,165	6,306,330
Interest received on Fixed Deposit	1,293,539	18,238,700
Proceeds from Sale of Fixed Assets	(13,076,882)	(12,254,467)
Proceeds from sale of Investments (Net)	-	(4,154,464,073)
Total inflow of cash from investments	**(8,630,178)**	**(4,142,173,510)**
Purchase of Fixed Assets	(530,611,746)	(83,852,521)
Payment towards Capital Work in Progress	48,498,514	(48,318,098)
Product Development Expenses	(16,206,833)	(963,066)
Net Cash Flow from Investing Activities	**(506,950,243)**	**(4,275,307,195)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010 (contd)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
III. Cash Flow from Financing Activities		
Proceeds from Long term borrowings-Net	(1,945,266,954)	2,422,813,513
Proceeds from issue of share capital		
Proceeds from issue of Share premium	3,833,564,117	214,560,000
Proceeds from issue of share warrants	245,647,500	(39,600,000)
Share Issue Expenses		
Repayment of Secured Loans	(1,254,606,970)	1,888,478,950
Repayment of Unsecured Loans	10,599,314	(58,293,750)
Inflow of Cash	**889,937,007**	**4,427,958,713**
Interest paid on borrowings	(345,231,252)	(410,418,405)
Dividend & Dividend Tax	(645,876,240)	(476,359,000)
Net cash flow from financing activities	**(101,170,485)**	**3,541,181,308**
Total Increase in cash & cash equivalents during the year	**302,668,054**	**203,541,906**
Cash & cash equivalents at the beginning of the year	805,714,632	602,172,726
Cash & cash equivalents at the end of the year	1,108,382,686	805,714,632

Note: Figures in brackets represent outflows

Auditors Certificate

We have examined the above Cash Flow Statement of Opto Circuits (India) Ltd., for the year ended March 31, 2010. The statement has been prepared by the company in accordance with the requirement under Clause 31 of Listing Agreement with stock exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company for the year ended March 31, 2010.

For and on behalf of the Board of Directors

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 24th May 2010

OPTO CIRCUITS (INDIA) LIMITED

SCHEDULE TO BALANCE SHEET AS ON 31.03.2010

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule A		
Share Capital Authorised		
200,000,000 Equity Share of Rs.10/- each (P.Y. 2,00,000,000 Equity Shares of Rs. 10/- each)	2,000,000,000	2,000,000,000
Issued Capital		
183,161,444 Equity Shares of Rs.10/- each (P.Y. 161,730,960 Equity Shares of Rs. 10/- each) Out of the above - 1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash - 150,211,540 (P.Y.150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus shares - 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis - 540,000 Equity shares of Rs.10/- each fully paid up as share warrant converted to Equity shares	1,831,614,440	1,617,309,600
Subscribed Capital		
182,899,544 Equity Shares of Rs.10/- each fully paid up (P.Y. 161,469,060 Equity Shares of Rs. 10/- each) Out of the above- - 1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash - 150,211,540(P.Y.150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus shares - 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis - 540,000 Equity shares of Rs.10/- each fully paid up as share warrant converted to Equity shares	1,828,995,440	1,614,690,600
Paid-up Capital		
182,899,544 Equity Shares of Rs.10/- each fully paid up (P.Y. 161,469,060 Equity Shares of Rs. 10/- each) Out of the above- - 1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash - 150,211,540(P.Y.83,454,280) Equity Shares of Rs.10/- each fully paid up as Bonus shares - 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis - 540,000 Equity shares of Rs.10/- each fully paid up as share warrant converted to Equity shares	1,828,995,440	1,614,690,600
TOTAL	**1,828,995,440**	**1,614,690,600**
Schedule A(a)		
Share Warrant	**245,647,500**	**-**
46,79,000 partly paid share warrants of Rs. 210/- each to be converted into Equity shares of Rs. 10/- each at a premium of Rs. 200/-		
TOTAL	**245,647,500**	**-**

SCHEDULE TO BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule B		
Reserves & Surplus		
(a) General Reserve		
As per last Balance Sheet:	376,987,752	226,987,752
Add: Transfer from Profit & Loss Account	150,000,000	150,000,000
TOTAL	**526,987,752**	**376,987,752**
(b) Capital Reserve	**20,160,000**	**20,160,000**
(c) Profit & Loss Account balance	**2,097,114,034**	**1,732,979,904**
(d) Securities Premium Reserve		
Share Premium account - opening Balance	275,018,930	753,591,530
Add:Addition during the year	3,619,259,277	189,000,000
Less: Capitalisation of Reserves for bonus Shares including bonus shares for share warrant	-	667,572,600
	3,894,278,207	**275,018,930**
TOTAL (a+b+c+d)	**6,538,539,993**	**2,405,146,586**
Schedule C		
Secured Loans		
Term Loan From Banks & Financial Institutions*	866,935,767	2,808,632,577
Working Capital Advances from Banks **	1,049,628,369	2,304,235,340
Other Term Loans***	8,440,513	12,010,657
	1,925,004,649	**5,124,878,574**
* Secured by hypothecation of Fixed Assets ** Secured by hypothecation of Stocks & Book Debts *** Secured by hypothecation of Equipments & Vehicles		
Schedule D		
Unsecured Loans		
From Directors	21,010,839	10,411,525
TOTAL	**21,010,839**	**10,411,525**
Schedule F (a)		
Investments		
Quoted Shares at Cost Advanced Micronic Devices Ltd. 3153165 Equity Shares of Rs.10\- Fully Paidup (Aggregate cost of Quoted investment Rs.52461254. Market Value Rs.139527551/- as on 31.3.2010 or as on last quoted date)	52,461,254	52,461,254

SCHEDULE TO BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Unquoted Investment at Cost		
Mediaid Inc.	101,488,225	101,488,225
2250000 Equity Shares of US$ 1/- Fully paid up,		
Eurocor GmbH	601,933,128	601,933,128
40850 Equity Shares of Euro 1/- Fully paid		
Eurocor GmbH-Additional Investment*	224,690,000	224,690,000
Altron Industries Pvt. Ltd.	170,199,714	170,199,714
7020 Equity Shares of Rs. 100/- Fully paid		
Devon Innovations Pvt. Ltd.	31,250,000	31,250,000
100000 Equity shares of Rs. 312.50/- Fully paid		
Ormed Medical Technologies Ltd.	8,501,430	8,501,430
250000 Equity Shares of Rs. 34/- Fully paid		
Criticare Systems Inc., USA	3,809,464,073	3,809,464,073
12404929 Equity shares of US$ 0.04/- Fully paid		
Opto Infrastrcture Ltd.	180,000,000	180,000,000
18000000 Equity Shares of Rs. 10/- Fully paid		
TOTAL	**5,179,987,824**	**5,179,987,824**
* towards investment in Eurocor GmbH for regulatory approvals		
Schedule F (b):		
Deferred Tax Asset	1,576,971	-
Schedule G:		
Current Assets, Loans & Advances:		
A. Inventories (Valued at lower of cost or market value as certified by the Management)	**1,153,451,041**	**996,687,929**
B. Sundry Debtors (unsecured considered good, for which the company holds no security other than the debtor's personal security)		
From Subsidiaries		
- Above 180 Days	404,560	435,619,503
- Below 180 Days	1,134,547	109,163,706
From others		
- Above 180 Days	690,694,563	276,813,240
- Below 180 Days	1,294,422,341	1,643,028,930
TOTAL	**1,986,656,011**	**2,464,625,379**
C. Cash & Bank Balances:		
Deposit	29,868,909	37,931,500
Current Accounts	1,075,772,387	766,336,298
Accrued Interest	320,936	1,028,328
Cash on hand	2,420,454	418,506
TOTAL	**1,108,382,686**	**805,714,632**

SCHEDULE TO BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars		31.03.2010	31.03.2009
D. Loans & Advances (Unsecured considered goods, receivable in cash or in kind or for value to be received)			
Advances to suppliers & services	- Subsidiaries	104,879,382	44,037,184
	- Others	1,147,085,184	15,911,755
Others Advances		25,788,812	27,953,169
Advances for supply of Capital goods	- Others	9,967,185	64,111,546
Advances for supply of Capital goods	- Subsidiaries	49,745,875	353,710,000
Inter Corporate Deposits	- Subsidiary	205,109,720	-
MAT Credit Entitlement		199,704,552	199,704,552
Advance Income Tax		234,702,238	100,144,796
Deposits		9,019,975	7,631,303
TOTAL		**1,986,002,923**	**813,204,305**
Schedule H			
Current Liabilities & Provisions			
Current Liabilities			
Sundry Creditors for Purchases			
Subsidiary		11,049,316	1,27,530,049
Others - Small & Micro Enterprises		756,702	4,472,353
Others		19,258,970	167,455,442
Sundry Creditors for Expenses			
Others - Small & Micro Enterprises		5,843,838	4,546,608
Others		11,621,048	15,448,358
Sundry Creditors for Capital Goods		2,133,262	1,840,145
Advance received from Customers & Other advances		11,124,065	143,303
Inter Corporate Deposit received from Subsidiaries		168,876,196	76,872,895
Inter Corporate Deposit received from others		9,472,195	13,970,552
Statutory Dues Payable		2,104,702	2,033,501
Unclaimed Dividends		6,588,052	6,363,348
TOTAL		**248,828,346**	**420,676,554**

SCHEDULE TO BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Provisions		
Provision for Dividend	731,598,176	645,876,240
Provision for Dividend Tax	308,670,220	208,137,479
Provision for MAT	199,704,552	199,704,552
Provision for Taxation	173,942,981	7,493,514
Provision for Wealth Tax	269,382	523,144
Provision for Leave Encashment	4,055,805	3,767,804
Provision for FBT	2,280,141	2,280,140
Provision for Interest on Tax	15,705,875	15,705,875
Provision for Gratuity	2,276,432	768,106
TOTAL	**1,438,503,564**	**1,084,256,854**
Schedule I		
Miscellaneous Expenditure		
Miscellaneous Expenses, R&D and Product Development Expenses (to the extent not written off or adjusted)	18,620,543	2,413,710
TOTAL	**18,620,543**	**2,413,710**

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule J		
Sales		
Sales Unit II- Exports	1,149,822,242	1,877,040,616
Sales Unit II- DTA	14,394,526	6,020,640
Sales Unit III- SEZ	3,550,750,211	2,129,252,871
TOTAL	**4,714,966,979**	**4,012,314,127**
Schedule K		
Other Income:		
Difference in Exchange Rate	(110,162,890)	254,697,627
Others	4,446,704	24,560,625
TOTAL	**(105,716,186)**	**279,258,252**
Schedule L		
Increase/Decrease in WIP & Finished Goods		
Opening Stock of WIP	214,380,447	52,471,460
Opening Stock of Finished Goods	-	30,788,172
TOTAL (A)	**214,380,447**	**83,259,632**
Less:		
Closing Stock of WIP	209,325,000	214,380,447
Closing Stock of Finished Goods	-	-
TOTAL(B)	**209,325,000**	**214,380,447**
Increase/(Decrease) in WIP & Finished Goods (B-A)	**(5,055,447)**	**131,120,815**
Schedule M		
A. Manufacturing Expenses		
Consumption Of Raw Materials & Consumables		
Opening Stock	782,307,482	332,904,849
Add: Purchase of Raw Materials & Consumables	2,543,965,521	2,817,622,009
TOTAL (A)	**3,326,273,003**	**3,150,526,858**
Less: Closing Stock		
Raw Materials & Consumables	944,126,041	782,307,482
TOTAL (B)	**944,126,041**	**782,307,482**
Raw materials & Consumables Consumed (A-B)	**2,382,146,962**	**2,368,219,376**

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
B. Factory Expenses		
Labour Charges & Job Work	9,615,273	11,206,598
Power & Fuel	7,663,153	8,363,174
Tooling Charges	553,078	709,036
Insurance	3,983,897	4,567,114
Repairs & Maintenance - Plant & Machinery	1,428,004	1,613,080
Repairs & Maintenance - Electricals & Others	1,408,048	795,960
Repairs & Maintenance - Building	1,224,504	156,391
Research & Development Expenses	4,919,324	1,140,765
TOTAL (B)	**30,795,281**	**28,552,118**
Total (A+B)	**2,412,942,243**	**2,396,771,494**
Schedule N		
A. Administrative Expenses		
Directors Remuneration	15,741,080	15,398,882
Travelling & Conveyance	9,246,082	14,851,042
Professional & Consultancy Charges	8,820,485	5,117,988
Printing & Stationery	7,208,529	4,543,946
General Expenses	3,399,033	2,661,089
Postage, Telephone & Fax Charges	3,244,628	3,130,513
Share Transfer Charges	133,786	134,420
Loss on Sale of Asset	13,076,882	12,254,468
Rates & Taxes	2,472,759	7,301,065
Advertisement	1,947,347	2,604,396
Auditor's Remuneration	2,206,000	2,000,000
Rent	1,552,862	1,304,512
Repairs & Maintenance - Others	8,110	127,633
Membership, Books & Periodicals	44,995	10,745
TOTAL (A)	**69,102,578**	**71,440,699**
B. Staff Expenses		
Salaries & Allowances	41,058,419	44,104,826
Staff Welfare & Amenities	12,405,848	13,309,492
TOTAL (B)	**53,464,267**	**57,414,318**

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
C. Selling Expenses		
Freight & Handling Charges	24,988,054	22,537,894
Packing Materials	2,704,214	2,063,352
Clearing Charges	5,642,520	4,121,891
Business Promotion Expenses	535,735	3,252,696
Bad Debts Written off	7,030,756	-
TOTAL (C)	**40,901,279**	**31,975,833**
Total (A+B+C)	**163,468,124**	**160,830,850**
Schedule O		
Financial Charges		
Interest on Working Capital	155,546,750	86,934,144
Interest on Term Loan	179,454,762	296,514,993
Bank Charges	10,229,740	26,969,268
TOTAL	**345,231,252**	**410,418,405**
Schedule P		
Provision For Taxation		
Income Tax	166,449,467	87,978,241
MAT Credit Entitlement	-	(80,527,280)
Fringe Benefit Tax	-	1,264,013
Deferred Tax	(1,576,971)	-
TOTAL	**164,872,496**	**8,714,974**

SCHEDULE E: FIXED ASSETS SCHEDULE FOR THE YEAR ENDING 31.03.2010

Amount in Rupees

PARTICULARS	%	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.09	Additions	Deletions	TOTAL 31.03.10	As on 01.04.09	For the year	Deletions	As on 31.03.10	As on 31.03.10	As on 31.03.09
Land	-	10,970,600	-	-	10,970,600	-	-	-	-	10,970,600	10,970,600
Bore Well	-	73,655	-	-	73,655	-	-	-	-	73,655	73,655
Office Building	1.63%	4,347,218	-	-	4,347,218	1,279,882	70,860	-	1,350,742	2,996,476	3,067,335
UNIT II											
Building	3.34%	28,796,726	341,893	-	29,138,619	6,970,284	961,842	-	7,932,126	21,206,493	21,826,439
Apartment	3.34%	12,685,605	-	-	12,685,605	2,316,651	423,699	-	2,740,350	9,945,255	10,368,955
GH Furniture & Fittings	3.34%	657,328	-	-	657,328	50,252	21,955		72,207	585,121	607,077
Plant & Machinery	4.75%	242,655,790	1,803,657	49,923,186	194,536,261	59,068,860	9,923,773	13,245,858	55,746,775	138,789,486	183,586,930
Furniture & Fittings	6.23%	10,521,603	-	-	10,521,603	5,088,106	655,496	-	5,743,602	4,778,001	5,433,497
Computers	16.21%	7,281,452	135,264	-	7,416,716	4,131,105	1,175,681	-	5,306,786	2,109,930	3,150,349
Office Equipments	4.75%	1,909,058	61,374	-	1,970,432	759,721	93,859	-	853,580	1,116,852	1,149,337
Electrical Installations	4.75%	7,921,202	-	-	7,921,202	3,040,524	376,257	-	3,416,781	4,504,421	4,880,678
Vehicles	9.50%	48,725,462	-	-	48,725,462	19,373,420	4,628,919	-	24,002,339	24,723,123	29,352,042
Intangible Assets	20.00%	35,017,227	-	-	35,017,227	13,957,466	7,003,446	-	20,960,912	14,056,315	21,059,761
SEZ UNIT											
Plant & Machinery	4.75%	46,187,404	473,771,322	-	519,958,726	1,178,123	3,563,041	-	4,741,164	515,217,562	45,009,281
Furniture & Fittings	6.23%	822,448	4,577,319	-	5,399,767	51,406	97,644	-	149,050	5,250,717	771,042
Computers	16.21%	70,150	48,935,530	-	49,005,680	14,378	1,960,100	-	1,974,478	47,031,202	55,772
Office Equipments	4.75%	12,500	50,000	-	62,500	764	1,134	-	1,898	60,602	11,736
Electrical Installations	4.75%	-	894,680	-	894,680	-	8,809	-	8,809	885,871	
Vehicles	9.50%	48,001	40,710	48,001	40,710	5,955	4,215	8,242	1,928	38,782	42,046
		458,703,429	**530,611,749**	**49,971,187**	**939,343,991**	**117,286,897**	**30,970,730**	**13,254,100**	**135,003,527**	**804,340,464**	**341,416,532**
Previous Year (08-09)		**411,240,869**	**83,852,521**	**36,389,961**	**458,703,429**	**100,278,360**	**28,791,753**	**11,783,216**	**117,286,897**	**341,416,532**	
Capital WIP (09-10)		**56,010,382**	**100,000**	**48,598,514**	**7,511,868**	**-**	**-**	**-**	**-**	**7,511,868**	**56,010,382**

NOTES FORMING PART OF ACCOUNTS
SCHEDULE Q

1. CONTINGENT LIABILITY

a. The company has issued corporate guarantee in favour of State Bank of India against line of credit sanctioned to its subsidiary for Advanced Micronic Devices Limited for Rs. 1787.00 Lacs (PY Rs. 1787.00 Lacs). The company has also issued corporate guarantee in favour of SBI against line of credit sanction to its subsidiary Altron Industries Private Limited for Rs. 3400.00 Lacs (PY 3400.00 Lacs)

b. Letters of Credit and Bank Guarantees issued on behalf of the company by banks.
Letters of Credit: Rs. 461.92 Lacs
Bank Guarantees: Rs. 157.50 Lacs

2. The company has obtained insurance policy with Life Insurance Corporation of India and the premium paid to them is accounted on payment basis which will cover the entire gratuity liability of the company. Unavailed encashable earned leave is accounted on accrual basis.

3. CIF VALUE OF IMPORTS

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
a. Components and Spares	76.33	111.17
b. Capital Goods	4,739.67	1,106.79
c. Raw Material	25,192.61	27,724.39

4. VALUE OF RAW MATERIALS CONSUMED

Particulars	31.03.2010		31.03.2009	
	Percentage	Rs in Lacs	Percentage	Rs in Lacs
a. Imported	99.17	23,525.54	98.26	23,139.00
b. Indigenous	0.83	198.08	1.74	410.76
Total	**100.00**	**23,723.62**	**100.00**	**23,549.76**

5. STORES AND SPARES CONSUMED

Particulars	31.03.2010		31.03.2009	
	Percentage	Rs. in Lacs	Percentage	Rs. in Lacs
a. Imported	79.78	78.06	79.40	105.16
b. Indigenous	20.22	19.79	20.60	27.28
Total	**100.00**	**97.85**	**100.00**	**132.43**

6. INCOME IN FOREIGN EXCHANGE

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
a. Sales	51,082.99	37,627.60

7. EXPENDITURE IN FOREIGN CURRENCY

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
a. Capital Equipment (CIF value)	1,920.88	4,687.89
b. Raw Materials	38,874.11	23,650.86
c. Interest & Loan Repayment	578.29	Nil

8. REMUNERATION TO CHAIRMAN, MANAGING DIRECTORS & DIRECTORS

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
a. Salary	104.94	102.66
b. Perquisites (HRA)	52.47	51.33
TOTAL (a+b)	**157.41**	**153.99**

The above payments are as per the provisions of Schedule XIII, part II of the Companies Act, 1956

Computation of Net Profit under Section 198 read with Section 349 and Section 350 of the Companies Act, 1956 for the year ended March 31, 2010.

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Profit Before Taxation	16,352.30	14,080.50
Add:		
Managerial Remuneration to Directors	157.41	153.99
Loss on Sale of Fixed Assets	130.77	122.54
Depreciation as per accounts	309.71	287.92
	16,950.19	**14,644.95**
Less:		
Depreciation as per Section 350 of the Companies Act	309.71	287.92
Profit on Sale of Fixed Assets		
Net Profit as per 349 of the Companies Act, 1956	**16,640.48**	**14,357.03**
Remuneration to Managing and Whole Time Directors @ 10 % of the Net Profit (maximum)	1,664.05	1,435.70
Remuneration to Whole Time Directors (Salary & Perquisites)	**157.41**	**153.99**

Note: As per the AGM approval dated 21.07.2005 Whole time Directors are eligible for Salary, Perquisites & Commission @ 3 % on Net Profits

9. CAPACITIES & PRODUCTION (In Lac Quantity)

Year ending	31.03.2010	31.03.2009
a. Production	42.47	42.07

Exempted from licensing provision in terms of Notification No.477 (E) of 25.07.91.

10. Income Tax department has raised a demand for tax of Rs. 14.16 Lacs for the AY 2004-05 for which company has preferred an appeal before the Commissioner of Income Tax (Appeal) III. Pending disposal of this Company has not provided liability for Income Tax.

11. Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the current year and quantified using the tax rates for UNIT II. For the SEZ Unit Deferred Tax Asset has not been recognized as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available for such Deferred Tax Asset to be set off. Tax expenses towards Deferred Tax Liability do not arise for the SEZ unit as income is covered U/S 10AA of the Income Tax Act, 1961.

12. AUDITORS REMUNERATION

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Statutory Audit fees	15.00	15.00
Tax Audit fees	5.00	5.00
Other Services	7.97	3.60

13. PRODUCT DEVELOPMENT EXPENSES

An amount of Rs. 49.19 Lacs has been charged to Profit & Loss account.

Rupees in Lacs

Year	Total Amount	Amount Written off as Product Development Expenses
2009-10	211.26	42.25
2008-09	16.57	3.31
2007-08	18.13	3.63
Total	**245.97**	**49.19**

14. SEGMENT WISE REPORTING

a. The company has mainly one business segment of Medical Electronic products.

b. The company has geographical region wise segments of the customers as shown below, region wise profitability cannot be ascertained.

Sales Revenue by Geographical Segment

Rupees in Lacs

Continents	31.03.2010	31.03.2009
Asia	30,180.34	18,640.18
Europe	1,445.08	3,804.47
America	15,314.78	17,617.83
Domestic & Others	209.47	60.66

i. Segments have been identified in accordance with Accounting Standard 17 "Segment reporting", considering the organization's structure & the return/risk profile of the businesses. The management information system recognizes & monitors these segments on a continuous basis.

ii. Segment wise revenue includes sales & other income directly identifiable with the segment and allocated to it. Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments.

15. The company has issued 214.30 Lacs equity shares @ Rs. 186.65 through private placement which is fully received. The company has also issued 46.79 Lacs convertible share warrants of Rs. 210 each, out of which the company has received 25% of warrant amount. On receipt of balance amount of 75% of share warrant, the warrants will be converted into equity shares.

Details for Increase in Share Capital

Rupees and Quantity in Lacs

Particulars	31.03.2010		31.03.2009	
	Quantity	Value	Quantity	Value
Opening Balance	1614.69	16,146.91	941.72	9,417.18
Add: Issue of shares through QIP	214.30	2,143.05	-	-
Conversion of Share Warrants			5.40	54.00
Capitalization of Reserves-Bonus Shares			667.57	6,675.73
Total	**1,828.99**	**18,289.96**	**1,614.69**	**16,146.91**

16. During the year the company has set off Rs. 41.46 Lacs in share premium account. This amount was related to the expense in the follow on public offer during the financial year 2006-07 payable to SBI Capital Market. The amount was under dispute and the same was settled during the year and the expense is set off against share premium account.

17. UTILIZATION OF QIP & SHARE WARRANTS PROCEEDS

Particulars	Rupees in Lacs
Project cost	**Utilization as on 31.03.10**
1. Debt Repayment	17,340.00
2. Working Capital	23,443.98
3. Research & Development	49.60
4. Issue Expenses	1,622.90
Total	**42,456.48**
Means of Finance	**Actual Realization as on 31.03.2010**
1. Equity Share Capital	2,143.05
2. Share Premium	37,856.95
3. Share Warrant	2,456.48
Total	**42,456.48**

18. RELATED PARTY DISCLOSURE

1. List of related parties where company's management control exists

a. Subsidiaries

Name of the Company	% of Holding
1. Advanced Micronic Devices Ltd.	59.71%
2. Mediaid Inc.	100%
3. Altron Industries Pvt. Ltd.	100%
4. Eurocor GmbH	100%
5. Devon Innovations Pvt. Ltd.	100%
6. Ormed Medical Technology Ltd.	100%
7. Criticare Systems Inc.	100%
8. Opto Infrastructure Ltd.	87.33%
9. Maxcor Lifescience Inc.	100%

b. Key Management Personnel

Name of Related Party	Relationship
Vinod Ramnani	Key Management Personnel
Usha Ramnani	Key Management Personnel
Jayesh Patel	Key Management Personnel

Related Party Transactions

During the year the following transaction were carried out with the related party in the ordinary course of business

Rupees in Lacs

Particulars	Subsidiaries		Key Management Personnel		Total	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Purchase of Goods	382.71	1228.25	-	-	382.71	1228.25
Sale of Goods	685.85	3557.76	-	-	685.85	3557.76
Dividend Received	31.53	63.06	-	-	31.53	63.06
Interest Payment	-	5.81	-	-	-	5.81
Interest Allocation on Funded Amount	-	1000.00	-	-	-	1000.00
Loans & Advances (Debit Balance)	3597.35	3977.47	-	-	3597.35	3977.47
Loans & Advances (Credit Balance)	1688.76	768.73	210.11	104.12	1898.87	872.84
Sundry Debtors (Balances)	15.39	5447.83	-	-	15.39	5447.83
Sundry Creditors (Balances)	110.49	1275.30	-	-	110.49	1275.30
Management contracts including for deputation of employees	-	-	157.41	153.99	157.41	153.99

19. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosures relating to Micro and Small Enterprises as on 31st March 2010 are as Under:

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
The total amount due to such enterprises	66.01	90.19

There is no interest payable for such delayed payments

20. Dividend paid in foreign currency for the year 2008-09 is US$ 52.03 Lacs towards 546.48 Lacs equity shares held by NRI's and foreign nationals.

21. Previous year figures have been regrouped & reclassified to correspond with the current year's classification.

21.1 Earnings Per Share

Amount in Rupees

Particulars	31.03.2010	31.03.2009
EPS – Basic	8.04	7.65
EPS – Diluted	7.95	-

** EPS for previous year has been restated.*

21.2 Reconciliation of Basic and Diluted Shares used in Computing Earnings per Share

No. of shares in Lacs

Particulars	31.03.2010	31.03.2009
Number of Shares considered as basic weighted average shares outstanding	1829.00	1614.69
Number of Shares considered as weighted average shares and potential shares outstanding	1850.43	1614.69

NOTES FORMING PART OF ACCOUNTS
SCHEDULE Q

SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting
The financial statements have been prepared to comply in all material respects with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those applied in the previous year.

2. Revenue Recognition
Revenue from sale of products are recognized on dispatch of goods to customers and are net of sales tax, discounts, rebates for price adjustments, rejections and shortages in transit.

3. Fixed Assets
Fixed assets are stated at cost, less accumulated depreciation. Cost in prices includes purchase price, duties, levies and any other cost relating to the acquisition and installation of the assets. Interest and financing charges on borrowed funds, if any, used to finance the acquisition of fixed assets, until the date the assets are ready for use are capitalized and included in the cost of the asset.

4. Depreciation
Depreciation is provided on the straight line method at the rates specified under schedule XIV of the Companies Act, 1956 and on prorata basis on the additions made during the year.

5. Inventories
Valuation of inventories is at the lower of cost or market value as certified by the management.

Raw Materials including stores and spares	Valued at lower of cost and net realizable value
Work in Process	Valued at lower of cost and net realizable value Work in process includes costs incurred up to the stage of completion
Finished Goods	Valued at lower of cost and net realizable value Finished goods include cost of conversion and cost incurred to bring the same to the location or storage of completion

Cost of inventories is computed on a weighted average/FIFO basis

6. Retirement benefits to employees
The company's liability towards retirement benefit in the form of provident fund is fully funded and charged to revenue expenditure. The company contributes to the employee provided fund maintained under the employees provident scheme run by the Central Government. The gratuity liability is provided and charged off as revenue expenditure based on actuarial valuation. The company has subscribed to the group gratuity scheme policy of LIC of India.

7. Investments
The investments are stated at cost.

8. Deferred Tax
Deferred Tax Asset in the nature of unabsorbed depreciation and loses are recognized only if there is virtual certainty of realization. Other Deferred Tax Assets are recognized if there is reasonable certainty of realization. Tax expenses towards Deferred Tax

Asset for UNIT II has been recognized and tax liability for the SEZ UNIT do not arise as the the income is covered under section 10AA of the Income Tax Act, 1961. The effect on Deferred Tax Asset & Liabilities of a change in rates is recognized in the income statement in the period of enactment of the change.

9. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency of assets & liabilities and realized gains and losses on foreign exchange transactions, other than those relating to fixed assets are recognized in the profit and loss account. Exchange difference arising on liabilities incurred for the purpose of acquiring fixed assets are adjusted in the carrying value of the respective fixed assets.

10. Provisions for Taxation

A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered an asset, if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it, will flow to the company and the asset can be measured reliably.

11. Earnings per Share

The basic earnings per share is computed by dividing net profit after tax by the number of equity shares outstanding for the period.

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

Place: Bengaluru
Date: 24th May 2010

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

OPTO CIRCUITS (INDIA) LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	13223	State Code	08
Balance Sheet Date	31/03/2010		

Capital Raised during the year

Rupees in Thousand

Public Issue	-	Right Issue	NIL
Bonus Issue	-	Private Placement	NIL
QIP Issue	4000000	Share Warrants	2,45,648

Position of Mobilisation and deployment of funds

Rupees in Thousand

Total Liabilities	**10,559,198**	**Total Assets**	**10,559,198**

Sources of Fund		Application of Funds	
Paid up Capital	1,828,995	Net Fixed Assets	811,852
Share Warrant	245,648	Net Current Assets	4,547,160
Secured Loans	1,925,004	Deferred Tax Asset	1,577
Reserves & Surplus	6,538,540	Investments	5,179,988
Unsecured Loans	21,011	Misc. Expenditure	18,621

Performance of the Company

Rupees in Thousand

Turnover	4,714,967	Total Expenditure	2,952,612
Profit before Tax	1,635,230	Profit after tax	1,470,358
Earnings per Share in Rs.	8.04	Dividend Rate	Rs 4 per share
Diluted per Share in Rs.	7.95		

Generic Names of three Principal products / services of company

Item Code No. (ITC Code)	Product Description
8541.40.2000	Emitter Assy.
8541.40.7040	Micro Sensor
8541.40.7040	Photo Interrupter
8541.40.7040	Photo Transistor
8541.40.6010	Photo Diode Chips
9025.40.1910	Digital Thermometer

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

Place: Bengaluru
Date: 24th May 2010

Consolidated Financial Statements

REPORT OF THE AUDITORS TO
The Board Of Directors of Opto Circuits (India) Limited

We have audited the attached Consolidated Balance Sheet of OPTO CIRCUITS (INDIA) LIMITED and its subsidiaries (the Group) as at 31st March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of OPTO CIRCUITS (INDIA) LIMITED Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Eurocor GmbH, Germany financial statements are audited by other auditors, on their report we have relied for the review of consolidated accounts whose financial statements reflects the total assets of Rs.12,984.45 Lacs and the total revenue of Rs.21,059.01 Lacs. We have not audited the financial statements of Mediaid Inc., USA and Criticare Systems Inc., USA, the subsidiaries whose financial statements reflect the total assets of Rs.18,029.85 Lacs and total revenue of Rs.33,535.21 Lacs against the consolidated total assets of Rs.129,088.62 Lacs and consolidated total revenue of Rs.106,912.18 Lacs for the year ended on that date, in the consolidated financial statements.

We report that the consolidated financial statements have been prepared by OPTO CIRCUITS (INDIA) LIMITED's Management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, subject to the note No. 2.1 about non audit of the accounts of Mediaid Inc., USA and Criticare Systems Inc., USA, audit of these subsidiaries are not a statutory requirement in that country. However, it has been reviewed by independent CPA.

Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Consolidated Balance Sheet, of the state of affairs of OPTO CIRCUITS (INDIA) LIMITED Group as at 31st March, 2010.

b) In the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date, and

c) In the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

For Anand Amarnath & Associates
Chartered Accountants

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 24th May 2010.

OPTO CIRCUITS (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET AS ON 31.03.2010

Amount in Rupees

Particulars	Schedule	31.03.2010	31.03.2009
I. Sources of Funds			
Share Holders Fund			
Capital	A	1,828,995,440	1,614,690,600
Share Warrant	A (a)	245,647,500	-
Reserves & Surplus	B	8,369,022,423	3,550,995,304
Loan Funds			
Secured Loans	C	2,192,353,679	5,362,797,587
Unsecured Loans	D	135,880,528	16,231,344
Deferred Tax Liability		1,922,546	3,054,909
Minority Interest		135,039,549	133,997,870
TOTAL		**12,908,861,665**	**10,681,767,614**
II. Application of Funds			
Fixed Assets	E		
Gross Block		3,573,709,983	2,636,036,265
Less Accumulated Depreciation		853,104,486	655,901,292
Net Block		**2,720,605,497**	**1,980,134,973**
Capital work-in-progress		261,490,863	172,311,798
Goodwill	F	2,374,492,943	2,374,492,943
Investments	G	2,850,225	2,850,225
Current Assets, Loans & Advances:	H		
Inventories		2,212,511,318	2,305,234,188
Sundry Debtors		4,396,011,367	4,059,806,753
Cash & Bank Balances		1,223,267,577	913,349,374
Loans & Advances		3,053,787,348	2,565,003,687
TOTAL (A)		**10,885,577,610**	**9,843,394,002**
Less: Current Liabilities & Provisions	I		
Liabilities		1,781,972,454	2,510,497,292
Provisions		1,612,757,891	1,198,476,446
TOTAL (B)		**3,394,730,345**	**3,708,973,738**
Net Current Assets (TOTAL A-B)		**7,490,847,265**	**6,134,420,264**
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	J	58,574,872	17,557,411
TOTAL		**12,908,861,665**	**10,681,767,614**
Notes forming part of Consolidated Accounts & Significant Accounting Policies	R		

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

Place: Bengaluru
Date: 24th May 2010

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

OPTO CIRCUITS (INDIA) LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

Amount in Rupees

Particulars	Schedule	31.03.2010	31.03.2009
Income			
Sales	K	10,775,825,625	8,185,197,173
Other Income	L	(75,850,318)	287,672,360
Increase/Decrease in W I P & FG	M	(8,757,094)	129,133,500
TOTAL		**10,691,218,213**	**8,602,003,033**
Expenditure			
Manufacturing Expenses	N	5,986,720,538	4,753,207,708
Administrative & Selling Expenses	O	1,111,797,654	970,585,630
Financial Expenses	P	382,107,839	537,017,281
Depreciation	E	277,992,555	138,094,523
TOTAL		**7,758,618,586**	**6,398,905,142**
Profit for the year before Tax		**2,932,599,627**	**2,203,097,891**
Add/(Less): Prior Year Adjustment		(31,912,181)	(35,289,822)
Profit Before Tax		**2,900,687,446**	**2,167,808,069**
Provision for Taxation	Q	296,372,661	74,956,017
Profit After Tax		**2,604,314,785**	**2,092,852,052**
Profit brought forward from Previous Year		2,553,631,032	1,371,941,404
Profit available for appropriation		**5,157,945,817**	**3,464,793,456**
Amount Transferred to General Reserve		150,064,636	150,384,531
Proposed Dividend		819,448,047	645,657,340
Tax on Distributed Profits		139,644,228	109,572,617
Share of Minority Interest		1,041,680	5,547,936
Profit carried to Balance Sheet		**4,047,747,226**	**2,553,631,032**
Notes forming part of Consolidated Accounts & Significant Accounting Policies	R		

For and on behalf of the Board of Directors

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 24th May 2010

OPTO CIRCUITS (INDIA) LIMITED

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31.03.2010

Amount in Rupees

Particulars		31.03.2010	31.03.2009
I. Cash Flow from Operating Activities			
Net profit before tax & extraordinary items		**2,932,599,627**	**2,203,097,891**
Adjustments for non operating items			
Amortisation and other non cash items		(447,587,029)	310,661,019
Depreciation		277,992,555	138,094,523
Dividend received for the year		(121,214)	(40,538)
Interest paid on borrowings		382,107,839	537,017,281
Interest received on Fixed Deposit		(1,991,167)	(20,607,321)
Profit / (Loss) on Sale of Fixed Assets		13,253,050	12,177,848
		3,156,253,661	**3,180,400,703**
Adjustments for working capital			
(Increase)/Decrease in inventories		92,722,871	(849,691,403)
(Increase)/Decrease in loans & advances		(488,783,662)	(1,188,606,795)
(Increase)/Decrease in sundry debtors		(336,204,614)	(1,683,885,059)
Increase/(Decrease) in current liabilities		(314,243,395)	1,804,481,094
Cash flow from operating profit/(loss) before income tax		**2,109,744,861**	**1,262,698,540**
Income tax		(296,372,661)	(74,956,017)
Cash flow from operating activities before extraordinary items		**1,813,372,200**	**1,187,742,523**
Extraordinary items	Previous year transaction	(31,912,182)	(35,289,822)
Net cash flow from operations		**1,781,460,018**	**1,152,452,701**
II. Cash Flow from Investing Activities			
Dividend Income		121,214	40,538
Interest received on Fixed Deposit		1,991,167	20,607,321
Goodwill		-	(1,943,514,831)
Proceeds from Sale of Fixed Assets		(13,253,050)	(12,177,848)
Change in Minority Interest		1,041,680	49,011,724
Total inflow of cash from investing activities		**(10,098,989)**	**(1,886,033,096)**
Purchase of Fixed Assets/Intangible Assets		(1,018,463,079)	(1,562,252,938)
Payment towards Capital Work in Progress		(89,179,065)	(155,164,135)
Product development/approval expenses		(41,017,460)	(571,295,604)
Net cash flow from investing activities		**(1,158,758,593)**	**(4,174,745,773)**

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
III. Cash Flow from Financing Activities		
Proceeds from Long term borrowings - Net	-	4,424,806,637
Proceeds from - Share Capital	214,304,840	5,400,000
Proceeds from - Share Premium	3,785,695,000	209,160,000
Proceeds from - Share Warrants	245,647,500	(39,600,000)
Share Issue Expenses	(166,435,724)	-
Repayment of Secured Loans	(3,170,443,907)	-
Proceeds from - Unsecured Loans	119,649,183	(57,693,750)
Inflow of cash	**1,028,416,892**	**4,542,072,887**
Interest paid on borrowings	(382,107,839)	(537,017,281)
Dividend/Dividend Tax	(959,092,275)	(755,229,957)
Net cash flow from financing activities	**(312,783,222)**	**3,249,825,649**
Total increase in cash & cash equivalents during the year	**309,918,203**	**227,532,577**
Cash & cash equivalents at the beginning of the year	913,349,374	685,816,797
Cash & cash equivalents at the end of the year	**1,223,267,577**	**913,349,374**

Note: Figures in brackets represent outflows.

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

Place: Bengaluru
Date: 24th May 2010

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

OPTO CIRCUITS (INDIA) LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET AS ON 31.03.2010

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule A		
Share Capital Authorised	**2,000,000,000**	**2,000,000,000**
200,000,000 Equity Share of Rs.10/- each (P.Y. 2,00,000,000 Equity Share of Rs.10/- each)		
Issued Capital	**1,831,614,440**	**1,617,309,600**
183,161,444 Equity Shares of Rs.10/- each (P.Y. 161,730,960 Equity Shares of Rs.10/- each) Out of the above: - 1,239,831 Equity Shares of Rs.10/- each fully paid-up allotted otherwise than for cash - 150,211,540 (P.Y. 150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares - 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis - 540,000 Equity shares of Rs.10/- each fully paid up as share warrant converted to Equity Shares		
Subscribed Capital	**1,828,995,440**	**1,614,690,600**
182,899,544 Equity Shares of Rs.10/- each (P.Y. 161,469,060 Equity Shares of Rs.10/- each) Out of the above: - 1,239,831 Equity Shares of Rs.10/- each fully paid-up allotted otherwise than for cash. - 150,211,540 (P.Y. 150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares - 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis - 540,000 Equity shares of Rs.10/- each fully paid up as share warrant converted to Equity Shares		
Paid-up Capital	**1,828,995,440**	**1,614,690,600**
182,899,544 Equity Shares of Rs.10/- each (P.Y. 161,469,060 Equity Shares of Rs.10/- each) Out of the above: - 1,239,831 Equity Shares of Rs.10/- each fully paid-up allotted otherwise than for cash - 150,211,540 (P.Y. 150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares - 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis - 540,000 Equity shares of Rs.10/- each fully paid up as share warrant converted to Equity Shares		
TOTAL	**1,828,995,440**	**1,614,690,600**
Schedule A(a)		
Share Warrant/Share Application		
46,79,000 partly paid Share Warrants of Rs. 210/- each to be converted into Equity Shares of Rs. 10/- each at the premium of Rs. 200/-	245,647,500	-
TOTAL	**245,647,500**	**-**

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule B		
Reserves & Surplus		
Capital Reserve	**20,160,000**	**20,160,000**
(PY 5,60,000 Shares Warrants forfeited for non exercise of option to convert into Equity Shares)		
TOTAL (a)	**20,160,000**	**20,160,000**
Securities Premium Reserve	275,018,930	753,591,530
Add : Addition during the year	3,619,259,277	189,000,000
Less: Capitalisation of Reserves - Bonus Shares	-	667,572,600
TOTAL (b)	**3,894,278,207**	**275,018,930**
General Reserve		
As per last Balance Sheet	379,408,862	229,024,331
Add: Transfer from Profit & Loss Account	150,064,636	150,384,531
	529,473,498	**379,408,862**
Add/(Less) : Foreign Currency Translation Reserve	(122,636,508)	322,776,480
TOTAL (c)	**406,836,990**	**702,185,342**
Profit & Loss Account Balance TOTAL (d)	**4,047,747,226**	**2,553,631,032**
TOTAL (a+b+c+d)	**8,369,022,423**	**3,550,995,304**
Schedule C		
Secured Loans		
Term Loan from Banks & Financial Institutions*	1,011,814,865	2,920,882,363
Working Capital Advances from Banks **	1,162,222,882	2,417,985,550
Other Term Loans***	18,315,932	23,929,674
TOTAL	**2,192,353,679**	**5,362,797,587**
* Secured by hypothecation of Fixed Assets ** Secured by hypothecation of Stocks & Book Debts *** Secured by hypothecation of Equipments & Vehicles		
Schedule D		
Unsecured Loans		
From Directors	134,692,093	10,911,525
From Others	1,188,435	5,319,819
TOTAL	**135,880,528**	**16,231,344**
Schedule F		
Goodwill / (Capital Reserve)		
Advanced Micronic Devices Ltd.	(33,428,277)	(33,428,277)
Mediaid Inc.	4,871,765	4,871,765
Altron Industries Pvt. Ltd.	(2,374,707)	(2,374,707)

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule F (contd.)		
Eurocor GmbH	449,267,786	449,267,786
Devon Innovations Pvt. Ltd.	14,520,189	14,520,189
Ormed Technologies Pvt. Ltd.	(1,878,651)	(1,878,651)
Criticare Systems Inc.	2,101,335,975	2,101,335,975
Opto Infrastructure Ltd.	(157,821,137)	(157,821,137)
TOTAL	**2,374,492,943**	**2,374,492,943**
Schedule G		
Investments		
Quoted Shares at Cost		
Ambuja Cements Ltd.	129,776	129,776
Centum Electronics Ltd.	7,000	7,000
Gold Stone Technologies Ltd.	90,431	90,431
HDFC Bank Ltd.	9,000	9,000
Hindustan Lever Ltd.	296,226	296,226
ICICI Bank Ltd.	127,925	127,925
IDBI Ltd.	29,820	29,820
Infosys Technologies Ltd.	462,259	462,259
Intense Technologies Ltd.	69,385	69,385
Navneet Publications Ltd.	55,134	55,134
NIIT Ltd.	96,071	96,071
Samrat Ashoka Exports Ltd.	12,000	12,000
Siemens Ltd.	28,385	28,385
Silverline Technologies Ltd.	356,610	356,610
Sonata Software Ltd.	67,780	67,780
Sri Adhikari Bros Ltd.	367,793	367,793
Sundaram Fastners Ltd.	146,379	146,379
Tata Chemicals Ltd.	172,920	172,920
TISCO Ltd.	33,538	33,538
Titan Industries Ltd.	4,972	4,972
Wockhardt Ltd.	85,021	85,021
Unquoted Investment at Cost		
Microland Ltd.	102,000	102,000
Micronic Healthcare Pvt. Ltd.	99,800	99,800
TOTAL	**2,850,225**	**2,850,225**

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule H		
Current Assets, Loans & Advances		
A. Inventories (Valued at lower of cost or market value as certified by the Management)	**2,212,511,318**	**2,305,234,188**
B. Sundry Debtors (unsecured considered good, for which the company holds no security other than the debtor's personal security)		
- Above 180 Days	749,944,403	378,934,294
- Below 180 Days	3,646,066,964	3,680,872,459
TOTAL	**4,396,011,367**	**4,059,806,753**
C. Cash & Bank Balances		
Deposit & Other Accounts	47,145,648	74,728,062
Current Accounts	1,172,699,718	838,017,825
Cash on hand	3,422,211	603,487
TOTAL	**1,223,267,577**	**913,349,374**
D. Loans & Advances (Unsecured considered good, receivable in cash or in kind or for value to be received)		
Advances to suppliers & services	1,228,660,960	627,084,599
Others Advances	723,839,187	508,534,091
Advances to suppliers of Capital goods	497,009,751	912,306,550
Advance Income Tax –MAT	199,704,552	199,704,552
Advance Income Tax	286,834,178	201,817,305
Staff Advance	1,249,157	716,888
Deposits	26,746,630	31,715,367
Prepaid Expenses	89,742,933	83,124,335
TOTAL	**3,053,787,348**	**2,565,003,687**
Schedule I		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors for Purchases	1,363,730,747	1,326,224,242
Sundry Creditors for Expenses	234,170,035	540,149,152
Sundry Creditors for Capital Goods	2,974,051	3,372,415
Other Advances	31,553,995	524,562,162
Inter Corporate Deposits	13,823,442	13,970,552
Advance received from Customers	17,526,642	4,767,711
Statutory Dues Payable	109,695,144	89,120,238
Unclaimed Dividend	8,498,398	8,330,820
TOTAL	**1,781,972,454**	**2,510,497,292**

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET AS ON 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule I (contd.)		
Provisions		
Provision for Dividend	733,726,111	651,157,340
Provision for Dividend Tax	310,151,569	211,840,852
Provision for FBT	2,453,145	6,017,580
Provision for Current Tax	199,709,360	200,126,506
Provision for Taxation	337,305,388	100,851,085
Provision for Interest on Dividend Tax	15,705,875	16,465,161
Provision for Leave Encashment	5,774,013	5,225,278
Provision for Gratuity	7,663,048	6,269,500
Provision for Wealth Tax	269,382	523,144
TOTAL	**1,612,757,891**	**1,198,476,446**
Schedule J		
Miscellaneous Expenses, R&D and Product Development Expenses (to the extent not written off or adjusted)	58,574,872	17,557,411
Total	**58,574,872**	**17,557,411**

SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

Amount in Rupees

Particulars		31.03.2010	31.03.2009
Schedule K			
Sales			
Sales		6,739,629,049	5,559,181,395
Sales – SEZ		3,550,750,211	2,129,252,871
Sales - DTA		467,431,546	480,233,649
Sales – Commission		18,014,819	16,529,258
TOTAL		**10,775,825,625**	**8,185,197,173**
Schedule L			
Other Income			
Dividend Received		121,214	40,538
Interest Received		1,991,167	20,607,321
Difference in Exchange Rate		(108,296,168)	259,322,743
Profit on Sale of Asset		25,608	76,620
Miscellaneous Income		30,307,861	7,625,138
TOTAL		**(75,850,318)**	**287,672,360**
Schedule M			
Increase/Decrease in WIP & Finished Goods			
Opening Stock of WIP		218,373,866	57,649,072
Opening Stock of Finished Goods		5,731,289	37,322,583
TOTAL (A)		**224,105,155**	**94,971,655**
Less:			
Closing Stock of WIP		211,535,225	218,373,866
Closing Stock of Finished Goods		3,812,836	5,731,289
TOTAL (B)		**215,348,061**	**224,105,155**
Increase/(Decrease) in WIP & Finished Goods (B-A)		**(8,757,094)**	**129,133,500**
Schedule N			
A. Manufacturing Expenses			
Consumption Of Raw Materials & Consumables			
Opening Stock		2,081,129,033	1,675,057,689
Add: Purchase of Raw Materials & Consumables		5,777,846,933	5,087,801,984
TOTAL (A)		**7,858,975,966**	**6,762,859,673**
Less: Closing Stock			
Raw Materials & Consumables	TOTAL (B)	1,997,163,257	2,081,129,033
Raw materials & Consumables Consumed (A-B)		**5,861,812,709**	**4,681,730,640**

SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
B. Factory Expenses		
Labour Charges & Job Work	20,520,468	15,677,486
Power & Fuel	8,677,765	9,470,976
Tooling Charges	774,149	1,169,141
Insurance	4,696,569	5,476,483
Repairs & Maintenance - Plant & Machinery	1,925,989	2,156,457
Repairs & Maintenance - Electricals & Others	1,472,909	813,710
Repairs & Maintenance – Building	17,025,157	165,944
R&D and Product Development Expenses	4,919,324	446,673
Freight, Handling, Octroi and Others	6,380,466	-
Warranty Purchases	2,081,705	-
Sales Tax	-	14,033,089
Service Charges	41,120,980	17,737,379
Spares – Materials	8,801,540	4,311,280
Production Supplies	6,510,808	-
Customs Duty & Supervision Charges	-	18,450
TOTAL (B)	**124,907,829**	**71,477,068**
Total Cost of Goods Sold (A+B)	**5,986,720,538**	**4,753,207,708**

SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule O		
A. Administrative Expenses		
Advertisement & Trade Shows	43,121,945	60,489,939
AGM Expenses	38,133	33,990
Auditor's Remuneration	5,072,117	6,282,124
Bad Debts Written off	13,907,841	5,172,456
Commission	54,446,127	28,783,855
Directors Remuneration	22,478,685	18,950,882
Discount Allowed	2,041,473	1,555,498
Donation	28,602	408,775
Electricity & Water Charges	3,415,073	2,309,507
Foreign Exchange Translation Loss	4,774,684	-
General Expenses	3,467,582	3,528,630
Insurance	22,349,517	16,549,225
Loss on Sale of Asset	13,278,658	12,254,468
Membership, Books & Periodicals	1,156,297	650,529
Miscellaneous Expenses/Amortisation	26,802,735	28,194,109
Office Maintenance	7,341,290	5,338,208
Outside Labour	53,444,414	33,939,060
Postage, Telephone & Fax Charges	25,134,563	17,765,778
Printing & Stationery	11,804,621	8,427,812
Professional Consultancy Charges	37,610,256	43,227,765
Quality Certification, Patent & FDA Expenses	21,678,951	4,628,531
Rates & Taxes	12,150,492	10,094,754
Rent	32,405,128	36,263,418
Repairs & Maintenance - Others	4,200,226	3,117,192
Repairs & Maintenance - Vehicle	9,165,942	8,421,702
Security Charges	612,523	626,324
Seminar Expenses	4,111,237	1,877,608
Share Transfer Charges	133,786	134,420
Tender	275,252	260,794
Travelling & Conveyance	97,936,203	97,431,298
TOTAL (A)	**534,384,353**	**456,718,651**

SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010 (contd.)

Amount in Rupees

Particulars	31.03.2010	31.03.2009
Schedule O (contd.)		
B. Staff Expenses		
Salaries & Allowances	408,893,492	370,342,365
Staff Welfare and Amenities	88,181,446	30,162,852
TOTAL (B)	**497,074,938**	**400,505,217**
C. Selling Expenses		
Freight & Handling Charges	46,786,867	48,258,524
Difference in Exchange	4,836,258	5,075,961
Packing Materials	12,455,141	17,635,014
Clearing Charges	5,642,520	4,121,891
Business Promotion Expenses	10,617,577	38,263,065
Transportation	-	7,307
TOTAL (C)	**80,338,363**	**113,361,762**
Total (A+B+C)	**1,111,797,654**	**970,585,630**
Schedule P		
Financial Charges		
Interest - Working Capital	170,790,461	201,950,083
Interest on Term Loan	179,448,857	297,283,433
Interest to Others	7,882,713	2,172,149
Bank Charges	23,985,808	35,611,616
TOTAL	**382,107,839**	**537,017,281**
Schedule Q		
Provision For Taxation		
Income Taxes	297,696,417	154,301,789
MAT Credit Entitlement	-	(80,527,280)
Fringe Benefit Tax	-	3,188,967
Deferred Tax (Asset)/Liability	(1,323,756)	(2,007,459)
TOTAL	**296,372,661**	**74,956,017**

SCHEDULE - E: CONSOLIDATED FIXED ASSETS SCHEDULE FOR THE YEAR ENDING 31.03.2010

Amount in Rupees

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.09	Additions	Deletions	Adjustments	Total as on 31.03.10	As on 01.04.09	For the year	Deletions	Adjustments	As on 31.03.10	As on 31.03.10	As on 31.03.09
Land	396,829,657	16,666,239	-	-	**413,495,896**	-	-	-	-	**-**	**413,495,896**	396,829,657
Borewell	73,655	-	-	-	**73,655**	-	-	-	-	**-**	**73,655**	73,655
Office Building	4,347,218	-	-	-	**4,347,218**	1,279,883	70,860	-	-	**1,350,743**	**2,996,475**	3,067,335
Building	72,869,702	49,218,119	-	(313,401)	**121,774,420**	17,504,022	2,000,378	-	(239,774)	**19,264,626**	**102,509,794**	55,365,680
Apartment	12,685,605	-	-	-	**12,685,605**	2,316,650	423,699	-	-	**2,740,349**	**9,945,256**	10,368,955
GH Furniture & Fittings	657,328	-	-	-	**657,328**	50,251	21,955	-	-	**72,206**	**585,122**	607,077
Plant & Machinery	636,238,419	720,623,355	(50,440,511)	(33,619,643)	**1,272,801,620**	316,643,394	32,301,647	(13,245,855)	(18,533,576)	**317,165,610**	**955,636,010**	319,595,025
Furniture & Fixtures	73,468,984	7,297,585	(360,137)	(5,314,314)	**75,092,118**	56,294,382	2,262,221	(9,852)	(6,594,200)	**51,952,551**	**23,139,567**	17,174,602
Computers & Software	32,726,093	49,664,478	-	(2,616,795)	**79,773,776**	18,139,357	5,102,781	-	(1,413,623)	**21,828,515**	**57,945,261**	14,586,736
Office Equipments	129,863,427	1,128,178	(9,569)	(19,744,273)	**111,237,763**	72,697,355	11,562,166	(416)	(7,122,910)	**77,136,195**	**34,101,568**	57,166,072
Electrical Installations	8,834,689	946,499	-	-	**9,781,188**	3,560,369	413,336	-	-	**3,973,705**	**5,807,483**	5,274,320
Vehicles	80,884,927	2,018,520	(860,754)	(361,623)	**81,681,070**	28,174,651	6,607,755	(676,457)	885,149	**34,991,098**	**46,689,972**	52,710,276
Overseas Assets	3,249,414	-	-	(82,342)	**3,167,072**	2,082,049	107,272	-	2,737	**2,192,058**	**975,014**	1,167,365
Intangible Assets	1,183,307,147	326,964,963	-	(123,130,856)	**1,387,141,254**	137,158,929	217,118,485	-	(33,840,584)	**320,436,830**	**1,066,704,424**	1,046,148,218
Total	**2,636,036,265**	**1,174,527,936**	**(51,670,971)**	**(185,183,247)**	**3,573,709,983**	**655,901,292**	**277,992,555**	**(13,932,580)**	**(66,856,781)**	**853,104,486**	**2,720,605,497**	**1,980,134,973**
Previous Year (08-09)	**1,165,536,040**	**1,503,744,670**	**(114,741,680)**	**81,497,235**	**2,636,036,265**	**514,853,994**	**138,094,522**	**(22,457,946)**	**25,410,721**	**655,901,292**	**1,980,134,973**	
Capital WIP	**172,311,798**	**159,180,873**	**(68,433,288)**	**(1,568,520)**	**261,490,863**	**-**	**-**	**-**	**-**	**-**	**261,490,863**	**172,311,798**

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS
SCHEDULE R

1. CONTINGENT LIABILITIES

1.1 Corporate Guarantees has been issued in favour of State Bank of India and State Bank of Travancore against line of credit sanctioned to Advanced Micronic Devices Ltd. & Altron Industries Pvt. Ltd.

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Corporate Guarantee-AMDL	1,787.00	1,787.00
Corporate Guarantee-Altron Industries Pvt. Ltd.	3,400.00	3,400.00
Total	**5,187.00**	**5,187.00**

1.2 There is a Labour Court Order towards a claim by ex-employee for Rs. 1.13 Lacs. No provisions have been made since the company has filed an appeal (PY Rs. 1.13 Lacs) in Devon Innovation Pvt. Ltd.

1.3 There is an Income Tax demand of Rs. 7.82 Lacs and Rs. 2.31 Lacs for the assessment years 1999-2000 and 2000-2001 respectively from the Income Tax department U/S 148 & 156. However no provision is made since the matter is pending before appellate authorities (PY Rs. 9.07 Lacs) in Ormed Technologies Pvt. Ltd.

1.4 Letter of Credit established: Rs. 536.15 Lacs

1.5 Bank Guarantees: Rs. 432.89 Lacs

2. The subsidiaries (which along with Opto Circuits (India) Ltd., the holding company) considered in the preparation of these consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of ownership interest as on 31.03.2010	Percentage of ownership interest as on 31.03.2009
1. Advanced Micronic Devices Ltd.	India	59.71%	59.71%
2. Mediaid Inc.	USA	100%	100%
3. Altron Industries Pvt. Ltd.	India	100%	100%
4. Eurocor GmbH	Germany	100%	100%
5. Ormed Medical Technology Ltd.	India	100%	100%
6. Devon Innovations Pvt. Ltd.	India	100%	100%
7. Criticare Systems Inc.,	USA	100%	100%
8. Opto Infrastructure Ltd.	India	87.33%	87.33%
9. Maxcor Lifescience Inc.	USA	100%	NIL

2.1 The financial statements of Mediaid Inc., USA and Criticare Systems Inc. USA have not been audited as the law of the respective country does not require the accounts to be audited. However, it has been reviewed by independent CPA.

2.2 The financial statements of all subsidiaries have been considered in the preparation of the consolidated financial statements as of March 31, 2010.

3. INVESTMENT IN EUROCOR SINGAPORE

During the year ended March 31, 2010 Eurocor Germany started a wholly owned subsidiary in Singapore with an investment of Rs. 69.56 Lacs (SGD 2.50 Lacs) aggregating to 2.50 Lacs Equity Shares of SGD 1.00 per share fully paid up.

4. TAXES

The provisions for taxation include tax liabilities in India on the company's income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those.

4.1 Income Tax department has raised a demand for tax of Rs. 14.16 Lacs for the AY-2004-05 for which Opto Circuits (India) Ltd. preferred an (Appeal) III. Pending disposal of this, the company has not provided liability for Income Tax.

4.2 Advanced Micronic Devices Ltd. has not paid undisputed Income Tax, liabilities outstanding as on March 31, 2010 for a period of more than 6 months from the date on which they become payable, as outlined below:

Rupees in Lacs

Financial Year	Income Tax	Dividend Tax	Total
2008-09	140.96	7.41	148.37
2009-10	69.44	NIL	69.44

4.3 The appeal prepared by Advanced Micronic Devices Ltd. for Assessment year 1995-96 and 96-97 filed before the Hon. High Court of Karnataka was upheld by the Court against which the department has not contested. Since a large amount is due from the department which has to be adjusted against interest and tax liability payable by the company we are unable to quantify the interest liability. The company will account the interest liability after obtaining the refund order from the Income tax Department,

4.4 During the year The Commissioner of Service Tax, Audit section, Bangalore, did the Audit and sent Audit Report to Advanced Micronic Devices Ltd. on May 10 with demand of Rs.201.32 Lacs. The company has paid Rs.44.04 Lacs and is contesting for the balance amount.

5. Opto Circuits (India) Ltd. has recognized Deferred Tax on timing differences between the accounting income and the taxable income for the current year, and quantified using the tax rates for UNIT-II. For the SEZ Unit Deferred Tax Asset/Liability has not been recognized as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available for such Deferred Tax Asset/Liability to be set-off. Tax expenses towards Deferred Tax Liability do not arise for the SEZ unit as income is covered under section 10AA of the Income Tax Act, 1961.

Deferred Tax Asset in case of Advanced Micronic Devices Ltd., Ormed Technologies Pvt. Ltd., Devon Innovation Pvt. Ltd. and Criticare Systems Inc. the subsidiaries, as on March 31, 2010 represent the tax effect of temporary difference substantially on account of depreciation methods/rates and other timing differences arising during the accounting year.

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Timing difference on account of depreciation	(11.32)	(22.32)
Other timing differences	NIL	NIL
Net Deferred Tax Asset/(Liability)	11.32	22.32

6. An amount of Rs. 139.08 Lacs has been treated as bad debt and written off by Opto Circuits (India) Ltd., Devon Innovations Pvt. Ltd. and Criticare Systems Inc. for period ended March 31,2010.

7. The total amount of accumulated depreciation as per consolidated accounts for the period ended March 31,2010 is Rs.8,531.04 Lacs out of which an amount of Rs.4,526.73 Lacs pertaining to Depreciation of Mediaid Inc., Altron Industries Pvt. Ltd., Devon Innovations Pvt. Ltd. & Criticare Systems Inc. the subsidiaries calculated on Written Down Value method

8. INTANGIBLE ASSETS

Cost towards appraisal, authentication, deliveries, patents, licenses, trials and studies at Eurocor Gmbh & Criticare Systems Inc., for getting the necessary approvals with competent authority were capitalized as intangible assets. Accordingly, it is being amortized over the estimated useful life of five years.

Rupees in Lacs

Particulars	31.03.2010	31.03.2009
Opening Balance	10,461.48	1,159.29
Additions during the year	2,038.34	10,231.46
Amortization	(1,832.78)	(929.27)
Closing Balance	10,667.04	10,461.48

9. CONSOLIDATED SEGMENT WISE REVENUE REPORTING

Rupees in Lacs

Particulars	International (31.03.2010)	Domestic (31.03.2010)	Total (31.03.2010)
1. Segment Revenue			
a. Health Care	103,464.39	2,894.51	106,358.90
b. Information Technology	-	2,467.91	2,467.91
c. Others	(789.67)	31.17	(758.50)
Total	**102,674.72**	**5,393.59**	**108,068.31**
Less: Inter Segment Revenue	(510.29)	(558.27)	(1,068.56)
Net Sales/Income From Operations	**102,164.43**	**4,835.32**	**106,999.75**
2. Segment Results (Profit before Interest & Tax)			
a. Health Care	32,907.56	255.47	33,163.03
b. Information Technology	-	117.62	117.62
c. Others	(421.99)	(30.71)	(452.70)
Total	**32,485.57**	**342.38**	**32,827.95**
Less: Interest	3,687.36	133.72	3,821.08
Total Profit Before Tax	**28,798.21**	**208.66**	**29,006.87**

10. During the year Opto Circuits (India) Ltd. raised Rs.38,377.10 Lacs (net of issue expenses) through Qualified Institutional Placement of 214.30 Lacs equity shares at Rs.186.65 per share fully paid-up.

Details for Increase of Share Capital

Quantity and Rupees in Lacs

Particulars	31.03.2010		31.03.2009	
	Quantity	Value	Quantity	Value
Opening Balance	1,614.69	16,146.91	941.72	9,417.18
Add: Issue through QIP	214.30	2,143.05	-	-
Conversion of Share Warrants	-	-	5.40	54.00
Capitalization of Reserves- Bonus Shares	-	-	667.57	6,675.73
Total	**1,828.99**	**18,289.96**	**1,614.69**	**16,146.91**

10.1 During the year Opto Circuits (India) Ltd. has set-off Rs. 41.46 Lacs in share premium account. This amount was related to the expense in the Follow on Public offer during the financial year 2006-07 payable to SBI Capital Market. The amount was under dispute and the same was settled during the year and the expense is set-off against share premium account.

10.2 During July 2009, Opto Circuits (India) Ltd. has also issued 60.00 Lacs Equity Warrants @ Rs. 210/- per share with each warrant convertible into one equity share of the company out of which 46.79 Lacs Share Warrants have been subscribed. 25% of the issue price i.e. Rs. 52.50 per share was paid by the allottees of the Share Warrant Holders. The Share Warrants could be converted into the Equity Shares of the company within a period of eighteen months from the date of allotment.

11. Opto Infrastructure Ltd. has treated its expenses amounting to Rs.653.30 Lacs (PY Rs. 258.65 Lacs) as pre-operative expenses pending capitalization.

12. DIVIDENDS REMITTED IN FOREIGN CURRENCY

Dividends paid in foreign currency for the year 2008-09 is US$ 52.03 Lacs (Rupee Equivalent 2,185.94 Lacs) towards 546.48 Lac shares held by NRI's & Foreign Nationals.

13. EARNINGS PER SHARE

Particulars	31.03.2010	31.03.2009
EPS – Basic	14.24	11.41
EPS – Diluted	14.07	-

** EPS for previous year has been restated.*

13.1 Reconciliation of basic and diluted shares used in computing earnings per share

Particulars	31.03.2010	31.03.2009
Number of Shares considered as basic weighted average shares outstanding	1,829.00	1,614.69
Add: Effect of dilutive - issues of shares	21.43	NIL
Number of Shares considered as weighted average shares and potential shares outstanding	1,850.43	1,614.69

**Number of shares in Lacs.*

14. Previous year's figures have been regrouped/re-stated/reclassified wherever necessary.

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS (CONTD.)
SCHEDULE R

COMPANY OVERVIEW

Opto Circuits (India) Ltd. along with its majority owned and controlled subsidiaries, is a leading global healthcare device corporation. The Group provides design, development, manufacture and maintenance of devices for the healthcare industry.

Significant Accounting Policies

1. Basis of preparation of Financial Statements

The consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historic cost convention on the accrual basis except for some financial instruments which are measured at fair value. GAAP comprises of mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The Financial Statements of Opto Circuits and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting un-realised gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests have been excluded. Minority interest represents that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company.

1.1. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as on the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage-of-completion which requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset other than goodwill is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in previous years.

2. Revenue Recognition

Revenue from sale of products are recognized on dispatch of goods to customers and are net of sales tax, discounts, rebates for price adjustments, rejections and shortage in transit.

3. Provisions and Contingent Liabilities

Provision for income tax is provided by the company, after considering the exemption U/S 10AA of the Income Tax Act, available to the Holding Company. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimates can be made, a disclosure is made as Contingent Liability. A disclosure for a Contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4. Fixed Assets including Goodwill, Intangible Assets and Capital Work in Progress

Fixed assets are stated at cost, less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Goodwill comprises the excess of purchase consideration over the fair value of the net assets of the acquired enterprise.

5. Depreciation and Amortisation

Depreciation on fixed assets is provided on the straight-line method based on useful lives of assets as estimated by the management. Depreciation for assets purchased/sold during the period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. Leasehold improvements are written off over the lower of the remaining primary period of lese or the life of the asset. However, in case of Mediaid Inc., Altron Industries Pvt. Ltd., Devon Innovations Pvt. Ltd. and Criticare Systems Inc. the subsidiaries, depreciation is provided on Written Down Value method.

6. License Rights and Patents

License rights and patents are evaluated for impairment when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable through the estimated undiscounted future cash flows resulting from the use of these assets. When any such impairment exists, the related assets will be written down to fair value.

7. Product Warranties

Estimated costs for product warranties are accrued for and charged to operations, as revenues for the related products are recognized.

8. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are customer obligations due under normal trade terms. The company sells its products to distributors, OEMs and end users in medical facilities such as hospitals, surgery centers, nursing homes, and physician offices. The company performs continuing credit evaluations of its customers' financial condition, and although it generally does not require collateral, letters of credit may be required from customers in certain circumstances.

Management reviews accounts receivable on a monthly basis to determine if any receivables will potentially be uncollectible. The company includes any accounts receivable balances that are determined to be uncollectible, along with a general reserve, in its overall allowance for doubtful accounts. Based on the information available, the company believes its allowance for doubtful accounts as of now is adequate. However, actual write-offs might exceed the recorded allowance.

9. Inventories

Valuation of inventories is on the following basis as certified by the management.

Raw Materials including stores and spares	Valued at lower of cost and net realizable value.
Work in Process	Valued at lower of cost and net realizable value Work in Process includes cost incurred up to the stage of completion.
Finished Goods	Valued at lower of cost and net realizable value Finished goods include costs of conversion and costs incurred up to bringing the same to the location or stage of completion.

Cost of inventories is computed on weighted average/FIFO basis.

10. Retirement Benefits

The company's liability towards retirement benefit in the form of Provident Fund, Gratuity and Earned Leave encashment are provided for on accrual basis and charged to revenue expenditure. The company contributes to the Employee Provident Fund under the Employees Provident Fund Scheme of the Central Government. The gratuity liability is provided and charged off as revenue expenditure based on actuarial valuation. The company has subscribed to the group gratuity scheme policy of LIC of India. All overseas subsidiaries provide for retirement benefits under respective laws and regulations.

11. Taxes on Income

11.1 Income Tax

A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

11.2. Deferred Tax

Deferred Tax Assets & Liabilities are recognized for the estimated future tax consequences of temporary differences between the carrying value of the assets & liabilities and their respective tax bases. Deferred Tax Asset in the nature of unabsorbed depreciation and loses are recognized only if there is virtual certainty of realization. Other deferred tax assets are recognized if there is reasonable certainty of realization. The effect on Deferred Tax Asset & Liabilities of a change in rates is recognized in the income statement in the period of enactment of the change.

12. Foreign Currency Translation

Foreign Currency Transaction is recorded at the rates of exchange prevailing on the date of transaction. Foreign currency translation on assets & liabilities and realized gains / losses on foreign exchange transactions, other than those relating to fixed assets are recognized in the Profit and Loss account. Exchange difference arising on liabilities incurred for the purpose of acquiring fixed assets are adjusted in the carrying value of the respective fixed assets.

While translating the financial statements of non integral foreign subsidiaries the exchange difference arising on translation of assets / liabilities and income / expenses is disclosed as foreign currency translation reserve.

The Goodwill / Capital Reserve, arising out of acquisition of subsidiaries are stated at closing rate and the differences in translation are disclosed in foreign currency translation reserve.

13. Research & Development

Research and development costs, including technical know-how fees, incurred for development of products are expensed as and when incurred, except for development costs which relate to the design and testing of new or improved materials, products or processes which are recognized as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Research and Development expenditure of a capital nature are shown as intangible assets and any expenditure carried forward is amortized over a period of five years.

14. Investments

Investments other than investments in associates are valued at cost.

15. Earnings per Share

The basic & diluted earnings per shares is calculated proportionately on the outstanding equity shares.

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

VIJAYENDRA R
Company Secretary

Place: Bengaluru
Date: 24th May 2010

Read with our report

For Anand Amarnath & Associates
Chartered Accountants

BK AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Subsidiary Financial Information

SUBSIDIARY DETAILS

Summarised Statement of Financials of Subsidiary Companies pursuant to approval under Section 212(8) of Companies Act, 1956.

Rupees in Lacs

Name of the Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit before Taxation after Prior Period Ad-justments	Provision for Taxation	Profit After Taxation	Proposed Dividend & Dividend Tax	Country
1. Advanced Micronic Devices Ltd.	528.11	1,319.64	6,709.31	4,890.06	28.50	6,617.25	124.94	99.09	25.85	60.22	India
2. Mediaid Inc.	1,014.88	3,456.19	7,520.26	3,049.18	-	15,919.42	3,057.57	1,144.32	1,913.25	-	USA
3. Altron Industries Pvt. Ltd.	1,657.02	22.70	3,121.90	1,442.17	-	6.48	0.10	-	0.10	-	India
4. Eurocor GmbH	23.50	12,949.07	22,070.18	9,097.61	-	21,059.01	5,961.55	2.54	5,959.01	-	Germany
5. Devon Innovations Pvt. Ltd .	10.00	353.45	417.33	53.88	-	397.59	109.73	12.71	97.02	-	India
6. Ormed Medical Technology Ltd.	25.00	153.33	294.13	115.80	-	354.78	44.52	15.16	29.36	-	India
7. Criticare Systems Inc.	199.72	12,220.32	28,106.35	15,686.31	-	17,615.78	3,387.70	41.19	3,346.51	-	USA
8. Opto Infrastructure Ltd.	2,061.08	2,065.90	5,923.96	1,796.98	-	-	-	-	-	-	India

Note: The above information has been drawn up to co-relate with the Consolidated Financial Statements

Glossary, Terms and Contacts

ABBREVIATIONS

ADR: American Depository Report
AGM: Annual General Meeting
AMDL: Advanced Micronic Devices Limited
BMS CC: Bare Metal Stent Cobalt Chromium
BMS: Bare Metal Stent
BRICS: Brazil, Russia, India, China, South Africa
BSE: Bombay Stock Exchange
CAGR: Compounded Annual Growth Rate
CDSL: Central Depository Services Limited
CE: Conformité Européen
CEO: Chief Executive Officer
CIF: Cost, Insurance, Freight
CSI: Criticare Systems Inc.
DEB: Drug Eluting Balloon
DES: Drug Eluting Stent
DTA: Domestic Tariff Area
EBITDA: Earnings Before Income, Tax, Depreciation and Amortization
EOU: Export Oriented Unit
EPS: Earnings Per Share
FA: Fixed Assets
FBT: Fringe Benefit Tax
FDA: Food and Drug Administration
FG: Finished Goods
FIFO: First In, First Out
FII: Foreign Institutional Investor
GAAP: Generally Accepted Accounting Principles
GDR: Global Depository Report
GmbH: Gesellschaft mit beschränkter Haftung
HRA: House Rent Allowance
HUF: Hindu Undivided Family
ICAI: Institute of Chartered Accountants of India
Inc.: Incorporated
INR: Indian Rupees
IP: Intellectual Property
ISO: International Organization for Standardization
ITC: Item Tariff Code
MAT: Minimum Alternate Tax
NRI: Non Resident Indian
NSDL: National Securities Depository Limited
NW: Net Worth
OCI: Opto Circuits India Limited
OEM: Original Equipment Manufacturer
PAT: Profit After Tax
PAD: Peripheral Arterial Disease
PBDIT: Profit Before Depreciation Interest & Tax
PBIT: Profit Before Interest & Tax
PBT: Profit Before Tax
PTCA: Percutaneous Transluminal Coronary Angioplasty
PY: Previous Year
R&D: Research & Development
RBI: Reserve Bank of India
SEBI: Securities and Exchange Board of India
SEZ: Special Economic Zone
SGA: Selling General Administrative
SGD: Singapore Dollar
SME: Small Scale Enterprise
SpO2 Sensor: Pulse Oximetry Sensor
USA: United States of America
USD: United States Dollar
USFDA: United States Food and Drug Administration
WC: Working Capital
WIP: Work In Process

RATIOS & FORMULAS

Term	Formula
FA Turnover Ratio	Sales/Net Fixed Assets
WC Turnover Ratio	Sales/Net Current Assets
Debt/Equity Ratio	Debt/ Equity
EPS	PAT/Number of shares outstanding

DEFINITION OF FINANCIAL TERMS

Debt: Secured loans + Un-secured loans
Equity: Share Capital + Reserves and Surplus
Capital Employed: Total Application of Funds in the Balance sheet
Total Assets: Capital Employed + Current Liabilities and Provisions
Net Worth: Share Capital + Reserves and Surplus
Capital Expenditure: Additions as stated in the Fixed Asset Schedule
R&D: R&D Investment from Fixed Assets Schedule + R&D Investment pending capitalization from Balance Sheet line item "Miscellaneous Expense" + R&D Expense from the Profit and Loss Account

COMPANY CO-ORDINATES FOR INVESTORS:

9am IST – 5pm IST, Weekdays
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F: 91 80 2852 1094
A: Plot No.83, Phase I Electronic City, Hosur Road
Bengaluru 560 100
Retail Investors: investorsservices@optoindia.com
Institutional Investors: ir@optoindia.com

GROUP WEBSITES:

www.optoindia.com | www.amdlcorp.com | www.csiusa.com | www.mediaidinc.com | www.eurocor.de | www.devoncatheters.com | www.ormedortho.com I www.unetixs.com I www.nsremedies.com

NOTES

NOTES

SAFE HARBOUR

Statements made in this Annual Report describing the company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulation. Actual results could differ from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand, supply and price conditions in the domestic and overseas markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

Annual Report Design: Ninan Joseph / www.ninanjoseph.com

Annual Report Printed at: Nice Prints, Bangalore / www.niceprintsblr@gmail.com