



# 2012

## GLORIOUS YEARS

### ANNUAL REPORT 2011 – 12



SENSING TECHNOLOGY

OPTO CIRCUITS (INDIA) LIMITED

## 23.6 EPS

5 YEAR SALES CAGR OF 56%

100+ PRODUCTS

DISTRIBUTED IN  
150 COUNTRIES

193 PATENTS

572 CRORES  
OF NET PROFIT

~1840 EMPLOYEES

2357 CRORES  
OF NET SALES

## BOARD OF DIRECTORS

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

## BANKERS

State Bank of India  
United Bank of India  
IndusInd Bank Limited  
DBS Bank Limited  
Standard Chartered Bank  
HDFC Bank Limited  
YES Bank Limited  
ICICI Bank Limited  
IDBI Bank Limited

## COMPANY SECRETARY

K V Ganesh

## REGISTERED OFFICE

# 83, Electronics City  
Bengaluru 560100 Karnataka, India

## 20TH ANNUAL GENERAL MEETING

**Day & Date:** Saturday, 29th September 2012

**Time:** 12 noon

**Venue:** Manipal County

No.65 Singasandra, Off Hosur Road  
Bengaluru 560068

## AUDITORS

Anand Amarnath & Associates  
Chartered Accountants  
S-2, II Floor, Gem Plaza,  
No. 66, Infantry Road,  
Bengaluru 560001

**ESTABLISHED:** 1992 | **HEADQUARTERS:** Bengaluru, Karnataka, India | **BSE CODE:** 532391 | **NSE SYMBOL:** OPTOCIRCUI |  
**INDUSTRY:** Medical Technology & Consumables | **BUSINESS:** develops, manufactures and markets medical equipment and consumables (non invasive) and interventional devices & tools (invasive); leader in cardiac and vital signs monitoring, emergency cardiac care, vascular treatments and sensing technologies | **PATENTS:** 193 (+ 108 pending applications) |  
**APPROVALS:** USFDA listed, CE marked & local country registered products | **REACH:** More than 150 countries; predominant in North America, Europe and BRIC.

## BRAND PORTFOLIO

Quinton	eTraQ	MediChek	Joker
Burdick	eVision	Revo	Freeway
PowerHeart	Poet IQ	Dior	Genius Magic
CareCentre MD	nCompass	Genius Taxcor	Magical
HeartCentrix	nGenuity	Amadeus Supercross	eFlex
Pyramis	eQuality	eMagic	

# INDEX

CHAIRMAN'S STATEMENT	02
SHAREHOLDER RETURNS	05
RECAP 2011-12	06
GROUP'S FINANCIAL HIGHLIGHTS	08
PRODUCT PORTFOLIO	10
NEW PRODUCT LAUNCHES	18
MANUFACTURING FACILITIES	19
AT THE HEART OF SAVING LIVES	23
PEOPLE POWER	25
STATUTORY REPORTS	27
STANDALONE FINANCIAL STATEMENTS	51
CONSOLIDATED FINANCIAL STATEMENT	79
SUBSIDIARY FINANCIAL INFORMATION	107
GLOSSARY, TERMS & CONTACTS	109



# CHAIRMAN'S STATEMENT

The support and encouragement from all our stakeholders was instrumental in creating an organization that created global employment opportunities, enabled improvements in healthcare technologies and generated shareholder value beyond the ordinary.

Dear Shareholders,

Team Opto Circuits is celebrating 20 glorious years of astounding growth, market success and medical innovation. It's an added moment of pride that during our 20th year, we crossed ₹ 2000 crores in revenues and reported an industry-beating organic growth rate of around 22%.

20 years back, when my colleagues and I invested our lives' savings and family resources to start a company, little did we know or realize then that our little entrepreneurial initiative would one day create wealth for more than fifty thousand global shareholders. Nor had we set out to become India's largest and most well known medtech company. Years of toil, relentless travelling and 20-hour work days all seem worth the contributions, we, as Team Opto, have been able to make to society in the last two decades. The support and encouragement from all our stakeholders was instrumental in creating an organization that created global employment opportunities, enabled improvements in healthcare technologies and generated shareholder value beyond the ordinary.

When I think about the next 20 years in the life of this company, I think about the kind of organization that will be chaperoned by the leaders of tomorrow. Of primary importance are the values of good governance and good conduct that should outlive any Board or any CEO. I would also encourage my younger colleagues to lead the businesses with a personal sense of entrepreneurship and accountability. The next two decades, perhaps, will also throw up many multi-disciplinary and much larger opportunities in the healthcare sector. The industry will also continue to be uniquely defensive and prone to rapid growth at the same time. It may also be the industry that, for its global citizens, will enhance quality of life and human survival rates, the most. I wish for Team Opto to be at the forefront of achieving these goals through a dedicated focus on scientific progress and with an aim to making such progress available to populations across all income levels.

In preparation to harness the great potential that the future holds out, we undertook some strategic initiatives last fiscal.

We've re-aligned our go-to market strategies and created customer facing assets that can leverage synergies across the Group. Our monitoring and measurement businesses have been operationally integrated to serve a common customer

type in various geographies. Similarly, all entities in the business of minimally invasive medical procedures and vascular solutions have been organized under one umbrella entity.

Our investments into R&D are designed and deployed to leverage on the skills and talents available to our various global locations. The life sciences, engineering and software development teams have been strengthened in the US and India to maintain a healthy pipeline of new innovations and product developments. Fresh capacities have been built in the sustenance engineering function for shelf-life extensions of proven technologies and for rendering commercially successful platforms viable for the developing world. Of special importance is the fact that young talent from Opto's India R&D operations is now contributing to the global medical technology sector and is being sought out by our global research teams to collaborate on advanced engineering and biotech projects. As a leader, I am very proud that such research opportunities addressing global patient-care challenges are now available to the country's young and able engineers and scientists. It reinforces my belief that the spirit of scientific inquiry and healthcare innovation thrives in the minds and hearts of the new generation workforce and will be the key factor that will put India on the map of medical innovation and advancement. The proximity of this talent to the developing world realities also renders them better equipped to design clinical solutions for the poor and low income countries. Additionally, the international nature of the Group's operations and customer locations enables cross-border exchange of ideas and execution capabilities within the R&D function, helping enhance the quality of its output.

Our Malaysian facilities have been rendered operational during the last fiscal and more manufacturing lines will be moved this fiscal from high-cost locations to Malaysia and India. The new Asian manufacturing bases are geared to help cater to the fast growing markets in MENA & SEA and will enable a diversified manufacturing strategy. Being closer to our growing customer base will, also, in the long term, enable faster logistics and an efficient supply chain for the whole Group.

This phase of consolidation, strategic relocations and leveraging of internal assets has resulted in cross-functional efficiencies and double digit revenue growth. These corporate initiatives are expected to bear many more rewards in the coming years. In FY13, the management's key priorities will

continue to be revenue and profit growth complemented by a healthy balance sheet and robust return ratios. But above all, the spotlight will be on optimizing the organic potential of the Group's assets and resources, an endeavour that will be driven by strong intra-Group ties and co-operation. The Group's current portfolio of products, skills, patents, certifications and manufacturing infrastructure have already created a sustainable growth engine. Our internal strengths and corporate brand equity, built on and refined over the last 20 years, are well poised and prepared to effect global market share expansions over the next few years.

On that note, I want to thank you very much for being by our side always and for your faith in our capabilities. I am very confident that with your continued support and goodwill, Team Opto will attain far greater heights in the coming decades.

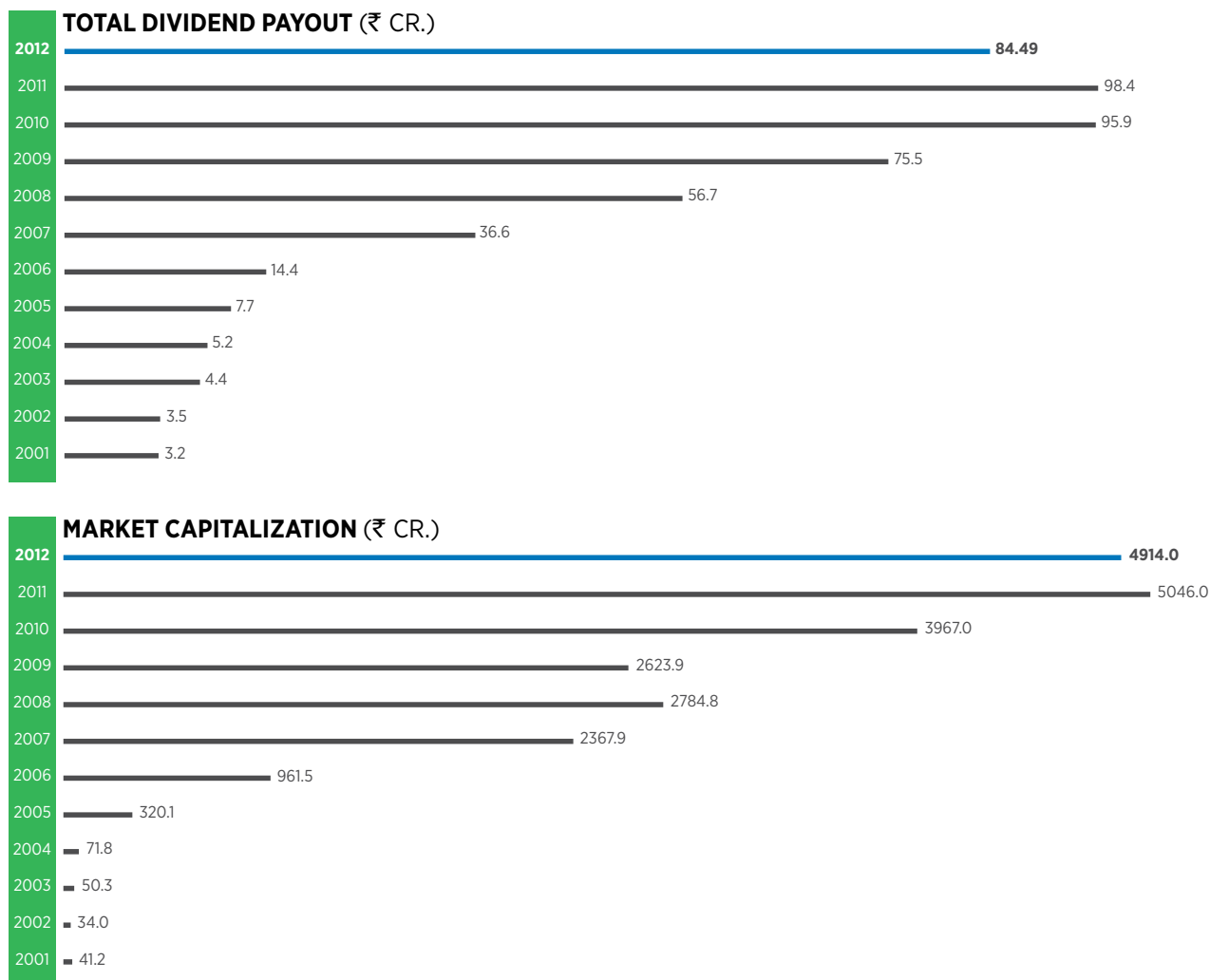
Sincerely,

**VINOD RAMNANI**

Chairman & Managing Director

# SHAREHOLDER RETURNS

Opto Circuits has a strong track record of delivering returns during its tenure as a listed company.



## BONUS & DIVIDEND TRACK RECORD (FACE VALUE: ₹ 10)

Year	Bonus Ratio	Dividend ₹ / Share
2001	-	3.00
2002	1:10	3.00
2003	2:10	3.00
2004	3:10	3.00
2005	5:10	3.50
2006	1:1	4.00
2007	1:2	5.00
2008	7:10	5.00
2009	-	4.00
2010	-	4.00
2011	-	4.50
2012	3:10	3.00

## CASE STUDY: PRESENT VALUE OF AN INVESTMENT FOR 1000 SHARES AT ₹ 50 EACH IN FY2001

Amount in ₹

Particulars	Shares	Price Per Share	Amount
Initial Investment in FY2001	1,000	50	50,000
Value on 31st March 2012	17,066*	202.79**	3,718,819***
Returns	1607%	306%	7438%

\*Includes Cumulative Bonus Shares

\*\* ₹ 202.79 is the BSE closing rate as at 31st March 2012

\*\*\* Includes Cumulative Dividends but does not include Dividend as proposed on 22nd May 2012 and which is subject to shareholder approval at the AGM to be held on 29th September 2012.

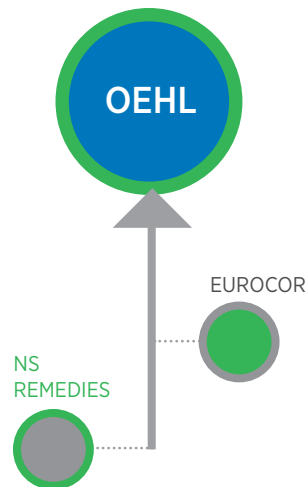
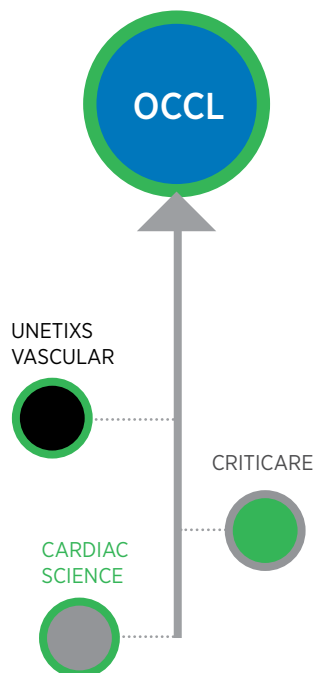
## CORPORATE DEVELOPMENTS

### Strengthened Top Management

- > Arindam Sen was appointed as CEO for Advanced Micronic Devices Ltd. (AMD).
- > Dr. Antonino Laudani was appointed as COO for Eurocor GmbH.

### Restructured the Medical Equipment & Interventional Businesses

- > Investments of three US-based subsidiaries, Cardiac Science Corporation, Criticare Systems Inc. and Unetixs Vascular Inc. were transferred to Opto Cardiac Care Ltd. (OCCL), a wholly-owned subsidiary of Opto Circuits (India) Ltd.



- > Investments of subsidiaries, Eurocor GmbH and N.S.Remedies Pvt. Ltd. were transferred to Opto Eurocor Healthcare Ltd. (OEHL), a wholly-owned subsidiary of Opto Circuits (India) Ltd.



### Renewed India Focus

- > AMDL's healthcare division, recast its market presence in an all new avatar – AMDL Health



## HEART-SAFE ENVIRONMENTS CAMPAIGN

As part of its initiative to create awareness around sudden cardiac arrest (SCA) and the role of community-led emergency treatment efforts towards saving lives of SCA victims, Opto Circuits presented its Powerheart G3 AEDs to:

- > Bangalore Metro Rail Corporation Ltd.
- > Delhi Metro's Central Secretariat and Kashmere Gate Stations
- > Press Club Mumbai
- > Cochin International Airport's Domestic and International Terminals
- > India Habitat Centre, Delhi
- > Bangalore International Airport Ltd. (BIAL)



## LAUNCHES & APPROVALS

AMDL Health launched its advanced cardiology and emergency care portfolio from Cardiac Science & Criticare in India at the esteemed CSI Conference in Mumbai.

CORPORATE DEVELOPMENTS

HEART-SAFE ENVIRONMENTS CAMPAIGN

LAUNCHES &amp; APPROVALS

NEW MARKET ENTERIES

CLINICAL TRIALS &amp; REGISTRIES



AMDL Health launched eTraQ™ Application for the BlackBerry® PlayBook™ tablet.



The application allows medical practitioners to use a BlackBerry® PlayBook™ to remotely access multiple patients' real-time physiological parameters collected through eTraQ™ Transport Monitors.

Cardiac Science received FDA clearance for MySense Heart®, a revolutionary wearable Holter cardiac monitor



It is small, lightweight and disposable, enabling patients to wear it comfortably for an extended time. The device is a breakthrough in low-cost, disposable cardiac monitoring.

## NEW MARKET ENTRIES

Cardiac Science won large AED contracts to deploy AEDs in Spain (Europe) and Columbia (Latin America).

Cardiac Science re-entered the Japanese AED market.

Cardiac Science signed an agreement to provide Powerheart® AED G3 Pro® units to the Hong Kong Department of Health (DH).



Cardiac Science signed agreements to supply hundreds of Powerheart® G3 AEDs towards the Campaign "Defib Your Club, For Life", to sporting clubs of Victoria, Australia.



Cardiac Science Powerheart® AEDs were included in Airbus offerable vendor catalog.

## CLINICAL TRIALS & REGISTRIES

Eurocor launched the DIROCT Multicenter Trial.

12 months outcome of Spanish Multicenter Registry was presented at EuroPCR.

First data at 9 months of the DEAR Registry was presented at EuroPCR.

Results of Valentines Trial II were presented at CRT2012.



# GROUP'S FINANCIAL HIGHLIGHTS

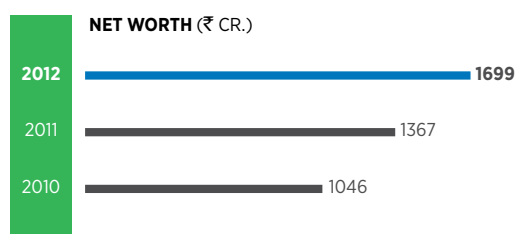
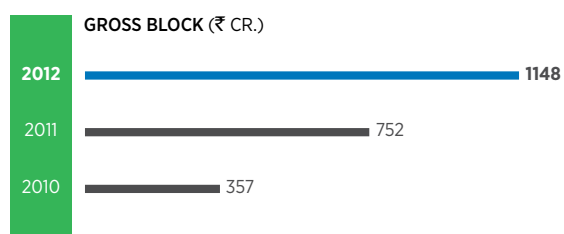
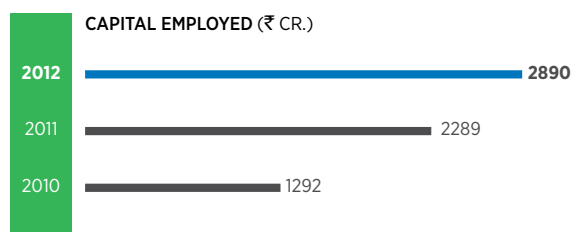
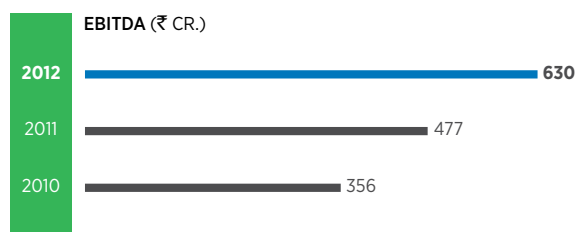
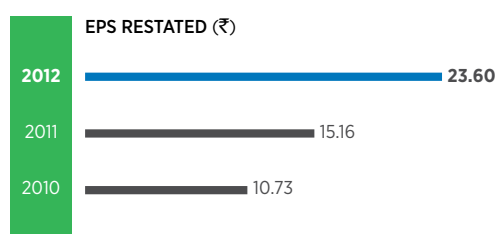
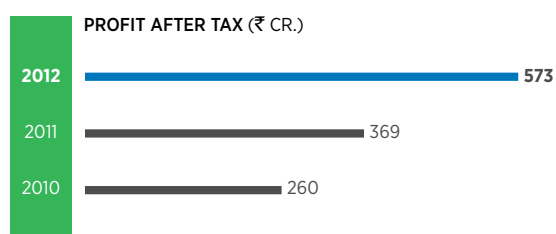
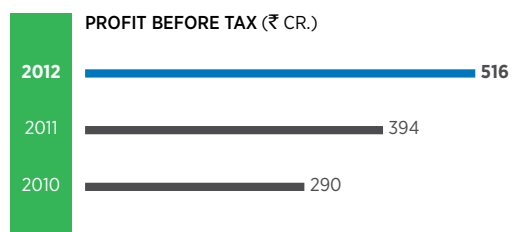
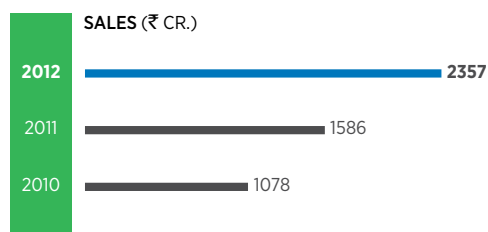
## THREE YEARS AT A GLANCE

FINANCIAL DATA SUMMARY	UNIT	2010	2011	2012
<b>PROFIT &amp; LOSS</b>				
Sales	₹ Crore	1078	1586	2357
EBITDA	₹ Crore	356	477	630
PBT	₹ Crore	290	394	516
PAT	₹ Crore	260	369	573
<b>BALANCE SHEET</b>				
Gross Block	₹ Crore	357	752	1148
Net Block	₹ Crore	272	441	711
Net Current Assets	₹ Crore	751	1077	1379
Share Capital	₹ Crore	208	186	242
Reserves and Surplus	₹ Crore	838	1180	1457
Capital Employed	₹ Crore	1292	2289	2890
<b>PERFORMANCE RATIOS</b>				
EBITDA/Sales	%	33%	30%	27%
PBT/Sales	%	27%	25%	22%
PAT/Sales	%	24%	23%	24%
<b>TURNOVER RATIOS</b>				
FA Turnover Ratio		3.96	3.59	3.31
WC Turnover Ratio		1.44	1.47	1.71
<b>LEVERAGE RATIOS</b>				
Debt/Equity Ratio		0.22	0.66	0.69
<b>SHARE DATA</b>				
Dividend	%	40%	45%	30%
Dividend per Share	₹	4.00	4.50	3.00
Basic EPS [restated]	₹	10.73	15.16	23.60
<b>OTHER KEY PARAMETERS - BALANCE SHEET</b>				
Goodwill/Total Assets	%	15%	21%	13%
Capital Expenditure/Sales	%	9%	14%	14%
<b>OTHER KEY PARAMETERS - P&amp;L</b>				
Employee Cost/Sales	%	5%	7%	8%
SGA Total/Sales	%	10%	19%	22%
Interest Cost/Sales	%	4%	2%	3%

### NOTES:

- FY 2010 numbers reflected above are not as per classification under the revised Schedule VI, hence they are not directly comparable. FY 2011 and FY 2012 numbers are drawn up/computed as per revised Sch VI classification/format and are comparable. The non-comparability owing to application of revised Schedule VI is primarily in those ratios that use Balance sheet parameters.
- Net Current Assets : Formula =(All Current Assets) minus (All Current Liabilities excluding short term borrowings and current maturities of long term debt).
- Capital Employed : Net worth + minority interest + long-term borrowing + short-term borrowing + current maturities of long-term borrowing.
- Debt : Debt is total of Long term borrowings, Short term borrowings and current maturities of long term debt.
- Capital Expenditure : The amount of moneys invested in all tangible and intangible fixed assets as available in the Cash Flow Statement section on Cash Flow from Investing Activities.
- SGA total: The amount is the sum of "other expenses" and "employee costs".

## KEY PARAMETERS



## NOTES:

FY 2010 numbers reflected above are not as per classification under the revised Schedule VI, hence they are not directly comparable. FY 2011 and FY 2012 numbers are drawn up/computed as per revised Sch VI classification/format and are comparable. The non-comparability owing to application of revised Schedule VI is primarily in those ratios that use Balance sheet parameters.

# PRODUCT PORTFOLIO

## MONITORING

CARDIAC MONITORING | VITAL SIGNS MONITORING | ANESTHESIA MONITORING |  
THERMOMETERS | SENSORS | WATER TRAPS | ACCESSORIES | SERVICES | OTHERS



504DX, Pulse Oximeter



nGenuity, Vital Signs Monitor



eQuality, Vital Signs Monitor

### VITAL SIGNS MONITORING

Vital signs patient monitors and multi parameter patient monitors record and display vital signs such as oxygen saturation, electrocardiogram, non-invasive blood pressure and temperature. Other vital parameters related to gas output and blood pressure can also be configured into the monitor. These monitors are used in dental clinics, nursing homes, hospitals and ambulances. In hospitals they can be found in intensive care units, critical care units and operation theaters. nGenuity, nCompass, eQuality, VitalCare, Poet IQ, Medichek, ComfortCuff and Qsat are our well known brands.

The global market for vital signs monitoring is expected to exceed US\$ 8 billion by 2016, growing at a CAGR of 3%.

### ANESTHESIA AND RESPIRATORY MONITORS

Anesthetic monitoring devices have become a standard of care in the operating room and can now also be seen in emergency rooms, endoscopic suites and X-ray rooms. These devices measure the output gases while a patient is under anesthesia. Our Poet IQ series is a unique offering for fast and accurate breath-by-breath identification of gases.

The global market for anesthesia monitoring is expected to exceed US\$ 7 billion by 2016, growing at a CAGR of 7%



Poet series of anesthesia and respiratory monitors



Burdick, ECG



Burdick Vision, Holter



MySense Heart, Holter Monitor



Quinton Q-Stress, Stress Test Machine

### CARDIAC MONITORS, CARDIAC REHABILITATION & AEDS

Cardiac monitoring systems, crucial to cardiovascular care, are used by clinicians to assess the presence and severity of cardiac disease and to evaluate the efficacy of treatments such as drugs, interventions, operations and device implants. We develop, manufacture and market devices such as electrocardiograph systems, stress test systems and holter monitoring systems. Quinton and Burdick are gold class internationally known brands under this product offering.

The global market for cardiac monitoring is expected to exceed US\$ 800 million by 2016, growing at a CAGR of 3.5%

## TREATMENT

DEFIBRILLATION PRODUCTS | CONSUMABLES | SERVICES



Powerheart, Automated External Defibrillators

Our treatment and diagnostics portfolio consists of

### AUTOMATED EXTERNAL DEFIBRILLATORS

Automated external defibrillators or AEDs are devices that can be used by the public and are used to resuscitate the heart when it goes into sudden cardiac arrest. Our patented Rescue Ready Powerheart defibrillator family offers a variety of automated external defibrillators, also called AEDs for public use and medical professionals, alike. You will see AEDs in hospitals, offices, schools, restaurants, malls, airports, libraries, and public places – in short, just about any place someone could suffer sudden cardiac arrest.

The global market for automated external defibrillators (AED) is expected to exceed US\$ 900 million by 2016, growing at a CAGR of 7%

## DIAGNOSTICS

VASCULAR DIAGNOSTIC SYSTEMS | CONSUMABLES | SERVICES



Revo, Vascular Diagnostic Equipment



Multilab, Vascular Diagnostic Equipment

### PERIPHERAL VASCULAR DIAGNOSTIC SYSTEMS

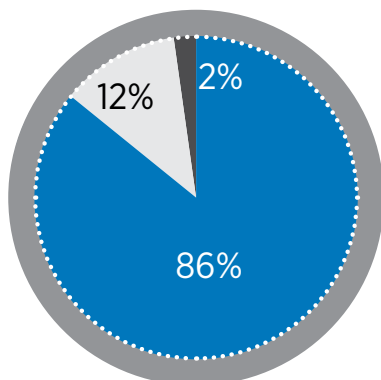
Peripheral vascular diagnostic systems are used to detect peripheral arterial disease which occurs when arteries in the legs become narrowed or clogged. Our equipment, sold under the Revo brand, analyses the flow of blood in the arteries and detects blockages. These products are ideal for vascular labs as well as the cardiologist's, vascular surgeon's or other physician's offices.

The global market for peripheral vascular diagnostic systems is expected to exceed US\$ 300 million by 2016, growing at a CAGR of 8%

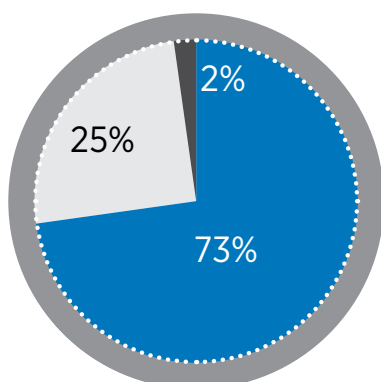
### GROWTH DRIVERS FOR MEDICAL EQUIPMENT & CONSUMABLES

- > Increase in prevalence of lifestyle and chronic diseases necessitate higher hospitalization and requirement for intensive and critical care
- > Increasing number of hospitals in developing countries will expand the base of critical care and intensive care facilities
- > Growing elderly population will increase the need for hospitalization and patient care
- > Implementation of information systems for data management and networking capabilities
- > Increasing acceptance of new technologies

## PRODUCT UTILITY SHARE



2011



2012

YOY GROWTH IN INR SALES:

● 36% ● 250% ● 57%

● Monitoring

● Treatment

● Diagnostics

## GLOBAL MARKET OPPORTUNITY: USD 14 BILLION +

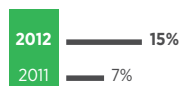
Medical Equipment & Consumables	FY11	FY12	YoY Growth in INR Sales
<b>PRODUCT CATEGORY SHARE OF SEGMENT SALES</b>			
Consumables, Peripherals & Accessories	51%	42%	33%
Equipment & Devices	46%	53%	86%
Services	3%	5%	166%
<b>GEOGRAPHIC SHARE</b>			
North America	51%	42%	32%
Asia	42%	48%	85%
Europe	5%	8%	140%
ROW	2%	2%	139%

### SEGMENT SHARE OF CONSOLIDATED SALES (NON-INVASIVE)



YOY GROWTH IN INR SALES : 61%

### EMERGING MARKETS SHARE



YOY GROWTH IN INR SALES : 234%

### DEVELOPED MARKETS SHARE



YOY GROWTH IN INR SALES : 57%

### NOTES:

> FY11 sales data is not directly comparable to FY12 data on account of 2 segment-specific acquisitions made in the prior period.

> This data is reflective of the segment's performance across subsidiaries and their divisions; it is not driven by entity-level reported financials. Eg.: Sales of only the Healthcare division of AMDL have been considered here.

> Geographic segmentation of sales is an Invoice-based classification and may not directly indicate end-user locations. This segmentation, therefore, may be inappropriate to determine regional market shares.

> Geographic regions have been defined as per The World Factbook. Markets have been classified into Emerging and Developed as per the classification followed by MSCI.

> Prior period data has been reclassified, wherever relevant, to align to current year reporting formats/ methodology.

# INTERVENTIONAL DEVICES & TOOLS

## (INVASIVE SEGMENT)

### VASCULAR

CARDIAC STENTS | DRUG COATED BALLOONS | ANGIOPLASTY PERIPHERALS



Coronary Bare Metal Stents

#### CORONARY STENTS

A stent is a wire mesh that helps prevent arteries from re-narrowing after an angioplasty. Our product offering includes bare metal stents as well as drug coated stents – popularly called DES, for cardiac use. Our brands – Genius® MAGIC, Genius® MEGAFLEX, E-MAGIC™ and E-FLEX™ are offered on indigenously developed stainless steel and cobalt chromium platforms. Our leading Genius® TAXCOR series of polymer-free DES are coated with paclitaxel and are available on stainless steel and cobalt chromium platforms. The global market for coronary stents is expected to exceed US\$ 6.5 billion by 2016, growing at a CAGR of 2.5%



Coronary Drug Eluting Stent

#### DRUG ELUTING BALLOONS

We have been pioneers in the development of drug coated balloons, popularly called DEB. Our brand DIOR® has been a key success in the treatment of coronary challenges such as bifurcation lesions, small vessel stenting and the problems presented by in-stent restenosis or recurrence of narrowing of artery. We've also customised the technology to the treatment of peripheral arterial disease and launched FREEWAY™.



Drug Eluting Balloons

The global market for drug-eluting balloons is expected to exceed US\$ 2 billion by 2016, growing at a CAGR of 7%.

## ORTHOPEDICS

HIP IMPLANTS | SUCTION DEVICES | SURGICAL TOOLS | PHYSIOTHERAPY PRODUCTS

Othopaedic Implant



## UROLOGY, GASTROENTEROLOGY AND GYNAECOLOGY

CATHETERS | STENTS | GUIDEWIRES | DILATOR SETS, NEEDLES, BASKETS, INJECTORS



Gastro Drainage Catheter



Ureteral Stone Basket

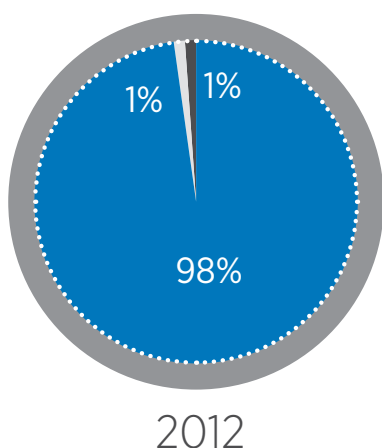
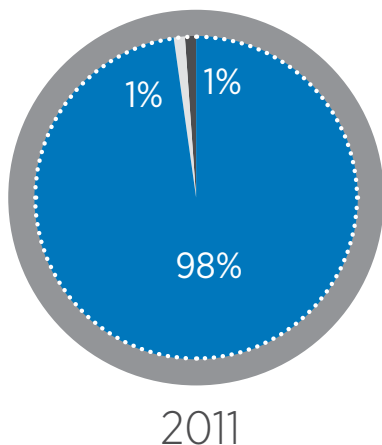


Ureteral Double J Stent Set

We also manufacture a range of catheters that are used in a field of urology, gastro-enterology and gynaecology. A catheter is a hollow, flexible tube made of elastic, rubber or plastic that is inserted into a body cavity, duct or vessel to allow evacuation or injection of fluids.

### GROWTH DRIVERS FOR INTERVENTIONAL DEVICES & TOOLS

- > Increased incidence of coronary heart disease and awareness of the treatment options now available.
- > Increasing obesity rates in some segments.
- > Minimally Invasive surgery increasing demand for overall procedures.
- > The DEB's potential to become a viable treatment for a large number of indications, including those such as in-stent restenosis, bifurcation lesions, peripheral artery disease and cardio vascular diseases.
- > Higher safety profile- A shorter dual antiplatelet therapy regimen that may be required by drug eluting balloons is expected to drive its adoption in the future.
- > Potential cost savings due to reduced antiplatelet therapy and low revascularization rate will drive further adoption
- > Growing incidence of complex lesions and PAD to boost adoption in peripheral vascular devices market – An estimated 20 million people in the US and Western Europe alone suffer from peripheral vascular disease leading to 250,000 amputations per year. The existence of co-morbidities such as coronary artery disease and diabetes increases the risk of having major cardiovascular events by many times.

PRODUCT  
APPLICABILITY SHARE

## YOY GROWTH IN INR SALES:

● 18%    ● 2%    ● 38%

- Vascular
- Orthopedics
- Urology, Gastroenterology & Gynaecology

GLOBAL MARKET OPPORTUNITY:  
USD 10 BILLION +

Interventional Devices & Tools	FY11	FY12	YoY Growth in INR Sales
<b>PRODUCT CATEGORY SHARE OF SEGMENT SALES</b>			
Cardiac Stents	59%	66%	33%
Drug Coated Balloons	18%	23%	48%
Urology Disposables, Angioplasty Peripherals & Others	22%	10%	-47%
Orthopedic Devices & Tools	1%	1%	2%
<b>GEOGRAPHIC SHARE</b>			
North America	4%	1%	-68%
Asia	81%	90%	33%
Europe	6%	7%	46%
ROW	10%	1%	-84%

## SEGMENT SHARE OF CONSOLIDATED SALES (INVASIVE)



YOY GROWTH IN INR SALES : 18%

## EMERGING MARKETS SHARE



YOY GROWTH IN INR SALES : 64%

## DEVELOPED MARKETS SHARE



YOY GROWTH IN INR SALES : -8%

## NOTES:

> The above data is reflective of the segment's performance across subsidiaries; it is not driven by entity-level reported financials. Eg.: Invasive sales made from Opto Circuits (India) in FY11 have been included in the above calculations.

> Geographic segmentation of revenues is an Invoice-based classification and may not directly indicate end-user locations. Therefore, this segmentation may be inappropriate to determine regional market shares.

> Geographic regions have been defined as per The World Factbook. Markets have been classified into Emerging and Developed as per the classification followed by MSCI.

> Prior period data has been reclassified, wherever relevant, to align to current year reporting formats/ methodology.

# NEW PRODUCT LAUNCHES



## Mediaid Range for Emerging Markets

Mediaid has launched a range of products that include ECG machines, syringe pumps and infusion pumps for the emerging markets. This is aligned with our initiative to provide affordable healthcare along with our premium healthcare products.

### > ECG MACHINES

ME 10 & ME100 - Single Channel

ME 300 - Three Channel

ME 1200 - Twelve Channel

### > SYRINGE PUMPS

MS 100 - Single Channel

MS 200 - Dual Channel

### > INFUSION PUMPS

MI 50

MI 500



## eTraq™ Application

AMDL Health launched eTraq™ Application for the BlackBerry® PlayBook™ tablet. The application allows medical practitioners to use a BlackBerry® PlayBook™ to remotely access multiple patients' real-time physiological parameters collected through eTraq™ Transport Monitors. It can help doctors to make timely decisions, eliminating the need for the doctor's physical presence at the place where the medical reports are generated.



## Powerheart® G5 AED

Cardiac Science launched its CE-certified Powerheart® G5, the next generation AED, in Europe. With more than 40 U.S. patents, the Powerheart® G5 is the first AED to combine real-time CPR guidance for the rescuer, customized patient therapy, and variable escalating energy with fast shock times. It is designed to enable both professional rescuers and first time users to swiftly provide effective, life-saving therapy to aid a person who has suffered SCA, giving the victim the best chance of a favorable outcome.



## MySense Heart®

Cardiac Science received US FDA clearance for MySense Heart®, a revolutionary wearable holter cardiac monitor. It is small, lightweight and disposable, enabling patients to wear it comfortably for an extended time. Its ECG signal quality is superior, facilitating early diagnosis of potentially life threatening heart diseases. It is also designed to be ultra low-cost, permitting a much broader use of the holter test in the US and especially emerging markets.



# MANUFACTURING FACILITIES

BENGALURU, KARNATAKA, INDIA



DEERFIELD, WISCONSIN, USA

Medical equipment and devices demand high efficacy, dependability & performance.

Our products are manufactured to the highest quality standards and are built to deliver value to our customers.

We operate out of world-class manufacturing facilities that utilize state-of-the-art production equipment and procedures to achieve outstanding products.

In order to de-risk the manufacturing capabilities and move closer to the markets, we moved manufacturing of a few Cardiac Science products into our Vizag Facility in Andhra Pradesh, India. Criticare Malaysia was made operational during the year. Malaysia is home to Asia's medtech hub, it meets the demanding quality standards for medical equipment and device makers. Being closer to the medtech manufacturing hub of Asia allows us to source components and hence produce competitively priced products for the emerging markets.

We have also begun the process of establishing Eurocor Malaysia which will be functional during 3rd quarter of FY13. Our objective is to reduce our dependence on outside vendors and to produce more affordable products for emerging markets.



DEERFIELD, WISCONSIN, USA



WAUKESHA WISCONSIN, USA



KINGSTON, RHODE ISLAND, USA



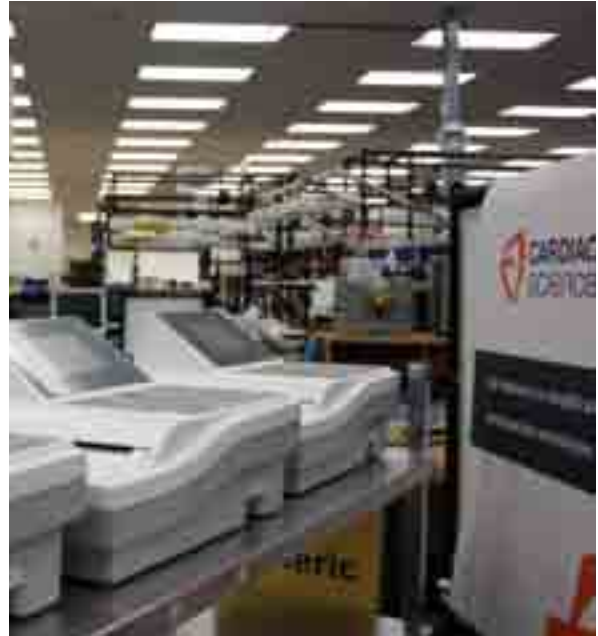
KOLKATA, WEST BENGAL, INDIA



VIZAG, ANDHRA PRADESH, INDIA



DEERFIELD, WISCONSIN, USA



DEERFIELD, WISCONSIN, USA



BENGALURU, KARNATAKA, INDIA



OPTO CIRCUITS, MALAYSIA



JOHOR BAHRU, MALAYSIA



JOHOR BAHRU, MALAYSIA

# AT THE HEART OF SAVING LIVES



On World Heart Day September 29th, 2011, Opto Circuits launched a campaign to promote Heart-safe environments in India. The campaign was launched to create awareness about sudden cardiac arrest (SCA) and the role of community-led emergency treatment efforts towards saving lives of SCA victims. SCA is a condition in which the heart suddenly stops beating, sometimes leading to death within minutes. Automated External Defibrillators or AEDs enable the detection of life-threatening abnormal heartbeat and if required, deliver a shock to restore normal heartbeat. Emergency medical personnel may not be available immediately and public access defibrillators can be lifesaving.

As part of this campaign, Opto Circuits pledged to deploy its patented US FDA listed Powerheart® G3 AEDs on a pro bono basis to organizations and public institutions across India, which experience high density public gatherings.

This campaign was helpful in creating awareness among key decision makers at various organizations and influenced them to install Powerheart® G3 AEDs in their buildings.

Some of the places that have deployed Opto Circuits' Powerheart G3 AEDs: Bangalore Metro's M.G. Road Station, The Bangalore Club, Karnataka State Football Association - Bangalore, Delhi Metro's Central Secretariat and Kashmere Gate Stations, Press Club Mumbai, Cochin International Airport's Domestic and International Terminals, India Habitat Centre, Delhi and Bangalore International Airport.



# 12-YEAR OLD GIRL SAVED BY OUR AED

KYLEE SHEA, TODAY.COM, AIRED ON 10TH OCT 2011



“If it wasn’t for this machine and what they did, our daughter still may be with us today, but she wouldn’t be the Kylee we know”

Of the many lives that Powerheart saved last year, one was that of Kylee Shea, a 12 year old girl from Maus Middle School in Frisco, Texas, USA.

On 26 September last year, Kylee was having a regular day at school until she collapsed while walking to gym class. She sat down, then fell in the hallway and was unresponsive; she had suffered a cardiac arrest. Her classmates called teachers for help. Brent Reese, one of her teachers, realized that **she wasn’t breathing and was turning blue; he immediately began CPR** while fellow teacher Kristen Goodgion **rushed to get the school’s Powerheart AED from a nearby hallway**. They attached the AED leads to her, which diagnosed a shockable condition and administered a shock to revive her. The entire rescue was recorded by one of the school’s hallway video cameras. Kylee was airlifted to a hospital, where doctors said that the timely use of the AED had saved her life. Kylee, who had successful surgery to implant a heart pacemaker, was able to return to school.

Kylee’s heart had stopped beating, but she was brought back to life because of quick action by her well trained school teachers. “If it wasn’t for this machine and what they did, our daughter still may be with us today, but she wouldn’t be the Kylee we know” Kylee’s dad, Mike Shea, told the local news station.

To view videos related to Kylee’s save, please visit: <http://www.cardiacscience.com/blog/2011/10/teachers-use-school-aed-to-save-the-life-of-a-12-year-old-student/>

To read about more life saving stories and programs on AEDs, please visit: <http://www.cardiacscience.com/blog/>

To know more about the heart’s basic function, sudden cardiac arrest and the role of AEDs as emergency life saving devices, please visit: <http://www.cardiacscience.com/cardiacademies/>



**PEOPLE POWER**

The consolidated Opto Circuits Group workforce stood at approximately 1840 employees in FY12, a net increase of 3% over the prior period. The Opto Circuits Group restructured some of the businesses over the last fiscal, on account of which many global teams were either rendered cross-functional and smaller or were expanded to grab larger market opportunities. Investments in competent human resources were also made to serve the growing manufacturing operations in Asia and towards building in-house design and engineering capabilities. Management cadres, too, were beefed up to lend strategic leadership to some of the growing businesses.

## NET CONSOLIDATED REVENUES PER EMPLOYEE HAS GROWN BY AN IMPRESSIVE 44% YOY.

Opto Circuits Group	FY11	FY12
<b>SPLIT BY FUNCTIONAL AREA</b>		
Sales, Marketing, Admin. & Support	63%	62%
Production	29%	28%
R&D	6%	7%
Top Management	2%	3%
<b>SPLIT BY BUSINESS SEGMENT</b>		
Medical Equipment & Consumables	73%	72%
Interventional Devices & Tools	12%	14%
Non-Medical Products & Services	15%	14%

## LOCATION

More than 50% of the global workforce continued to be employed in India (mostly in states such as Karnataka, Andhra Pradesh, Tamil Nadu, Himachal Pradesh & West Bengal), a majority involved in the manufacturing of non-invasive medical equipment for the global markets. Around 40% of the Group's total employee base continued to serve from the developed markets in North America, Europe & APAC.

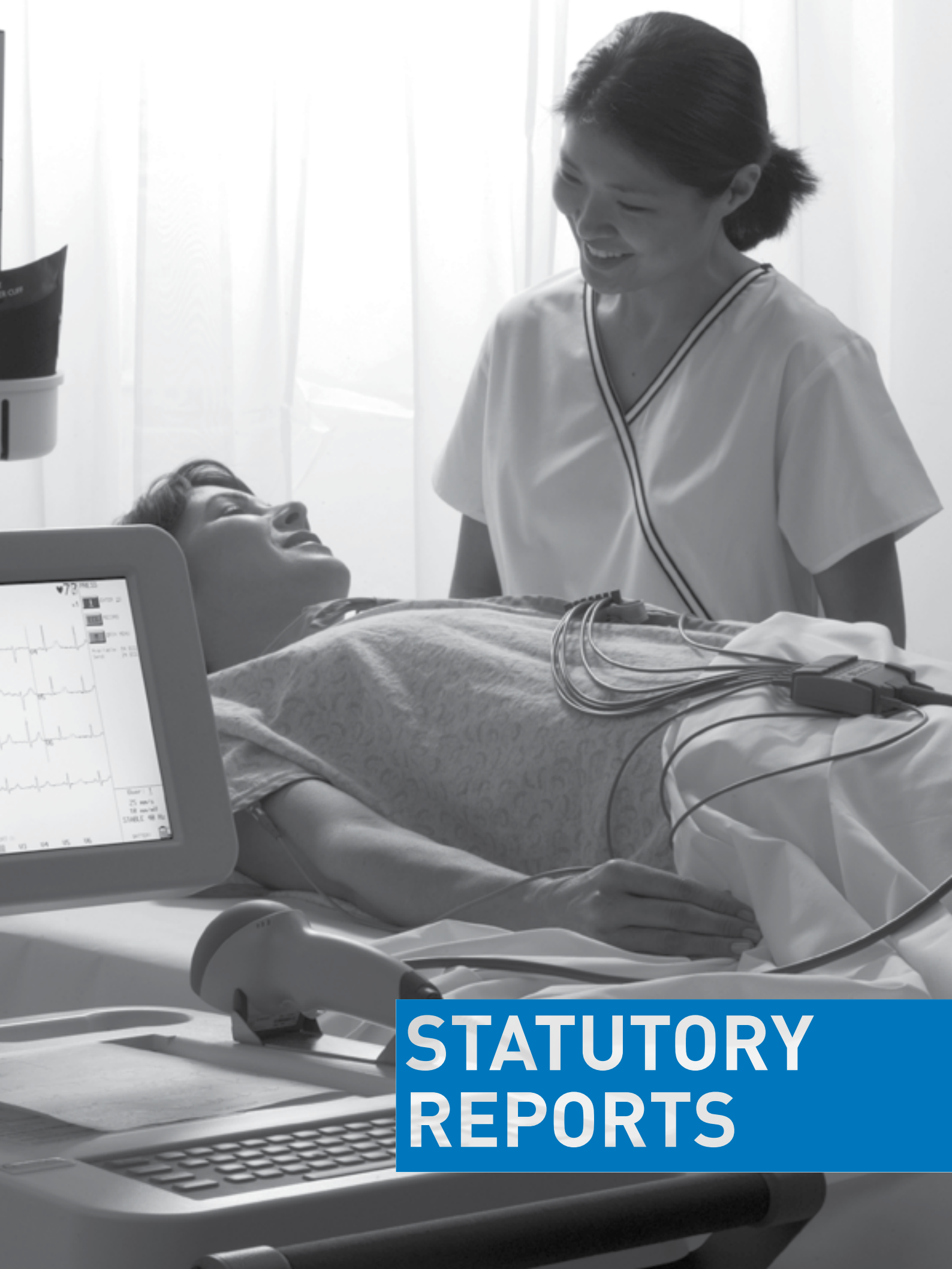
## DIVERSITY

The global expansion of our business footprint through acquisitions and organic developments has resulted in the inclusion of varied nationalities and ethnicities into the Opto Circuits fold. As of 31st March 2012, people from atleast 15 different countries of origin contributed to the global operations of the Opto Circuits Group.

As on 31st March 2012, more than 25% of the Opto Circuits Group employees were women, representing an 8% increase over the previous fiscal. The Indian operations and the interventional business saw the maximum induction of women into the workforce, a 24% increase from FY11.

### NOTE:

The method for tabulation of employee counts has undergone an alteration in FY12. Personnel holding part time and temporary employment contracts, including field trainers and representatives, have been included in the count. FY11 data has been recast as per the new format.



# STATUTORY REPORTS

# DIRECTOR'S REPORT TO THE SHAREHOLDERS

To  
The Members,

We are pleased to present the 20th Annual Report on the business and operations of Opto Circuits (India) Limited, together with the audited financial statements and the Auditor's Report of your Company for the financial period 1st April 2011 to 31st March 2012.

## FINANCIAL HIGHLIGHTS: OPTO CIRCUITS – STANDALONE

₹ in Lacs

Particulars for the year-ended March 31st	2012	2011
<b>TOTAL REVENUES</b>	67,108.00	63,927.17
Expenditure	42,705.76	38,631.26
Profit before Depreciation	24,402.24	25,295.92
Depreciation	605.19	590.62
Profit before Tax	23,797.04	24,705.30
Provision for Taxation	320.51	267.78
Profit for the year	23,476.54	24,437.52
<b>APPROPRIATIONS</b>		
Proposed Dividend	7,269.58	8,402.98
Tax on Dividend	1,179.31	1,395.69
Surplus carried to Balance Sheet	15,027.65	14,638.85

## OPERATIONS

Standalone Total Revenues are at ₹ 67,108.00 lacs for the year ended 31st March, 2012 as against ₹ 63,927.17 lacs for the corresponding period of FY2011, a growth of 4.98%. Standalone Profit after Tax for the year ended 31st March, 2012 is at ₹ 23,476.54 lacs, as against ₹ 24,437.52 lacs for the corresponding period of FY2011.

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year 2011-12 and the date of this report.

## DIVIDENDS

Considering the performance of the Company and its resources to meet its future requirements, your Directors are pleased to recommend a Dividend at the rate of ₹ 3.00/- per equity share of face value ₹ 10/- for the year ended 31st March 2012.

## ISSUE OF BONUS SHARES

During the year, the Company had approved the issue of Bonus Shares in the ratio of 3 equity share for every 10 fully paid-up equity share held, to the existing equity shareholders of the Company.

Pursuant to Sec 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, approval of the shareholders was sought through Postal Ballot in respect of amendment to the Memorandum of Association and Articles of Association of the Company for increase in Authorized Share Capital, and for Issue of Bonus Shares in the ratio of 3:10 (i.e.3 fully paid Equity share for every 10 fully paid-up Equity share held). The said resolutions had been passed by the Shareholders of the Company with the requisite majority.

On 31st March 2012, as approved by the shareholders, the Board of Directors of the Company has allotted 55,919,863 bonus equity shares of ₹ 10/- each in the ratio of 3:10 (Three bonus equity share for every Ten equity shares held) to the members, whose names appeared on the Register of Members on the Record Date fixed for the purpose. The Bonus shares were listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE), where the equity shares of the Company are listed.

## TRANSFER TO RESERVES

The Company proposes to transfer ₹ 2,400.00 lacs to General Reserves out of the amount available for appropriation. An amount of ₹ 45,737.63 lacs is proposed to be retained in the Profit and Loss Account.

## GROUP FINANCIAL HIGHLIGHTS: OPTO CIRCUITS – CONSOLIDATED

₹ in Lacs

Particulars for the year-ended March 31st	2012	2011
<b>TOTAL REVENUES</b>	237,041.59	161,599.62
Expenditure	185,417.99	122,236.07
Profit before Depreciation	57,086.35	44,443.33
Depreciation	5,462.75	5,079.78
Profit before Tax	51,623.59	39,363.55
Provision for Taxation	(5,716.42)	2,508.95
Profit for the year	57,340.02	36,854.60
<b>APPROPRIATIONS</b>		
Proposed Dividend	7,290.86	8,434.90
Tax on Dividend	1,187.87	1,409.95
Minority Interest	152.07	129.68
Surplus carried to Balance Sheet	48,709.22	26,880.07

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 the Auditor's Report, thereon, form part of the Annual Report.

### OPERATIONS

Consolidated revenue are at ₹ 237,041.59 lacs for the year ended 31st March, 2012 as against ₹ 161,599.62 lacs for the corresponding period of FY2011, a growth of 47%. Consolidated Profit after Tax for the year ended 31st March, 2012 is at ₹ 57,340.02 lacs, as against ₹ 36,854.60 lacs for the corresponding period of FY2011, a growth of 56%. Earnings per Share for the year-ended 31st March 2012 is at ₹ 23.6 (Basic).

## INVESTMENT BY OPTO CIRCUITS (INDIA) LTD.

Sl. No.	Name of the Company	Country of Incorporation	% Holding
1.	Advanced Micronic Devices Ltd.	India	59.71%
2.	Opto Eurocor Healthcare Ltd.	India	96.85%
3.	Mediaid Inc.	USA	100%
4.	Ormed Medical Technology Ltd.	India	100%
5.	Devon Innovations Pvt. Ltd.	India	100%
6.	Opto Infrastructure Ltd.	India	87.20%
7.	Opto Circuits (Malaysia) Sdn. Bhd	Malaysia	100%
8.	Maxcor LifeScience Inc	USA	100%
9.	Opto Cardiac Care Ltd.	India	100%

### SUBSIDIARY COMPANY ACCOUNTS

Ministry of Corporate Affairs, Government of India, in their vide General Circular No.2/2011, dated 8th February 2011, granted a general exemption from attaching various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956. Accordingly, the Balance Sheet, Profit and Loss Accounts and other documents of the subsidiary companies are not being attached with the Annual Report of the Company. Financial information of the subsidiary companies, as required under the said Circular, is disclosed in the Annual Report. The Company will make available the annual accounts of 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

## GLOBAL ECONOMY AND MEDICAL DEVICES

The global economy witnessed a challenging phase in 2011-12, characterized by instability, recession and financial crisis in Europe and US. Several major developing countries also witnessed deceleration in economic growth owing to a variety of factors including domestic policies.

The Medical devices Industry covers a wide spectrum of products and encompasses everything from simple Band Aids to large and complex magnetic resonance imaging systems. Today, thousands of different kinds of medical devices are used to diagnose, treat and monitor patients in different and diverse settings, from the comforts of your home to critical care operation theaters in hospitals. Medical technology innovations have altered the healthcare delivery mechanism, aided by medical devices that constantly challenge existing paradigms and revolutionize the way treatments are administered.

Last year was also a challenging year for the medical devices industry. Austerity measures by governments across the globe, challenging regulatory environment, declining pricing, decreasing hospital admissions, procedure volume concerns, and reimbursement pressures were some of the pressures that the industry faced. Despite the uncertain public policy environment, increased regulatory and pricing pressure, the industry is poised for growth.

An ageing population, lifestyle and diet-related chronic diseases, increased life expectancy, greater focus to developing healthcare infrastructure in developing economies continue to create a demand for healthcare services and thereby for medical devices. The industry is expected to touch a staggering USD 350Bn in size, with an average growth of 5% from 2011, states the report on 'Outlook for Medical devices, Espicom Business Intelligence'.

## INDUSTRY DYNAMICS

- Stringent regulatory and approval process continues to remain one of the key drivers of business dynamics in this industry. The companies and their products go through a rigorous process of approval, clinical trials, audits, inspections and registrations for every new market and for every product type/size. This has the potential of impacting the very performance of companies operating in this space considering it influences everything from product innovation, product pipeline to product marketing.

- Innovation and new product development is the cornerstone of any medical device company and is imperative to stay contemporary in the competitive context, counter technological obsolescence, remain relevant to the needs of diverse markets and customer groups since different sensitivities exist in terms of price points and design complexity.
- US continues to be the largest market for medical devices, holding in excess of 40% of the world medical device market and also creates about half of the global market demand, reports Exvire Private Investment Bank.
- Over the past decade, the industry has shifted focus from the traditionally lucrative developed markets to the more promising emerging markets. A noteworthy portion of organic activities of the companies are channeled towards building resources, both capacity and people, to expand their customer base in these high growth markets. The expansion of these emerging economies, government funding and reforms, changing consumer lifestyles, increasing penetration of medical insurance products, and a rise in awareness and disposable income, has increased the demand for quality healthcare services. This, in turn, is expected to increase the demand for medical equipment and other support services. Today, the medical devices market in the BRIC countries, alone, accounts for nearly USD 10Bn and is growing at an average CAGR of 8%.

## INDUSTRY DEVELOPMENTS

Passing of the healthcare reform bill in the US: The US Supreme Court upheld the Patient Protection and Affordable Care Act which was created to address the inefficiencies of the existing US healthcare structure. The reform now brings more than 32 million uninsured Americans into the insurance net. The bill also includes an excise tax of 2.3% to be levied on the revenues of medical device sales beginning January 2013. While the industry is still analyzing the impact of this reform, at the outset it is fair to estimate that the reform while providing a fillip to revenues through an expansion in the insured customer base, could potentially be a drag on the profits of medical device companies.

Revamp of the FDA approval process: In August 2010, the U. S. Food and Drug Administration (FDA) announced a

set of proposals for revamping the 510 (k) device approval protocols. The proposal outlined the FDA's new vision to streamline the device review process and to make it more predictable and transparent. A detailed draft guidance which aims to provide detailed information about the current review practices for 510(k) submissions was circulated in December 2011. The FDA is currently seeking public comments on the draft guidance and, if finalized, it will replace the old documents which have long defined the approval pathway.

## CONSOLIDATED BUSINESS PERFORMANCE ANALYSIS

In FY 12, the consolidated revenues of ₹ 2,370 crores grew 47% over revenues of FY 11.

Net profit for FY 12 was ₹ 572 crores, growth of 56% over FY 11. The total assets of the consolidated group grew by 18% to ₹ 3531.26 crores.

Profit and Loss account statements of FY 2011 and FY 2012 are not directly comparable because FY 2011 included the financials of entities that were acquired at different points in time during the year whereas the FY 2012 profit and loss account included the complete 12 month financials of the same entities (wholly owned subsidiaries). This could impact the understanding and analysis of line items of the Profit and Loss account when a YOY(year on year) comparison is made and could impact ratios that use items from the Profit and loss account.

During the year, we engaged in activities that we believe are central to defining the manner in which the group would conduct its business going forward. These activities were "Entity restructuring" where our two primary revenue segments took the form of legal entities and "Integration of our entities in the US" where a major portion of tasks that required synergizing business resources and process were executed.

In the context of the above, we believe a further discussion on specific matters relevant for 2012 would enable better understanding of our business performance.

## REVISED ENTITY STRUCTURE:

As previously shared with you in the FY 11 Annual report, the group undertook the "entity restructuring" where investments held in FY 11 by the ultimate parent company OCI were transferred to Opto Cardiac Care Ltd. (OCCL) and Opto Eurocor Healthcare Ltd. (OEHL) in FY 12.

The above altered the entity hierarchy from a single-level to multi-level and rendered direct subsidiaries to 9 in number as against 14 in FY 11.

The new entity structure not only altered the numbers of entities involved in the process of consolidation but also impacted the process of consolidation. In FY 12, consolidation was first done at an OCCL and OEHL level and Consolidation at the ultimate parent Opto Circuits (India) Ltd. level included 9 entities unlike the 14 in the FY11 financials.

Due to this reason the 'audited' numbers for the consolidated entities OCCL and OEHL are not comparable for the prior period. Any measures /numbers/statistics provided in this report at OCCL and OEHL entity level are those collated specifically and only for comparative and management reporting purposes.

## CURRENCY DEPRECIATION IN FY 12 AND IMPACT ON BUSINESS RESULTS:

Treatment of foreign exchange in the Financials

- OCI financials
 

Opto Circuits India (OCI), the operating parent entity domiciled in India, invoices revenues in USD and its expenses are largely transacted in the same currency with some expenses being invoiced in rupees. However, it reports its financials in INR. As per Accounting Standard 11, the exchange differences, arising out of the company's foreign currency transactions & translations, are recognized in the Profit and Loss Statement under the item 'Other Income'.
- Opto Group financials
  1. The group's (OCI and its subsidiaries) operations substantially comprise currencies USD and Euro and consolidated financials are reported in INR. These three currencies, therefore, become key influencers on the consolidated financial "result" for the financial year and on the "balance sheet position" as of financial year-end.
  2. Owing to operations from various global locations gives rise to multi-currency cash flows and assets/liabilities that have the potential to generate net income/loss from foreign exchange transaction/translation.
  3. At the stage where subsidiary financials are consolidated to arrive at Group financials, as per Accounting Standard 11, the non-rupee denominated financials of the entities domiciled outside India are converted into INR. The net positive or negative impact of the exchange differences are represented in the Foreign Currency Translation Reserve (FCTR), categorized under 'Reserves and Surplus' in the Balance Sheet.

## AN UPDATE FROM OUR KEY ENTITIES:

**Opto Circuits India:** Opto Circuits India (OCI) offers quality and cost-effective solutions across various proprietary medical equipment technologies. In FY12, this entity contributed 28% to the group consolidated revenues and 41% to the consolidated net profit.

Concerted efforts at growing this business through focused marketing to add more long term and strategic customers has steadily borne fruit. This entity's net sales grew 11% over FY11. Efforts to broad base the revenue profile of this entity across newer product and customer segments had an impact on the gross margins in the short term which in turn impacted the net profit which declined 4% over FY11.

Today, OCI employs around 500 people, which accounts for 28% of the global workforce.

The entity's customer base includes an impressive lineup of multi-national companies, large US based group purchase organizations and distributors of international repute.

**OCCL:** With global brand salience, spanning patient monitoring to automated external defibrillators, this group of companies, services a wide variety of customers including OEMs, group purchase organizations and international distributors, across 100 countries globally.

In the last year, we took decisive steps to combine back-end operations, doing away with multiple executive management structures thereby removing redundant costs. Streamlining R&D functions, sharing and distributing it across capabilities in India and US helped achieve cost efficiency. We also integrated and expanded manufacturing outside the US, thereby de-risking global manufacturing abilities.

Today, OCCL possesses a strong brand product portfolio, larger addressable market with the inclusion of AEDs in the portfolio, a large customer base with marquee names, backed by operational and structural efficiencies that enable increased resilience to garner business in developed and emerging markets alike.

**OEHL:** This entity houses recognized brands, established technology, large customer base, manufacturing abilities in emerging market geographies which are backed by innovative minimally invasive technologies and a quality manufacturing base.

Revenues for this entity grew by 46% in FY12, over the prior year due to successful forays into newer geographies alongside expanding customer base in existing geographies

## CONCLUSION

Activities that the group undertook during the year gone by has provided a repositioned and dovetailed resource pool, which will going forward help the group become a more focused contender in the medical devices space.

The restructured Group now has within it clearly defined entities equipped with a cohesive product portfolio, manufacturing and distribution abilities that cumulatively contribute to profit and asset goals of the group alongside addressing the challenges of growth in an increasingly competitive market.

The Company will continue to focus on improving its profitability model through its strategic manufacturing presence alongside efficient supply chain and cost management initiatives. The Company expects to sustain the momentum it has established in the developed markets and continue its aggressive emerging market penetration strategy. These initiatives hold promise of a sustained growth trajectory for the group in the years to come leading to significant value creation.

## RESULTS OF OPERATIONS

### PROFIT AND LOSS ACCOUNT – STANDALONE

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:

Particulars for the year ended March 31st	2012	% of Total Income	2011	% of Total Income
<b>INCOME</b>				
Sales	66974.17	99.80%	60320.27	94.36%
Other Income	133.83	0.20%	3606.90	5.64%
<b>Total</b>	<b>67108.00</b>	<b>100.00%</b>	<b>63927.17</b>	<b>100.00%</b>
<b>EXPENDITURE</b>				
Manufacturing Expenses	38155.14	-	39300.77	-
Increase/Decrease in WIP&FG	(1345.65)	-	(4883.49)	-
<b>Net Manufacturing Expenses</b>	<b>36809.49</b>	<b>54.85%</b>	<b>34417.28</b>	<b>53.84%</b>
Administrative & Selling Expenses	2230.80	3.32%	1721.16	2.69%
Financial Expenses	3665.47	5.46%	2492.82	3.90%
Depreciation	605.19	0.90%	590.62	0.92%
<b>Total</b>	<b>43310.95</b>	<b>64.42%</b>	<b>39221.88</b>	<b>61.40%</b>
<b>Profit before Tax</b>	<b>23797.04</b>	<b>35.46%</b>	<b>24705.29</b>	<b>38.65%</b>
Provision for Taxation	320.51	0.48%	267.78	0.42%
<b>Profit after Tax</b>	<b>23476.54</b>	<b>34.98%</b>	<b>24437.51</b>	<b>38.23%</b>

#### INCOME

Total Turnover

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Sales	66974.17	60320.27
Other Income	133.83	3606.90
<b>Total Income</b>	<b>67108.00</b>	<b>63927.17</b>

Sales increase of 11% FY 2012 over FY 2011 is driven by a strong growth in the supply of consumable sales to OEM partners and for the Mediaid and Criticare brands of patient monitors.

#### OTHER INCOME

Other Income which was ₹ 3606.90 lakhs in FY 2011 has an income of ₹ 133.83 lakhs in FY 2012. Major components of other income comprise of income from foreign exchange fluctuations.

#### EXPENDITURE

##### NET MANUFACTURING EXPENSES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Manufacturing Expenses	37701.89	38642.40
Less: (Inc)/Dec in WIP & Finished Goods	(1345.65)	(4883.49)
Factory Expenses	453.25	658.37
<b>Total Expenses</b>	<b>36809.49</b>	<b>34417.28</b>
<b>Total Expenses as % of Income</b>	<b>54.85%</b>	<b>53.84%</b>

## ADMINISTRATIVE AND SELLING EXPENSES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Administrative Expenses	899.39	677.29
Staff Expenses	825.49	664.22
Selling Expenses	505.92	379.65
<b>Total Expenses</b>	<b>2230.80</b>	<b>1721.16</b>
<b>Total Expenses as % of Income</b>	<b>3.32%</b>	<b>2.69%</b>

## FINANCIAL EXPENSES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Financial charges	3665.47	2492.82
<b>Total</b>	<b>3665.47</b>	<b>2492.82</b>
<b>Total Expenses as % of Income</b>	<b>5.46%</b>	<b>3.90%</b>

In FY 2012, financial expenses largely comprised interest cost on working capital. Borrowing costs driven by exchange fluctuation; has resulted in 5.46% financial expense to income FY 2012 vs. 3.90% in FY 2011.

## BALANCE SHEET - STANDALONE

Particulars	As at March 31 2012	As at March 31 2011
<b>EQUITY AND LIABILITIES</b>		
Share holders funds		
(a) Share capital	24231.94	18639.95
(b) Reserve and surplus	97078.88	87643.22
	<b>121310.82</b>	<b>106283.18</b>
<b>Non-current liabilities</b>		
(a) Long term borrowing	800.40	14812.65
	<b>800.40</b>	<b>14812.65</b>
<b>Current liabilities</b>		
(a) Short-term borrowings	64124.48	56865.29
(b) Trade payables	1212.60	668.36
(c) Other current liabilities	4587.04	15910.16
(d) Short-term provisions	8523.18	9859.03
	<b>78447.30</b>	<b>83302.85</b>
<b>Total</b>	<b>200558.52</b>	<b>204398.67</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets	7389.33	7858.79
(ii) Intangible assets	0.49	70.53
(iii) Capital work-in-progress	128.39	119.51
(iv) Intangible assets under development	0.00	0.00
	<b>7518.21</b>	<b>8048.83</b>

## PROFIT BEFORE DEPRECIATION, INTEREST AND TAX (PBDIT)

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Profit before Depreciation, Interest & Tax	28067.71	27788.73
<b>Profit before Depreciation, Interest &amp; Tax as % of Total Income</b>	<b>41.82%</b>	<b>43.47%</b>

## NET PROFIT AFTER TAX

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Net Profit after Tax	23476.54	24437.52
<b>Net Profit after Tax as % of Total Income</b>	<b>34.98%</b>	<b>38.23%</b>

The decrease of net profit after tax % is mainly due to increase in finance cost.

₹ in Lacs

## BALANCE SHEET - STANDALONE (CONTD.)

₹ in Lacs

Particulars	As at 31.03.12	As at 31.03.11
(b) Non-current investments	38166.46	111438.91
(c) Deferred tax assets (net)	30.19	40.03
(d) Other non current assets	15468.14	4448.31
	<b>53664.80</b>	<b>115927.33</b>
<b>Current assets</b>		
(a) Inventories	26544.73	24521.44
(b) Trade receivables	25733.40	22877.69
(c) Cash and cash equivalents	4559.74	11746.40
(d) Short-term-loans and advances	82537.64	21276.98
	<b>139375.51</b>	<b>80422.51</b>
<b>Total</b>	<b>200558.52</b>	<b>204398.67</b>

## NET WORTH

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Particulars	31.03.2012	31.03.2011
Share Capital	24231.94	18639.95
Reserves & Surplus	97078.88	87643.22
<b>Net Worth</b>	<b>121310.82</b>	<b>106283.18</b>

The Increase in network is ₹ 15027.65 lacs. This amount comprises of current year profit after providing for Dividend and Dividend Tax.

## LOAN FUNDS

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Short Term Borrowings	64124.48	56865.29
Long Term Borrowings	1624.07	15535.47
<b>Total Loan Funds</b>	<b>65748.55</b>	<b>72400.76</b>

The decrease in total borrowing owes to transfer of one of the bank borrowing to OPTO CARDIAC CARE LIMITED due to restructuring of subsidiaries. The short term loans comprise of working capital that has increased to fund growth in business operations.

## FIXED ASSETS

₹ in Lacs

Particulars	31.03.2012	31.03.2011
<b>Total Net Block</b>	<b>7518.21</b>	<b>8048.83</b>

The decrease of net profit after tax % is mainly due to increase in finance cost.

## RAW MATERIAL INVENTORY

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Raw Materials & Consumables	18222.35	17544.70
<b>Number of days to Consumption</b>	<b>176</b>	<b>166</b>

## FINISHED GOODS (FG) AND WORK-IN-PROCESS (WIP)

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Finished Goods and WIP	8322.39	6976.74
<b>Number of days to sales</b>	<b>45</b>	<b>42</b>

## DEBTORS

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Debtors	25733.40	22877.69
<b>Number of days to sales</b>	<b>140</b>	<b>138</b>

## CURRENT LIABILITIES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Trade payables	1212.60	668.36
Other current liabilities	3763.37	15187.33
Short-term provisions	8523.18	9859.03
<b>Total Current Liabilities</b>	<b>13499.15</b>	<b>25714.72</b>
<b>Number of days to sales</b>	<b>74</b>	<b>156</b>

The current liabilities reflected as at 31st March 2011 include amounts that relate to liabilities for expenses attributable to the acquisition of CSC. Such are not included in the balances above as at 31st March 2012 owing to them being paid / transferred to Opto Cardiac Care Limited as part of the entity restructuring initiative which has already been explained in the Notes to Stand Alone Financials (Note 11A and Note 15)

Previous year's figures have been regrouped /reclassified as per the new schedule VI format wherever necessary to correspond with the current year's classification / disclosure.

## PROFIT AND LOSS ACCOUNT - CONSOLIDATED

₹ in Lacs

Particulars	Year Ended March 31			
	2012	% To Total Income	2011	% To Total Income
<b>INCOME</b>				
Sales	2,35,685.43	99.43%	1,58,683.22	98.20%
Other Income	1,356.15	0.57%	2,916.40	1.80%
<b>Total</b>	<b>2,37,041.58</b>	<b>100.00%</b>	<b>1,61,599.62</b>	<b>100.00%</b>
<b>EXPENDITURE</b>				
Cost of materials consumed	1,23,351.34		87,634.08	
Increase/Decrease in W I P & Finished Goods	(2,163.50)		(4,098.55)	
<b>Net Manufacturing Expenses</b>	<b>1,21,187.84</b>	<b>51.13%</b>	<b>83,535.54</b>	<b>51.69%</b>
Employee benefit expense	18,658.94	7.87%	11,007.36	6.81%
Financial Cost	5,919.75	2.50%	3,205.87	1.98%
Depreciation/Amortisation	5,462.75	2.30%	5,079.78	3.14%
Other Expenses	34,188.72	14.42%	19,407.52	12.01%
<b>Total</b>	<b>1,85,417.99</b>	<b>78.22%</b>	<b>1,22,236.07</b>	<b>75.64%</b>
<b>Profit for the year before Tax</b>	<b>51,623.59</b>	<b>21.78%</b>	<b>39,363.55</b>	<b>24.36%</b>
Provision for Taxation	(5,716.42)	-2.41%	2,508.95	1.55%
<b>Profit After Tax</b>	<b>57,340.02</b>	<b>24.19%</b>	<b>36,854.60</b>	<b>22.81%</b>

### INCOME

Total Turnover ₹ in Lacs

Particulars	31.03.2012	31.03.2011
Sales	2,35,685.43	1,58,683.22
Other Income	1,356.15	2,916.40
<b>Total Income</b>	<b>2,37,041.58</b>	<b>1,61,599.62</b>

### FINANCIAL EXPENSES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Financial Charges	5,919.75	3,205.87
<b>Total</b>	<b>5,919.75</b>	<b>3,205.87</b>
<b>Financial expense as % of Income</b>	<b>2.50%</b>	<b>1.98%</b>

### EXPENDITURE

#### NET MANUFACTURING EXPENSES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Manufacturing Expenses	1,23,351.34	87,634.08
Less: (Inc)/Dec in WIP & Finished Goods	(2,163.50)	(4,098.55)
<b>Total expense</b>	<b>121,187.84</b>	<b>83,535.55</b>
<b>Total expense as % of Income</b>	<b>51.13%</b>	<b>51.69%</b>

### DEPRECIATION & AMORTISATION

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Depreciation & Amortisation	5,462.75	5,079.78
<b>Total</b>	<b>5,462.75</b>	<b>5,079.78</b>
<b>Depreciation &amp; Amortisation as % of Income</b>	<b>2.30%</b>	<b>3.14%</b>

### STAFF AND OTHER EXPENSES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Staff Expenses	18,658.94	11,007.36
Other Expenses	34,188.72	19,407.52
<b>Total</b>	<b>52,847.64</b>	<b>30,414.87</b>
<b>Total expense as % of Income</b>	<b>22.29%</b>	<b>18.82%</b>

### PROFIT BEFORE DEPRECIATION, INTEREST AND TAX (PBDIT)

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Profit before Depreciation, Interest & Tax	63,006.10	47,649.20
<b>PBDIT as % of Income</b>	<b>26.58%</b>	<b>29.49%</b>

## CASH PROFIT AFTER TAX

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Cash Profit after Tax	62,802.77	41,934.38
<b>Cash profit after Tax as % of Income</b>	<b>26.49%</b>	<b>25.95%</b>

## NET PROFIT AFTER TAX

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Net Profit after Tax	57,340.02	36,854.60
<b>Net Profit as % of Income</b>	<b>24.19%</b>	<b>22.81%</b>

## BALANCE SHEET – CONSOLIDATED

₹ in Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's Funds</b>		
(a) Share Capital	24,231.94	18,639.95
(b) Reserves and Surplus	1,45,700.76	1,18,046.06
	<b>1,69,932.70</b>	<b>1,36,686.01</b>
<b>Minority Interest</b>	1,804.17	2,189.43
<b>Non-Current Liabilities</b>		
(a) Long-term borrowings	29,686.90	26,254.26
(b) Deferred tax liabilities (Net)	-	2,335.53
(c) Long term provisions	292.20	192.00
	<b>29,979.09</b>	<b>28,781.78</b>
<b>Current Liabilities</b>		
(a) Short-term borrowings	76,446.03	62,958.42
(b) Trade payables	20,672.36	22,880.39
(c) Other current liabilities	32,710.00	24,316.82
(d) Short-term provisions	21,581.26	22,154.72
	1,51,409.64	1,32,310.35
<b>Total</b>	<b>3,53,125.61</b>	<b>2,99,967.57</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets	45,645.41	22,728.68
(ii) Intangible assets	25,459.72	21,385.31
(iii) Capital work-in-progress	4,294.97	3,396.43
	<b>75,400.10</b>	<b>47,510.42</b>
<b>Goodwill on Consolidation</b>	<b>44,913.35</b>	<b>62,643.13</b>
(a) Non-current investments	1.09	1.09
(b) Deferred tax assets (net)	5,816.29	-
(c) Long term loans and advances	8.34	8.34
(d) Other non-current assets	25,259.75	13,550.23
	<b>31,085.48</b>	<b>13,559.66</b>

## BALANCE SHEET – CONSOLIDATED (CONTD.)

₹ in Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Current assets</b>		
(a) Inventories	51,177.05	43,251.93
(b) Trade receivables	84,657.33	67,842.01
(c) Cash and Cash Equivalents	17,430.58	23,417.86
(d) Short-term loans and advances	44,603.71	39,531.39
(e) Other current assets	3,858.01	2,211.17
	<b>2,01,726.68</b>	<b>1,76,254.35</b>
<b>Total</b>	<b>3,53,125.61</b>	<b>2,99,967.57</b>

## NET WORTH

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Share Capital	24,231.94	18,639.95
Reserves & Surplus	1,45,700.76	1,18,046.06
<b>Net Worth</b>	<b>1,69,932.70</b>	<b>1,36,686.01</b>

## LOAN FUNDS

₹ in Lacs

Particulars	31.03.2012	31.03.2011
<b>Total Loan Funds</b>	<b>117,232.07</b>	<b>89,972.93</b>

## FIXED ASSETS

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Net block of Tangible Assets	45,645.41	22,728.68
Net block of Intangible Assets	25,459.72	21,385.31
<b>Total Net Block</b>	<b>71,105.13</b>	<b>44,114.00</b>

## GOODWILL

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Opening Balance	62,643.13	23,744.93
Additions /(Deletions) during the year net of Capital Reserve	(17,729.78)	38,898.20
<b>Closing Balance</b>	<b>44,913.35</b>	<b>62,643.13</b>

## RAW MATERIAL INVENTORY

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Raw materials & Consumables	39,730.21	33,968.59
<b>Number of days to Consumption</b>	<b>118</b>	<b>142</b>

## FINISHED GOODS (FG) AND WORK-IN-PROCESS (WIP)

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Finished Goods	3,041.71	2,217.51
Work in Process	8,405.13	7,065.83
<b>Stock of Finished Goods and Work in Process</b>	<b>11,446.84</b>	<b>9,283.34</b>
<b>Number of days to Sales</b>	<b>18</b>	<b>21</b>

## DEBTORS

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Debtors	84,657.33	67,842.01
<b>Number of days to Sales</b>	<b>131</b>	<b>156</b>

## CURRENT LIABILITIES

₹ in Lacs

Particulars	31.03.2012	31.03.2011
Current Liabilities	63,864.47	68,591.67
<b>Number of days to sales</b>	<b>99</b>	<b>158</b>

## CONSERVATION OF ENERGY

The company does not fall under the category of power intensive industries. However, sustained efforts are taken to reduce energy consumption. The organization is an ISO 14001 certified company which is an international Environment Management System Standard. The environmental policy of the company aims at conservation of natural resources and minimization of pollution.

During the year, the Bengaluru unit of the company is using CFL lamps for general lighting purposes; this has resulted in savings of 14,000 units of electrical energy per annum. Further, the company has also taken measures to save water; 75% of water consumed in the Company is now recycled and reused for landscaping purposes.

## FOREIGN EXCHANGE EARNINGS

The Company earned ₹ 69,470.66 lacs in foreign exchange in the year under review.

## PARTICULARS OF EMPLOYEES

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

Name	Mr.Vinod Ramnani	Ms.Usha Ramnani
<b>Designation and Nature of Duties</b>	Chairman and Managing Director/ Managerial	Executive Director/ Managerial
<b>Remuneration Received</b>	₹ 52,47,024/- perquisites ₹ 26,23,512/-	₹ 52,47,024/- perquisites ₹ 26,23,512/-
<b>Qualification and Experience</b>	Bachelor of Engineering/ 33 years	Masters in Commerce/ 29 years
<b>Date of commencement of employment</b>	08.06.1992	08.06.1992
<b>Age</b>	56 years	55 years
<b>Last employment held</b>	Elekon Industries Pte Limited	United India Insurance Company Limited

Employed for part of the year – NIL

Apart from above there were no employees covered under the provisions of Section 217 (2A)(a)(iii) of the Companies Act, 1956.

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

## CORPORATE GOVERNANCE REPORT

Corporate Governance Report, and Certificate dated 14th August 2012 from the auditors of your Company regarding compliance to the conditions for Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges are enclosed.

## DIRECTORS' RESPONSIBILITY 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:

- that in the preparation of the Annual Accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- that the Directors 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 financial year.

c) that the Directors 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. Vinod Ramnani, Ms. Usha Ramnani and Dr. Suleman Adam Merchant, Directors of the Company, liable to retire by rotation in the ensuing Annual General Meeting and being eligible for re-appointment offer themselves for re-appointment as directors.

## AUDITORS

The Auditors, M/s. Anand Amaranth & Associates, Chartered Accountants, Bengaluru, retire at the conclusion of the ensuing Annual General Meeting. Your Company has received a letter from them to the effect that their 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 employees at all levels that have contributed to the growth and success of the Company. We would also thank all our stakeholders, customers, 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 & Managing Director

Place: Bengaluru

Date: 14th August 2012

# REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges is as follows:

## 1. PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

Opto Circuits (India) Limited which endeavours 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 spirit, but also to implement the best international practices of Corporate Governance in the overall interest of all stakeholders. The Company's philosophy on Corporate Governance is to meet the aspirations and expectations of all stakeholders. 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.

Your Company has constantly striven to implement the best Corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework. Your Company's corporate structure, business and disclosure practices have been aligned to its Corporate Governance philosophy. We will continuously endeavour to improve in these aspects on an ongoing basis.

## 2. BOARD OF DIRECTORS

### (i) Composition and provisions as to Board and Committees

The Board of Directors of the Company comprises 9 (nine) directors. Mr. Vinod Ramnani is the Chairman & Managing Director and Ms. Usha Ramnani is the Executive Director. The remaining 7 (seven) directors are non – executive, out of whom 5 (five) are independent directors.

During the year 2011-12, 11 (eleven) Board Meetings were held on:

Sl. No.	Date of Meeting	Sl. No.	Date of Meeting	Sl. No.	Date of Meeting
01	17.05.2011	02	31.05.2011	03	26.07.2011
04	22.08.2011	05	13.09.2011	06	28.09.2011
07	08.11.2011	08	7.02.2012	09	14.03.2012
10	20.03.2012	11	31.03.2012		

(ii) (iii) & (iv) The details of the Directors as on 31st March 2012 and their attendance at the Board / Last Annual General Meeting are as follows:

Name & Category	Date of Appointment	No. of Board Meetings Attended	No. of Memberships on the Board of other Companies	Memberships of Board Committees in all Companies*	Chairmanships of Board Committees in all Companies**	Whether last AGM Attended
Mr. Vinod Ramnani   Promoter	08.06.1992	11	4	1	NIL	YES
Ms. Usha Ramnani   Promoter	08.06.1992	9	3	2	NIL	YES
Mr. Jayesh C Patel   Promoter	03.04.2000	5	1	NIL	NIL	YES
Mr. Thomas Dietiker   Promoter	03.04.2000	4	NIL	NIL	NIL	YES
Dr. Suleman Adam Merchant   Independent	20.08.2001	7	1	2	2	YES

Name & Category	Date of Appointment	No. of Board Meetings Attended	No. of Memberships on the Board of other Companies	Memberships of Board Committees in all Companies*	Chairmanships of Board Committees in all Companies**	Whether last AGM Attended
Mr. Rajkumar Raisinghani   Independent	31.12.2005	11	3	5	1	YES
Mr. V. Balasubramaniam   Independent	31.12.2005	2	2	NIL	3	YES
Dr. Anvay Mulay   Independent	31.12.2005	10	2	1	NIL	NO
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. Vinod Ramnani, Ms. Usha Ramnani, and Dr. Suleman Adam Merchant, 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 Ms. 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 Chairman & Managing Director 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. Balasubramaniam 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 to be included 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 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, rights 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 systems.
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 audits.
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) Four audit committee meetings were held during the year 2011-12. The attendance is as follows:

Name	No. of Meetings Attended
Mr. V. Balasubramaniam	1
Dr. Suleman Adam Merchant	3
Mr. Rajkumar Raisinghani	4

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 packages 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 and the executive directors.

Mr. V. Balasubramaniam 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. There was no meeting of the committee during the year.

(iv) Remuneration policy:

Payment of remuneration to the executive directors 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 fee is 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 aims 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 2011-12 are given below:

Amount in ₹

Name of the Director	Salary	Perquisites*	Total
Mr. Vinod Ramnani	5,247,024	2,623,512	7,870,536
Ms. Usha Ramnani	5,247,024	2,623,512	7,870,536
Mr. Jayesh C Patel	Nil	Nil	Nil
Mr. Thomas Dietiker	Nil	Nil	Nil
Dr. Suleman Adam Merchant	Nil	Nil	Nil
Dr. Anvay Mulay	Nil	Nil	Nil
Mr. V. Balasubramaniam	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 Ms. Usha Ramnani during the year 2011-12. Besides perquisites, Mr. Vinod Ramnani and Ms. 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 Ms. Usha Ramnani.

(d) Mr. Vinod Ramnani, Chairman & Managing Director and Ms. Usha Ramnani, Executive Director, have entered into service contracts with the Company. The notice period and the severance fee applicable to both of them are as follows:

- I. No notice for termination needs 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 needs 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 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
Ms. Usha Ramnani	Member
Mr. Rajkumar Raisinghani	Member

During the year, two meetings were held and the attendance was as follows:

Name of the Member	No of Meetings Attended
Dr. Suleman Adam Merchant	NIL
Ms. Usha Ramnani	2
Mr. Rajkumar Raisinghani	2

(ii) Mr. K V Ganesh, Company Secretary, acts as a Compliance Officer.

(iii) (iv) & (v) During the year, the total numbers of complaints received and replied/attended to the satisfaction of the shareholders was 204. There was 1 (one) outstanding complaint as on 31st March 2012, since settled. No requests for transfers and for dematerialization were pending for approval as on 31st March 2012.

## 6. GENERAL MEETINGS:

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

Financial Year	2008-09	2009-10	2010-11
Date, time and venue	29th September 2009 12.00 Noon St John's Medical College Hospital Auditorium, Opp. Koramangala BDA Complex, 100ft Road, Koramangala, Bangalore 560034	28th September 2010 12.00 Noon St John's Medical College Hospital Auditorium, Opp. Koramangala BDA Complex, 100ft Road, Koramangala, Bangalore 560034	28th September 2011 12.00 Noon St John's Medical College Hospital Auditorium, Opp. Koramangala BDA Complex, 100ft Road, Koramangala, Bangalore 560034
Special Resolutions passed	NIL	NIL	Increase in the foreign institutional investors investment limit upto 49% in the paid-up equity share capital of the company.

(iii) & (iv) Results of postal ballot

During the year, the Company sought the approval of its members through postal ballot, to increase the authorized share capital of the Company and consequently amend the Memorandum of Association and Article of Association, and issue bonus shares in the ratio of 3 fully paid-up equity shares for every 10 equity shares held.

The Board of Directors of the Company in its meeting held on 7th February 2012 appointed Ms. Swetha Bhandari as the Scrutinizer for conducting the voting through postal ballot. All postal ballot forms received up to the close of working hours of 19th March 2012, being the last date for receiving the postal ballot forms from the members were considered for scrutiny. The Company announced the results of the Postal Ballot on 20th March 2012:

No.	Brief description of the matter put to vote	For	Against
1	Ordinary Resolution for increase of the Authorized Share Capital of the Company	8,67,95,838	9,868
2	Ordinary Resolution for alteration of the Memorandum of Association of the Company consequent upon increase of Authorized Share Capital of the Company	8,67,90,270	NIL
3	Special Resolution for alteration of the Articles of Association consequent upon increase of Authorized Share Capital of the Company	8,67,90,303	NIL
4	Ordinary Resolution for issue of 3 bonus equity shares for every 10 fully paid-up equity shares held	8,67,90,681	NIL

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

## 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.

(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

Your 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.

(viii) No significant material transaction has been made with the non-executive directors vis-à-vis the Company.

(ix) The number of shares held by the Directors as on 31st March 2012 is as follow:

Name	No. of shares	% of holding
Mr. Vinod Ramnani	34,023,581	14.04
Ms. Usha Ramnani	9,234,076	3.81
Mr. Jayesh C Patel	11,815,983	4.88
Mr. Thomas Dietiker	13,076,150	5.40
Dr. Suleman Adam Merchant	280,160	0.12
Mr. V. Balasubramaniam	25,857	0.01
Mr. Rajkumar Raisinghani	24,700	0.01
Dr. Anvay Mulay	2,925	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 the Listing Agreement.

## 8 A. 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 published in leading newspapers like The Economic Times, Business Standard and other local newspapers.

(iii) The financial result of the Company is displayed on the Company's website [www.optocircuits.com](http://www.optocircuits.com).

(iv) & (v) The official presentations made to the institutional investors and the analysts are also displayed on the Company's website [www.optocircuits.com](http://www.optocircuits.com).

## B. MANAGEMENT DISCUSSION AND ANALYSIS

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

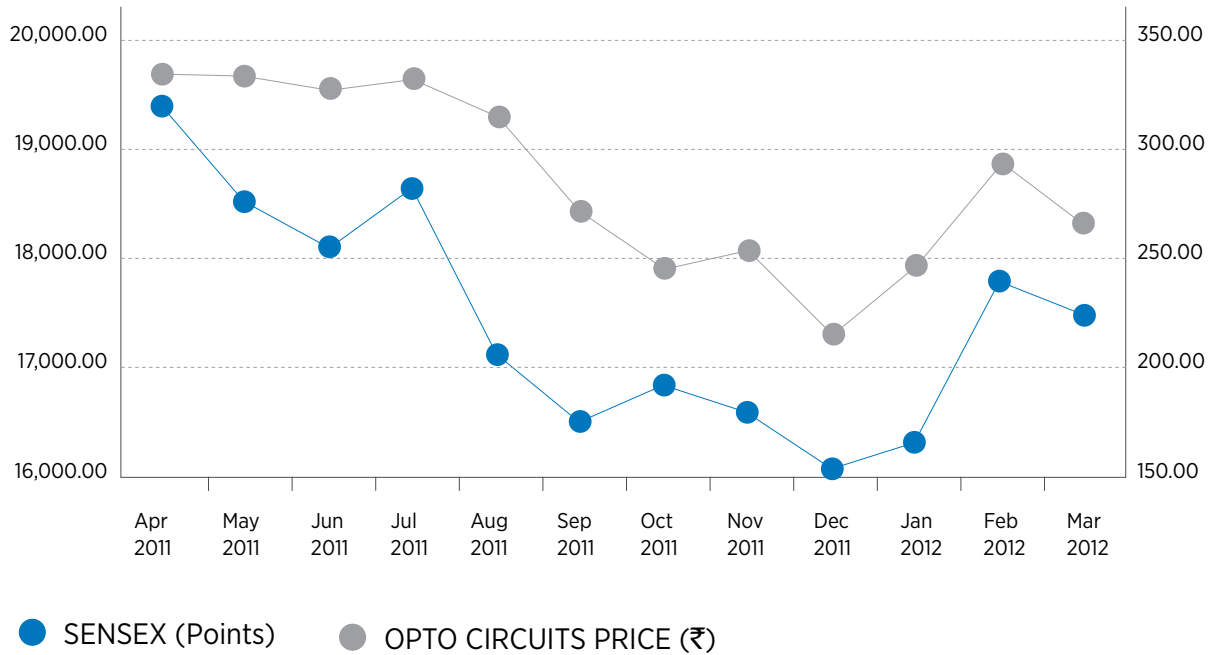
## 9. GENERAL SHAREHOLDER INFORMATION

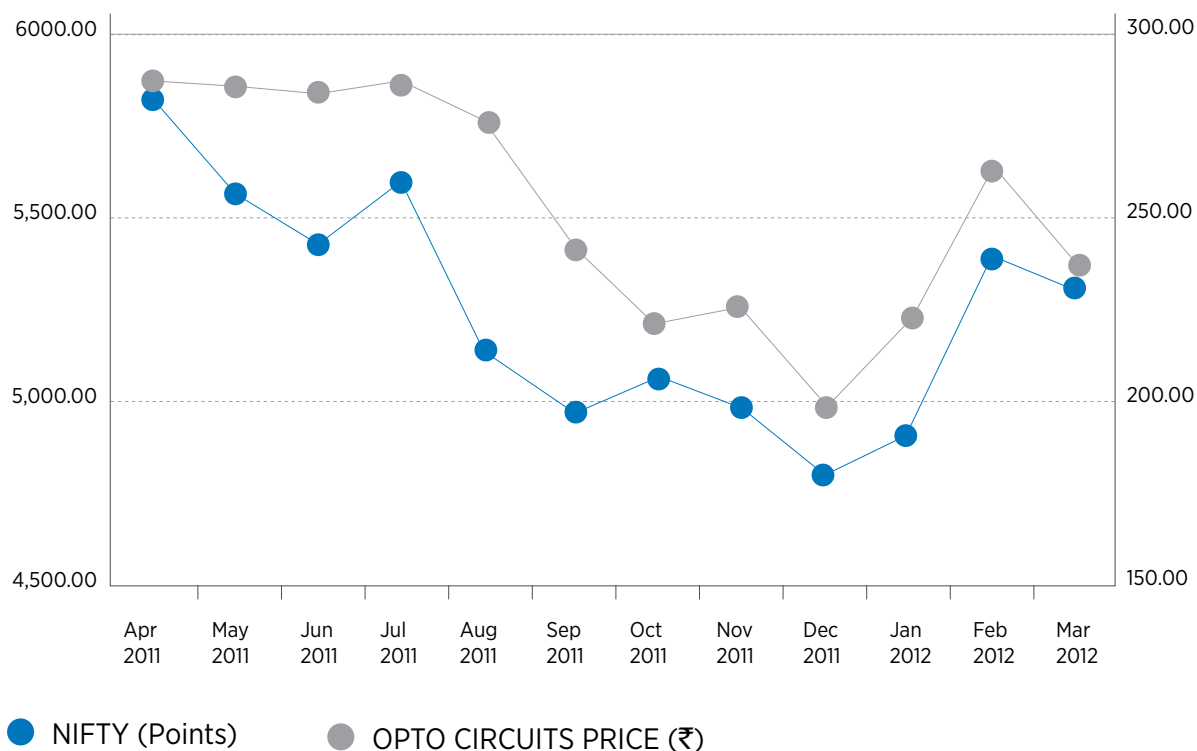
<b>(i) Annual General Meeting</b>	
Date and time	Saturday, 29th September 2012 at 12.00 noon
Venue	Manipal County, No.65 Singasandra, Off Hosur Road- Bengaluru 560068
<b>(ii) Financial Calendar (Tentative)</b>	
Results	Reporting
Quarter 30th June 2012	On or before 15th August 2012
Quarter 30th September 2012	On or before 15th November 2012
Quarter 31st December 2012	On or before 15th February 2013
Quarter ended 31st March 2013	On or before 31st May 2013
AGM for approval of the Audited accounts for the year ended 31st March 2013	On or before 30th September 2013
Financial year	1st April to 31st March
<b>(iii) Details of Book closure</b>	From 25th September 2012 to 29th September 2012 (Both days inclusive)
<b>(iv) Dividend payment</b>	On or after AGM date
<b>(v) Listing of Equity Shares on Stock Exchanges</b>	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400001  National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai 400051
<b>(vi) Stock code</b>	
a. Trading code/symbol Bombay Stock Exchange code National Stock Exchange code	532391 OPTOCIRCU
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 National Stock Exchange and Number of Shares Traded:

Month	BSE prices			NSE prices		
	High	Low	No. of shares	High	Low	No. of shares
Apr 2011	305.90	271.10	1,468,064	305.00	270.00	7,540,024
May 2011	310.40	265.10	2,167,275	310.50	260.15	10,565,750
June 2011	300.00	265.50	1,255,807	300.85	265.20	6,546,899
July 2011	303.00	270.00	1,203,997	301.65	269.30	6,338,629
Aug 2011	295.25	252.15	1,168,417	295.95	253.10	6,246,301
Sep 2011	268.85	212.60	1,433,847	269.85	212.10	11,503,585
Oct 2011	254.20	187.00	1,834,834	255.00	187.90	7,616,893
Nov 2011	264.70	190.05	1,509,492	260.95	189.10	9,000,192
Dec 2011	214.00	183.30	1,963,170	213.90	183.00	9,361,341
Jan 2012	249.00	195.00	1,368,321	249.30	196.50	8,100,314
Feb 2012	293.00	220.80	1,650,017	293.65	233.50	8,186,457
Mar 2012	284.70	189.10	1,798,255	284.70	189.35	9,784,888

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





## (ix) Registrar &amp; 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 500081  
Ph: 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 to 16 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 2012

Sl. No.	Category		No. of Shareholders	% of Shareholders	Amount in ₹	% of Shareholding
	From	To				
01	01	500	40,438	79.64	47,931,890.00	1.98
02	501	1000	4,397	8.66	30,795,050.00	1.27
03	1001	2000	2,767	5.45	39,736,360.00	1.64
04	2001	3000	917	1.81	22,722,040.00	0.94
05	3001	4000	581	1.14	20,143,890.00	0.83
06	4001	5000	225	0.44	10,053,040.00	0.41
07	5001	10000	669	1.32	46,515,050.00	1.92
08	10001	Above	783	1.54	2,205,296,750.00	91.01
	<b>Total</b>		<b>50,777</b>	<b>100.00</b>	<b>2,423,194,070.00</b>	<b>100.00</b>

Categories of Shareholders as on 31st March 2012

Sl. No.	Description of Holders	No. of Shareholders	Shares	% of Equity
1	Banks	4	126,636	0.05
2	Clearing Members	120	430,477	0.18
3	Employees	5	5518	0.00
4	Foreign Institutional Investors	146	91,042,829	37.57
5	Foreign Nationals	1	39	0.00
6	Foreign Promoters	2	13,076,150	5.40
7	Hindu Undivided Family	1,046	882,654	0.36
8	Indian Financial Institutions	5	1,872,060	0.77
9	Indian Promoters	3	55,046,340	22.72
10	Bodies Corporate	970	18,227,671	7.52
11	Mutual Funds	14	771,975	0.32
12	Non Resident Indians	1,271	19,034,237	7.86
13	Resident Individuals	47,180	41,773,376	17.24
14	Trusts	9	18,158	0.01
15	Fractional Shares	1	11287	0.00
	<b>Total</b>	<b>50,777</b>	<b>242,319,407</b>	<b>100</b>

(xii) Dematerialization of Shares and Liquidity

As on 31st March 2012, 98.00% of the Company's total paid up capital, representing 23,74,68,751 shares, was held in dematerialized form and the balance 2.00%, representing 48,50,656 shares, was 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 2012.

(xiv) The Company's plants are located at:

(a) Plot No.83, Electronic City, Hosur Road, Bangalore – 560 100

(b) Shed No.15, VSEZ Duuvada, SDF-1 Building, Vadlapudi post, Vishakapatnam, AP 530 046.

(xv) Address for correspondence:

(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 500081  
Ph: 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 for the purpose of registering complaints by investors.

(d) Disclosures regarding suspense account pursuant to SEBI circular No.SEBI/CFD/DIL/LA1/2009/24/04 dated 24th April 2009.

As per the above mentioned circular, Clause 5A stands for shares issued pursuant to the public issues or any other issue which remains unclaimed and / or lying in the escrow account and any unclaimed benefits like dividend, bonus shares, etc., which are to be credited to the demat suspense account. There were no shares in unclaimed and / or lying in the escrow account and hence transfer of benefits to suspense account does not arise.

## 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 2011-12.
4. The Company has not adopted the other non-mandatory requirements as specified in Annexure 1D of Clause 49 of Listing Agreement.

For and on behalf of the Board

**VINOD RAMNANI**

Chairman & Managing Director

Place: Bengaluru

Date: 14th August 2012

CERTIFICATES UNDER CORPORATE GOVERNANCE 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 Company's code of conduct for the year 2011-12.

**VINOD RAMNANI**

Chairman & Managing Director

Place: Bengaluru

Date: 14th August 2012

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) Limited for the year ended 31st March 2012, 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 Agreement.

**For ANAND AMARNATH & ASSOCIATES**

Chartered Accountants

**B.K. AMARNATH**

Partner

Membership Number: 26536

Firm Registration Number: 000121S

Place: Bengaluru

Date: 14th August 2012



# STANDALONE FINANCIAL STATEMENTS

# AUDITOR'S REPORT

To,  
The Members of  
OPTO CIRCUITS (INDIA) LIMITED, BENGALURU

1. We have audited the attached Balance Sheet of Opto Circuits (India) Limited as at 31st March 2012 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 2012 and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31st March 2012 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 at 31st March 2012;

(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.

## FOR ANAND AMARNATH & ASSOCIATES

Chartered Accountants

### B K AMARNATH

Partner

Membership Number: 26536

Firm Registration Number: 000121S

Place: Bengaluru

Date: 22nd May 2012

## ANNEXURE TO AUDITORS 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 2012.

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 interest free loans to the parties listed in the register maintained under section 301 of the Companies Act 1956., the 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

procedures 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 ₹ 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.

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

vii. 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.

viii. To the best of our knowledge and as explained, the Central Government has prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for product of the company, accordingly provisions of Clause 4 (viii) are complied with.

ix. 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 were 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 2012 for a period of more than six months from the date on which they became payable.

# ANNEXURE TO AUDITORS REPORT

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

xi. During the year, the company has not taken any Term Loans from Banks/Financial Institutions. It has not defaulted in repayment of its dues to financial institutions and banks.

xii. 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.

xiii. 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.

xiv. 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.

xv. 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 subsidiaries from banks are not prima-facie prejudicial to the interest of the Company.

xvi. 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.

xvii. 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. The funds have been financed out of internal accruals. No long-term funds have been used to finance short-term assets except working capital.

xviii. During the year 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.

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

xx. During the year the company has not raised any money through a public issue accordingly Clause 4 (xx) of the order is not applicable. During the year company has made bonus issue of 3 fully paid equity share of ₹ 10 each for every 10 equity shares of ₹ 10 each amounting to 55,919,863 shares of ₹ 559,198,630 held by share holders of the company by utilizing proceeds from securities premium Account and Capital reserve Account.

xxi. 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.

## FOR ANAND AMARNATH & ASSOCIATES

Chartered Accountants

### B K AMARNATH

Partner

Membership Number: 26536

Firm Registration Number: 000121S

Place: Bengaluru

Date: 22nd May 2012

OPTO CIRCUITS (INDIA) LIMITED

**BALANCE SHEET AS AT 31.03.2012**

Amount in ₹

Sl.No.	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholder's Funds</b>			
	(a) Share capital	2	2,423,194,070	1,863,995,440
	(b) Reserves and surplus	3	9,707,888,363	8,764,322,371
			<b>12,131,082,433</b>	<b>10,628,317,811</b>
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	4	80,039,896	1,481,264,923
			<b>80,039,896</b>	<b>1,481,264,923</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	6	6,412,447,690	5,686,529,062
	(b) Trade payables	7	121,259,709	66,836,266
	(c) Other current liabilities	8	458,704,147	1,591,015,982
	(d) Short-term provisions	9	852,318,039	985,903,375
			7,844,729,585	8,330,284,685
	<b>Total</b>		<b>20,055,851,914</b>	<b>20,439,867,420</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10	738,932,614	785,878,797
	(ii) Intangible assets		49,425	7,052,870
	(iii) Capital work-in-progress		1,283,9212	11,951,040
			<b>751,821,251</b>	<b>804,882,706</b>
	(b) Non-current investments	11	3,816,646,423	11,143,891,422
	(c) Deferred tax assets (net)	5	3,019,342	4,002,845
	(d) Other non current assets	12	1,546,814,199	444,839,112
			<b>5,366,479,964</b>	<b>11,592,733,379</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	13	2,654,473,461	2,452,143,723
	(b) Trade receivables	14	2,573,339,567	2,287,769,236
	(c) Cash and cash equivalents	15	455,974,156	1,174,640,156
	(d) Short-term loans and advances	16	8,253,763,514	2,127,698,221
			<b>13,937,550,699</b>	<b>8,042,521,335</b>
	<b>Total</b>		<b>20,055,851,914</b>	<b>20,439,867,420</b>

See accompanying notes (1 to 29) to the financial statements

**For and on behalf of the Board of Directors**VINOD RAMNANI  
Chairman & Managing DirectorUSHA RAMNANI  
Executive DirectorKV GANESH  
Company SecretaryPlace: Bengaluru  
Date: 22nd May 2012**As per our report of even date**FOR ANAND AMARNATH & ASSOCIATES  
Chartered AccountantsB K AMARNATH  
PartnerMembership Number: 26536  
Firm Registration Number: 000121S

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012**

Amount in ₹

Sl.No.	Particulars	Note No.	For the year ended on 31.03.2012	For the year ended on 31.03.2011
I	Revenue from operations	17	6,697,416,955	6,032,027,340
II	Other income	18	13,382,864	360,689,954
<b>III</b>	<b>Total revenue (I + II)</b>		<b>6,710,799,819</b>	<b>6,392,717,294</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	19	3,770,189,209	3,864,240,013
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(134,564,510)	(488,349,078)
	Employee benefit expense	21	82,548,556	66,422,100
	Finance costs	22	366,546,853	249,281,588
	Depreciation and amortization expense	10	60,519,487	59,062,012
	Other expenses	23	185,855,957	171,530,899
	<b>Total expenses</b>		<b>4,331,095,551</b>	<b>3,922,187,534</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		2,379,704,268	2,470,529,759
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		2,379,704,268	2,470,529,759
VIII	Extraordinary Items		-	-
<b>IX</b>	<b>Profit before tax (VII - VIII)</b>		<b>2,379,704,268</b>	<b>2,470,529,759</b>
X	Tax expense:	25		
	(1) Current tax		31,067,124	29,204,027
	(2) Deferred tax		983,503	(2,425,874)
<b>XI</b>	<b>Net Profit/(Loss) for the period (IX - X)</b>		<b>2,347,653,641</b>	<b>2,443,751,606</b>
<b>XII</b>	<b>Earning per equity share:</b>	24		
	(1) Basic		9.69	10.08
	(2) Diluted		-	-

See accompanying notes (1 to 29) to the financial statements

**For and on behalf of the Board of Directors**VINOD RAMNANI  
Chairman & Managing DirectorUSHA RAMNANI  
Executive DirectorKV GANESH  
Company SecretaryPlace: Bengaluru  
Date: 22nd May 2012**As per our report of even date**FOR ANAND AMARNATH & ASSOCIATES  
Chartered AccountantsB K AMARNATH  
PartnerMembership Number: 26536  
Firm Registration Number: 000121S

OPTO CIRCUITS (INDIA) LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

Amount in ₹

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	2,379,704,268	2,470,529,760
<b>Adjustments from non operating items</b>		
Amortisation and other non cash items	983,503	16,194,669
Depreciation	60,519,487	59,062,012
Dividend received for the year	(3,153,165)	(259,764,913)
Interest paid on borrowings	366,546,853	249,281,588
Interest received on fixed deposit	(776,776)	(2,208,166)
Profit / (Loss) on sale of fixed asset	91,130	505,055
	<b>2,803,915,300</b>	<b>2,533,600,005</b>
<b>Adjustments for Working Capital</b>		
(Increase)/Decrease in inventories	(202,329,738)	(1,298,692,682)
(Increase)/Decrease in loans & advances	(1,770,121,742)	(878,756,421)
(Increase)/Decrease in sundry debtors	(285,570,332)	(301,113,224)
Increase/(Decrease) in current liabilities	(808,867,094)	1,151,914,283
<b>Cash operating profit/ (loss) before income tax</b>	<b>(262,973,607)</b>	<b>1,206,951,961</b>
Income tax	(32,050,627)	(26,778,153)
<b>Cash flow from operating activities before extraordinary items</b>	<b>(295,024,234)</b>	<b>1,180,173,808</b>
Extraordinary items & previous year transactions	-	-
<b>Net cash flow from operations</b>	<b>(295,024,233)</b>	<b>1,180,173,808</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend income	3,153,165	259,764,913
Interest received on fixed deposit	776,776	2,208,166
Proceeds from sale of fixed assets	83,750	697,366
Proceeds from sale/(Purchase) of investments (Net)	1,460,637,565	(5,929,605,600)
<b>Total inflow of cash from investments</b>	<b>1,464,651,256</b>	<b>(5,666,935,155)</b>
(Purchase)/Sale of fixed assets	(6,744,741)	(48,855,635)
(Payment)/Receipt towards capital work in progress	(888,172)	(4,439,172)
<b>Net Cash Flow from investing activities</b>	<b>1,457,018,343</b>	<b>(5,720,229,962)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012 (CONTD.)**

Amount in ₹

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings-Net		
Proceeds from issue of share capital	-	35,000,000
Proceeds/(Payment) from issue of share premium	-	761,897,500
Proceeds from issue of share warrants	-	(245,647,500)
Proceeds/(Repayment) of secured loans	(544,941,708)	4,434,271,116
Proceeds/(Repayment) of unsecured loans	(130,364,691)	787,507,382
<b>Inflow of Cash</b>	<b>(675,306,399)</b>	<b>5,773,028,498</b>
Interest paid on borrowings	(366,546,853)	(249,281,588)
Dividend & Dividend tax	(838,806,856)	(917,433,286)
<b>Net cash flow from financing activities</b>	<b>(1,880,660,108)</b>	<b>4,606,313,625</b>
Total Increase in cash & cash equivalents during the year	(718,666,000)	66,257,470
Cash & cash equivalents at the beginning of the year	1,174,640,156	1,108,382,686
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>455,974,156</b>	<b>1,174,640,156</b>

**For and on behalf of the Board of Directors**

VINOD RAMNANI  
Chairman & Managing Director

USHA RAMNANI  
Executive Director

KV GANESH  
Company Secretary

Place: Bengaluru  
Date: 22nd May 2012

**As per our report of even date**

FOR ANAND AMARNATH & ASSOCIATES  
Chartered Accountants

B K AMARNATH  
Partner

Membership Number: 26536  
Firm Registration Number: 000121S

# 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 shortage in transit.

## 3. FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation. Cost prices include 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. Cost of inventories are computed on a weighted average/FIFO basis

Raw Materials including stores and spares	Valued at lower of Cost and net realizable value
Work-in-Progress	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 for bringing the same to the location or storage of completion

## 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 provident fund maintained under the employees provident fund 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. Unavailed encashable earned leave is accounted on accrual basis.

## 7. INVESTMENTS

The investments are stated at cost.

## 8. DEFERRED TAX

Deferred Tax Asset in the nature of unabsorbed depreciation and losses 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 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. PROVISION FOR TAXATION AND MAT

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. The company is not charging off MAT on SEZ profit, which will be set off against liability arising in future years. In the event of non set off due to the effect of not carrying forward, it will be written off in that financial year.

## 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

KV GANESH  
Company Secretary

Place: Bengaluru  
Date: 22nd May 2012

### As per our report of even date

FOR ANAND AMARNATH & ASSOCIATES  
Chartered Accountants

B K AMARNATH  
Partner

Membership Number: 26536  
Firm Registration Number: 000121S

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 2 – SHARE CAPITAL**

Amount in ₹

Particulars	As at 31.3.2012	As at 31.3.2011
<b>Authorised:</b>		
300,000,000 equity shares of ₹ 10.00 each	3,000,000,000	2,000,000,000
(P.Y. 200,000,000 equity shares of ₹ 10.00 each)		
	3,000,000,000	2,000,000,000
<b>Issued:</b>		
242,581,307 equity shares of ₹ 10.00 each (P.Y. 186,661,444 equity shares of ₹ 10.00 each)	2,425,813,070	1,866,614,440
Out of the above-		
	2,425,813,070	1,866,614,440
<b>Subscribed and Paid up:</b>		
242,319,407 equity shares of ₹ 10.00 each fully paid up	2,423,194,070	1,863,995,440
(P.Y. 186,399,544 equity shares of ₹ 10.00 each)		
Out of the above-		
<b>Total</b>	<b>2,423,194,070</b>	<b>1,863,995,440</b>

Out of the above:

207,371,234 Equity Shares (PY 151,451,371) of ₹ 10/- each fully paid-up allotted otherwise than for cash which includes Bonus shares of 55,919,863 allotted during the year.

1,164,620 Equity Shares of ₹ 10/- Each fully paid up on a Preferential basis.

**NOTE 2A**

Amount in ₹

Particulars	As at March 31, 2012	As at March 31, 2011
	<b>No. of shares</b>	<b>No. of shares</b>
Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:		
No. of shares outstanding at the beginning of the year	186,399,544	182,899,544
Add: bonus shares issued during the reporting period	55,919,863	-
Add: Issue of shares by conversion of share warrants	-	3,500,000
<b>No. of shares outstanding at the end of the year</b>	<b>242,319,407</b>	<b>186,399,544</b>

## NOTE 2B – NUMBER OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES IN THE COMPANY ARE AS FOLLOWS

Particulars	As on 31.03.2012		As on 31.03.2011	
	No. of shares held	% of Holding	No. of shares held	% of Holding
<b>Equity Shares:</b>				
(1) Vinod Parasram Ramnani	34,023,581	14%	26,150,986	14%
(2) Genesis Indian Investment Company - General Sub Fund	13,878,525	6%	10,675,789	6%
(3) Thomas Dietiker	13,076,150	5%	10,473,485	6%
	As on 31.03.2012		As on 31.03.2011	
	No. of shares		No. of shares	
Equity shares allotted as fully paid bonus shares during the last five years	154,067,723		128,956,150	

### NOTES:

The Company has only one class of equity shares having a par value of ₹ 10.00 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2012, the amount of share dividend recognised distributed to equity shareholders was ₹ 3.00 (31st March 2011: ₹ 4.50)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

## NOTE 3 – RESERVES AND SURPLUS

Amount in ₹

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Capital Reserves:</b>		
As per last balance sheet	82,057,500	20,160,000
Additions during the year	-	61,897,500
Less: Bonus Issue of shares	82,057,500	-
	-	<b>82,057,500</b>
<b>Securities Premium Account:</b>		
As per last balance sheet	4,594,278,207	3,894,278,207
Additions on shares issued during the year		700,000,000
Less: Bonus Issue of shares	(477,141,131)	-
	<b>4,117,137,076</b>	<b>4,594,278,207</b>
<b>General Reserve:</b>		
As per last balance sheet	776,987,752	526,987,752
Add: Transfer from profit & loss account	240,000,000	250,000,000
	<b>1,016,987,752</b>	<b>776,987,752</b>
<b>Surplus:</b>		
As per last balance sheet	3,310,998,912	2,097,114,034
Add: profit/(loss) for the period	2,347,653,641	2,443,751,606
Less: Appropriation		
Proposed dividend	726,958,221	840,297,948
Tax on proposed dividend	117,930,798	139,568,780
Transfer to reserves	240,000,000	250,000,000
	<b>4,573,763,534</b>	<b>3,310,998,912</b>
<b>Total</b>	<b>9,707,888,363</b>	<b>8,764,322,371</b>

OPTO CIRCUITS (INDIA) LIMITED

**NOTE 3A – REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

Particulars	Paid in Current year	Paid in Previous Year
	<b>2011-12</b>	<b>2010-11</b>
Amount Remitted	33,230,642	40,545,541
Dividend Related to financial year	2010-11	2009-10
Number of non-resident shareholders	8	10
Number of shares	7,384,587	10,136,385

**NOTE 4 – LONG TERM BORROWINGS**

Amount in ₹

Particulars	As at March 31, 2012	As at March 31, 2011
Term loans		
- from banks		
Secured	80,039,896	1,481,264,923
Unsecured	-	-
<b>Total</b>	<b>80,039,896</b>	<b>1,481,264,923</b>

**NOTE 4A – DETAILS OF REPAYMENT OF TERM LOANS**

Nature of Facility	Lender	Amount in ₹
Term loan from Bank on specific fixed assets (ECB Loan)	DBS Bank Limited	159,173,448
Term loan from Bank on hypothecation of vehicles	ICICI Bank Limited	2,836,448
Term loan from Bank on hypothecation of vehicles	Axis Bank Limited	397,450

1) In March 2009, Opto Circuits (india) Ltd. had borrowed US\$ 7 million from DBS Bank Ltd. The interest rate was fixed at the rate 6.60% p.a. and is secured by specified movable fixed assets. The loan is repayable in 8 half-yearly instalments of US\$ 0.777 million and one final balance instalment of US\$ 0.778 million. The first instalment was on March 2010 and the final instalment is slated for March 2014

2) Opto Circuits (india) Ltd. has borrowed vehicle loans from ICICI Bank Ltd. and Axis Bank Ltd. The current outstanding balance with ICICI Bank Ltd. of ₹ 28.36 lacs and Axis Bank Ltd. is ₹ 3.9 lacs will be repaid in monthly instalments. The final instalment of ICICI Bank Ltd. is slated for June 2013 and of Axis Bank Ltd. slated for July 2014.

**NOTE 5 – BREAK UP OF DEFERRED TAX ASSET AS AT YEAR END**

Amount in ₹

Nature of timing difference	31.03.2012	31.03.2011
Provision for depreciation	3,019,342	4,002,845
<b>Deferred tax asset/(liability) net:</b>	<b>3,019,342</b>	<b>4,002,845</b>

**NOTE 5A –** Deferred tax is recognised on timing differences between the accounting income and the taxable income for the current year and is quantified using the tax rates for Unit II. For the SEZ unit, deferred tax assets has not been recognised 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 SEZ unit as income is covered under section 10AA of the Income Tax Act, 1961.

**NOTE 6 – SHORT TERM BORROWINGS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Loans repayable on demand		
- from Banks		
secured	5,734,294,160	4,878,010,841
unsecured	526,137,190	800,000,000
	<b>6,260,431,349</b>	<b>5,678,010,841</b>
- from other parties		
secured	-	-
unsecured	152,016,340	8,518,221
	<b>152,016,340</b>	<b>8,518,221</b>
<b>Total</b>	<b>6,412,447,690</b>	<b>5,686,529,062</b>

## NOTES:-

- 6.1.a) Company has working capital facilities with State Bank of India by way of hypothecation of Company's present and future movable fixed assets and current assets like stocks, raw materials, semi finished and finished goods, book debts, receivables, outstanding monies, bills, rights, stores, components, furniture and fittings; other movables, plant and machinery, vehicles and assets to be purchased out of bank finance. PariPassu Charge on the assets of the company. Equitable Mortgage on all the piece and parcel of land known as Sy. No. 62 part within the village limits of Doddathogur, Begur Hobli, Bangalore District containing by admeasuring 1.50 acre.
- 6.1.b) Company has obtained loans from DBS Bank Limited by hypothecation in PariPassu on whole of the present and future stocks of raw materials, work in process, finished goods, semi finished goods, book debts, outstanding monies receivables, claims, bills, contracts, engagements, securities, investments, rights and assets belonging to the company, by way of PariPassu charge.
- 6.1.c) Company has working capital facilities with IndusInd Bank Limited. These facilities are repayable on demand, and secured by PariPassu charge on Stocks and Book Debts of the Company.
- 6.1.d) Company has working capital facilities with Standard Chartered Bank. The facility is secured by hypothecation of the whole of the present and future stocks of raw materials, work in process and finished goods, book debts, outstanding monies, receivables, claims, bills, etc belonging to the company by way of PariPassu charge.
- 6.1.e) Company has working capital facilities with Yes Bank Limited. The facility is secured by way of PariPassu charge on Current Assets of the borrower to cover loan amount plus costs, expenses, interest and other incidentals. Hypothecation of the whole of the Current Assets of raw material, semi finished & finished goods, stores and spares including consumable stores and spares relating to plant and machinery and other movables both present and future stored at Plot No.83, Electronics city, Bangalore South or wherever else in India and bills receivables and Book debts belonging to the Company.
- 6.1.f) Company has working capital facilities with IDBI Bank Limited which has PariPassu charge over stocks and receivables with other working capital banks and collateral security on Land and building of the Company.
- 6.1.g) Company has working capital facilities with Citibank which has PariPassu charge on stocks and book debt of the Company.
- 6.2) The short term secured borrowings of ₹ 573,42,94,160 which includes Cash credit facility of ₹ 12,366.41 lacs with interest rate in the range of 11% p.a to 12.75% p.a, Preshipment Credit in Foreign Currency and bill discounting/Post shipment credit in Foreign currency facility of ₹ 449,76.52 lacs with interest rate in the range of 2% p.a to 8% p.a , and unsecured short term loan of ₹ 52,61,37,190 is Preshipment Credit in Foreign Currency and bill discounting/Post shipment credit in Foreign currency with interest rate of 2% to 6.5% p.a
- 6.3) Company has borrowed unsecured loans of ₹ 52,61,37,190 from Banks with interest rate of 2% to 6% p.a
- 6.4) The short term interest free unsecured loans of ₹ 15,20,16,340 is from the Directors of the Company repayable on short term basis.

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 7 – TRADE PAYABLES**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Trade payables (see note 7a)		
Sundry creditors for purchases - Subsidiary	18,574,179	10,187,698
Sundry creditors for purchases - Others - S&M	1,296,244	1,474,324
- Others	66,862,911	29,923,307
Sundry creditors for expenses - Others - S&M	5,617,250	6,671,250
Sundry creditors for expenses - Others	28,909,126	18,579,689
<b>Total</b>	<b>121,259,709</b>	<b>66,836,266</b>

**NOTE 7A – DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006**

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 at 31st March 2012 where the outstanding amount payable to them beyond 45 days are as under:

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
The total amount due to such enterprises beyond 45 days	2,773,026	2,335,553

There is no interest payments for such delayed payments

**NOTE 8 – OTHER CURRENT LIABILITIES**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Current maturities of long-term debt	82,367,450	72,282,559
Interest accrued but not due on borrowings	2,755,994	5,106,630
Salary & wages payable	6,452,571	6,078,603
Advance received from customers	270,967	1,517,716
Inter corporate deposit received from subsidiaries	25,760,619	1,336,874,145
Inter corporate deposit received from others	9,472,195	9,472,195
Provision for dividend tax	263,903,890	124,590,035
Sundry creditors for capital goods	602,342	873,644
Unclaimed dividends	63,642,714	30,952,877
	<b>455,228,742</b>	<b>1,587,748,404</b>
Statutory dues payable	<b>3,475,405</b>	<b>3,267,578</b>
<b>Total</b>	<b>458,704,147</b>	<b>1,591,015,982</b>

There are no amounts due for payment to the Investor Education and Protection Fund under 205 (c) of the Companies Act, 1956.

**NOTE 8A – CONTINGENT LIABILITY**

Amount in ₹

Particulars	As at 31st March, 2012	As at 31st March, 2011
Income tax matters – The Income Tax Department has raised a demand for tax for the AY 2004-05 for which the Company has preferred an appeal before the commissioner of Income tax (Appeal) III. Pending disposal of this, the Company has not provided liability for income Tax.	1,416,000	1,416,000
<b>Guarantees</b>		
Corporate guarantee is extended to State Bank of India and State Bank of Travancore to Advanced Micronic Devices Limited (Company holding 59.71% of shares)	170,100,000	170,100,000
Corporate guarantee is extended to Opto Eurocor Healthcare Limited (Company holding 96.85% of shares)	–	500,000,000
Corporate guarantee is extended to Eurocor GmbH on behalf of Opto Eurocor Health Care Limited (Company holding 96.85% of shares)	546,720,000	316,200,000
Corporate guarantee is extended to Cardiac Science Corporation on behalf of Opto Cardiac Care Limited (Company holding 100% of shares)	2,813,607,500	669,750,000
Corporate guarantee is extended to Opto Cardiac Care Limited (Company holding 100% of shares)	1,534,695,000	–
Bank guarantees issued on behalf of the Company by Banks	12,500,000	12,500,000

**NOTE 9 – SHORT-TERM PROVISIONS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for leave encashment	5,725,871	4,463,310
Provision for gratuity	1,703,149	3,328,262
Proposed dividend	726,958,221	838,797,948
Tax on proposed dividend	117,930,798	139,313,855
<b>Total</b>	<b>852,318,039</b>	<b>985,903,375</b>

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 10 – FIXED ASSETS**

Amount in ₹

Particulars	Cost				Depreciation/Amortization/Diminution				Net Block	
	As at 01.04.2011	Additions during the year	Deductions during the year	As at 01.04.2011	Upto 31.03.2011	For the year	On Deductions	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>TANGIBLE ASSETS</b>										
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	4,347,218	-	-	4,347,218	1,421,601	71,054	-	1,492,655	2,854,563	2,925,617
Building	29,138,619	-	-	29,138,619	8,905,356	975,896	-	9,881,253	19,257,366	20,233,263
Apartment	12,685,605	-	-	12,685,605	3,164,049	424,860	-	3,588,909	9,096,696	9,521,556
GH furniture & fittings	657,328	-	-	657,328	94,161	22,015	-	116,176	541,152	563,167
Plant & machinery	193,082,198	1,001,284	-	194,083,482	64,633,290	9,241,576	-	73,874,866	120,208,616	128,448,908
Furnitures & fittings	14,614,797	1,038,583	-	15,653,380	6,337,121	965,104	-	7,302,225	8,351,154	8,277,676
Computers	8,443,421	1,325,002	-	9,766,423	6,484,912	1,432,422	-	7,917,334	1,849,088	1,958,508
Office equipments	2,185,605	1,036,446	(76,781)	3,145,270	951,128	131,521	(14,501)	1,068,148	2,077,122	1,234,477
Electrical installations	9,580,550	512,604	-	10,093,154	3,804,804	472,733	-	4,277,537	5,815,617	5,775,746
Vehicles	48,725,462	665,387	(326,075)	49,064,774	28,631,258	4,662,993	(213,475)	33,080,776	15,983,998	20,094,204
Computers	88,000	-	-	88,000	88,000	-	-	88,000	-	-
Furnitures & fittings	233,562	-	-	233,562	123,406	14,551	-	137,956	95,606	110,156
<b>SEZ UNIT</b>										
Plant & machinery	558,699,637	431,942	-	559,131,579	30,583,187	26,557,124	-	57,140,311	501,991,268	528,116,450
Furnitures & fittings	7,108,813	393,143	-	7,501,956	506,595	454,571	-	961,166	6,540,790	6,602,218
Computers	49,247,839	221,100	-	49,468,939	9,941,251	8,002,485	-	17,943,736	31,525,203	39,306,588
Office equipments	161,473	16,250	-	177,723	6,764	8,081	-	14,845	162,878	154,709
Electrical installations	1,547,605	105,000	-	1,652,605	71,221	75,187	-	146,409	1,506,196	1,476,384
Vehicles	40,710	-	-	40,710	5,796	3,867	-	9,663	31,047	34,914
<b>Total</b>	<b>951,632,696</b>	<b>6,744,741</b>	<b>(402,856)</b>	<b>957,974,581</b>	<b>165,753,901</b>	<b>53,516,042</b>	<b>(227,976)</b>	<b>219,041,967</b>	<b>738,932,614</b>	<b>785,878,796</b>
<b>Previous year</b>	<b>904,326,764</b>	<b>48,855,635</b>	<b>1,549,703</b>	<b>951,632,696</b>	<b>114,042,615</b>	<b>52,058,566</b>	<b>347,282</b>	<b>165,753,899</b>	<b>785,878,797</b>	<b>-</b>
Capital work in progress	11,951,040	888,172	-	12,839,212	-	-	-	-	12,839,212	11,951,040
<b>INTANGIBLE ASSETS</b>										
Software development expenses	35,017,228	-	-	35,017,228	27,964,357	7,003,446	-	34,967,803	49,425	7,052,870
<b>Total</b>	<b>35,017,228</b>	<b>-</b>	<b>-</b>	<b>35,017,228</b>	<b>27,964,357</b>	<b>7,003,446</b>	<b>-</b>	<b>34,967,803</b>	<b>49,425</b>	<b>7,052,870</b>
<b>Previous year</b>	<b>35,017,228</b>	<b>-</b>	<b>-</b>	<b>35,017,228</b>	<b>20,960,912</b>	<b>7,003,446</b>	<b>-</b>	<b>27,964,358</b>	<b>7,052,870</b>	<b>-</b>

**NOTE 11 – NON CURRENT INVESTMENTS**

Amount in ₹

Particulars	31.03.2012	31.03.2011
NON CURRENT INVESTMENTS (Quoted/ Unquoted)		
<b>QUOTED SHARES AT COST</b>		
Advanced Micronic Devices Limited- 3,153,165 E.Shares of ₹ 10.00 Fully Paid up (Aggregate cost of Quoted investment ₹ 52,461,254.00 Market Value. ₹ 102,635,521.00 as on 31.3.2012 or as on last quoted date)	52,461,254	52,461,254
<b>UNQUOTED INVESTMENT AT COST</b>		
Mediaid Inc.	445,549,475	445,549,475
Eurocor GmbH	-	826,623,128
Opto Eurocor Healthcare Limited	644,497,714	344,497,714
Devon Innovations Private Limited	31,250,000	31,250,000
Ormed Medical Technologies Limited	8,501,430	8,501,430
Criticare Systems Inc.	-	3,809,464,073
Opto Infrastructure Limited	187,536,500	180,000,000
N.S. Remedies Private Limited	-	60,000,000
Opto Circuits (Malaysia) Sdn Bhd,	446,300,000	446,300,000
Unetixs Vascular Inc.	-	453,359,732
Cardiac Science Corporation	-	4,085,884,616
Opto Cardiac Care Limited	2,000,550,050	400,000,000
<b>Total</b>	<b>3,816,646,423</b>	<b>11,143,891,422</b>

**NOTE 11A**

The company has undertaken a restructuring initiative to align complementary business lines to achieve cost effectiveness and operational efficiencies. Investment of three US-based subsidiaries: Cardiac Science Corporation, Criticare Systems Inc. and Unetixs Vascular Inc., were transferred to Opto Cardiac Care Limited, Investment of subsidiaries, Eurocor GmbH and N.S. Remedies Pvt. Ltd. were transferred to Opto Eurocor Healthcare Ltd. both being wholly owned subsidiaries of Opto Circuits (India) Ltd. Each consolidated business will operate with shared resources and will bundle product offerings, augmenting possibilities for enhanced share holder valuation. The restructured subsidiaries grouping is as below.

Holding Company	Subsidiary	Step Down Subsidiary
Opto Circuits [India] Limited (OCIL)	Opto Eurocor Healthcare Ltd. (96.85% held by OCIL)	Eurocor GmbH
		Eurocor Singapore Pte Ltd.
		Eurocor Asia Sdn Bhd,
		N.S. Remedies Private Limited
	Opto Cardiac Care Ltd. (100% Subsidiary)	Criticare Systems Inc.
		Unetixs Vascular Inc.
		Cardiac Science Corporation

**NOTE 12 – OTHER NON CURRENT ASSETS**

Particulars	31.03.2012	31.03.2011
Advances for supply of Capital goods – Subsidiary	1,048,567,956	48,730,876
Advances for supply of Capital goods – Others	498,246,243	396,108,236
<b>Total</b>	<b>1,546,814,199</b>	<b>444,839,112</b>

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 13 – INVENTORIES**

Amount in ₹

Particulars	31.03.2012	31.03.2011
Raw materials and consumables	1,822,234,873	1,754,469,645
Work-in-progress	832,238,588	697,674,078
<b>Total</b>	<b>2,654,473,461</b>	<b>2,452,143,723</b>

**NOTE 14 – TRADE RECEIVABLES**

Amount in ₹

Particulars	31.03.2012	31.03.2011
(Unsecured, considered good unless otherwise stated)		
1) Debts due for a period exceeding six months		
Considered good	428,460,558	173,506,459
	<b>428,460,558</b>	<b>173,506,459</b>
2) Other debts:		
Considered good	2,144,879,009	2,114,262,777
	<b>2,144,879,009</b>	<b>2,114,262,777</b>
<b>Total</b>	<b>2,573,339,567</b>	<b>2,287,769,236</b>

**NOTE 15 – CASH AND CASH EQUIVALENTS**

Amount in ₹

Particulars	31.03.2012	31.03.2011
Balances with banks in -		
Current account	368,594,658	1,098,800,135
EEFC (Exchange Earners Foreign Currency Account)	18,430,606	36,223,695
Other bank balances		
Earmarked balance with bank (unpaid dividend)	62,815,511	30,121,386
Margin money	5,657,100	7,496,732
	<b>455,497,875</b>	<b>1,172,641,948</b>
Cash on hand	476,281	1,998,208
<b>Total</b>	<b>455,974,156</b>	<b>1,174,640,156</b>

**NOTE 16 – SHORT TERM LOANS AND ADVANCES**

Amount in ₹

Particulars	31.03.2012	31.03.2011
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties		
Considered good		
Advances to suppliers & services - subsidiaries	1,099,991,530	158,208,024
Inter corporate deposits - subsidiaries	5,167,725,654	482,655,174
	<b>6,267,717,185</b>	<b>640,863,198</b>
Others (specify nature)		
Considered good		

**NOTE 16 – SHORT TERM LOANS AND ADVANCES (CONTD.)**

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.3.2011
Advances to suppliers & services - Others	1,815,433,720	1,378,362,671
Other advances & deposits	106,668,139	107,676,379
	<b>1,922,101,859</b>	<b>1,486,039,050</b>
Taxes paid in advance less provisions (current tax)	63,944,471	795,973
<b>Total</b>	<b>8,253,763,514</b>	<b>2,127,698,221</b>

The company has undertaken a restructuring initiative to align complementary business lines to achieve cost effectiveness and operational efficiencies. Investment of three US-based subsidiaries: Cardiac Science Corporation, Criticare Systems Inc., and Unetixs Vascular Inc., were transferred to Opto Cardiac Care Limited, Investment of subsidiaries; Eurocor GmbH and N.S. Remedies Pvt. Ltd. were transferred to Opto Eurocor Health Care Ltd. both being wholly owned subsidiaries of Opto Circuits (India) Ltd. Each Consolidated business will operate with shared resources and will bundle product offerings, augmenting possibilities for enhanced share holder valuation. Due to this restructure of investments, the investments amount has been transferred to loans and advances. The total loans and advances transferred was ₹ 936 crores out of which the company has recovered adjusted ₹ 349 crores from the subsidiary. The remaining amount of ₹ 587 crores will be collected depending upon cash flow situation of the subsidiary.

**NOTE 17 – REVENUE FROM OPERATIONS**

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.3.2011
Sale of products	6,697,416,955	6,032,027,340
<b>Total</b>	<b>6,697,416,955</b>	<b>6,032,027,340</b>

**NOTE 17A – EARNINGS IN FOREIGN EXCHANGE**

Amount in ₹

Particulars	For the year ended on 31.3.2011	For the year ended on 31.3.2011
Sales	6,947,066,182	5,725,794,000
<b>Total</b>	<b>6,947,066,182</b>	<b>5,725,794,000</b>

**NOTE 18 – OTHER INCOME**

Amount in ₹

Particulars	For the year ended on 31.3.2011	For the year ended on 31.3.2011
Interest income from bank	776,776	2,208,166
Dividend from subsidiary companies	3,153,165	259,764,913
Net gain on foreign currency transaction and translation	9,452,923	98,716,875
<b>Total</b>	<b>13,382,864</b>	<b>360,689,954</b>

**NOTE 19 – RAW MATERIALS, GOODS PURCHASED AND WORK IN PROGRESS**

Amount in ₹

Particulars	Raw Material Opening Stock		Goods Purchased		Consumption		Raw Material Closing Stock		WIP Opening Stock		WIP Closing Stock	
	As at 01.04.2011	As at 01.04.2010	For the year ended on 31.03.2012	For the year ended on 31.03.2011	For the year ended on 31.03.2012	For the year ended on 31.03.2011	As at 31.03.2012	As at 31.03.2011	As at 01.04.2011	As at 01.04.2010	As at 31.03.2012	As at 31.03.2011
Raw materials & Consumables	1,754,469,645	944,126,041	3,837,954,437	4,674,583,617	3,770,189,209	3,864,240,013	1,822,234,873	1,754,469,645	697,674,078	209,325,000	832,238,588	697,674,078
<b>Total</b>	<b>1,754,469,645</b>	<b>944,126,041</b>	<b>3,837,954,437</b>	<b>4,674,583,617</b>	<b>3,770,189,209</b>	<b>3,864,240,013</b>	<b>1,822,234,873</b>	<b>1,754,469,645</b>	<b>697,674,078</b>	<b>209,325,000</b>	<b>832,238,588</b>	<b>697,674,078</b>

**NOTE 19A – VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED**

Particulars	For the year ended on 31.03.2012		For the year ended on 31.03.2011	
	Value (₹)	Percentage ( % )	Value (₹)	Percentage ( % )
Imported	3,423,985,321	90.82%	3,817,714,996	98.80%
Indigenously obtained	346,203,888	9.18%	46,525,017	1.20%
<b>Total</b>	<b>3,770,189,209</b>	<b>100%</b>	<b>3,864,240,013</b>	<b>100%</b>

**NOTE 19B – CIF VALUE OF IMPORTS**

Amount in ₹

Particulars	For the year ended on 31.03.2012		For the year ended on 31.03.2011	
	Value (₹)	Percentage ( % )	Value (₹)	Percentage ( % )
Raw materials	3,482,665,792		4,614,398,000	
Components and spare parts	2,862,103		4,314,000	
Capital goods	431,942		36,674,000	
<b>Total</b>	<b>3,485,959,837</b>		<b>4,655,386,000</b>	

## NOTE 20 – (INCREASE) / DECREASE IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
<b>Opening stock</b>		
Work-in-progress	697,674,078	209,325,000
Finished goods	–	–
	697,674,078	209,325,000
<b>Closing stock</b>		
Work-in-progress	832,238,588	697,674,078
Finished goods	–	–
	832,238,588	697,674,078
<b>Total</b>	<b>(134,564,510)</b>	<b>(488,349,078)</b>

## NOTE 21 – EMPLOYEE BENEFIT EXPENSE

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Salaries and wages	64,064,264	52,530,675
Contribution to provident and other funds	5,461,559	5,236,243
Staff welfare expenses	13,022,733	8,655,182
<b>Total</b>	<b>82,548,556</b>	<b>66,422,100</b>

## NOTE 22 – FINANCE COSTS

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Interest expense	317,361,686	232,777,316
Other borrowing costs	154,770	3,997,799
Bank charges	49,030,396	12,506,472
<b>Total</b>	<b>366,546,853</b>	<b>249,281,588</b>

## NOTE 23 – OTHER EXPENSES

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Labour charges & job work	12,183,513	10,353,216
Power and fuel	9,068,545	7,235,404
Insurance	5,771,367	2,904,074
Tooling charges	28,779	484,404
Electricity charges	2,776,491	2,367,351
Rent	3,083,782	3,482,465
Repairs and maintenance - machinery	1,885,507	1,639,834
Repairs and maintenance - electrical & others	2,044,879	1,618,499
Repairs and maintenance - buildings	2,399,561	2,629,430
Repairs and maintenance - Others	50,216	33,278
Research & development expenses	11,942,423	36,605,176

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 23 – OTHER EXPENSES (CONTD.)**

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Directors remuneration	15,741,072	15,741,078
Travelling & conveyance	19,270,160	19,466,660
Professional consultancy charges	7,524,945	5,510,841
Printing & stationery	7,259,898	7,385,426
Postage, telephone & fax charges	4,409,929	4,488,638
Share transfer charges	265,751	194,136
Loss on sale of fixed assets	91,130	505,055
Rates & taxes (excluding taxes on income)	7,762,737	2,179,886
Advertisement & trade shows	3,516,857	2,189,692
Freight & handling charges	34,700,800	27,730,570
Packing materials	9,430,111	4,251,532
Clearing charges	6,101,641	5,057,707
Business promotion expenses	359,151	925,494
Bad debts written off	-	702,933
General expenses	959,439	1,382,917
Membership, books & periodicals	79,365	75,837
Office maintenance	2,613,001	2,106,851
Other expenses	8,306,193	(3,194,980)
Miscellaneous expenses	6,228,715	5,477,494
<b>Total</b>	<b>185,855,957</b>	<b>171,530,899</b>

1. Other expenses of ₹ 8,306,193.00 is of prior period expenses which consists of professional expenses of ₹ 324,722.00, Building Maintenance of ₹ 64,382.00, Advertisement of ₹ 165,382.00, Interest of ₹ 7,704,707.00, Freight of ₹ 47,000.00

2. Product Development Expenses: The expenses incurred with respect to product development is written off in the year it has been incurred and the entire amount is charged off in the Profit and Loss account.

**NOTE 23A – MISCELLANEOUS EXPENSES INCLUDE PAYMENT TO AUDITORS (NET OF SERVICE TAX)**

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Audit fees	3,792,150	2,895,375
Tax audit fees	1,264,050	965,125
Taxation matters	551,500	441,198
Other services	545,985	1,175,796
Out of pocket expenses reimbursed	75,030	-
<b>Total</b>	<b>6,228,715</b>	<b>5,477,494</b>

**NOTE 23B – EXPENDITURE IN FOREIGN CURRENCY**

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Interest	14,104,952	18,723,443
Travel expenses	2,377,391	1,453,729
Legal & professional charges	65,270	59,743
<b>Total</b>	<b>16,547,613</b>	<b>20,236,915</b>

## NOTE 23C – COMPUTATION OF NET PROFITS UNDER SECTION 198 READ WITH SECTION 349 AND SECTION 350 OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED MARCH 31, 2012

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Profits before taxation	2,379,704,268	2,470,529,759
Add:		
Managerial remuneration to directors	15,741,072	15,741,078
Loss on sale of fixed assets	91,130	505,055
Depreciation as per accounts	60,519,487	59,062,012
	<b>2,456,055,956</b>	<b>2,545,837,904</b>
Less:		
Depreciation as per section 350 of the Companies Act	60,519,487	59,062,012
Net profits as per 349 of the Companies Act, 1956	<b>2,395,536,470</b>	<b>2,486,775,892</b>
Remuneration to managing and wholtime directors @ 10 % of the net profits ( maximum )	239,553,647	248,677,589
Remuneration to wholtime directors ( salary & perquisites )	<b>15,741,072</b>	<b>15,741,078</b>

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

## NOTE 24 – EARNINGS PER SHARE

## NOTE 25 – PROVISION FOR TAX

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Profit after Tax	₹ 2,347,653,641	₹ 2,443,751,606
Basic and Weighted average number of Equity Shares outstanding during the period	242,319,407	186,399,544
Nominal Value of Equity Shares	₹ 10	₹ 10
Basic Earnings per Equity Shares	₹ 9.69	₹ 10.08

EPS for previous year has been restated.

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
Current Tax	31,067,124	29,204,027
Deferred Tax	983,503	(2,425,874)
<b>Total</b>	<b>32,050,627</b>	<b>26,778,153</b>

## NOTE 26 – DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE

Amount in ₹

Particulars	Amount in Foreign Currency		Equivalent amount in ₹	
	Current Year	Previous Year	Current Year	Previous Year
Sundry Creditors				
US\$	1,601,225	780,194	81,913,069	34,835,658
Euro	51,166	72,233	3,496,690	4,568,015
Loans and Advances received US\$	277,077	29,933,863	14,174,309	1,336,546,987
Bank Borrowings	92,519,295	115,893,857	4,732,963,300	5,174,660,732
Sundry Debtors	50,303,277	51,237,833	2,573,339,567	2,287,769,236
Bank Balances	360,279	811,281	18,430,606	36,223,695
Loans and Advances Paid				
US\$	49,383,434	44,579,549	2,526,283,663	1,990,476,852
Euro	1,640,978	2,515,502	112,144,403	159,080,339
SG\$	20,452	-	913,191	-

## NOTE 27 – SEGMENT INFORMATION

### NOTE 27A – PRIMARY SEGMENTS – BUSINESS SEGMENTS

Amount in ₹

Particulars	Sensors		Monitors		Others		Total Amount	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>A SEGMENT REVENUE</b>								
Sales revenue	3,812,464,320	3,038,010,748	1,998,673,747	1,626,228,404	886,278,887	1,367,788,187	6,697,416,955	6,032,027,340
Other income							13,382,864	360,689,954
<b>B SEGMENT RESULTS</b>								
Profit/(loss) after considering other income and before interest and tax	1,771,270,556	1,733,157,266	837,209,828	819,195,177	284,145,537	278,031,439	2,892,625,921	2,830,383,882
Interest expenses and other borrowing cost							366,546,853	249,281,588
Other unallocable expenditure							146,374,800	110,572,535
<b>Profit before tax</b>	<b>1,771,270,556</b>	<b>17,33,157,266</b>	<b>837,209,828</b>	<b>819,195,177</b>	<b>284,145,537</b>	<b>278,031,439</b>	<b>2,379,704,268</b>	<b>2,470,529,759</b>
<b>C SEGMENT ASSETS</b>	3,576,999,683	3,010,109,459	1,820,357,309	1,594,924,375	582,277,287	939,761,830	5,979,634,279	5,544,795,665
Unallocated corporate assets							14,076,217,634	14,895,071,756
Total assets	3,576,999,683	3,010,109,459	1,820,357,309	1,594,924,375	582,277,287	939,761,830	20,055,851,914	20,439,867,420
<b>D SEGMENT LIABILITIES</b>	24,730,496	31,566,875	65,712,865	10,948,031	31,689,656	26,712,720	122,133,018	69,227,626
Unallocated corporate liabilities							7,802,636,463	9,742,321,983
<b>E SEGMENT CAPITAL EXPENDITURE</b>	2,441,458	337,290	1,911,288	17,290,504	2,391,995	31,227,841	6,744,741	48,855,635
<b>F DEPRECIATION / AMORTISATION</b>	34,450,354	29,743,629	18,060,502	15,923,118	8,008,631	13,395,264	60,519,487	59,062,012

**NOTE 27B – SECONDARY SEGMENTS - GEOGRAPHICAL SEGMENTS**

Amount in ₹

Particulars	Current Year	Previous Year
<b>(i) Sales revenue by geographical location of customers (Net of Excise Duty)</b>		
Within India	-	180,000
Outside India	6,697,416,955	6,031,847,340
<b>(ii) Carrying Amount of Segment Assets</b>		
Within India	20,055,851,914	20,439,867,420
Outside India	-	-
<b>(iii) Capital Expenditure</b>		
Within India	6,744,741	48,855,635
Outside India	-	-
<b>(iv) Sales revenue by geographical market</b>		
India	-	180,000
Asia	6,435,001,277	4,223,753,216
America	137,739,812	1,727,469,873
Europe	124,628,502	79,004,251
Others	47,362	-

**NOTE 27C – BUSINESS SEGMENT INFORMATION**

The Company has considered business segment as the Primary Segment for disclosure. The product included in each of the reported domestic business segments are as follows:

- Sensors
- Monitors
- Others

**NOTE 27D – GEOGRAPHICAL SEGMENT INFORMATION**

- Sales within India includes sales to customers located within India.
- Sales outside India includes sales to customer located outside India.
- The carrying amount of segments assets in India and outside India is based on geographical location of assets.

**NOTE 28 – RELATED PARTY DISCLOSURE****NOTE 28A – NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP WHERE CONTROL EXISTS**

Name of Related Party	Nature of Relationship	% of Holding
1) Advanced Micronic Devices Limited	Subsidiary Company	59.71%
2) Mediaid Inc.	Subsidiary Company	100.00%
3) Devon Innovations Private Limited	Subsidiary Company	100.00%
4) Ormed Medical Technology Limited	Subsidiary Company	100.00%
5) Opto Infrastructure Limited	Subsidiary Company	87.20%
6) Maxcor Lifescience Inc.	Subsidiary Company	100.00%
7) Opto Circuits (Malaysia) Sdn, Bhd.	Subsidiary Company	100.00%
8) Opto Cardiac Care Limited	Subsidiary Company	100.00%

OPTO CIRCUITS (INDIA) LIMITED

**NOTE 28A – NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP WHERE CONTROL EXISTS (CONTD.)**

Name of Related Party	Nature of Relationship	% of Holding
9) Opto Eurocor Healthcare Limited	Subsidiary company	96.85%
10) Cardiac Science Corporation	Stepdown subsidiary company	NA
11) Criticare Systems Inc.	Stepdown subsidiary company	NA
12) Unetixs Vascular Inc.	Stepdown subsidiary company	NA
13) Eurocor GmbH	Stepdown subsidiary company	NA
14) Eurocor Asia Sdn Bhd	Stepdown subsidiary company	NA
15) Eurocor (S) Pte. Ltd.	Stepdown subsidiary company	NA
16) N S Remedies Private Limited	Stepdown subsidiary company	NA

Key Management Personnel	
Name of Related Party	Relationship
1) Vinod Ramnani	Key management personnel
2) Usha Ramnani	Key management personnel
3) Jayesh C Patel	Key management personnel
4) Thomas Dietiker	Key management personnel

**NOTE 28B – RELATED PARTY TRANSACTIONS**

Amount in ₹

Nature of Transactions & Name of Related Party	Description of Relationship	Amount of Transaction	
		2011-12	2010-11
PURCHASES			
Raw Materials & Consumables			
Cardiac Science Corporation	Stepdown subsidiary company	100,415	-
Mediaid Inc.	Subsidiary company	4,112,807	299,671
Criticare Systems Inc.	Stepdown subsidiary company	3,150,930	237,717
Advanced Micronic Devices Limited	Subsidiary company	-	741,131
Fixed Assets			
Advanced Micronic Devices Limited	Subsidiary company	-	484,320
SALES			
Finished Goods			
Mediaid Inc.	Subsidiary company	3,164,894	-
Criticare Systems Inc.	Stepdown subsidiary company	247,000	62,627
Advanced Micronic Devices Limited	Subsidiary company	-	180,000
Fixed Assets			
Advanced Micronic Devices Limited	Subsidiary company	-	814,006
Dividend Received/Receivable			
Advanced Micronic Devices Limited	Subsidiary company	3,153,165	7,882,913
Mediaid Inc.	Subsidiary company	-	169,670,000
Eurocor GmbH	Stepdown subsidiary company	-	82,212,000
Loans & Advances (Debit Balance)			
Advanced Micronic Devices Limited	Subsidiary company	88,225,813	44,590,549
Opto Eurocor Healthcare Limited	Subsidiary company	969,660,843	-
Opto Infrastructure Limited	Subsidiary company	1,107,417,241	208,631,336

**NOTE 28B – RELATED PARTY TRANSACTIONS (CONTD.)**

Nature of Transactions & Name of Related Party	Description of Relationship	Amount of Transaction	
Criticare Systems Inc.	Stepdown subsidiary company	41,919,709	48,730,876
N.S. Remedies Private Limited	Stepdown subsidiary company	38,270,578	33,190,578
Opto Cardiac Care Limited	Subsidiary company	4,743,320,956	7,173,851
Mediaid Inc.	Subsidiary company	189,703,111	192,469,831
Eurocor GmbH	Stepdown subsidiary company	110,164,647	154,807,053
Devon Innovations Private Limited	Subsidiary company	2,232,623	-
<b>Loans &amp; Advances (Credit Balance)</b>			
Cardiac Science Corporation	Stepdown subsidiary company	112,544	1335,059,571
Devon Innovations Private Limited	Subsidiary company	-	1,414,574
Ormed Medical Technology Limited	Subsidiary company	400,000	400,000
Vinod Ramnani	Key management personnel	80,003,584	3,105,530
Usha Ramnani	Key management personnel	33,012,756	5,412,691
Jayesh C Patel	Key management personnel	39,000,000	-
<b>Sundry Debtors (Balances)</b>			
Mediaid Inc.	Subsidiary company	3,654,739	-
<b>Sundry Creditors (Balances)</b>			
Advanced Micronic Devices Limited	Subsidiary company	27,331	723,092
Criticare Systems Inc.	Stepdown subsidiary company	9,563,884	5,782,406
Cardiac Science Corporation	Stepdown subsidiary company	112,544	-
Mediaid Inc.	Subsidiary company	8,870,420	3,682,199
<b>Management Contracts including for Deputation of Employees</b>			
Directors Remuneration			
Vinod Ramnani	Key management personnel	7,870,536	7,870,540
Usha Ramnani	Key management personnel	7,870,536	7,870,540

## NOTE 29 – THE PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED / RESTATED WHEREVER NECESSARY TO CONFORM WITH CURRENT YEAR'S CLASSIFICATION

The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. Adoption of the same in the preparation of these statements has a significant impact in the manner of disclosure and presentation. Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For and on behalf of the Board of Directors**

VINOD RAMNANI  
Chairman & Managing Director

USHA RAMNANI  
Executive Director

KV GANESH  
Company Secretary

Place: Bengaluru  
Date: 22nd May 2012

**As per our report of even date**

FOR ANAND AMARNATH & ASSOCIATES  
Chartered Accountants

B K AMARNATH  
Partner

Membership Number: 26536  
Firm Registration Number: 000121S



# **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, 2012 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.

Opto Circuits (Malaysia) Sdn. Bhd, Eurocor GmbH, Eurocor Poland Sp Z.o.o, Eurocor Singapore Pte Ltd, Eurocor Asia Sdn Bhd, N.S.Remedies Private Limited, Mediaid Inc., USA, Criticare Systems Inc, USA., Unitexs Vascular Inc.,USA,Cardiac Science Corporation,USA, , the subsidiaries and step-down subsidiaries whose financial statements have been audited by independent auditors reflect the total assets of ₹ 222320.53 lacs as against the consolidated total assets of ₹ 3,53,125.61 lacs as at 31st March, 2012 and the total revenue of ₹ 160169.36. lacs as against the Consolidated total revenue of ₹ 2,37,041.59 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.

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, 2012.
- 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

#### **B K AMARNATH**

Partner

Membership Number: 26536

Firm Registration Number: 000121S

Place: Bengaluru

Date: 22nd May 2012

OPTO CIRCUITS (INDIA) LIMITED

**CONSOLIDATED BALANCE SHEET AS AT 31.03.2012**

Amount in ₹

Sl.No.	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholder's Funds</b>			
	(a) Share Capital	1	2,423,194,070	1,863,995,440
	(b) Reserves and Surplus	2	14,570,076,104	11,804,605,747
			<b>16,993,270,174</b>	<b>13,668,601,187</b>
<b>2</b>	<b>Minority Interest</b>		<b>180,417,322</b>	<b>218,943,183</b>
<b>3</b>	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	3	2,968,689,930	2,625,425,720
	(b) Deferred tax liabilities (Net)	4	-	233,552,972
	(c) Long term provisions	5	29,219,556	19,199,667
			<b>2,997,909,486</b>	<b>2,878,178,359</b>
<b>4</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	6	7,644,602,927	6,295,842,188
	(b) Trade payables	7	2,067,235,628	2,288,038,784
	(c) Other current liabilities	8	3,270,999,751	2,431,681,688
	(d) Short-term provisions	9	2,158,125,536	2,215,472,104
			<b>15,140,963,842</b>	<b>13,231,034,765</b>
	<b>Total</b>		<b>35,312,560,823</b>	<b>29,996,757,493</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	<b>(a) Fixed assets</b>			
	(i) Tangible assets	10	4,564,540,990	2,272,868,483
	(ii) Intangible assets		2,545,972,184	2,138,531,470
	(iii) Capital work-in-progress		429,496,957	339,642,501
			<b>7,540,010,131</b>	<b>4,751,042,453</b>
	<b>Goodwill on Consolidation</b>		4,491,334,918	6,264,313,428
	(b) Non-current investments	11	109,000	109,000
	(c) Deferred tax assets (net)	4	581,628,939	-
	(d) Long term loans and advances	12	834,480	834,480
	(e) Other non-current assets	13	2,525,975,453	1,355,022,774
			<b>3,108,547,872</b>	<b>1,355,966,254</b>

**CONSOLIDATED BALANCE SHEET AS AT 31.03.2012 (CONTD.)**

Amount in ₹

Sl.No.	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	14	5,117,704,844	4,325,193,395
	(b) Trade receivables	15	8,465,733,222	6,784,200,669
	(c) Cash and Cash Equivalents	16	1,743,058,158	2,341,785,664
	(d) Short-term loans and advances	17	4,460,370,505	3,953,138,859
	(e) Other current assets	18	385,801,174	221,116,771
			<b>20,172,667,902</b>	<b>17,625,435,358</b>
	<b>Total</b>		<b>35,312,560,823</b>	<b>29,996,757,493</b>

See accompanying notes (1 to 34) to the financials statements

**For and on behalf of the Board of Directors**VINOD RAMNANI  
Chairman & Managing DirectorUSHA RAMNANI  
Executive DirectorKV GANESH  
Company SecretaryPlace: Bengaluru  
Date: 22nd May 2012**As per our report of even date**FOR ANAND AMARNATH & ASSOCIATES  
Chartered AccountantsB K AMARNATH  
PartnerMembership Number: 26536  
Firm Registration Number: 000121S

OPTO CIRCUITS (INDIA) LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2012

Amount in ₹

Sl.No.	Particulars	Note No.	For the year ended on	
			31.03.2012	31.03.2011
I.	Revenue from operations	19	23,568,543,425	15,868,322,156
II.	Other Income	20	135,615,369	291,639,593
<b>III.</b>	<b>Total Revenue (I +II)</b>		<b>23,704,158,794</b>	<b>16,159,961,749</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of materials consumed	21	12,335,134,176	8,763,408,127
	Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade	22	(216,350,160)	(409,854,539)
	Employee benefit expense	23	1,865,893,552	1,100,736,397
	Finance costs	24	591,975,116	320,586,951
	Depreciation and amortization expense	10	546,275,131	507,978,260
	Other expenses	25	3,418,871,522	1,940,751,538
	<b>Total Expenses</b>		<b>18,541,799,335</b>	<b>12,223,606,733</b>
V.	Profit before exceptional and extraordinary items and tax (III - IV)		5,162,359,458	3,936,355,016
VI.	Exceptional Items		-	-
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>5,162,359,458</b>	<b>3,936,355,016</b>
VIII.	Extraordinary Items		-	-
<b>IX.</b>	<b>Profit before tax (VII - VIII)</b>		<b>5,162,359,458</b>	<b>3,936,355,016</b>
X.	Tax expense:	26		
	(1) Current tax		268,136,866	253,188,581
	(2) Deferred tax		(839,779,276)	(2,293,640)
XI.	Profit(Loss) for the period after Tax (IX-X)		5,734,001,868	3,685,460,075
XII.	Share of Minority Interest		15,206,637	12,967,734
<b>XIII.</b>	<b>Profit/(Loss) for the period (XI - XII)</b>		<b>5,718,795,231</b>	<b>3,672,492,341</b>
<b>XIV.</b>	<b>Earning per equity share:</b>	27		
	(1) Basic		<b>23.60</b>	<b>15.16</b>
	(2) Diluted		-	-

See accompanying note (1 to 34) to the financials statements

**For and on behalf of the Board of Directors**VINOD RAMNANI  
Chairman & Managing DirectorUSHA RAMNANI  
Executive DirectorKV GANESH  
Company SecretaryPlace: Bengaluru  
Date: 22nd May 2012**As per our report of even date**FOR ANAND AMARNATH & ASSOCIATES  
Chartered AccountantsB K AMARNATH  
PartnerMembership Number: 26536  
Firm Registration Number: 000121S

## CONSOLIDATED CASH FLOW AS ON 31ST MARCH 2012

Amount in ₹

Sl.No.	Particulars	March 31st 2012	March 31st 2011
<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net profit before tax &amp; extraordinary items</b>	<b>5,162,359,458</b>	<b>3,936,355,016</b>
	<b>Adjustments for non operating items</b>		
	Amortisation and other non cash items	(819,144,799)	197,009,154
	Depreciation	546,275,130	507,978,260
	Dividend received for the year	(583)	(12,649,519)
	Interest paid on borrowings	591,975,115	320,586,950
	Interest received on Fixed Deposit	(7,808,272)	(1,943,727)
	Profit / (Loss) Sale of Fixed Assets	7,031,889	(69,590,365)
		<b>5,480,687,938</b>	<b>4,877,745,769</b>
	<b>Adjustments for working capital</b>		
	(Increase)/Decrease in inventories	(792,511,449)	(2,112,912,077)
	(Increase)/Decrease in loans & advances	(1,842,868,727)	(2,482,828,585)
	(Increase)/Decrease in sundry debtors	(1,681,532,554)	(2,388,189,302)
	Increase/(Decrease) in current liabilities	(468,575,441)	3,663,317,575
	<b>Cash operating profit/(loss) before income tax</b>	<b>695,199,749</b>	<b>1,557,133,380</b>
	Income tax	571,642,410	(250,894,936)
	<b>Cash flow from operating activities before extraordinary items</b>	<b>1,266,842,177</b>	<b>1,306,238,444</b>
	Extraordinary items Previous year transaction	-	-
	<b>Net cash flow from operations</b>	<b>1,266,842,177</b>	<b>1,306,238,444</b>
<b>II.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Dividend Income	583	12,649,519
	Interest received on Fixed Deposit	7,808,272	1,943,727
	Goodwill	-	(3,915,685,426)
	Proceeds from Sale of Fixed Assets	(7,031,889)	131,068,211
	Change in Minority Interest	(38,525,861)	83,903,634
	Proceeds from sale of investments(net)	-	2,741,225
	<b>Total inflow of cash from investing activities</b>	<b>(37,748,896)</b>	<b>(3,683,379,110)</b>
	Purchase of Fixed Assets	(3,245,388,363)	(2,260,235,257)
	Payment towards Capital Work in Progress	(89,854,456)	(18,096,600)
	<b>Net cash flow from investing activities</b>	<b>(3,372,991,714)</b>	<b>(5,961,710,967)</b>
<b>III.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds/(Repayment) of Term Loans	1,377,153,084	1,673,418,670
	Proceeds from Issue of Share Capital	-	35,000,000
	Proceeds from Issue of Share Capital - Share Premium/ Capital Reserve	215,482,080	773,996,700
	Proceeds from Issue of Share Warrants	-	(245,647,500)
	Proceeds/(Repayment) of Working Capital Loans	1,328,403,097	4,966,778,232
	Proceeds/(Repayment) of Unsecured Loans	20,357,642	(124,484,015)

OPTO CIRCUITS (INDIA) LIMITED

**CONSOLIDATED CASH FLOW AS ON 31ST MARCH 2012  
(CONTD.)**

Amount in ₹

Sl.No.	Particulars	March 31st 2012	March 31st 2011
	<b>Inflow of cash</b>	<b>2,941,395,903</b>	<b>7,079,062,087</b>
	Interest paid on borrowings	(591,975,115)	(320,586,950)
	Dividend & Dividend Tax	(841,998,758)	(984,484,527)
	<b>Net cash flow from financing activities</b>	<b>1,507,422,030</b>	<b>5,773,990,610</b>
	<b>Total increase in cash &amp; cash equivalents during the year</b>	<b>(598,727,526)</b>	<b>1,118,518,087</b>
	Cash & cash equivalents at the beginning of the year	2,341,785,664	1,223,267,577
	<b>Cash &amp; cash equivalents at the end of the year</b>	<b>1,743,058,138</b>	<b>2,341,785,664</b>

Note: Figures in brackets represent outflows

**For and on behalf of the Board of Directors**VINOD RAMNANI  
Chairman & Managing DirectorUSHA RAMNANI  
Executive DirectorKV GANESH  
Company SecretaryPlace: Bengaluru  
Date: 22nd May 2012**As per our report of even date**FOR ANAND AMARNATH & ASSOCIATES  
Chartered AccountantsB K AMARNATH  
PartnerMembership Number: 26536  
Firm Registration Number: 000121S

# NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

## COMPANY OVERVIEW:

Opto Circuits (India) Limited group is engaged in the manufacture and trading of invasive and non invasive medical equipments. Opto Circuits (India) Limited, parent company is located in Bangalore and manufacturing plant in Vishakapatnam.

## SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF CONSOLIDATION & PREPARATION OF CONSOLIDATED 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 certain financial instruments which are measured at fair value. GAAP comprises of mandatory accounting standards prescribed by the Companies (Accounting Standards) Amendment Rules, 2011 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 existing accounting standards requires a change in the accounting policies hitherto in use.

The consolidated financial statements include the financial statements of the holding company, its subsidiaries and the step-down subsidiaries. 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 Consolidated Financial statements have been combined on a line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and the un-realised gain/loss. The Consolidated Financial statements have been consolidated 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.

#### • Use of Estimates

The preparation of the financial statements is in conformity

with GAAP which 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 net selling price and the 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 installation. Such revenue is recorded at net of sales tax/VAT, trade discounts, rebates for price adjustments, rejections and shortage in transit. Interest

income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend is recognized as and when the Company's right to receive payment is established. Revenue from service charges is recognized on rendering of the related services in accordance with the terms of the agreement.

### 3. PROVISIONS AND CONTINGENT LIABILITIES:

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. Contingent assets are neither recognized nor disclosed in the Financial statements.

### 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.

### 5. DEPRECIATION AND AMORTIZATION

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 economic 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 lease or the life of the asset.

### 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 the credit evaluation of its customers' financial condition and although does not require a collateral, letters of credit will be required from the 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. Cost of inventory is computed on FIFO/ Standard cost basis.

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

## 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 Employee 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

### • 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 the liability due to disallowances of 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.

### • MAT Provision

The company is not charging off MAT on SEZ profit, as the MAT payment is in the nature of advance tax which will be set off against liability arising in future years. The unclaimable MAT amount will be written off as expenditure in the year in which carry forward/adjustment is not permissible.

### • Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying value of the assets and liabilities and their respective tax bases.

Deferred tax asset in the nature of unabsorbed depreciation and losses are recognized only if there is a virtual certainty of realization. Other deferred tax assets are recognized if there is a reasonable certainty of realization. The effect on deferred assets and liabilities of a change in rates is recognized in the income statements in the period of enactment of the change. Deferred tax assets and liabilities are computed on the timing difference at the reporting date between carrying

amount of assets and liabilities and their respective tax base. Deferred Tax assets are recognized based on management estimates of available tax liability and assessing its certainty. Under US GAAP, Valuation allowance is made to provide for that portion which is not `more likely than not` realizable. Also classification as current or non-current is based on the classification of related non-tax assets or liability. As there is no material difference between US GAAP and Indian GAAP with regard to deferred tax, computation as per US GAAP has been retained.

## 12. FOREIGN CURRENCY TRANSLATIONS

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 difference in translation are disclosed in foreign currency translation reserve. Monetary assets and liabilities and loans denominated in foreign currency as at Balance sheet date are converted at the exchange rate prevailing on such date. Non-monetary item are carried at historical cost. Items of income and expense are converted at average exchange rate.

## 13. GOODWILL ON CONSOLIDATION

Goodwill comprise the excess of purchase consideration over the book value of net assets of the acquired enterprise. Goodwill arising on consolidation is stated at cost and any impairment is recognised wherever applicable.

## 14. 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 is carried forward and amortized over the estimated useful life of assets.

## 15. INVESTMENTS

Investments other than investments in associates are valued at cost.

## 16. EARNINGS PER SHARE

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

## 17. LEASES

Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made over the lease term.

### For and on behalf of the Board of Directors

VINOD RAMNANI  
Chairman & Managing Director

USHA RAMNANI  
Executive Director

KV GANESH  
Company Secretary

Place: Bengaluru  
Date: 22nd May 2012

### As per our report of even date

FOR ANAND AMARNATH & ASSOCIATES  
Chartered Accountants

B K AMARNATH  
Partner

Membership Number: 26536  
Firm Registration Number: 000121S

## CONSOLIDATED NOTES TO ACCOUNTS

### NOTE 1 – SHARE CAPITAL

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Authorised:</b>		
300,000,000 (PY 200,000,000) equity shares of ₹ 10 each	3,000,000,000	2,000,000,000
	<b>3,000,000,000</b>	<b>2,000,000,000</b>
<b>Issued:</b>		
242,581,307 Equity Shares of ₹ 10/- each (PY. 186,661,444 Equity Shares of ₹ 10/- each)	2,425,813,070	1,866,614,440
	<b>2,425,813,070</b>	<b>1,866,614,440</b>
<b>Subscribed and Paid up:</b>		
242,319,407 Equity Shares of ₹ 10/- each (PY. 186,399,544 Equity Shares of ₹ 10/- each)	2,423,194,070	1,863,995,440
<b>Total</b>	<b>2,423,194,070</b>	<b>1,863,995,440</b>

OUT OF THE ABOVE:

207,371,234 Equity Shares (PY 151,451,371) of ₹ 10/- each fully paid-up allotted otherwise than for cash which includes Bonus shares of 55,919,863 allotted during the year.

1,164,620 Equity Shares of ₹ 10/- Each fully paid up on a Preferential basis.

#### A. RECONCILIATION OF THE NO. OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR

Particulars	As at 31.03.2012 No. of shares	As at 31.03.2011 No. of shares
No of shares outstanding at the beginning of the year	186,399,544	182,899,544
Add: Bonus Shares issued during the reporting period	55,919,863	-
Add: Issue of shares by conversion of share warrants	-	3,500,000
No of shares outstanding at the end of the year	242,319,407	186,399,544

#### B. NUMBER OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES IN THE COMPANY ARE AS FOLLOWS

Particulars	As on 31.03.2012		As on 31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>EQUITY SHARES:</b>				
(1) Vinod Parasram Ramnani	34,023,581	14%	26,150,986	14%
(2) Genesis Indian Investment Company - General Sub Fund	13,878,525	6%	10,675,789	6%
(3) Thomas Dietiker	13,076,150	5%	10,473,485	6%
Particulars	As on 31.03.2012		As on 31.03.2011	
	No. of Shares held		No. of Shares held	
Equity Shares allotted as fully paid bonus shares during the last five years	154,067,723		128,956,150	

NOTES:

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of share dividend recognised distributed to equity shareholders was ₹ 3.00 (31st March 2011: ₹ 4.50)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

OPTO CIRCUITS (INDIA) LIMITED

**NOTE 2 – RESERVES AND SURPLUS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2012
<b>Capital Reserves:</b>		
As per last Balance Sheet	82,057,500	20,160,000
Additions during the year	-	61,897,500
Less: Transfer to Bonus share	(82,057,500)	
	<b>-</b>	<b>82,057,500</b>
<b>Securities Premium Account:</b>		
As per last Balance Sheet	4,606,377,407	3,894,278,207
Additions on shares issued during the year	215,482,080	712,099,200
Less: Bonus Issue of Shares	(477,141,131)	-
	<b>4,344,718,356</b>	<b>4,606,377,407</b>
<b>General Reserve:</b>		
As per last Balance Sheet	780,342,775	529,473,498
Add: Transfer from Profit & Loss Account	240,000,000	250,869,277
	<b>1,020,342,775</b>	<b>780,342,775</b>
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	(99,222,709)	(122,636,509)
Add: Adjustment for translation of Non Integral Foreign Operations	951,041,797	23,413,800
	<b>851,819,087</b>	<b>(99,222,709)</b>
<b>Surplus:</b>		Amount in ₹
As per last Balance Sheet	6,435,050,774	4,183,615,232
Impact of Restructuring of investment in Opto Cardiac Care Ltd and Opto Eurocor Healthcare Ltd as per AS -21	(2,712,776,573)	
Net Surplus	3,722,274,202	4,183,615,232
Add: Profit/(Loss) for the period	5,718,795,231	3,672,492,341
Less: Appropriations	-	-
Proposed Dividend	(729,086,156)	(843,489,851)
Tax on Proposed Dividend	(118,787,392)	(140,994,677)
Bonus shares	-	-
Transfer to reserves	(240,000,000)	(436,572,271)
	<b>8,353,195,885</b>	<b>6,435,050,774</b>
<b>Total</b>	<b>14,570,076,104</b>	<b>11,804,605,747</b>

**NOTE 3 – LONG TERM BORROWINGS**

Particulars	As at 31.03.2012	As at 31.03.2012
<b>Term Loans</b>		
- from Banks		
Secured	2,966,554,344	2,622,483,539
	<b>2,966,554,344</b>	<b>2,622,483,539</b>
- from other parties		
Unsecured	1,576,000	100,000
	<b>1,576,000</b>	<b>100,000</b>

**NOTE 3 – LONG TERM BORROWINGS (CONTD.)**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Other loans and advances</b>		
Secured	488,035	2,311,541
Unsecured	71,551	530,640
	<b>559,586</b>	<b>2,842,181</b>
<b>Total</b>	<b>2,968,689,930</b>	<b>2,625,425,720</b>

**NOTE 3A****Opto Circuits (India) Limited Term loans**

1) In March 2009, Opto Circuits (India) Limited had borrowed US\$ 7 million from DBS Bank Limited. The interest rate was fixed @ 6.60% P.A. and is secured by specified movable fixed assets. The loan is repayable in 8 half yearly instalment of US\$ 0.78 million and one final balance instalment of US\$ 0.78 million. The first instalment was on March 2010 and final instalment is slated for March 2014.

2) Opto Circuits (India) Ltd has borrowed Vehicle loans from ICICI Bank and Axis Bank Limited. The current outstanding balance with ICICI Bank Limited is ₹ 28.36 lacs and Axis Bank Limited is ₹ 3.97 lacs which will be repaid in monthly installments. The final instalment of ICICI Bank Limited is slated for June 2013 and of Axis Bank for July 2014.

**Opto Cardiac Care Ltd and its subsidiaries Term loans**

Cardiac Science Corporation has borrowed a loan of ₹ 15,346.95 lacs (\$30 million) with DBS Bank Ltd. which is repayable in 8 semi-annual installments commencing from May 2012. Interest on borrowing is based on Libor plus 3.5% p.a. The loan is secured by pledging the shares of Cardiac Science Corporation USA, hypothecation of Assets (movable and immovable) and Corporate guarantee given by Opto Circuits (India) Ltd.

"Opto Circuits (India) Ltd has obtained the loan of ₹ 15,346.95 lacs (\$ 30 million) for acquisition of shares of Cardiac Science Corporation during FY 2010-11. As a result of this, the investment and ₹ 15346.95 lacs (\$ 30 million) DBS loan were reflected in the books of Opto Circuits (India) Ltd in FY 2010-11.

During April 2011, owing to the entity restructuring undertaken, all assets and liabilities that resided in Opto Circuits (India) Ltd books pertaining to the acquisition were transferred to Opto Cardiac Care Ltd. Therefore in FY 2011-12, investment in shares of Cardiac Science Corporation acquired by Opto Cardiac Care Ltd and the corresponding loan that was used

to fund these shares were also taken over by the parent entity Opto Cardiac Care Ltd. The outstanding loan balance as of March 31, 2012 was ₹ 15346.95 lacs (\$30 million) repayable in 8 semi-annual instalments commencing from May 2012. Interest on borrowings is based on Libor plus 3.5% p.a. The loan is secured by pledging the shares of Cardiac Science Corporation USA, Hypothecation of Assets (movable and immovable) and Corporate guarantee given by Opto Circuits (India) Ltd "

In January 2011, Cardiac Science Corporation has obtained ₹ 7673.47 lacs (\$15 million) loan from HDFC Bank. The outstanding balance as on 31st March 2012 is ₹ 7673.47 lacs (\$15 million) which will be repayable in 12 equated quarterly repayments commencing from May 2012. Loan carries interest rate at 3 months LIBOR plus 350 bps. This loan is secured by a paripassu charge on Cardiac Science Corporation's Current assets including Inventory, Debtors, Fixed assets including Plant equipment and Intangible assets.

Criticare Systems has obtained loan from Waukesha Bank USA by pledging its manufacturing Plant and Office Building. Equated Monthly Instalments is ₹ 5.41 lacs (\$10,580) till May 2013 and final balloon payment of all outstanding principal and interest will be made in May 2013. Interest rate is 5.25% per annum.

**Loans from Others:** Interest free unsecured loans taken from others are repayable on longterm

**Other loans and advances:** Opto Infrastructure Ltd has obtained vehicle loan from ICICI bank. Loan carries interest rate of 11.20% PA and is secured by vehicle. Equated Monthly Instalments is ₹ 1,65,137 which matures in June 2013.

**Loans from related party:** It pertains to interest free unsecured loans taken from the Director being repayable on long term.

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 4 – BREAKUP OF DEFERRED TAX ASSET  
(LIABILITY) AT THE END OF YEAR**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Net operating loss carried forward	3,793,265,781	-
Depreciation/Amortization	(507,500)	
Income tax credits	485,475,844	259,140
Others (net of all taxable and deductible timing differences including provisions/expenditure allowable under warranties, trade receivable, inventory etc)	337,358,133	(233,773,180)
Deferred Tax Assets	<b>4,615,592,257</b>	<b>(233,514,040)</b>
Valuation Allowance	4,033,963,318	38,932
<b>Deferred tax asset/(liability) net:</b>	<b>581,628,939</b>	<b>(233,552,972)</b>

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the current year and is quantified using the tax rates prevailing for the current period. For the SEZ unit, deferred tax assets have not been recognised 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 SEZ unit as income is covered under section 10AA of the Income Tax Act, 1961. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. The effect on deferred tax assets and liabilities resulting from change in tax rates is recognized in the income statement in the period of enactment of the change. Opto Cardiac Care Group recognises deferred tax assets on carry forward losses in subsidiaries after assessing the availability of the same towards set-off against future taxable income. Relevant valuation allowances are recorded against such deferred tax assets after evaluating the expected realisation of such deferred tax assets. Factors considered by the Group in making such an assessment included, but were not limited to past performance, including its recent history of operating results, its recent history of generating taxable income, its history of recovering net operating loss carry forwards for tax purposes and its expectation of future taxable income, considering current macro economic conditions and issues facing its industry and customers. The Group offsets deferred tax assets and liabilities where there is a legally enforceable right and where the taxes are governed by the same tax laws/authority.

**NOTE 5 – LONG- TERM PROVISIONS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for Leave Encashment	474,741	334,833
Provision for Gratuity	258,583	824,939
Provision for Warranty	24,823,007	18,039,895
Other Provisions	3,663,226	-
<b>Total</b>	<b>29,219,556</b>	<b>19,199,667</b>

5 (a). In Criticare Systems, subsidiary of Opto Cardiac Care Limited, the warranty costs are accrued at the time of sale of products. The provision is made based on past experience, which is discharged over the warranty period of 18 months from the date of sale.

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Warranty liability, beginning of the period	18,039,895	14,594,188
Warranties issued	8,096,743	7,193,374
Settlements	(3,400,983)	(8,783,314)
Changes in pre-existing warranties	(805,684)	5,734,971
Difference in Exchange rate fluctuations	2,893,036	(699,324)
<b>Warranty liability, end of the period</b>	<b>24,823,007</b>	<b>18,039,895</b>

5 (b). Other Provisions contain provision for impending loss, contract completion accruals etc.

**NOTE 6 – SHORT TERM BORROWINGS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Loans repayable on demand</b>		
<b>From Banks</b>		
Secured	6,933,996,266	5,331,730,359
Unsecured	526,137,190	800,000,000
	<b>7,460,133,456</b>	<b>6,131,730,359</b>
<b>From other parties</b>		
Unsecured	-	22,110,231
	-	<b>22,110,231</b>
<b>Loans and Advances from related parties</b>		
Unsecured	153,941,623	10,534,366
	<b>153,941,623</b>	<b>10,534,366</b>
<b>Other loans and advances</b>		
Unsecured	30,527,848	131,467,232
	<b>30,527,848</b>	<b>131,467,232</b>
<b>Total</b>	<b>7,644,602,927</b>	<b>6,295,842,188</b>

**6.1 Opto Circuits (India) Ltd. working capital borrowings**

- 6.1.a) The company has working capital facilities with State Bank of India by way of hypothecation of Opto Circuits (India) Ltd. present and future movable fixed assets and current assets like stocks, raw materials, semi finished and finished goods, book debts, receivables, outstanding monies, bills, rights, stores, components, furniture and fittings; other movables, plant and machinery, vehicles and assets to be purchased out of bank finance, Pari Passu Charge on the assets of the company. Equitable Mortgage on all the piece and parcel of land known as Sy. No. 62 part within the village limits of Doddathogur, Begur Hobli, Bangalore District containing by admeasuring 1.50 acre.
- 6.1.b) The company has obtained loans from DBS Bank Limited by hypothecation in paripassu on the whole of the present and future stocks of raw materials, work in process, finished goods, semi finished goods, book debts, outstanding monies receivables, claims, bills, contracts, engagements, securities, investments, rights and assets belonging to the company.
- 6.1.c) The company has working capital facilities with Indusind Bank Limited. These facilities are repayable on demand and secured by paripassu charge on Stocks and Book Debts of the Company.
- 6.1.d) The company has working capital facilities with Standard Chartered Bank. The facility is secured by way of hypothecation of the whole of the present and future stocks of raw materials, work in process and finished goods, book debts, outstanding monies, receivables, claims, bills, etc belonging to the company by way of paripassu charge.
- 6.1.e) The company has working capital facilities with Yes Bank Limited. The facility is secured by way of Pari Passu charge on Current Assets of the borrower to cover loan amount plus costs, expenses, interest and other incidentals. Hypothecation of the whole of the Current Assets of raw material, semi finished & finished goods, stores and spares including consumable stores and spares relating to plant and machinery and other movables both present and future stored at Plot No.83, Electronics City, Bangalore South or wherever else in India and bills receivables and Book debts belonging to the Company.
- 6.1.f) The company has working capital facilities with IDBI Bank Limited which has paripassu charge over stocks, receivables and collateral security on Land and building of the company.
- 6.1.g) The company has working capital facilities with Citibank which has a Paripassu charge on stocks and book debts of the Company.
- 6.1.h) The short term secured borrowings of ₹ 57,342.94 lacs which includes Cash credit facility of ₹ 12,366.41 lacs with interest rate in the range of 11% p.a to 12.75% p.a, Preshipment Credit in Foreign Currency and bill discounting/Postshipment credit in Foreign currency facility of ₹ 44,976.52 lacs with interest rate in the range of 2% p.a to 8% p.a , and unsecured short term loan of ₹ 5,261.37 lacs represents Preshipment Credit in Foreign Currency and bill discounting/Postshipment credit in Foreign currency with interest rate of 2% to 6.5% p.a
- 6.1.i) The short term interest free unsecured loans of ₹ 1,520.16 lacs is from the Directors of the Company repayable on shorter term.
- 6.1.j) The Company has borrowed unsecured loans of ₹ 5261.37 lacs from banks carrying interest rate varying between 2%-6% p.a.

**6.2 Opto Eurocor Healthcare Ltd. and its subsidiaries working capital borrowings**

- 6.2.a) Eurocor GmbH has obtained a working capital facility from Commertz Bank amounting to ₹ 4,881.38 lacs secured against accounts receivable and Inventories. Interest rate is in the range of 4.5%- 5 %PA. It is also backed by standby letter of credit given by IndusInd Bank.

**6.3 Opto Cardia Care Limited and its subsidiaries group working capital borrowings**

6.3.a) Criticare Systems has obtained a working capital borrowing from Waukesha Bank. The borrowing is repayable on demand and secured by qualified accounts receivable. The loan bears interest at prime with a floor of 4.5% and collateralized by a general business security agreement. The outstanding balance of the loan at March 31, 2012 was ₹ 858.30 lacs (US\$ 1.678 million).

6.3.b) During September 2011, Cardiac Science Corporation has entered into a credit agreement with US Bank with a maturity date of 19th September, 2013. The credit line of \$10 million is covered by standby letter of credit issued by ICICI Bank. As of March 31, 2012, the Company had an outstanding balance of ₹ 5,024.06 lacs (US\$ 9.82 million). Interest on borrowings is equal to one-month LIBOR plus 2.18%.pa

#### 6.4 Advanced Micronic Devices Ltd. working capital borrowings

6.4.a). Advanced Micronic Devices Ltd. has obtained a working capital loan from State Bank of India and State Bank of Travancore. These borrowings are repayable on demand and secured against Stock, Debtors and Corporate Guarantee given by Holding Company Opto Circuits (India) Ltd. The loan carries interest rate ranging from 14.75% PA to 15.25% PA

6.4.b). Advanced Micronic Devices Ltd. has taken Vehicle loan from ICICI Bank Ltd and HDFC Bank Ltd. Vehicle loan by ICICI Bank Ltd. is repayable within one year and vehicle loan from HDFC Bank Ltd is repayable before January 2015 and secured against Vehicles. The loans bears interest rate in the range of 10% PA to 13% PA

6.5 Other Loans and advances includes interest free unsecured advances received from other corporates on long term.

### OPTO CIRCUITS (INDIA) LIMITED

## NOTE 7 – TRADE PAYABLES

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Trade payables	2,067,235,628	2,288,038,784
<b>Total</b>	<b>2,067,235,628</b>	<b>2,288,038,784</b>

## NOTE 8 – OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Current maturities of long-term debt (refer note 3a)	1,109,914,018	76,025,143
Interest accrued but not due on borrowings	19,881,707	5,106,630
Income received in advance	551,968,139	367,037,471
Unpaid dividends	1,865,796	1,869,569
Unclaimed dividends	63,642,714	30,952,877
Statutory Dues Payables	54,233,303	28,108,069
Sundry Creditors for Capital goods	46,057,399	1,121,145
Sundry Creditors for Expenses	1,423,436,675	1,921,460,784
<b>Total</b>	<b>3,270,999,751</b>	<b>2,431,681,688</b>

Statutory dues payable includes provident fund, employees state insurance, professional tax, withholding taxes and other indirect taxes. There are no amounts due for payment to the Investor Education and Protection Fund u/s 205(c) of the Companies Act, 1956

## NOTE 9 – SHORT-TERM PROVISIONS

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Income Tax provision less payments	374,174,702	296,884,847
Provision for Leave Encashment	5,785,999	4,463,310
Provision for Gratuity	2,726,375	3,328,262
Provision for Warranty	206,008,762	179,965,498
Proposed Dividend	729,086,156	841,989,851
Tax on proposed dividend	382,691,282	265,329,787
Provisions for AED Field Updates	457,652,260	623,510,549
<b>Total</b>	<b>2,158,125,536</b>	<b>2,215,472,104</b>

**NOTE 9 – SHORT-TERM PROVISIONS (CONTD.)**

9(a). In Cardiac Science Corporation, subsidiary of Opto Cardiac Care Limited, warranty costs are accrued at the time of sale of products. The Company's estimates are based on its warranty claims history and its cost to perform warranty service.

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Warranty liability, beginning of the period	179,965,489	182,792,321
Charged to product cost of revenues, net	87,876,983	33,963,372
Warranty expenditures	(88,047,135)	(28,789,823)
Difference in Exchange rate fluctuations	26,213,425	(8,000,381)
<b>Warranty liability, end of the period</b>	<b>206,008,762</b>	<b>179,965,489</b>

9(b). Provision for voluntary field corrective action liability of AEDs

The movement in the provision for voluntary field corrective action liability is as follows:

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Beginning of the Period	623,510,549	733,595,887
Expenditure	(242,270,482)	(81,121,250)
Difference in Exchange rate fluctuations	74,395,614	(28,964,088)
<b>End of the Period</b>	<b>455,635,681</b>	<b>623,510,549</b>

The costs of these voluntary corrective actions are estimates. The Company believes its remaining accrued corrective action liabilities will be sufficient to fund the remaining expected costs of these matters.

9(c). Other Provisions contains provision for impending loss, contract completion accruals etc.

**NOTE 10 – CONSOLIDATED FIXED ASSETS**

Amount in ₹

Particulars	Cost				Depreciation / Amortization					Net Block		
	As at 01.04.2011	Additions during the year	Deductions during the year	Adjustments	As on 31.03.2012	As on 01.04.2011	For the year	On Deductions	Adjustments	Upto 31.03.2012	As at 31.03. 2012	As at 31.03. 2011
TANGIBLE ASSETS												
Land	449,353,463	22,344,126	-	5,225,247	476,922,836	-	-	-	-	-	476,922,836	449,353,463
Leasehold Premises	150,191,927	6,285,555	-	21,264,024	177,741,506	105,368,733	15,202,646	-	14,973,367	135,544,746	42,196,760	44,823,194
Borewell	73,655	-	-	-	73,655	-	-	-	-	-	73,655	73,655
Buildings	371,005,550	60,230,304	-	34,563,636	465,799,490	35,957,729	9,188,863	-	4,857,557	50,004,149	415,795,341	335,047,821
Apartments	12,685,605	-	-	-	12,685,605	3,164,049	424,860	-	-	3,588,909	9,096,696	9,521,556
Office Building	4,347,218	-	-	-	4,347,218	1,421,601	71,054	-	-	1,492,655	2,854,563	2,925,617
Plant & Equipment	657,328	-	-	-	657,328	94,161	22,015	-	-	116,176	541,152	563,167
GH Furniture & Fixtures	1,448,138,930	2,461,898,810	-	32,308,257	3,942,345,997	409,715,176	106,950,418	(22,253)	195,806,774	712,450,115	3,229,895,882	1,038,423,754
Furniture & Fixtures	392,094,256	6,828,745	(203,894,718)	50,625,047	245,653,330	291,586,398	12,654,460	(154,947,242)	41,076,560	190,370,176	55,283,154	100,507,858
Computers	505,602,883	86,471,743	(133,554)	64,539,059	656,480,131	321,302,122	62,497,844	(133,570)	47,488,568	431,154,964	225,325,167	184,300,761
Electrical Installation	197,673,924	4,399,050	(1,078,901)	18,993,781	219,987,854	161,142,394	13,870,473	(999,393)	24,165,149	198,178,623	21,809,231	36,531,530
Vehicles	85,706,390	665,387	(3,000,518)	1,288,532	84,659,791	46,965,200	1,888,510	(2,155,470)	6,999,820	53,698,061	30,961,731	38,741,190
Office Equipment	129,513,377	2,917,485	(23,791,412)	14,793,662	123,433,112	98,364,506	9,164,315	(20,687,281)	9,929,340	96,770,882	26,662,230	31,148,871
Overseas Assets	2,942,972	26,122,937	-	489,121	29,555,030	2,036,926	104,072	-	291,440	2,432,438	27,122,592	906,046
Total	3,749,987,478	2,678,164,142	(231,899,104)	244,090,367	6,440,342,885	1,477,118,995	232,039,530	(178,945,209)	345,588,576	1,875,801,893	4,564,540,990	2,272,868,483
Previous year	3,667,898,403	256,988,871	(131,507,901)	(43,391,895)	3,749,987,477	1,474,733,560	154,641,001	(118,184,105)	(34,071,462)	1,477,118,995	2,272,868,483	2,193,164,842
INTANGIBLE ASSETS												
(Other than internally generated)												
Goodwill	6,000,000	-	-	-	6,000,000					-	6,000,000	6,000,000
Brands/ trademarks	668,365,850			97,395,798	765,761,648					-	765,761,648	668,365,850
Computer Software	35,017,228		-	-	35,017,228	27,964,357	7,003,446			34,967,803	49,425	7,052,871
Copyrights, Patents, IPR	386,311,800	-	-	56,294,238	442,606,038	142,623,530	30,334,775	-	22,843,550	195,801,855	246,804,183	243,688,270
Recipes, formulae, models, designs and prototypes	1,682,335,924	870,990,527	(107,668,751)	203,788,896	2,649,446,596	632,687,646	202,347,750	303,271,307	91,812,495	1,230,119,198	1,419,327,398	1,049,648,279
Customer Relationship	993,016,000	-	-	144,704,560	1,137,720,560	829,239,800	74,549,630	-	125,901,601	1,029,691,031	108,029,529	163,776,200
Total	3,771,046,802	870,990,527	(107,668,751)	502,183,492	5,036,552,070	1,632,515,333	314,235,601	303,271,307	240,557,646	2,490,579,886	2,545,972,184	2,138,531,470
Previous year	3,482,988,954	306,341,950	(48,154,050)	29,854,647	3,771,031,501	1,281,801,270	353,337,259	-	(2,623,196)	1,632,515,333	2,138,516,168	-
Capital WIP	339,642,501	104,258,708	(16,161,642)	1,757,390	429,496,957	-	-	-	-	-	429,496,957	339,642,501

**Development Expenses** In OCCL group, product development costs are capitalized and depreciated based on estimated life. During the year, ₹ 8,709.90 lacs (US\$ 17.03 million) has been recognised as intangibles as per AS - 26

**NOTE 11 – NON CURRENT INVESTMENTS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Non CURRENT INVESTMENTS</b>		
Investments in Equity Shares		
Centum Electronics Ltd. (Quoted) 233 Shares	7,000	7,000
Microland Ltd. (Unquoted) 10 Shares	102,000	102,000
<b>Total</b>	<b>109,000</b>	<b>109,000</b>

Aggregate cost of Quoted Investments ₹ 7,000 Market value ₹ 12,000 (P.Y. 22,205) as on 31st March 2012 or as on last Quoted date. Unquoted Investment ₹ 1,02,000 market value as certified by the directors.

**NOTE 12 – LONG TERM LOANS AND ADVANCES**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Taxes paid in advance less provisions	834,480	834,480
<b>Total</b>	<b>834,480</b>	<b>834,480</b>

**NOTE 13 – OTHER NON CURRENT ASSETS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
a) Deposits with more than 12 months maturity	75,240,022	104,251,602
b) Miscellaneous Expenses* (to the extent not written-off/adjusted)	3,469,685	5,748,932
c) Other Loans and Advances	7,077,758	2,867,767
d) Advance towards Capital Goods	2,426,435,764	1,232,656,728
e) Taxes paid in advance less provisions	13,752,224	9,497,745
<b>Total</b>	<b>2,525,975,453</b>	<b>1,355,022,774</b>

13(a). \*Opto Cardiac Care Limited has incurred Preliminary expenses which will be written off 1/10th every year and Product development Expenses will be written off 1/5th every year. Balance amount not written off is shown as Miscellaneous expenditure.

13(b). Other loans and advances represents rental deposits.

**NOTE 14 – INVENTORIES**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
(At lower of cost and net realisable value)		
Raw materials	3,973,020,686	3,396,859,397
Work - in - Progress	840,512,742	706,582,738
Finished Goods	304,171,416	221,751,260
<b>Total</b>	<b>5,117,704,844</b>	<b>4,325,193,395</b>

**NOTE 15 – TRADE RECEIVABLES**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
(Unsecured, considered good unless otherwise stated)		
1) Debts due for a period exceeding six months		
Considered Good	882,907,282	313,433,687
	<b>882,907,282</b>	<b>313,433,687</b>

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 15 – TRADE RECEIVABLES (CONTD.)**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
2) Other Debts:		
Considered Good	7,580,232,079	6,470,766,982
Considered Doubtful	3,256,413	-
	<b>7,583,488,492</b>	<b>6,470,766,982</b>
Less: Provision for Doubtful Debts	662,552	-
<b>Total</b>	<b>8,465,733,222</b>	<b>6,784,200,669</b>

**NOTE 16 – CASH AND CASH EQUIVALENTS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Balances with banks in –		
Margin Money	17,915,400	16,711,640
Other commitments	27,931,449	-
Earmarked balances	62,815,511	30,121,386
Current Accounts	1,631,847,931	2,286,318,541
	<b>1,740,510,291</b>	<b>2,333,151,567</b>
Cash on hand	2,547,867	8,634,097
<b>Total</b>	<b>1,743,058,158</b>	<b>2,341,785,664</b>

Cardiac Science Corporation, which is the stepdown subsidiary of Opto Circuits (India) Ltd. has other Commitments including Restricted cash deposits ₹ 279.31 lacs (US\$ 0.55 million) which is held for an irrevocable standby letter of credit for computer leasing program, CD for credit card purchase program, security deposit, Security coverage for one month's interest against the bank credit limit and deposit into the general account. All these are treated as Cash and Cash Equivalents.

**NOTE 17 – SHORT TERM LOANS AND ADVANCES**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to related parties		
Considered Good	-	20,810
	<b>-</b>	<b>20,810</b>
Others	53,411,778	635,596,889
Staff advance	1,358,238	300,755
Others Advances	221,141,819	102,093,845
Advances to suppliers & services	4,102,536,460	3,201,808,671
	<b>4,378,448,295</b>	<b>3,939,800,160</b>
Taxes paid in advance less provisions (current tax)	71,301,769	12,651,272
Tax paid in advance less provision (fringe benefit tax)	11,565	-
Balances with Central Excise, Customs, Port trust, etc.	10,608,876	666,617
<b>Total</b>	<b>4,460,370,505</b>	<b>3,953,138,859</b>

17(a).Advances to Supplier and services are given in the normal course of business operations.

17(b).Other advances consists of advances towards purchase of land in Mysore, contractors payment etc

**NOTE 18 – OTHER CURRENT ASSETS**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Deposits (3 months to 12 months maturity)	46,927,888	8,728,946
Prepaid Expenses	338,873,286	212,387,825
<b>Total</b>	<b>385,801,174</b>	<b>221,116,771</b>

**NOTE 19 – REVENUE FROM OPERATIONS**

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Revenue from		
Products	22,690,985,403	15,550,265,949
Services	865,698,720	291,288,400
Other operating revenues	11,859,302	26,767,807
<b>Total</b>	<b>23,568,543,425</b>	<b>15,868,322,156</b>

**NOTE 20 – OTHER INCOME**

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Interest income received from Bank	7,808,272	4,151,892
Dividend income	583	136,044
Net gain on sale of assets	787,001	72,673,563
Net gain on foreign currency transaction and translation	51,473,289	139,692,376
Sundry provisions and credit balances no longer required	12,624,118	20,305,662
Other non-operating income	62,922,106	54,680,056
<b>Total</b>	<b>135,615,369</b>	<b>291,639,593</b>

Other non-operating Income consist of Rebate, Refund, insurance compensation received.

**NOTE 21 – COST OF MATERIALS CONSUMED**

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Opening stock	3,396,859,397	2,843,080,557
Add: Purchases	12,911,295,465	9,317,186,967
Less: Closing stock	3,973,020,686	3,396,859,397
<b>Cost of material consumed</b>	<b>12,335,134,176</b>	<b>8,763,408,127</b>

**NOTE 22 – CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
<b>Inventories at the end of the year:</b>		
Finished goods	304,171,416	221,751,260
Work-in-progress	840,512,742	706,582,738
Stock-in-trade		
	<b>1,144,684,158</b>	<b>928,333,998</b>

OPTO CIRCUITS (INDIA) LIMITED

**NOTE 22 – CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (CONTD.)**

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
<b>Inventories at the beginning of the year:</b>		
Finished goods	5,342,220	306,506,836
Work-in-progress	919,069,231	211,972,623
Stock-in-trade	3,922,547	
	<b>928,333,998</b>	<b>518,479,459</b>
<b>Net (increase) / decrease</b>	<b>(216,350,160)</b>	<b>(409,854,539)</b>

**NOTE 23 – EMPLOYEE BENEFIT EXPENSE**

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Salaries & Wages	1,731,881,059	875,134,501
Contribution to provident and other funds	10,515,426	9,735,479
Staff welfare expenses	123,497,067	215,866,417
<b>Total</b>	<b>1,865,893,552</b>	<b>1,100,736,397</b>

**NOTE 24 – FINANCE COSTS**

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Interest expense	492,493,153	274,465,626
Other borrowing costs	353,618	14,649,702
Bank Charges	99,128,345	31,471,623
<b>Total</b>	<b>591,975,116</b>	<b>320,586,951</b>

**NOTE 25 – OTHER EXPENSE**

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
<b>MANUFACTURING AND OPERATING COST</b>		
Consumption of stores and spare parts	349,151	180,601
Customs Duty & Supervision Charges	-	287,053
Freight, Handling, Octroi and Others	63,014,107	16,660,462
Insurance	50,758,016	40,676,827
Labour Charges & Job Work	751,131,773	366,033,258
Power & Fuel	13,501,338	8,416,021
Production Supplies	23,041,095	32,623,029
R&D, Product Development Expenses	11,942,423	49,729,782
Repairs & Maintenance - Building	7,359,370	14,356,052
Repairs & Maintenance - Electricals & Others	59,208,192	32,834,402
Repairs & Maintenance - Plant & Machinery	29,056,232	9,448,795
Service Charges	50,421,494	64,176,707
Spares - materials	7,650,906	6,642,290
Tooling Charges	4,446,459	13,992,615
Warranty Purchases	741,500	3,986,210
<b>Total A</b>	<b>1,072,622,056</b>	<b>660,044,105</b>

**NOTE 25 – OTHER EXPENSE (CONTD.)**

Amount in ₹

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
<b>ADMINISTRATIVE EXPENSES:</b>		
Advertisement & Trade Shows	235,017,645	213,878,354
Bad Debts	110,083,400	1,315,445
Commission	429,224,760	63,379,518
Discount	3,389,802	4,372,912
Directors Remuneration	18,633,072	29,090,216
Donation	4,123,966	1,653,077
Electricity & Water Charges	32,161,357	18,547,170
General Expenses	49,417,278	59,276,320
Membership, Books & Periodicals	28,636,272	12,734,734
Miscellaneous expenses	23,590,114	58,668,351
Net loss on foreign currency transaction and translation	51,751,084	41,677,875
Net loss on sale of assets	7,818,890	3,031,883
Office Maintenance	28,963,308	34,566,272
Outside Labour	11,209,290	79,254,135
Postage, Telephone & Fax Charges	98,634,484	58,418,283
Printing & Stationery	19,302,892	14,521,407
Prior period items	11,175,655	805,167
Professional Consultancy Charges	299,440,742	84,059,582
Quality Certification, Patent & FDA Expenses	53,884,604	89,374,777
Rates & Taxes	107,309,335	46,917,202
Rent	122,125,293	71,401,885
Travelling & Conveyance	383,278,962	208,813,620
<b>Total B</b>	<b>2,129,172,206</b>	<b>1,195,758,185</b>
<b>SELLING EXPENSES:</b>		
Business Promotion Expenses	106,625,606	22,947,999
Clearing Charges	6,101,641	5,057,707
Freight & Handling Charges	91,911,531	45,438,019
Packing Materials	12,435,300	11,505,523
Transportation	3,182	-
<b>Total C</b>	<b>217,077,260</b>	<b>84,949,248</b>
<b>Total (A+B+C)</b>	<b>3,418,871,522</b>	<b>1,940,751,538</b>

Amount in ₹

<b>25(a). PRIOR PERIOD EXPENSE CONSIST OF FOLLOWING ITEMS</b>		
Professional Expense	324,722	-
Building Maintenance	64,382	-
Advertisement	165,382	-
Interest	7,704,707	-
Freight expense	47,000	-
Tax provision	2,869,462	805,167
<b>Total</b>	<b>11,175,655</b>	<b>805,167</b>

25(b). Product Development Expenses: The expenses incurred with respect to product development is written off in the year it is incurred and the entire amount is charged off in the Profit and Loss account.

OPTO CIRCUITS (INDIA) LIMITED

## NOTE 25A – MISCELLANEOUS EXPENSES INCLUDE PAYMENT TO AUDITORS (NET OF SERVICE TAX)

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Audit fee	4,915,750	4,020,538
Tax Audit fees	7,858,124	1,185,725
Taxation matters	551,500	441,198
Other services	545,985	1,175,796
Out of pocket expenses reimbursed	141,210	-
<b>Total</b>	<b>14,012,569</b>	<b>6,823,257</b>

## NOTE 26 – PROVISION FOR TAX

Amount in ₹

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Current Tax	268,136,866	253,188,581
Deferred Tax	(839,779,276)	(2,293,640)
<b>Total</b>	<b>(571,642,410)</b>	<b>250,894,941</b>

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 disallowance or other matters is probable. The company is not charging off MAT on SEZ profit, which will be set off against liability arising in future years. In the event of non-set off due to the effect of not carrying forward, it will be written off in that financial year.

## NOTE 27 – EARNINGS PER SHARE

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Net Profit after tax	₹ 5,718,795,231	₹ 3,672,492,341
Basic and Weighted average number of Equity Shares outstanding during the period	242,319,407	186,399,544
Nominal Value of Equity Shares	₹ 10	₹ 10
<b>Basic Earnings per Equity Shares*</b>	<b>₹ 23.60</b>	<b>₹ 15.16</b>

\*EPS for previous year has been restated.

## NOTE 28 – 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 contributed to the employee provident fund under the Employee's provident fund scheme of the central government. The gratuity liability is provided and charged off as revenue expenditure on actuarial valuation. The company has subscribed to the group gratuity scheme policy of LIC of India. The company has complied with the Provident fund and Employee state Insurance wherever applicable

under Internal Revenue Code guidelines, and up to 50% of compensation for after-tax deferral. On behalf of eligible employees, the group may make matching contribution equal to a discretionary percentage of the elective deferral up to the Plan's established limits and is subject to the Plan's vesting schedule. In OEHL group, eligible employees receive benefit from a provident fund which is a defined benefit plan. Both employee and the company make monthly contribution to the provident fund plan equal to a specified percentage of the covered employees salaries.

Overseas subsidiaries provide for retirement benefits under respective laws and regulations. In OCCL group, 401(k) Plan includes provision for an employee deferral of up to 50% of pre-tax compensation to the maximum deferral allowed

## NOTE 29 – CONVERSION RATES USED FOR FOREIGN FINANCIAL ON 31ST MARCH 2012 ARE AS FOLLOWS

Particulars	Opening rate (₹)	Average Rate (₹)	Closing Rate (₹)
USD	44.65	47.90	51.16
Euro	63.24	65.79	68.34
MYR	16.90	15.80	16.90
SGD	35.28	38.26	41.24

## NOTE 30 – GOODWILL ON CONSOLIDATION

The company has undertaken restructuring of its investments during April 2011,

- a) Eurocor GmbH and N.S. Remedies have become 100% wholly owned subsidiaries of Opto Eurocor Healthcare Ltd. In addition to that Opto Eurocor Healthcare Ltd. has acquired 100% share of Eurocor Singapore Pte Ltd. and Eurocor Asia Sdn Bhd which was earlier subsidiary of Eurocor GmbH. These companies have become step-down subsidiaries of Opto Circuits (India) Ltd.
- b) Cardiac Science, Criticare Systems and Unetixs Vascular have become 100% wholly owned subsidiaries of Opto Cardiac Care Ltd and step down subsidiaries of Opto Circuits (India) Ltd. Such restructuring transaction was not a transfer. There is no change in ultimate ownership or control as it only involved a change in entity structure and was done at the original acquisition price that Opto Circuits (India) Ltd. paid for these entities. The restructuring transaction had the effect of altering downward the goodwill booked on original acquisition since these entities have grown in net asset value, post acquisition till date.

Following are the details:

Amount in ₹

Particulars	Goodwill/(capital reserve)
Opto Eurocor Healthcare Ltd. group	(172,155,971)
Opto Cardiac Care Limited group	4,863,091,940
Advanced Micronic Devices Ltd.	(33,428,277)
Mediaid Inc.	4,871,765
Devon	14,520,189
Ormed	(1,878,651)
Opto Infrastructure Limited	(183,686,077)
<b>Total</b>	<b>4,491,334,918</b>

## NOTE 31 – CONTINGENT LIABILITY

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Income Tax matters - The income tax department has raised a demand for tax for the AY 2004-05 for which the company has preferred an appeal before the Commissioner of Income Tax (Appeal) III. Pending disposal of this, the company has not provided liability for income Tax.	1,416,000	1,416,000
<b>GUARANTEES</b>		
Corporate Guarantee is extended to State Bank of India and State Bank of Travancore for the credit facility availed by Advanced Micronic Devices Limited	170,100,000	170,100,000
Corporate Guarantee is extended to ICICI Bank for the credit facility availed by Opto Eurocor Healthcare Limited	-	500,000,000
Corporate Guarantee is extended to Indusind Bank for credit facility availed by Eurocor GmbH (subsidiary of Opto Eurocor Health Care Limited,	546,720,000	316,200,000

## OPTO CIRCUITS (INDIA) LIMITED

**NOTE 31 – CONTINGENT LIABILITY (CONTD.)**

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Corporate Guarantee is extended to DBS bank and HDFC bank for credit facility availed by Cardiac Science Corporation (Subsidiary of Opto Cardiac Care Limited)	2,813,607,500	669,750,000
Corporate Guarantee is extended to DBS bank for credit facility availed by Cardiac Science corporation (subsidiary of Opto Cardiac Care Limited )	1,534,695,000	-
Bank Guarantees issued on behalf of the Company by Banks	12,500,000	12,500,000

The appeal preferred by Advanced Micronic Devices Limited for assessment year 1996-97 filed before the Hon.High Court of Karnataka was upheld by court against which the department has not contested at Supreme Court. Since large amount is due from the department which has to be adjusted against interest and tax liability payable by the company, hence the company is unable to quantify the interest income. The company will account the interest income after obtaining the refund order from the income tax department.

During F.Y. 2009-10, The Commissioner of Service Tax, Audit Section, Bangalore conducted the Audit and served the demand on AMDL for an amount of ₹ 201.31 lacs. The Company has paid ₹ 44.04 lacs and is contesting for the balance amount.

**NOTE 32 – OTHER COMMITMENTS**

a) The company has purchase obligation of ₹ 13,384.73 lacs (US\$ 26.16 million) consisting of outstanding purchase order issued in normal the course of business.

**NOTE 33**

The previous years figures have been regrouped/restated wherever necessary to conform with current years classification. In FY 2011, financial of Cardiac Science Corporation were consolidated only for four months. Hence figures of FY 2012, amounts are not comparable.

The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the Consolidated Financial Statements.

**For and on behalf of the Board of Directors**

VINOD RAMNANI  
Chairman & Managing Director

USHA RAMNANI  
Executive Director

KV GANESH  
Company Secretary

Place: Bengaluru  
Date: 22nd May 2012

**As per our report of even date**

FOR ANAND AMARNATH & ASSOCIATES  
Chartered Accountants

B K AMARNATH  
Partner

Membership Number: 26536  
Firm Registration Number: 000121S

**NOTE 34 – SEGMENT REVENUE**

₹ in Lacs

Particulars	International 31.03.2012	Domestic 31.03.2012	Total 31.03.2012
<b>1. SEGMENT REVENUE</b>			
a. Health Care	231,478.37	2,291.61	233,769.98
b. Information Technology	-	1,805.83	1,805.83
c. Others	1,439.42	26.36	1,465.77
<b>Net Sales/Income From Operations</b>	<b>232,917.79</b>	<b>4,123.80</b>	<b>237,041.59</b>
<b>2. SEGMENT RESULTS (PROFIT BEFORE INTEREST &amp; TAX)</b>			
a. Health Care	57,278.13	183.72	57,461.84
b. Information Technology	-	77.86	77.86
c. Others	-	3.65	3.65
<b>Total</b>	<b>57,278.13</b>	<b>265.23</b>	<b>57,543.35</b>
Less: Interest	5,799.68	120.07	5,919.75
<b>Total Profit Before Tax</b>	<b>51,478.45</b>	<b>145.16</b>	<b>51,623.60</b>



# SUBSIDIARY FINANCIAL INFORMATION

OPTO CIRCUITS (INDIA) LIMITED

**SUMMARISED STATEMENT OF FINANCIALS OF SUBSIDIARY COMPANIES PURSUANT TO GENERAL CIRCULAR NUMBER 2 / 2011 ISSUED BY MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA**

₹ in Lacs

Sl No.	Name of the Subsidiary	Reporting Currency	Capital	Share Application Money pending Allotment	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before Taxation after Prior Period Adjustments	Provision for Taxation	Profit After Taxation	Proposed Dividend & Dividend Tax	Country
1	Advanced Micronic Devices Limited	₹ Lacs	528.11	-	1,493.73	6,434.90	4,414.14	1.09	5,962.22	139.12	80.45	58.67	61.38	India
2	Mediald Inc.,	₹ Lacs	4,455.49	-	9,255.46	22,691.44	8,980.49	-	13,001.55	1,864.18	-1,611.04	3,475.22	-	USA
3	Opto Eurocor Healthcare Limited	₹ Lacs	6,608.24	-	20,546.58	57,883.76	30,728.94	-	46,316.09	17,941.56	3,523.94	14,417.62	-	India
4	Devon Innovations Private Limited	₹ Lacs	10.00	-	492.88	588.68	85.80	-	627.90	93.49	18.86	74.63	-	India
5	Ormed Medical Technology Limited	₹ Lacs	25.00	-	263.91	377.92	89.01	-	460.86	74.50	25.48	49.02	-	India
6	Opto Infrastructure Limited	₹ Lacs	2,067.45	-	2,186.89	20,738.32	16,483.98	-	-	-	-	-	-	India
7	Opto Circuits (Malaysia) Sdn Bhd	₹ Lacs	4,463.00	-	662.01	5,125.14	0.14	-	65.07	30.18	-	30.18	-	Malaysia
8	Opto Cardiac Care Limited	₹ Lacs	4,005.50	16,000.00	19,425.49	170,439.85	131,008.86	-	103,639.19	7,993.51	-8,074.62	16,068.13	-	India

**NOTE:**

The above information has been drawn to correlate with the consolidated financial statements.



# **GLOSSARY TERMS & CONTACTS**

## ABBREVIATIONS

<b>ABI:</b> Ankle Brachial Index	<b>ISR:</b> In-stent Restenosis
<b>AED:</b> Automated External Defibrillator	<b>ITC:</b> Item Tariff Code
<b>AGM:</b> Annual General Meeting	<b>MAT:</b> Minimum Alternate Tax
<b>AHA:</b> American Heart Association	<b>MENA:</b> Middle East and North Africa
<b>AMD:</b> Advanced Micronic Devices Limited	<b>MHPL:</b> Micronic Healthcare Private Limited
<b>BMS:</b> Bare Metal Stent	<b>MSCI:</b> Morgan Stanley Capital International
<b>BRICS:</b> Brazil, Russia, India, China, South Africa	<b>N<sub>2</sub>O:</b> Nitrous Oxide
<b>BSE:</b> Bombay Stock Exchange	<b>NIBP:</b> Non Invasive Blood Pressure
<b>CAGR:</b> Compounded Annual Growth Rate	<b>NRI:</b> Non Resident Indian
<b>CDSL:</b> Central Depository Services Limited	<b>NSDL:</b> National Securities Depository Limited
<b>CE:</b> Conformité Européene	<b>NSE:</b> National Stock Exchange
<b>CEO:</b> Chief Executive Officer	<b>NSR:</b> N .S. Remedies
<b>CFO:</b> Chief Financial Officer	<b>NW:</b> Net Worth
<b>CIF:</b> Cost, Insurance, Freight	<b>OCCL:</b> Opto Cardiac Care Limited
<b>CO<sub>2</sub>:</b> Carbon Dioxide	<b>OCI:</b> Opto Circuits (India) Limited
<b>CPR:</b> Cardio Pulmonary Resuscitation	<b>OEHL:</b> Opto Eurocor Healthcare Limited
<b>CSC:</b> Cardiac Science Corporation	<b>OEM:</b> Original Equipment Manufacturer
<b>CSI:</b> Criticare Systems, Inc.	<b>OIL:</b> Opto Infrastructure Limited
<b>DCGI:</b> Drug Controller General of India	<b>PAT:</b> Profit After Tax
<b>DEB:</b> Drug Eluting Balloon	<b>PAD:</b> Peripheral Arterial Disease
<b>DES:</b> Drug Eluting Stent	<b>PBDIT:</b> Profit Before Depreciation Interest & Tax
<b>DTA:</b> Domestic Tariff Area	<b>PBIT:</b> Profit Before Interest & Tax
<b>EBITDA:</b> Earnings Before Interest, Tax, Depreciation and Amortization	<b>PBT:</b> Profit Before Tax
<b>ECG/ EKG:</b> Electrocardiogram	<b>PTA:</b> Percutaneous Transluminal Angioplasty
<b>EMR:</b> Electronic Medical Records	<b>PTCA:</b> Percutaneous Transluminal Coronary Angioplasty
<b>EOU:</b> Export Oriented Unit	<b>PY:</b> Previous Year
<b>EPS:</b> Earnings Per Share	<b>QIP:</b> Qualified Institutional Placement
<b>FA:</b> Fixed Assets	<b>R&amp;D:</b> Research & Development
<b>FBT:</b> Fringe Benefit Tax	<b>RBI:</b> Reserve Bank of India
<b>FDA:</b> Food and Drug Administration	<b>ROW:</b> Rest of the World
<b>FG:</b> Finished Goods	<b>SEA:</b> South East Asia
<b>FIFO:</b> First In, First Out	<b>SEBI:</b> Securities and Exchange Board of India
<b>FII:</b> Foreign Institutional Investor	<b>SEZ:</b> Special Economic Zone
<b>GAAP:</b> Generally Accepted Accounting Principles	<b>SGA:</b> Selling, General, Administrative
<b>GDR:</b> Global Depository Report	<b>SGD:</b> Singapore Dollar
<b>GmbH:</b> Gesellschaft mit beschränkter Haftung	<b>SFA:</b> Superficial Femoral Artery
<b>GPO:</b> Group Purchasing Organization	<b>SME:</b> Small Scale Enterprise
<b>HIS:</b> Hospital Information Systems	<b>SpO<sub>2</sub>:</b> Pulse Oximetry
<b>HRA:</b> House Rent Allowance	<b>TBI:</b> Toe Brachial Index
<b>HUF:</b> Hindu Undivided Family	<b>TLR:</b> Target Lesion Revascularization
<b>ICAI:</b> Institute of Chartered Accountants of India	<b>USA:</b> United States of America
<b>Inc.:</b> Incorporated	<b>USD:</b> United States Dollar
<b>INR:</b> Indian Rupees	<b>USFDA:</b> United States Food and Drug Administration
<b>IP:</b> Intellectual Property	<b>WC:</b> Working Capital
<b>ISO:</b> International Organization for Standardization	<b>WIP:</b> Work In Process

## ABBREVIATIONS

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

## COMPANY CO-ORDINATES FOR INVESTORS

9am IST – 5pm IST, Weekdays

A: # 83, Electronics City,

Bengaluru - 560 100, Karnataka, India

T: 91 80 2852 1040/41/42

F: 91 80 2852 1094

Company Secretary: K. V. Ganesh

Please send your investment-related requests for information, meetings and calls to [ir@optoindia.com](mailto:ir@optoindia.com).

Queries on bonus, dividends and regulatory matters should be addressed to [investorsservices@optoindia.com](mailto:investorsservices@optoindia.com).

Please quote your Full Name, Folio No./ DP ID, Client ID to receive a prompt reply.

## GROUP WEBSITES

[www.optocircuits.com](http://www.optocircuits.com) | [www.amdlcorp.com](http://www.amdlcorp.com) |

[www.cardiacscience.com](http://www.cardiacscience.com)

[www.csusa.com](http://www.csusa.com) | [www.devoncath.com](http://www.devoncath.com) | [www.eurocor.de](http://www.eurocor.de)

[www.mediaidinc.com](http://www.mediaidinc.com) | [www.nsremedies.com](http://www.nsremedies.com) |

[www.optoeurocor.com](http://www.optoeurocor.com)

[www.ormedortho.com](http://www.ormedortho.com) | [www.unetixs.com](http://www.unetixs.com)

## NOTES

## NOTES

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## NOTES

## SAFE HARBOUR

Statements made in this Annual Report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulation and are based on the currently held beliefs and assumptions of our management, which are expressed in good faith and in their opinion, reasonable. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include, without limitation, economic conditions affecting demand and acceptance of Company's products and services, raw material price changes, supply and price conditions in the domestic and overseas markets in which the Company operates, consequences of competing factors including ability to attract and retain customers, Company's success in attracting and retaining key personnel, integration and restructuring activities, general business and economic conditions beyond the Company's control, changes in the government regulations, tax laws and other statutes and other incidental factors. Because such statements deal with future events, they are subject to various risks and uncertainties and actual results may differ materially from the Company's current expectations. You are cautioned not to place undue reliance on these forward-looking statements.

The Company undertakes no obligation to revise or update forward-looking statements, whether as a result of new information, future events or otherwise.

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