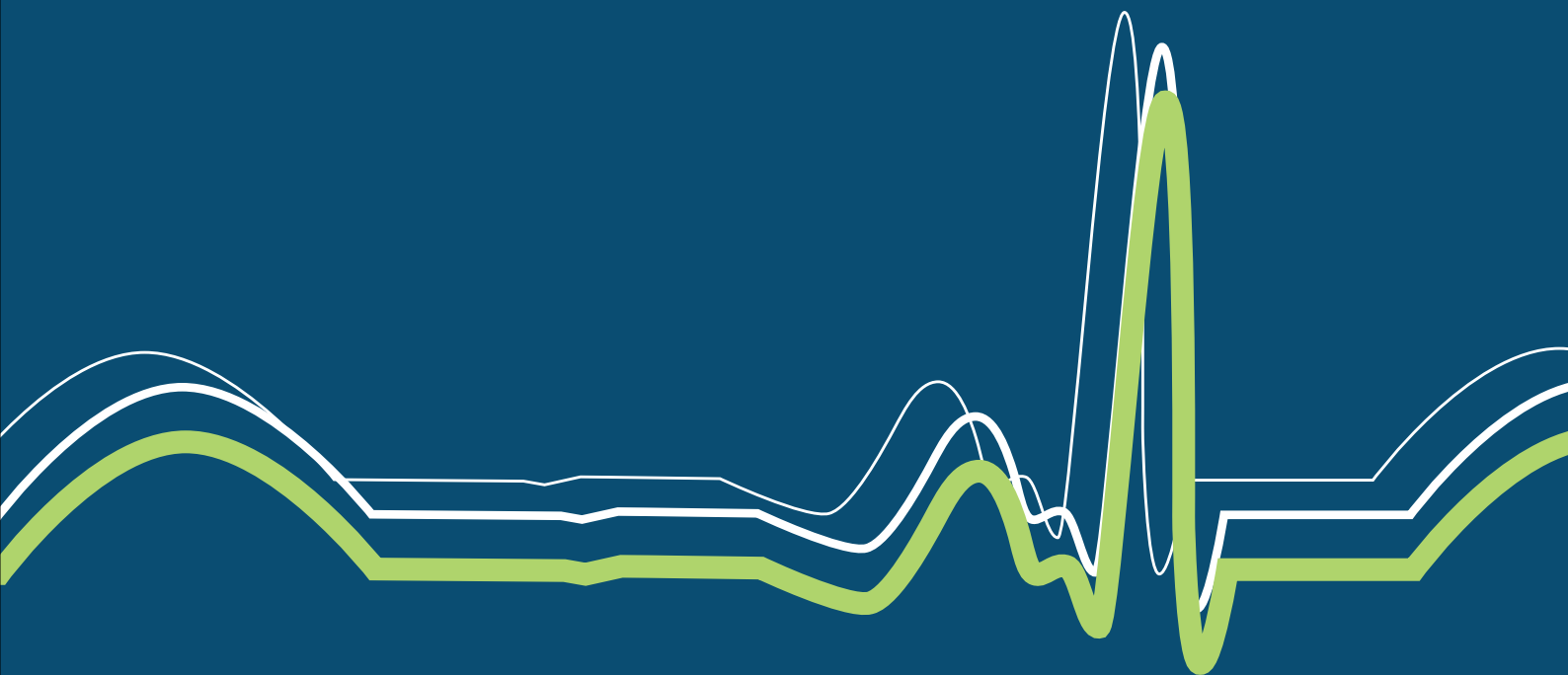


2010–11: 19TH ANNUAL REPORT



SENSING TECHNOLOGY

OPTO CIRCUITS [INDIA] LIMITED

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. Bala Subramaniam, Independent Director

Dr. Anvay Mulay, Independent Director

Rajkumar Raisinghani, Independent Director

Dr. William Walter O'Neill, Independent Director

COMPANY SECRETARY

Srinatha A.N.

REGISTERED OFFICE

#83, Electronics City, Bengaluru 560100

Karnataka, India

AUDITORS

Anand Amarnath & Associates, Chartered Accountants

S-2, II Floor, Gem Plaza, No 66, Infantry Road

Bengaluru 560001

BANKERS

State Bank of India

United Bank of India

IndusInd Bank Ltd.

DBS Bank Ltd.

Standard Chartered Bank

HDFC Bank Ltd.

YES Bank Ltd.

19TH ANNUAL GENERAL MEETING

Day & Date: Wednesday, 28th September 2011

Time: 12 noon

Venue: St. John's Medical College Hospital Auditorium

Opp: Koramangala BDA Complex, 100 Feet Road

Koramangala, Bengaluru 560034

INDEX

_____	A TÊTE-À-TÊTE WITH THE CHAIRMAN	02
_____	SHAREHOLDER RETURNS	05
_____	RECAP 2010–2011	06
_____	GROUP FINANCIAL HIGHLIGHTS	08
_____	TRADE SHOWS AND CONFERENCES	10
_____	FOCUS ON ACQUISITIONS	11
_____	NEW PRODUCT LAUNCHES	14
_____	BRAND PORTFOLIO	16
_____	MANUFACTURING FACILITIES	17
_____	CLINICAL TRIALS AND STUDIES	18
_____	STATUTORY REPORTS	21
_____	STANDALONE FINANCIAL STATEMENTS	51
_____	CONSOLIDATED FINANCIAL STATEMENTS	73
_____	SUBSIDIARY FINANCIAL INFORMATION	95
_____	GLOSSARY, TERMS & CONTACTS	97



A TÊTE-À-TÊTE WITH THE CHAIRMAN

The Investor Relations (IR) team at Opto Circuits engaged Mr. Vinod Ramnani in a conversation to share his thoughts on the year gone by and his vision and strategy for the future. Please read on.

IR: How was Fiscal 2011 for Opto Circuits?

Chairman: It's been a year of robust growth and exciting developments.

We've become a global medical devices & technology company that owns 168 patents and sells more than 100 products in about 150 countries. We are happy to have ended the year successfully with an EPS increase of 41% and a 12.5% growth in the proposed dividend per share. Revenues, including those from the acquired companies, have gone up 47% and we've been able to sustain a healthy balance sheet as on 31st March 2011.

The year before last, we waited for the world economy and the Indian markets to stabilize, deferring any pursuit of an inorganic transaction. In fiscal 2011, on signs of a global recovery, we made the strategic decision to venture into the fields of vascular diagnostics and cardiac monitoring, rehabilitation & resuscitation. We purchased two North American companies with exceptional brand equity and double digit market shares in these segments.

Having realized that the invasive part of the business had achieved the scale required to invest in in-house manufacturing, we bought a fully-equipped and contemporary stent manufacturing unit in India.

We also launched new generation patient monitors and accessories

and successfully extended applications of the invasive technologies that we had launched in recent years. All these developments helped expand our OEM and non OEM customer base and helped deepen our penetration in world markets.

IR: What have the three acquisitions of FY2011 brought to the table for Opto Circuits?

Chairman: The acquisitions have added to our revenue streams and contributed to growth. They've increased our addressable market by a few more billion dollars. We've also been able to strengthen our consolidated brand equity and the intangible assets portfolio. We've been presented with extremely lucrative opportunities to leverage our global distribution network.

Unetixs Vascular and Cardiac Science added new verticals, that of peripheral vascular diagnostics, public access defibrillation and cardiac monitoring. These new product segments extended our customer base by opening up access to the largest and best of GPOs, over 200,000 primary healthcare centers, along with hundreds of more distributors and hospitals in the developed world.

These two acquisitions have given us the opportunity to draw synergies across our noninvasive businesses and have provided immense potential to cross sell through our global distribution network. They have also strengthened our management teams as we retained talented leaders from the acquired corporations.

N.S. Remedies enables us to manufacture bare metal cardiac stents

of the best quality at lower costs. This reduces our manufacturing dependency on external agencies and helps us penetrate markets in emerging economies that are currently underserved on account of the high cost of critical cardiac care technologies available from developed countries.

IR: What are your plans and outlook for the interventional products' business in the years to come?

Chairman: The growth potential on the interventional side of the business is stupendous. We are addressing a growing market of about USD 10 Bn. in revenue terms.

In the past, we have, very successfully, launched disruptive technologies in the space and have gained market leadership after due investments in research, clinical trials, studies, registries, symposiums, tradeshow and workshops. We hope to intensify our way through these activities in the coming years so as to make our products available and acceptable to a much larger global medical community. A part of our endeavor in this space would also be on extending clinical applications of existing products, thereby extending our addressable market size.

DIOR® and Freeway™, the drug-eluting balloons from Eurocor, have become a standard of reference in the category. We hope to leverage on their admirable position in the industry to launch related cardiovascular and endovascular products. We will continue investing in research to develop stents that address modern day clinical issues and that are a generational change from products available in the market today. Our efforts on making combination products, like Magical™, clinically relevant and positioning them as proven alternatives to current practices will continue too.

We are also very excited about our growing partnership with Micell Technologies, based in the United States. Their progress on clinical trials of the MiStent™ DES, which uses Eurocor's Genius Magic® Cobalt Chromium stent and delivery system, has been impressive and the product is expected to attain CE approval in 2012. Micell's continued success in producing favorable clinical results augurs well for us since we will enjoy the prospect of exclusive distribution of the product outside the United States and Japan. It also represents significant additional revenue opportunities for our subsidiary Eurocor since we will be supplying stents and delivery systems for all MiStent™ demand, including the US and Japan under a guaranteed supply agreement to be executed shortly.

The developments above, we believe, provide this business the ability to grow at a reasonably good rate and simultaneously maintain high profitability.

IR: Please tell us about your efforts towards strengthening the management and workforce across the Group?

Chairman: Our human resources continue to be the backbone of

our organization and our strength lies in the commitment of our people who take great pride in their work.

Our workforce is more diverse now in terms of nationality, gender and age and is helping us get a better reach and understanding of our customers who come from varied backgrounds, cultures and countries. We will continue globalizing our workforce and will encourage local participation in the business wherever possible.

The acquisitions made in the last fiscal year have given us not just great products and reach but also outstanding human talent at all levels. We've retained key members of the top management in the acquired companies and empowered them to take on more comprehensive roles within the Group. People in operations, marketing and sales are being encouraged to think innovatively by applying their knowledge and skills to a diverse set of products and services.

We are also actively recruiting young talent and grooming them to be future leaders.

Very specifically, in the current fiscal, our efforts will be directed towards strengthening our R&D departments in India and Europe.

IR: What are your thoughts on the current state of the medical device industry?

Chairman: The medical device industry is a constantly evolving place. Technologies advance as per the growing demands of the medical practitioners. However, the human body and its dynamics remain the same. The basic science underlying the medical devices and tools has not been changing much either.

In the last few years, the industry has been investing in making technologies more accessible, portable, convergent, connected, user-friendly, safe and effective. Some of the best advancements in information systems such as telemetry, wireless/bluetooth technology, networking, etc. have been adapted to medtech. Concepts like home healthcare, virtual surgery and consumer medtech wouldn't have seen light of day without these developments. The industry has also been self-motivated to go green with recent product adaptations.

All in all, the industry's efforts have helped in reducing operational costs for health delivery institutions and in making healthcare accessible to an ever larger number of people around the world. Emerging market populations with growing income profiles will benefit from such institutional and technological progress. The developed world, on the other hand, with a fast ageing population, will continue to be a lucrative market for all players.

Opto Circuits, with a significant presence in both worlds, is well placed to serve developing countries with vital technologies as well as offer leading edge healthcare to those who can afford it in the developed countries.

IR: What are your key endeavours for FY2012?

Chairman: This year we are focusing on maximizing organic growth and consolidating the business.

Especially in the United States, we are consolidating operations, integrating our manufacturing facilities and synergizing our sales force and management, rendering them more effective and efficient. The mantra, across subsidiaries, is to minimize duplication and redundancy of costs and to maximize the benefits accruing from a homogenous customer type.

Additionally, we've undertaken a formal restructuring exercise that groups complementary business lines to achieve operational effectiveness and cost efficiencies. Investments of three US-based subsidiaries—Cardiac Science, Criticare Systems and Unetix Vascular, have been transferred to Opto Cardiac Care Ltd., a wholly-owned subsidiary of the Company. Similarly, investments of subsidiaries—Eurocor and N.S.Remedies, were transferred to Opto Eurocor Healthcare Ltd., a wholly-owned subsidiary of the Company.

These initiatives will serve the larger goal of increasing the Company's global market share and emerging markets penetration in the coming fiscal and the years to follow.

IR: What is your long term vision for the Company?

Chairman: My vision is for Opto Circuits to be a peer of scale in the world markets in the medical technology domain. Opto Circuits should be a Company that clinicians and patients around the world

recognize for medical device innovation, efficiency, accuracy and safety. It would mean that besides developing and manufacturing products of great efficacy and quality, we would have to build a great corporate brand that lends its power and values to every product that is launched from its stable.

Also, in our endeavour to achieve global access, we become instrumental in introducing proven diagnostic and treatment options of one country into another; we become the harbingers of medical hope in countries that have had no access to such technologies before. Therefore, I believe that Opto Circuits will continue to influence the propagation and adoption of new life saving technologies across various parts of the world.

IR: Chairman, any final message to your shareholders?

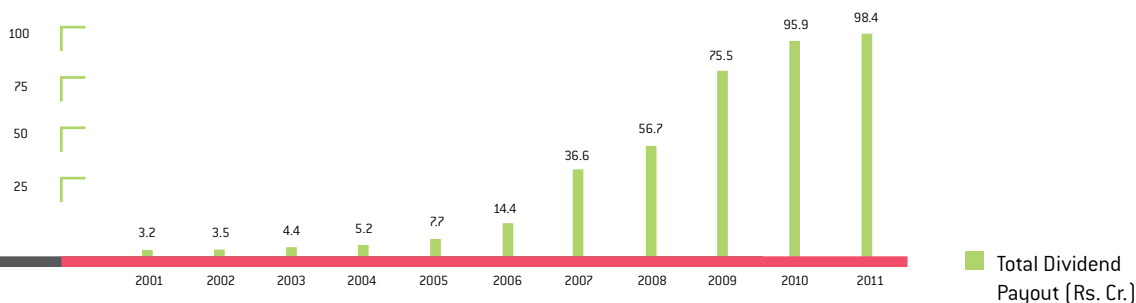
Chairman: Yes. I would like to thank all shareholders for their continued support. I would like to reiterate that the members of the Board and the management are committed to the long term growth and profitability of this Company.

I would also like to add that nothing your Company has achieved would have been possible without the concerted efforts of various other stakeholders around the world. I would, therefore, like to extend my most sincere gratitude to all our customers, channel partners, vendors, colleagues, banking partners and regulatory authorities. I wish everyone a great fiscal 2012.

IR: Thank you, Chairman.

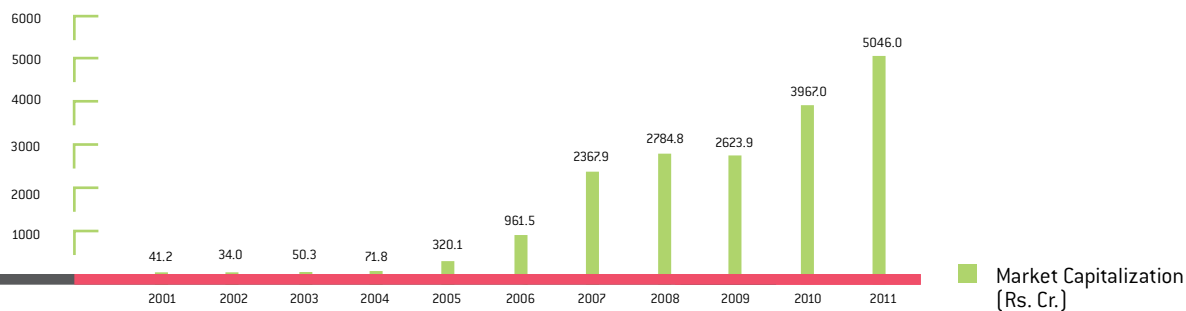
SHAREHOLDER RETURNS: A SUMMARY

Total Dividend Payout (Rs. Cr.)



Note: The FY2010 dividend amount includes dividend on QIP shares for 2009 & 2010 (QIP shares issued in September 2009).

Market Capitalization (Rs. Cr.)



Note: Amounts reflect values as on 31st March of respective financial years.

BONUS & DIVIDEND TRACK RECORD (FACE VALUE: RS. 10)

Year	Bonus Ratio	Dividend Rs./ 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

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

Particulars	Shares	Price per Share (Rs.)	Amount (Rs.)
Initial Investment in FY2001	1,000	50	50,000
Value on 31st March 2011	13,127*	276**	3,818,701***
Returns	1,213%	452%	7637%

*Includes cumulative bonus shares

** Rs. 275.75 is the BSE closing rate as at 31st March 2011

*** Includes cumulative dividends but does not include dividend as proposed on 17th May 2011 and which is subject to shareholder approval at the AGM to be held on 28th September 2011

RECAP 2010–2011: ACQUISITIONS, APPROVALS & LAUNCHES



ACQUISITION OF UNETIXS VASCULAR, INC.

Opto Circuits acquired 100 percent of the capital stock of US-based Unetixs Vascular, Inc., a specialist in the detection of peripheral arterial disease (PAD). Unetixs Vascular designs, develops and markets a full line of world class, US FDA-approved vascular diagnostic systems and accessories to help in the detection of PAD.

April 2010

July 2010



EUROCOR'S CORONARY BARE METAL STENT BRANDS E-MAGIC® AND E-FLEX™ RECEIVE CE MARK

E-Magic® is an uncoated stent on a cobalt chromium base and E-Flex™ is an uncoated stent on a stainless steel base.

October 2010 November 2010

ACQUISITION OF

N.S. REMEDIES PVT. LTD.

Opto Circuits acquired Kolkata (India) based N.S. Remedies Pvt. Ltd. The Company has an advanced facility for stent manufacturing and Research & Development. The Company has the required capabilities to produce stainless steel and cobalt chromium stents.

GLOBAL LAUNCH OF FREEWAY™

DRUG(PACLITAXEL)-ELUTING PERIPHERAL DILATATION CATHETER FOR PERIPHERAL USE

Eurocor launched FREEWAY™, drug(paclitaxel)-eluting peripheral dilatation catheter designed for the treatment of critical limb ischaemia (CLI) associated with peripheral arterial disease (PAD). Primary amputation rates amongst patients with CLI can be very high and the addition of FREEWAY™ provides interventionalists with an option that avoids amputation. FREEWAY™ has the CE mark.

LAUNCH OF CRITICARE SYSTEMS' NEXT-GEN CO₂/N₂O GAS BENCH

Criticare Systems released its next-gen CO₂/N₂O module. This is a compact version of the proven Criticare Systems Poet® series CO₂ detection technology, which, using non-dispersive infrared technology, will measure inspired and expired CO₂ and N₂O gases.

- Acquisitions
- Product Launches, Registrations, Certifications
- Major Clinical Trials
- Other Major Developments



ACQUISITION OF

CARDIAC SCIENCE CORPORATION

Opto Circuits acquired US-based Cardiac Science, a company that develops, manufactures, and markets a family of advanced diagnostic and therapeutic cardiology devices and systems.

December 2010

LAUNCH OF CARDIAC SCIENCE'S BURDICK® 8500 ECG AND BURDICK® 8300 ECG

Cardiac Science added two ECGs – Burdick® 8500 and Burdick® 8300 under its Burdick® brand, known for its accuracy, reliability, and ease of use.



EUROCOR'S COMBINATION DEVICE MAGICAL™ RECEIVES REGISTRATION FROM DRUG CONTROLLER GENERAL OF INDIA (DCGI)

Eurocor received registration from DCGI for its PTCA (Percutaneous Transluminal Coronary Angioplasty) drug-coated stent delivery balloon, MAGICAL™, enabling us to now sell it in India.



January 2011

CARDIAC SCIENCE COMPLETED CERTIFICATION WITH ALLSCRIPTS PROFESSIONAL EHR™ (ELECTRONIC HEALTH RECORD).

This latest certification extends its HeartCentrix® cardiology device connectivity solution for its resting ECG, stress, and Holter monitoring products to support Allscripts Professional EHR™.

CARDIAC SCIENCE WAS AWARDED AIRWORTHINESS RELEASE FROM THE U.S. ARMY'S RESEARCH, DEVELOPMENT, AND ENGINEERING COMMAND FOR THE POWERHEART® AED G3 PRO® AUTOMATED DEFIBRILLATOR



ENROLLMENT FOR VALENTINES TRIAL II

February 2011

CARDIAC SCIENCE WAS AWARDED A CONTRACT TO DEPLOY POWERHEART® AEDS IN ALL TYCO FLOW CONTROL FACILITIES GLOBALLY

CARDIAC SCIENCE WAS AWARDED A CONTRACT TO DEPLOY POWERHEART® AEDS AT U.S. POSTAL INSPECTION SERVICE SITES ACROSS THE UNITED STATES.

RESULTS OF VALENTINES TRIAL I ANNOUNCED

March 2011

GROUP'S FINANCIAL HIGHLIGHTS

Three Years at a Glance

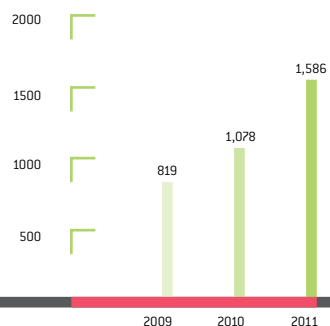
Financial Data Summary		Unit	2009	2010	2011
Profit & Loss					
Sales	Rs. Crore	819	1,078	1,586	
EBITDA	Rs. Crore	284	356	477	
PBT	Rs. Crore	217	290	394	
PAT	Rs. Crore	209	260	369	
Balance Sheet					
Gross Block	Rs. Crore	264	357	752	
Net Block	Rs. Crore	198	272	441	
Net Current Assets	Rs. Crore	613	751	1,194	
Share Capital	Rs. Crore	162	208	186	
Reserves and Surplus	Rs. Crore	355	838	1,181	
Capital Employed	Rs. Crore	1,068	1,292	2,297	
Performance Ratios					
EBITDA/Sales	%	35%	33%	30%	
PBT/Sales	%	26%	27%	25%	
PAT/Sales	%	26%	24%	23%	
Turnover Ratios					
FA Turnover Ratio		4.13	3.96	3.59	
WC Turnover Ratio		1.33	1.44	1.33	
Leverage Ratios					
Debt/Equity Ratio		1.04	0.22	0.65	
Share Data					
Dividend	%	40%	40%	45%	
Dividend per Share	Rs.	4.00	4.00	4.50	
Basic EPS [restated]	Rs.	11.20	13.95	19.70	
Other Key Parameters - Balance Sheet					
Goodwill/Total Assets	%	17%	15%	21%	
Capital Expenditure/Sales	%	18%	9%	25%	
Other Key Parameters - P&L					
Employee Cost/Sales	%	5%	5%	7%	
SGA Total/Sales	%	12%	10%	16%	
Interest Cost/Sales	%	7%	4%	2%	

Note:

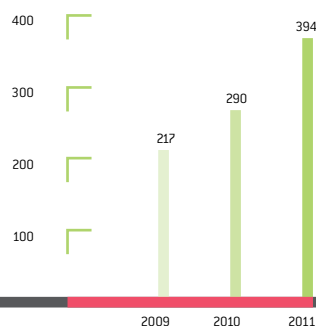
Share Capital : For FY2010 , Share capital includes Convertible Share warrants

Capital Expenditure: For FY2011, capital expenditure is the difference between gross block FY2011 vs FY2010

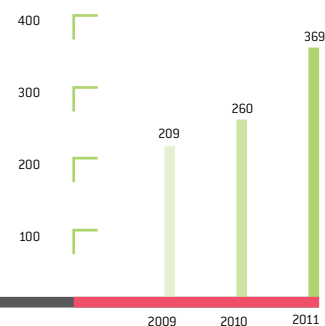
Key Parameters



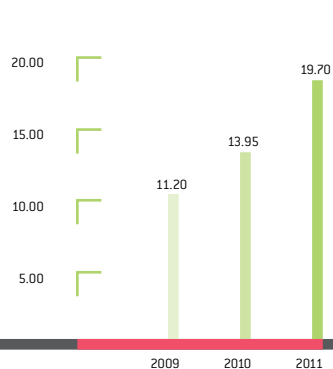
SALES
[Rupees in Crore]



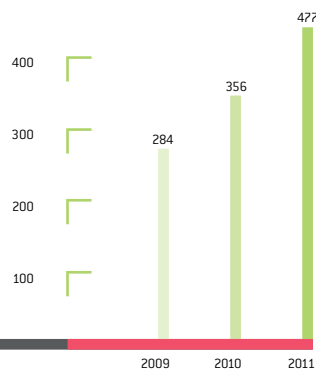
PROFIT BEFORE TAX
[Rupees in Crore]



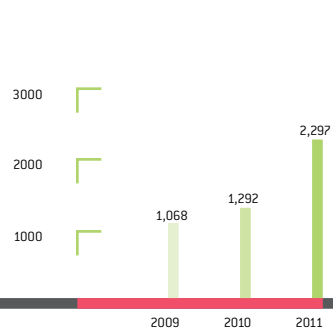
PROFIT AFTER TAX
[Rupees in Crore]



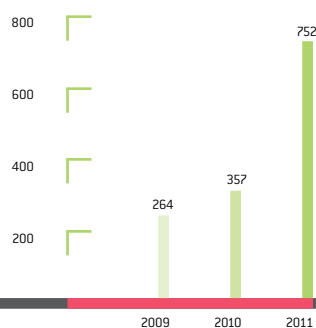
EPS RESTATED
[Rupees]



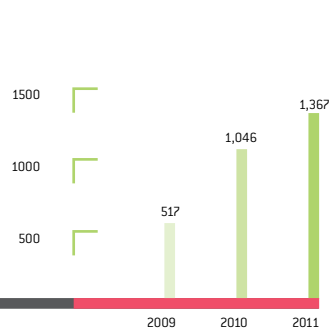
EBITDA
[Rupees in Crore]



CAPITAL EMPLOYED
[Rupees in Crore]



GROSS BLOCK
[Rupees in Crore]



NETWORTH
[Rupees in Crore]

TRADE SHOWS AND CONFERENCES

Few of the major trade shows and conferences that the Opto Circuits Group has participated in:



Cardiac Science at
**AMERICAN COLLEGE OF
CARDIOLOGY (ACC) CONFERENCE**
in USA, March 2010

Eurocor at
EUROPCR
in Paris, May 2010

Eurocor at
**TRANSCATHETER CARDIOVASCULAR
THERAPEUTICS (TCT)**
in USA, September 2010



AMDL at
**ANNUAL CONFERENCE OF
VASCULAR SOCIETY OF INDIA**
in India, October 2010



Cardiac Science at
**AMERICAN ASSOCIATION OF CARDIOVASCULAR AND
PULMONARY REHABILITATION ANNUAL MEETING**
in USA, October 2010



Mediaid, Criticare, Unetixs
and Cardiac Science at
MEDICA
in Germany, November 2010



Eurocor at
**ACUTE MYOCARDIAL INFARCTION
(AMI) COURSE**
in India, November 2010



Cardiac Science at
**SAN DIEGO PROJECT HEART BEAT WHERE CARDIAC SCIENCE
CO-HOSTED AN AED/CPR "MASS TRAINING EVENT"**
in USA, December 2010



Mediaid, Criticare, Unetixs, Cardiac Science
and Devon Innovations at
ARAB HEALTH
in UAE, January 2011



Eurocor at
**CARDIOVASCULAR RESEARCH
TECHNOLOGIES (CRT) CONGRESS**
in USA, February - March 2011



Eurocor at
CAD CONFERENCE
in India

FOCUS ON ACQUISITIONS

CARDIAC SCIENCE CORPORATION

Cardiac Science Corporation develops, manufactures, and markets a family of advanced diagnostic and therapeutic cardiology devices and systems. The Company sells a variety of related products and consumables and provides a portfolio of training, maintenance, and support services. Cardiac Science owns such established and trusted brands as Burdick®, HeartCentrix®, Powerheart®, and Quinton®.

Location: USA

Acquired: December 2010

Patents: 118 international patents and 23 pending

External defibrillation market:

Size: 2009 – USD 600Mn., 2016 – USD 842Mn.; CAGR of 7%

Growth drivers:

- Increase in awareness of the incidence of sudden cardiac arrest
- Increasing government legislation promoting or requiring external defibrillation installation in public domains
- Opportunities for emerging market penetration



Burdick® Premier Vision™ Holter



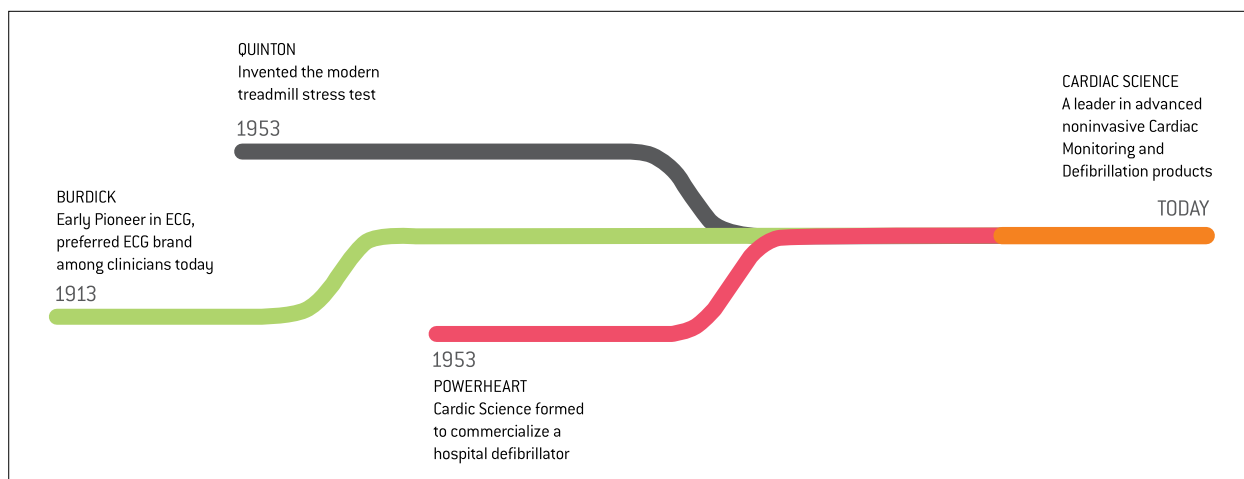
Quinton® Q-Stress®: Cardiac Stress Test Machine



Burdick® ECG



Powerheart® AED



Cardiac monitoring devices market:

Size: 2009 – USD 635Mn., 2016 – USD 925Mn., CAGR of 6%

Growth drivers:

- Increase in global incidence of cardiac disease
- Increasing acceptance of remote and continuous monitoring technologies
- Opportunities for emerging market penetration



Old Quinton® product line

Products/Technology

CARDIAC MONITORING DEVICES

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. Cardiac Science develops, manufactures and markets a family of advanced diagnostic cardiology devices such as electrocardiograph systems, stress test systems and holter monitoring systems.

Cardiac Science's trusted Burdick® and Quinton® brands include the best-selling ECG/ EKG products for physician offices and hospitals. The ECG/ EKG system uses the Glasgow algorithm (GRI) to consider clinically significant criteria for more accurate results. Today, the Quinton® Q-Stress® cardiac stress testing system is the hospital industry's gold standard. The cardiac stress system, winner of multiple awards (most recently Frost & Sullivan's Market Engineering Award) is now in its ninth generation.

When tested against industry-standard Massachusetts Institute of Technology (MIT) and American Heart Association (AHA) ECG/ EKG databases, the Burdick® Vision™ Premier Holter System and Burdick® Vision™ Holter System provided beat-detection results with 99.95 percent accuracy.

AUTOMATED EXTERNAL DEFIBRILLATION

Defibrillation is the delivery of electrical current to the heart to restore a normal heartbeat. Defibrillation systems enable the detection and identification of life-threatening arrhythmias which can lead to death from Sudden Cardiac Arrest (SCA) and when appropriate, deliver a shock to restore the normal heartbeat. Sophisticated algorithms within defibrillators filter noise and artifact from a patient's electrocardiogram signal to enable correct identification of heart rhythms that are life-threatening (i.e. shockable), or non-life-threatening (i.e. not shockable).

Cardiac Science's patented Rescue Ready Powerheart® defibrillator family offers a variety of automated external defibrillator products for public use and medical professionals, alike. The technology self-tests all main components and sets the Cardiac Science heart defibrillator apart from competitors. You'll find the Cardiac Science automated external defibrillator in hospitals, offices, schools, restaurants, malls, airports, libraries and public places – in short, just about any place someone could suffer sudden cardiac arrest.

Cardiac Science's acquisition expands our presence in noninvasive diagnostic monitoring and gives us tremendous cross selling opportunities to sell our Criticare Systems and Unetixs Vascular products through our global distribution network, especially to the 200,000 primary care physicians serviced by Cardiac Science.

UNETIXS VASCULAR, INC.

Unetixs Vascular designs, develops and markets a full line of world class, US FDA-approved vascular diagnostic systems and accessories to help in the detection of peripheral arterial disease (PAD). PAD occurs when arteries in the legs become narrowed or clogged with fatty deposits, reducing blood flow to the legs. This may cause leg muscle pain when walking, disability, amputation and a generally poor quality of life. Blocked peripheral arteries can also be a sign that arteries in the heart, kidneys and brain might also be blocked, increasing the risk of a heart attack or stroke.

Location: USA

Acquired: July 2010

Patents: 14 international patents

Peripheral vascular equipment market:

2009 – USD 180Mn., 2016 – USD 300Mn., CAGR of 8%

Growth Drivers:

- Peripheral Arterial Disease awareness
- New detection technologies



Revo®: Vascular Diagnostic Equipment

Products/Technology

The Unetixs Vascular's Revo® 1100 peripheral vascular diagnostic system enables a technologist to perform noninvasive, simultaneous bilateral ankle (or toe) brachial index (ABI or TBI) tests. Unetixs Vascular's MultiLab® Series II LHS peripheral vascular diagnostic system has become the world standard in peripheral vascular diagnostics. Designed to perform all standard noninvasive physiological arterial and venous studies, it is ideal for the vascular lab as well as the cardiologist's, vascular surgeon's or other physician's office.

Access to the state-of-the-art PAD detection technology of Unetixs Vascular is a key milestone for Opto Circuits. Unetixs is currently selling products in the USA and will expand its marketing reach leveraging distribution networks of CSC and Eurocor.

N.S. REMEDIES PVT. LTD.

N. S. Remedies has an advanced facility for stent manufacturing and research & development. The Company has the required capabilities to produce stainless steel and cobalt chromium stents and has the necessary CE mark on its stents.



Multilabs®: Vascular Diagnostic Equipment

Location: India

Acquired: April 2010

Products/Technology

STAINLESS STEEL AND
COBALT CHROMIUM BARE METAL STENTS

This acquisition gives us the opportunity to produce all stents required by Eurocor in-house, thereby bringing down input costs and also reducing our dependency on external agencies. This will help us enter several price-sensitive markets in the developing world.

NEW PRODUCT LAUNCHES



BURDICK® 8500

Burdick® 8500 is a 12-Lead Resting Portable ECG/ EKG that shows you what you need, comfortably. Burdick® 8500 ECG equipment has a friendly user interface, multi-angle 7-inch widescreen and color display that makes reading waveform data easy and protocol choices streamline workflow.



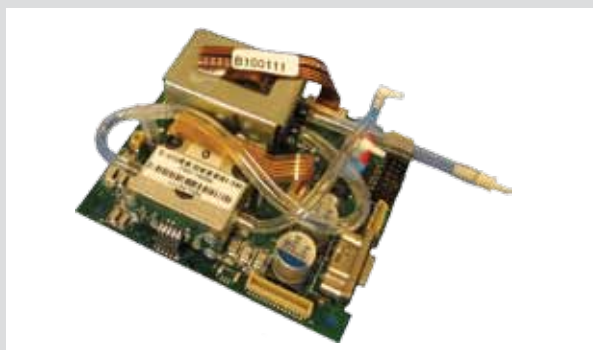
BURDICK® 8300

Burdick® 8300 is a practical, no-nonsense ECG device. The Burdick® 8300 ECG / EKG has a friendly user interface and clear, readable 5.7-inch monochrome display to make reading data easy, with protocol choices designed to streamline work flow.



CARECENTER MD™

CareCenter MD™ is a multimodality PC-based wireless diagnostic workstation with both PC ECG and PC stress test modalities, designed to make workflow much easier.



CRITICARE SYSTEMS CO₂/ N₂O MODULE

This is a compact version of the proven Criticare Systems Poet® series CO₂ detection technology, which, using non-dispersive infrared technology, will measure inspired and expired CO₂ and N₂O gases. Criticare Systems' CO₂/ N₂O proprietary technology is connected to a large base on consumable products, available to both OEM's and end customers.



CRITICARE CONNECT®

Criticare Connect® helps eliminate wire clutter with a secure, reliable Bluetooth™ connection, linking patient monitors to PC workstations.



FREEWAY™ 014

FREEWAY™ 014 is a Paclitaxel-eluting balloon (DEB) dilatation catheter specifically designed for peripheral interventions.



E-MAGIC®

E-Magic® is an uncoated cobalt chromium coronary stent system.

E-FLEX™

E-Flex™ is an uncoated stainless steel coronary stent system.

BRAND PORTFOLIO

Opto Circuits and its subsidiaries market around 25 brands of medical equipment and interventional products that make for a large chunk of the Company's non-OEM revenues.

Look out for these brands at your local health delivery establishments:

CARDIAC MONITORING SYSTEMS



PERIPHERAL VASCULAR DIAGNOSTICS



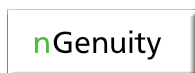
AUTOMATED DEFIBRILLATION



DATA MANAGEMENT & CONNECTIVITY



VITAL SIGNS PATIENT MONITORS



CARDIAC STENTS



ANESTHESIA RESPIRATORY CARE



CARDIAC & PERIPHERAL BALLOONS



CONSUMABLES



COMBINATION PTCA PRODUCT



MANUFACTURING FACILITIES



We operate out of state-of-the-art, world-class facilities that are located in USA, Malaysia and India. Of these, 3 facilities were added to our combined manufacturing strength in the last fiscal.

Our manufacturing process at the Cardiac Science facility in Deerfield, Wisconsin consists primarily of assembly and testing of AEDs, electrocardiograph devices, stress test systems, holter monitoring systems, cardiac rehabilitation telemetry systems, medical treadmills, electrodes and various other products.

The acquisition of N.S. Remedies in Kolkata has allowed us to venture into manufacturing of bare metal cardiac stents in India. We have an advanced stent manufacturing facility with the required capabilities to produce stainless steel and cobalt chromium stents.

We use state-of-the-art equipment for processes like electro polishing, annealing, cleaning, crimping and sterilization of stents. At Unetixs Vascular's Rhode Island facility we design and manufacture the most in-depth line of technically advanced peripheral vascular diagnostic systems. Hardware and software development, final production of all instrumentation and packaging are done at this facility. Our highly responsive service department is headquartered here as well.

Our new facilities located at Johor Bahru, Malaysia are spread over 60,000 sq.ft. We plan to manufacture invasive and noninvasive products here.

CLINICAL TRIALS AND STUDIES

THE VALENTINES TRIAL

Eurocor's DIOR® is a CE marked drug (paclitaxel)-eluting balloon (DEB) dilatation catheter used in coronary angioplasties. It can be effectively used in patients with in-stent restenosis, bifurcation lesions and lesions in small vessels.

Eurocor began the Valentines Trial, a first of its kind multicenter, open-label registry of patients on the occasion of Valentine's Day, 14th February 2010. 276 patients were initially recruited from up to 100 centers around the globe with an objective to assess the efficacy of DIOR®-II for In-stent Restenosis (ISR) following Bare Metal Stent (BMS) and Drug-eluting Stent (DES) implantation at 6-9 months follow up. The results of this trial were announced at the CRT congress on 1st March 2011. Registry for Valentines Trial II began on 14th February 2011 with an objective to evaluate the efficacy of DIOR® DEB in the treatment of de novo coronary artery lesions at 6–9 months follow up.

Eurocor has provided the DIOR® DEB for use in the trial and will manage both, the trial and its investigators, via its own organization and the international distributor network. All data for analysis is collected via an electronic data capture system and analyzed within the Cardiovascular Research Institute Data Coordinating Center of the Washington Hospital Center.

Valentines Trial I

[Please refer to data on the facing page]

Valentines Trial II

A randomized, prospective, multicenter international study.

Principal Investigators: Dr. Alfredo Rodriguez (Argentina), Dr. Antonio Serra (Spain), Dr. Fazila Malik (Bangladesh)

Purpose: To evaluate the efficacy of DIOR® DEB in the treatment of de novo coronary artery lesions at 6 to 9 months follow up.

No. of participants: 123 patients with de novo lesions included

THE SPANISH MULTICENTER REGISTRY DIOR® IN ISR AND SMALL VESSEL DISEASE

A prospective, multicenter one arm registry

Principal Investigator: Dr. Serra, Dr. Vaquerizo, Dr. Miranda (Hospital Del Mar, Barcelona)

Purpose: Assessment of efficacy and safety of the Paclitaxel-eluting balloon DIOR® in patients with ISR or de novo lesions in small vessels (<2.5 mm) at 1, 6 and 12 months follow up and angiographic follow-up at 6–8 months in 34% of patients.

No. of participants: 250 patients

Conclusion:

- Use of the Paclitaxel-eluting balloon DIOR® provides an excellent mid-term outcome with 7% TLR at 12 months
- Use of DIOR® in ISR is a promising treatment to avoid stent-in-stent implantation
- Use of DIOR® in Small Vessel Disease provides remarkable results which have not been described before

DEAR REGISTRY

An Argentinean Registry of the DIOR® balloon in diabetics

Principal Investigator: Dr. Alfredo E. Rodriguez, MD, PhD [Cardiovascular Research Centre (CECI), Head of Cardiology Department at Otamendi Hospital, Argentina]

Purpose: To assess major clinical events when a paclitaxel-eluting balloon (DIOR®) and a stent are used to treat coronary lesions in a diabetic population.

Follow-up: 9 months

Outcome at 9 months: The treatment of Diabetic patients is critical since they generally provide a worse outcome than non Diabetic patients. The Dear registry shows a very good outcome with a TLR of only 6.6% at 9 months for this group of patients.

FREERIDE STUDY

A randomized, prospective, multicenter international study.

Principal Investigator: Prof. Karl-Ludwig Schulte (Germany)

Purpose: Inhibition of restenosis by the Paclitaxel-eluting PTA balloon FREEWAY™ versus Plain Old Balloon Angioplasty in the treatment of lesions in SFA or popliteal arteries (PI-segment) at 6 to 9 months follow up.

Planned participants: 280 with occluded, stenotic, reoccluded or restenotic (no in-stent-restenotic) lesions of 4–15 cm length

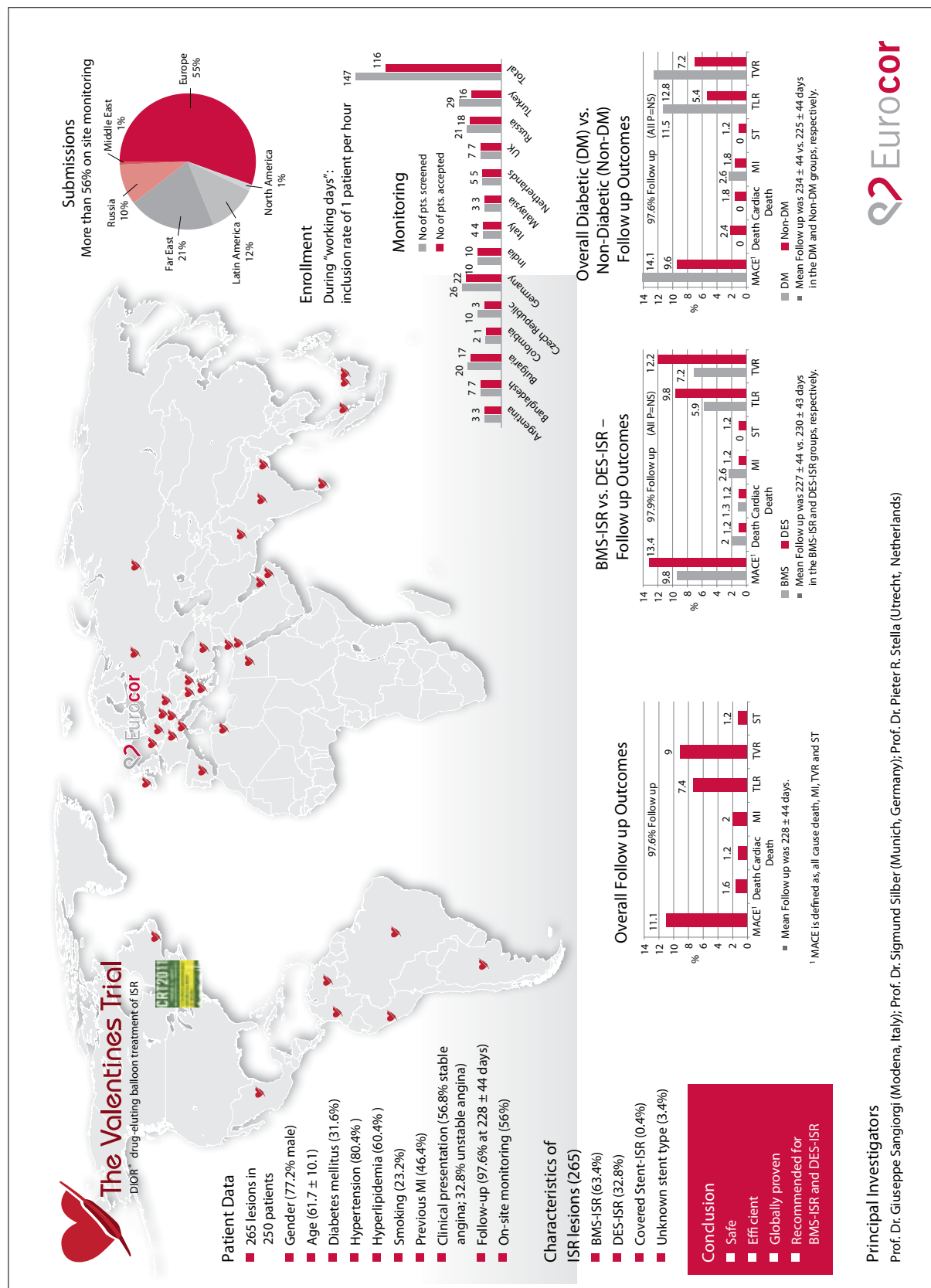
FREWAY STENT STUDY

A randomized, prospective, multicenter international study.

Principal Investigator: Prof. Josef Tacke

Purpose: Inhibition of restenosis by Nitinol stent angioplasty with post dilatation of Paclitaxel-eluting PTA balloon FREEWAY™ or plain balloon in SFA and popliteal (PI-segment) arteries at 6 to 9 months follow up.

Planned participants: 200 with de novo lesions of 4–15 cm length



EUROCOR'S PARTNER MICELL TECHNOLOGIES' DESSOLVE TRIALS

MiStent™ is based on the Eurocor's industry leading Genius MAGIC®Cobalt Chromium Stent System.

Micell has an ongoing clinical study, DESSOLVE I in New Zealand, Australia and Belgium. DESSOLVE I (DES with Sirolimus and an absorbable polymer for the treatment of patients with de novo lesions in the native coronary arteries), is a first-in-human clinical trial of the company's investigational MiStent Drug Eluting Coronary Stent System (MiStent™ DES).

DESSOLVE I is a prospective, open-label, non-randomized, single-arm study that is expected to enroll 30 patients at five clinical sites in Belgium, Australia and New Zealand. Candidates for the trial are patients with documented stable or unstable angina pectoris or ischemia. The primary endpoint is in-stent late lumen loss, as measured with angiography in treated de novo lesions ranging in diameter from 2.5 to 3.5 mm and amenable to treatment with a maximum 23 mm long stent.

DESSOLVE II

A Prospective, controlled, 2:1 unbalanced randomized, multi center study.

Principal Investigator: William Wijns, MD Cardiovascular Center, Onze-Lieve-Vrouweziekenhuis Aalst (OLV Hospital)

Purpose: The primary endpoint is superiority of the MiStent DES in minimizing in-stent late lumen loss at nine months, compared to Medtronic's Endeavor® Sprint DES, as measured by the angiography core laboratory in de novo lesions ranging in diameter from 2.5 to 3.5 mm and amenable to treatment with a maximum 30 mm length stent

Participants: 171 patients; patients have been enrolled at 26 clinical sites in Europe and New Zealand; the trial includes patients with documented stable or unstable angina pectoris or ischemia.

Follow up: 9 months



Statutory Reports

DIRECTORS' REPORT TO THE SHAREHOLDERS

To the Members,

We are pleased to present the 19th 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 2010 to 31st March 2011.

FINANCIAL HIGHLIGHTS: OPTO CIRCUITS – STANDALONE

Rupees in Lacs

Particulars for the year – ended March 31st	2011	2010
Total Revenues	63,927.17	46,092.50
Expenditure	39,253.82	29,576.67
Profit before Depreciation	25,263.97	16,825.54
Depreciation	590.62	309.71
Profit before Tax	24,673.35	16,515.83
Provision for Taxation	267.78	1,648.72
Prior year Adjustment	31.95	[163.53]
Profit for the Year	24,437.52	14,703.58
Appropriations		
Proposed Dividend	8,402.98	8,173.20
Tax on Dividend	1,395.69	1,389.04
Surplus carried to Balance Sheet	14,638.85	5,141.34

OPERATIONS

Standalone Total Revenues are at Rs. 63,927.17 lacs for the year ended 31st March, 2011 as against Rs. 46,092.50 lacs for the corresponding period of FY2010, a growth of 39%. Standalone Profit after Tax for the year ended 31st March, 2011 is at Rs. 24,437.52 lacs, as against Rs. 14,703.58 lacs for the corresponding period of FY2010, a growth of 66%.

No material changes and commitments affecting the financial position of the Company have occurred between the end of FY2011 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 Rs. 4.50 per equity share of face value Rs. 10 for the year ended 31st March 2011.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 2,500.00 lacs to General Reserves out of the amount available for appropriation. An amount of Rs. 33,109.99 lacs is proposed to be retained in the Profit and Loss Account.

GROUP FINANCIAL HIGHLIGHTS: OPTO CIRCUITS – CONSOLIDATED

Rupees in Lacs

Particulars for the year – ended March 31st	2011	2010
Total Revenues	161,599.62	106,999.76
Expenditure	122,356.62	77,676.06
Profit before Depreciation	44,322.78	32,103.63
Depreciation	5,079.78	2,779.93
Profit before Tax	39,243.00	29,323.70
Provision for Taxation	2,508.95	2,963.73
Prior year Adjustment	120.55	[319.12]
Profit for the Year	36,854.60	26,040.85
Appropriations		
Proposed Dividend	8,434.90	8,194.48
Tax on Dividend	1,409.95	1,396.44
Minority Interest	129.68	10.42
Unrealised Profit		140.83
Surplus carried to Balance Sheet	26,880.07	16,298.68

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 Total Revenues are at Rs. 161,599.62 lacs for the year ended 31st March, 2011 as against Rs. 106,999.76 lacs for the corresponding period of FY2010, a growth of 51%. Consolidated Profit after Tax for the year ended 31st March, 2011 is at Rs. 36,854.60 lacs, as against Rs. 26,040.85 lacs for the corresponding period of FY2010, a growth of 41%. Earnings per Share for the year-ended 31st March 2011 is at Rs. 19.70 (Basic).

CAPITAL STRUCTURE: CONVERTIBLE SHARE WARRANTS

The Company had allotted 3,179,000 and 1,500,000 Convertible Share Warrants at the rate of Rs. 210.00 per warrant, to its

promoters, employees of the Company/Subsidiaries and others on 29th July, 2009 and 9th April 2010 respectively. Out of these, 3,500,000 share warrants were converted and an allotment of 3,500,000 equity shares was made during the financial year.

Details of Allotment of Equity Shares:	
Allottee	No. of Equity Shares Allotted
Mr. Vinod Ramnani	1,000,000
Ms. Usha Ramnani	1,000,000
Mr. Gautam G Gurnani	1,500,000

The Company allotted 1,500,000 convertible share warrants to Non-Resident Indian (NRI) Mr. Gautam G Gurnani on 9th April, 2010, on receipt of Foreign Investment Promotion Board (FIPB) approval dated 6th April, 2010.

SUBSIDIARIES

ACQUISITIONS BY OPTO CIRCUITS (INDIA) LTD:

During the year, the Company acquired three companies (one domestic and two overseas):

- N.S. Remedies Pvt. Ltd., an advanced stent manufacturing company based in West Bengal, India.
- Unetixs Vascular Inc., a specialist in vascular diagnostics based in Rhode Island, USA.
- Cardiac Science Corporation, owner of reputed cardiology product brands like Quinton®, Burdick® and Powerheart® based in Washington, USA.

(The above three acquisitions have been discussed in detail in the Management Discussion & Analysis segment, later in this Report.)

INVESTMENT BY OPTO CIRCUITS(INDIA) LTD :

During the year, Opto Circuits invested into the following wholly owned subsidiaries:

Opto Circuits (Malaysia) Sdn. Bhd.:

Opto Circuits invested Rs. 4,463.00 lacs in a highly scalable, world class facility in Johor Bahru, Malaysia. This facility enjoys strategic advantages from a supplier- logistic perspective, enables better access to our customers in Asian markets, while simultaneously augmenting our global manufacturing abilities. This facility is located within a technology park and enjoys tax exemption on income for the next 10 years subject to the statute/rules applicable in its country of domicile. Going forward, it is proposed that the facility be utilized to launch some of our new products or products that are presently in the pipeline.

Opto Eurocor Healthcare Ltd. (OEHL):

Altron Industries Pvt. Ltd., an Opto Circuits subsidiary, was renamed as Opto Eurocor Healthcare Ltd. during the year 2010 - 2011. Opto

Eurocor Healthcare Ltd., will house the minimally invasive product portfolio within the Group. Opto Circuits invested Rs. 1,400.00 lacs in OEHL during the last fiscal.

Opto Cardiac Care Ltd. (OCCL):

OCCL was founded as a subsidiary of Opto Circuits (India) Ltd. OCCL will house a significant part of the noninvasive product portfolio within the Group. Opto Circuits invested Rs. 4,000.00 lacs in OCCL during the last fiscal.

INVESTMENTS BY SUBSIDIARIES:

During the year, the Company, through its subsidiaries, Criticare Systems, Inc., Mediaid, Inc. and Eurocor GmbH made investments into Criticare – Malaysia, Mediaid - Dubai and Eurocor – Malaysia respectively. These were rendered as wholly owned subsidiaries and thereby the step-down subsidiaries of Opto Circuits (India) Limited.

TRANSFER OF INVESTMENTS WITHIN THE GROUP:

During the year, Advanced Micronic Devices Ltd. (AMD) transferred its investment in Micronic Healthcare Pvt. Ltd., to Opto Infrastructure Ltd. (OIL), for a value of Rs. 1.00 lac.

During the year, OEHL transferred the assets net of liabilities related to the Company's hotel line of business for a value of Rs 60.00 lacs to Micronic Healthcare Pvt. Ltd. (MHPL), a wholly owned subsidiary of OIL. Consequently, MHPL became the owner of such net assets and would carry on the business going forward.

As on 31st March 2011, your Company had fourteen subsidiary companies, listed as under:

Name of the Company	Country of Incorporation	% Holding
1. Advanced Micronic Devices Ltd.	India	59.71%
2. Mediaid, Inc.	USA	100%
3. Opto Eurocor Healthcare Ltd.	India	100%
4. Eurocor GmbH	Germany	100%
5. Ormed Medical Technology Ltd.	India	100%
6. Devon Innovations Pvt. Ltd.	India	100%
7. Criticare Systems, Inc.	USA	100%
8. Opto Infrastructure Ltd.	India	87.06%
9. Maxcor Lifescience Inc.	USA	100%
10. N. S. Remedies Pvt. Ltd.	India	100%
11. Unetixs Vascular, Inc.	USA	100%
12. Opto Circuits (Malaysia) Sdn. Bhd.	Malaysia	100%
13. Cardiac Science Corporation	USA	100%
14. Opto Cardiac Care Ltd.	India	100%

Ministry of Corporate Affairs, Government of India, 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 the subsidiary companies and the related detailed information to any investor of holding and of subsidiary companies seeking such information at any point of time. The annual accounts of 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.

EVENTS AFTER THE BALANCE SHEET DATE

CORPORATE RESTRUCTURING: THE WAY FORWARD

The Company has undertaken a restructuring initiative to align complementary business lines to achieve cost effectiveness and operational efficiencies. Investments of three US-based subsidiaries: Cardiac Science Corporation, Criticare Systems Inc. and Unetixs Vascular, Inc., were transferred to Opto Cardiac Care Ltd. Investments of subsidiaries, Eurocor GmbH and N.S. Remedies Pvt. Ltd. were transferred to Opto Eurocor Healthcare Ltd. Both Opto Cardiac Care Ltd. and Opto Eurocor Healthcare Ltd. are 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 shareholder valuation.

MANAGEMENT DISCUSSION AND ANALYSIS

More than a thousand devices are used in today's medical facilities that strive to meet multifarious patient needs in differing economic landscapes. The speedy progress of medical science, laboratory research, the globalisation of diseases and disease control are actively propelling the industry to new levels. Devices that are life saving by function become non discretionary to the care givers and patients. Insurance penetration, private or national, also dictates usage patterns and product design.

The following is a snapshot of the two major segments that Opto Circuits operates in.

MEDICAL EQUIPMENT & CONSUMABLES

Group companies –Mediaid, Criticare, Cardiac Science and Unetixs are in the business of designing, developing and marketing the following product categories:

- Vital Signs Patient Monitoring Systems: Single and multi-parameter systems, spot-check and continuous monitoring systems, single parameter modules
- Cardiac Monitoring Systems: ECG machines, Stress test machines and Holters
- Anesthesia and Respiratory Care: Gas benches, gas modules
- Defibrillators: Public access defibrillators (AEDs), hospital defibrillators
- Vascular diagnostic equipment: Noninvasive PAD diagnostic equipment
- Consumables & Accessories: Sensors, water traps, comfort cuffs, etc.
- Data Management & Connectivity products: Central monitoring software, PC-based diagnostic workstations, etc.

These products are US FDA listed and/ or CE-marked. Brands like Quinton®, Burdick®, Powerheart®, nCompass™, nGenuity™, eQuality™, Medichek, Revo® and eTraq are sold in more than 100 countries through direct and indirect sales channels.

Our cardiac monitoring product brands (ECGs, holters and stress test machines) enjoy 17% market share in the US and a 2% market share globally.

Our AED brand enjoys 27% market share in the US and 10% globally.

FY2011 – Noninvasive Business	
Geographic Revenue Segmentation	
USA	61%
Europe	9%
Asia	11%
ROW	19%
TOTAL	100%

Revenue Share & Growth

The medical equipment and consumables business segment accounted for 73% of FY2011 Consolidated Total Sales. Sales from this segment grew by 45% as compared to FY2010. The segment also clocked a healthy three-year revenue CAGR of 34%.

Market Potential

- Opto Circuits' products from this segment attract a current market opportunity of around USD 14 Bn.
- We expect the global market for patient monitoring systems to exceed USD 8 Bn. by 2015 with a CAGR of 3%
- We estimate the PAD diagnostic market to reach USD 300 Mn. over the next three years

AED Legislation & Growth Snapshot	
Japan	2004 legislation allowed AED use by lay persons; Market grew 40% per year from 2005–2008.
UK	Government launched AED program in 2000; market grew 19% per year from 2002–2009.
China	Only medical professionals allowed to use AEDs; Company estimates 17% market growth from 2010–2016.
Germany	Company estimates 8% market growth from 2010–2016%.
Italy	Pending legislation to require AEDs in public buildings; pharmacies may be first response AED locations.

Industry Trends

- i) It's been a constant endeavour of hospitals in the United States and many other developed countries to reduce healthcare costs. This pressure and the need to lower the staff-to-patient ratio has dictated the development of technologies that are increasingly operationally networked with other medical equipment and with HIS (Hospital Information Systems). Maintenance of EMRs (Electronic Medical Records) is being mandated and encouraged across many geographies; bluetooth and other wireless technologies are being used to remotely monitor patients, thereby reducing manpower requirements in busy hospital scenarios. Opto Circuits' medical equipment products from Cardiac Science and Criticare Systems have followed on this trend. Our data management and connectivity products assure seamless integration between various hospital technologies, collaboration with professional medical colleagues, better decision support and good relationships with patients. We help clinicians manage medical data, whatever the environment.
- ii) Technologies are being miniaturized so as to be portable across medical establishment premises and useful in ambulatory applications. Desktop monitors are now the size of a palmtop that could be carried by hospital staff in their pockets or are hung onto a patient's bed while in movement within a hospital. Opto Circuits has developed miniaturized gas monitors and pulse oximetry products for effective use by paramedics, nursing staff and by doctors in low-infrastructure care environments.
- iii) The module (the parameter to be measured) used inside a patient monitor is now being made available as a standalone unit, adaptable and compatible with other monitor screens, including that of laptops and PCs and scalable to incorporate reading of other vital signs. The separation of the technology from the external box creates a market for systems integration

contracts with other industry players. Opto Circuits' OEM business has been positively affected by the introduction of pulse oximetry and anesthesia modules into the larger product basket.

- iv) Medical devices are venturing into drug-dominated areas of preventive and emergency healthcare. Early diagnosis of vascular diseases using noninvasive diagnostic imaging equipment like Revo® (from Unetixs) can prevent occurrence of serious cardiovascular events in the future. Until the paramedics arrive, public access automated external defibrillators (AEDs from Cardiac Science) are excellent at saving the life of someone who has just had an out-of-hospital sudden cardiac arrest (SCA). Communities that strategically place AEDs in public buildings, arenas, airports, and emergency vehicles reduce response time and, therefore, improve survival rates for SCA. Communities with public access defibrillation programs report community survival rates approaching 50%.
- v) The high incidence of viruses, skin ailments, contagious diseases and the inclination of insurance policies to cover for such costs has propagated the use of disposable monitor accessories like sensors, comfort cuffs and water filters. The use of reusable accessories continues in developing and under-developed countries where the cost of such consumables is paid for by the hospital or the government through its welfare schemes.

Growth Drivers

- 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

INTERVENTIONAL DEVICES & TOOLS

Group companies – Eurocor, N.S. Remedies, Devon & Ormed are in the business of designing, developing and marketing the following product categories:

Cardiovascular stents: Bare metal stents and drug coated stents

PTA Balloons: Cardiovascular drug-eluting balloons, peripheral drug-eluting balloons and uncoated dilatation balloons

Combination Technologies: Bare metal stents and coated balloon convergence

Catheters & Disposables

Hip Implants

These products are CE-marked and are usually locally certified in countries where they are sold. Brands like DIOR®, Freeway™, Genius Magic®, eFlex™ are sold in around 65 countries through direct and indirect sales channels.

In Europe, Germany, France and UK are important markets for the Company's interventional products. India, Brazil and its peripheral economies, Middle East & SEA countries are the Company's fastest growing markets for stents and balloons.

REVENUE SHARE & GROWTH

The interventional devices and tools segment accounted for 25% of FY2011 Consolidated Net Sales. Sales from this segment grew by 59% as compared to FY2010. The segment also clocked a healthy three-year revenue CAGR of 35%.

MARKET POTENTIAL

FY2011 – Invasive Business	
Geographic Revenue Segmentation	
Europe	40%
Latin America	8%
ROW	52%
TOTAL	100%

- Opto Circuits' products from this segment attract a current market opportunity of around USD 10 Bn
- The Global interventional cardiology devices market is expected to exceed USD 13 Bn. by 2015
- The global cardiology stent market is expected to be around USD 7 Bn. by 2016
- The Global Drug-eluting Balloon market is estimated to be 15-20% of all Global PCI procedures and is currently valued at USD 800 Mn.; it is expected to grow to USD 1.3 Bn. over the next 6 years
- The global catheter market is expected to reach USD 32.1 Bn. in 2014, for a five year CAGR of 12.3%

GROWTH DRIVERS OF THE CORONARY STENT MARKET

- Increased incidence of coronary heart disease and awareness on the treatment options now available
- Increasing obesity rates in some segments
- Minimally invasive surgery increasing demand for overall stenting procedures
- Growing patient awareness drives uptake for overall stenting procedures

GROWTH DRIVERS FOR THE DEB MARKET

- 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 SVD
- Higher safety profile- A shorter dual antiplatelet therapy regimen that may be required by DEB 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 Mn. 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

SEGMENT TRAITS & TRENDS:

Opto Circuits currently focuses on minimally invasive treatments, a medical domain that continues to be the centre of intense innovation and investment by the industry across the world. Minimally invasive procedures are increasingly preferred over full-fledged surgeries today, owing to their help in reducing procedural and rehabilitation costs and time.

Stents, for the past decade, have been undergoing rapid innovation and constant scrutiny. Angioplasty, as a method of treatment, first evolved from the use of a dilatation balloon and is, today, exploring and welcoming the clinical efficacies of a drug-eluting balloon catheter for multiple site applications. Stents are based on a metal alloy like stainless steel, cobalt chromium or platinum. The drug eluting stents are coated with growth inhibitors like paclitaxel, sirolimus or everolimus. Drug-eluting balloons used in angioplasties are carriers of paclitaxel to the target lesion and help in avoiding the side-effects and related costs associated with stents.

Clinical trials and post-approval efficiency studies are the key to successful marketing in this segment. Opto Circuits markets its interventional portfolio of minimally invasive products to individual medical specialists such as interventional cardiologists, vascular interventionalists and radiologists. The other invasive products are used by orthopaedics, gynaecologists, urologists and gastroenterologists.

The successful introduction of combination technologies (drug-device combinations like drug-eluting stents) was followed by the launch of combinational device products (stent-balloon combination). Opto Circuits' efforts on optimizing vascular drug-

elution technologies were realized with the CE certification of Magical™, a unique concept where a drug-eluting balloon is mounted on a bare metal stent to treat coronary arterial lesions. The technology helps avoid the use of a polymer to coat a drug onto a metal surface. Your company's focus on path breaking and innovative technologies like DIOR® and Magical™ also attracts the best talent and resources and also helps mark a distinct identity for itself in an industry crowded by multi-billion dollar MNC companies.

EMERGING OPPORTUNITIES

Opto Circuits is one of the very few medical technology companies that is indigenous to the Indian business landscape. The Company leverages its cost-efficient corporate base in India to capture all domestic market opportunities and provides logistics, manufacturing services as well as capital to the Group companies. Historically, the Company's advanced technologies and quality pricing rendered it most suitable to address markets in North America and Western Europe. However, over the years, through the strengthening of a product portfolio for value markets, it has been able to leverage its Indian lineage to gradually build a growing network of customers and distributors in economies that present similar dynamics, particularly those in the Indian subcontinent, Latin America, Eastern Europe and Africa.

Some of the most common characteristic traits of these emerging economies are:

- a. Patient populations are large, generally poor and continue to deal with developing world problems like infant and child mortality and infectious diseases such as malaria and tuberculosis; this also alludes to: i) the lack of focus on mother and child care, ii) limited infrastructure and sanitation facilities and iii) the lack of policies and investments advocating early prevention
- b. Public investments in healthcare delivery and healthcare infrastructure are low; insurance coverage is minimal and most diagnostic and care costs are borne privately
- c. Available health infrastructure is affected by inconsistent supply of power and inadequate supply of qualified doctors and professionally trained staff
- d. Mortal diseases like HIV AIDs are rampant and efforts to contain their propagation are hindered by paucity of funds, awareness and relevant resources

However, ever since many of these economies were recognized as consumption economies of the future, many local governments began investing in developing the health equity of their nations. Welfare state monies are being increasingly passed onto the healthcare sector where basic investments in primary health,

diagnostic setups and rural access are causing double digit growth rates in many medical product segments. Additionally, access to foreign funds, industrialization and privatization are contributing to a growing affluence that is enabling the demand for advanced treatment options and world class health infrastructure. State encouragement to medical tourism, too, is a significant driver of demand for sophisticated medical technologies.

Today, the medical devices market in the BRIC countries, alone, accounts for nearly USD 10 Bn. and is growing at an average CAGR of 8%.

GROWTH DRIVERS FOR MEDICAL TECHNOLOGY IN EMERGING MARKETS

- Emergence of the 'middle class' with a high personal disposable income
- Increasing awareness about the latest medical technologies available in the market and consequently rising demand for the same
- Changing demographics leading to an increase in the occurrence of age-related diseases, including cardiovascular diseases since its prevalence rate increases with age
- Shift from chronic to lifestyle diseases such as diabetes, obesity, high blood pressure and high cholesterol
- Increasing healthcare expenditure outlay by governments
- Greater acceptance of minimally invasive surgery

The new medtech markets present massive consumption opportunities but a large majority of the products needed to satisfy their demands continue to be imported from the countries of their origin. North America and Western Europe are still dominant innovators from where all the latest medical developments are exported to other parts of the world. Therefore, many governments like those in Brazil, China and India are encouraging home-grown innovation and local manufacturing in order to render care technologies affordable and more accessible to their regions.

Opto Circuits' Indian roots help the Company understand structural conditions, sector needs, medical trends and similar factors in other developing countries.

Nearly 30% of the Company's Consolidated Total Sales for FY2011 were generated from product sales in the emerging markets such as Asia, Latin America, East Europe and Africa. Some initiatives and plans that contributed to revenues from emerging markets and will continue to drive the Company's emerging markets strategy are as follows:

- Your Company has invested in creating 8 emerging market manufacturing assets in India (Bengaluru, Chennai, Vizag, Kolkata and Parwanoo) and Malaysia (Johor Bahru). It maintains a competitive cost structure owing to manufacturing set ups in tax free zones and special economic zones. The acquisition of N. S. Remedies (India) was made so as to enable bare metal stent manufacturing at competitive rates for the emerging markets.
- Opto Circuits effectively uses its strong engineering base in India to conduct purposeful R&D on technologies and products adaptable to low-infrastructure markets. The Company has been driving internal innovation and product lines with the goal to expand product offerings to position them as the leading edge technology products with the lowest cost of ownership.
- It has launched emerging market brands in the domain of cardiovascular interventional products and monitoring systems. eFlex™, eMagic® (bare metal cardiac stents) and eTrack (multi-parameter ambulatory patient monitor for use in low-acuity healthcare centres) are examples of the same. The launch of drug-eluting balloon product DIOR® which has been proven to reduce the post-procedure costs of an angioplasty and is gaining rapid popularity in these markets is another example.
- Opto Circuits' India distribution company – AMDL Healthcare has invested in channel partners to access the remotest part of the country. It is re-aligning its product portfolio to access Tier II and Tier III cities and to leverage the investments in corporate hospital chains and speciality cardiac centres, in addition to the continued targeting of important government hospitals and medical schools.
- The Company has Agencia Nacional de Vigilancia Sanitaria (ANVISA) approval on patient monitoring products in Brazil and is a regular participant at SOLACI, the biggest cardiology tradeshow in the country. Brazil is also an important point for the Company's marketing and sales access to the rest of Latin America.
- Opto Circuits' subsidiary company, Eurocor, has a well-entrenched presence in Russia and the east European countries, from where it routinely accesses Key Opinion Leaders to influence the adoption of new interventional technologies in other emerging markets. Clinical studies for procuring a CE mark on most products also involve participation from these countries, enabling early acceptance of new products in these fast growing markets.

Your Company will continue to tailor product lines and invest in assets suitable to the needs of emerging markets as well as cost conscious developed markets.

ACQUISITIONS: THE GROWTH ACCELERATOR

Opto Circuits operates in an industry driven by sustained innovation and where a larger portfolio of products becomes a more sellable portfolio. Plugging portfolio gaps and constantly bringing out new and improved products is a competitive necessity in this business. Therefore, besides persistent investments in R&D, Opto Circuits also invests in the business by buying out ready-to-market or proven technologies and brands. The latter has the added advantage of definite and predictable results as against a singularly focused long term strategy of important but uncertain in-house development.

The Company moved gears in FY2011 and made 3 acquisitions that it expects to add significantly to consolidated revenues and profits in the coming years.

N.S. Remedies Pvt. Ltd.

In April 2010, Opto Circuits acquired 100 per cent of the capital stock of Kolkata-based stent manufacturer, N.S. Remedies Pvt. Ltd. (NSR), for Rs. 600.00 lacs in an all cash deal. The entire proceeds were met out of internal accruals. NSR has an advanced facility with the capabilities to produce stainless steel and cobalt chromium stents. The company offers two CE-marked brands, eMagic® and eFlex™ which are quality stenting products for the emerging markets. NSR enabled the Company to backward-integrate in the interventional business and to significantly reduce the cost of manufacturing bare metal stents.

The consolidated financials include the financials of N.S. Remedies Pvt. Ltd. for the period April 2010 to March 2011.

Unetixs Vascular, Inc.

In July 2010, Opto Circuits acquired 100 per cent of the capital stock of Rhode Island-based Unetixs Vascular, Inc. for Rs. 4,533.60 lacs in an all-cash deal. The entire proceeds were met out of internal accruals. Unetixs, a specialist in the detection of peripheral arterial disease (PAD), has 14 international patents. It designs, develops and markets a full line of world class, US FDA-listed vascular diagnostic systems and accessories. The products cover a wide range of applications from high-end vascular diagnostic systems to fully self-contained low-cost diagnostic stations. Unetixs' equipment is used in physician offices, vascular labs, hospitals and mobile testing units by such diverse professionals like vascular surgeons, cardiologists, primary care physicians, endocrinologists, podiatrists and technologists.

Unetixs' special interest in the detection of PAD has made it a marquee name and a leader in the field.

The consolidated financials include the financials of Unetixs Vascular, Inc. for the period July 2010 to March 2011.

Cardiac Science Corporation

Cardiac Science Corporation, a Washington-based leading manufacturer of diagnostic and therapeutic cardiology equipment, was acquired for a total acquisition cost Rs. 40,858.84 lacs. This cost included the amounts paid to acquire the common stock and the amounts incurred on acquisition related expenses. On 19th October 2010, Cardiac Science entered into an agreement and Plan of Merger with Opto Circuits (India) Ltd. and Jolt Acquisition Company, a Delaware corporation and wholly-owned subsidiary of the Company, to acquire all the outstanding shares (common stock) of Cardiac Science for USD 2.30 per share. The merger was completed on 3rd December, 2010, when Jolt Acquisition Company acquired 100% of Cardiac Science's outstanding shares of common stock at the offer price, followed by a) second step merger of Jolt Acquisition Company with and into Cardiac Science and b) delisting of Cardiac Science's common stock on the NASDAQ. Upon completion of this process, Cardiac Science became a wholly owned subsidiary of Opto Circuits (India) Ltd.

The consolidated financials include the financials of Cardiac Science Corporation for the period December 2010 to March 2011.

OUTLOOK ON CORE BUSINESS: ORIGINAL EQUIPMENT MANUFACTURING, PRIVATE LABELS & BRANDED CONSUMABLES

Opto Circuits, the parent, is an OEM specialist that works with leading medtech MNCs, offering them quality and cost-effective solutions across various medical equipment technologies owned by the Company. The most important amongst them is the technology to measure heart beat rate and oxygen saturation levels in the patient blood, popularly called SPO2 and the technology to measure body temperature digitally. Over the years, the Company has collaborated with customers to develop and manufacture products around its other core technologies such as those in anesthesia measurement and modular multi-parameter monitoring.

The OEM business has been growing steadily with focused marketing efforts to add more long term and strategic customers to the list paying off. The business has now expanded to include MNC customers of Medaid, Criticare and Cardiac Science too.

The outlook for this segment is robust. Large medtech MNCs are increasingly outsourcing technology manufacturing to specialist players with domain expertise and experience. They rely on us for design, materials planning, manufacturing, testing and logistics, thereby rendering us as a full-service partner. We play a key role in reducing the time-to-market cycle for these customers and in delivering high quality customized goods to their preferred warehousing locations around the world. The Company has also invested in people, skills and processes in important locations

that can support OEM partnerships over ever-wider technology applications.

White labeling products for the sake of better access or complementary selling by renowned names in the business is another strategy being pursued. We've been working with leading US-based GPOs and well-networked international distributors for such products as digital thermometers and disposable pulse oximetry sensors. Partnering with them lends volume growth to our business as well as helps us access customers that base purchase decisions on institutional bundling.

We expect to offer many more products and services to grow our OEM and private label business in the next few years.

Opto Circuits is also the supplier of branded consumables to Group companies such as Medaid, Criticare and Cardiac Science. The Company's proprietary sensing technology enables the expansion of a complex portfolio of advanced sensing products that are marketed as effective consumable support to all pulse oximetry monitoring equipment from the Group. Growth in equipment sales drives the growth in sensor sales; however, sales of disposable sensors to developed countries are independent of transactions for equipment and therefore, tend to outpace the latter and make for an extremely steady revenue pie for the Company.

THE BUSINESS MODEL AND ITS CHALLENGES

The global medical devices industry is dominated by large corporations with large investing abilities, high brand recall and that have the ability to offer bundled product solutions across diverse treatment arenas. The industry is also highly working-capital intensive and is driven by sustained innovation, rigorous Government regulations and longer payment terms.

In building your Company, Opto Circuits, we aimed at delivering product solutions to modern clinical issues that can make healthcare affordable without compromising on the quality. In the light of this belief, we invest in developing quality cost effective product solutions in the critical and cardiac care arenas and multi location de-risked manufacturing. The Company, therefore, invests in sustaining innovation to bring new generations of products as well as introduce new technologies and products that are unique. Path breaking differentiated product solutions that help reduce healthcare costs and are the answer to unmet clinical needs for both developed and emerging markets need constant funding.

The Company today, manufactures and markets around 80 types of sensors, around 30 types of equipment and our stents and balloons come in varying sizes and types, 32 at the least. Most of these products are used in critical care and save lives and therefore, it becomes imperative for the Company to maintain an extensive inventory to effectively service our distributors and

direct customers, essentially encouraging doctors to prefer our products to that of competition.

Our life-saving and critical care products are used by a diverse set of customers ranging from physician clinics to hospitals to shopping malls. Given our growth initiatives to enter new markets and add new customers, we do at times extend higher credit to certain customer types.

Today, Opto Circuits is streamlining its manufacturing facilities across multiple locations. The de-risking strategy will help make access to customers easier and will also aid in competitive pricing of our product solutions that will help us expand market share.

We are confident that our current initiatives will help us to conserve working capital and increase cash generation in the coming years.

OPTO CIRCUITS: THE BUSINESS EDGE

Opto Circuits and its Group companies make for a unique blend in the modern medtech world. The Company offers high acuity products, manufactured cost-efficiently, to the global markets. Its commitment to proprietary technologies for critical care have neutralized its product lines to economic upheavals and have enabled a scalable business model that can take advantage of

global opportunities and market demands. Opto Circuits has proven its development and manufacturing capabilities in, both, medical equipment and interventional products, a rarity in the industry. The diversity of the product range and the ability of the Company to find technological and distribution synergies amongst these is the company's greatest strength and an opportunity at further product extension. The company has further diversified its product portfolio following industry trends and has been successful in developing sales channels that reach health delivery institutions as well as individual specialists across the globe.

The Group has strong roots in the developing world that enable it to offer value manufacturing and to take a holistic first-hand view of the tremendous growth opportunities at play in the emerging economies. On the other hand, its sustained growth in the developed countries lends credence to its commitment to medical innovation and product advancement.

A strategically diversified geographical presence (sales in 150 countries, de-risked manufacturing in 3 countries) and an international IP portfolio (168 patents) puts Opto Circuits in a unique position to leverage the huge USD 22Bn. addressable market that it has set out to target.

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:

Rupees in Lacs

Particulars for the year-ended March 31st	2011	% to Total Income	2010	% to Total Income
Income				
Sales	60,320.27	94.36%	47,149.66	102.29%
Other Income	3,606.90	5.64%	[1,057.16]	-2.29%
TOTAL	63,927.17	100.00%	46,092.50	100.00%
Expenditure				
Manufacturing Expenses	39,300.77	—	24,129.42	—
Increase/Decrease in WIP & FG	[4,883.49]	—	50.55	—
Net Manufacturing Expenses	34,417.28	53.84%	24,179.97	52.46%
Administrative & Selling Expenses	1,753.11	2.74%	1,634.68	3.55%
Financial Expenses	2,492.81	3.90%	3,452.31	7.49%
Depreciation	590.62	0.92%	309.71	0.67%
TOTAL	39,253.82	61.40%	29,576.67	64.17%
Profit for the year before Tax	24,673.35	38.60%	16,515.83	35.83%
Add/(Less): Prior Year Adjustment	31.95	0.05%	[163.53]	-0.35%
Profit Before Tax	24,705.30	38.65%	16,352.30	35.48%
Provision for Taxation	267.78	0.42%	1,648.72	3.58%
Profit After Tax	24,437.52	38.23%	14,703.58	31.90%

INCOME

TOTAL TURNOVER

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Sales	60,320.27	47,149.66
Other Income	3,606.90	[1,057.16]
Total Income	63,927.17	46,092.50

Sales increase of 28% FY2011 over FY2010 is driven by a strong growth in the supply of consumables sales to OEM partners and for the Mediaid and Criticare brands of patient monitors.

OTHER INCOME

Other Income which was negative Rs. 1,057.16 lacs in FY2010 is an income of Rs. 3,606.90 lacs in FY2011. Major components of other income comprise dividend from foreign subsidiaries and also income from foreign exchange fluctuations.

EXPENDITURE

NET MANUFACTURING EXPENSES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Manufacturing Expenses	38,642.40	23,821.47
Less: (Inc) / Dec in WIP & Finished Goods	[4,883.49]	50.55
Factory Expenses	658.37	307.95
Total Expense	34,417.28	24,179.97
Total Expense as % of Income	53.84%	52.46%

ADMINISTRATIVE AND SELLING EXPENSES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Administrative Expenses	709.24	761.33
Staff Expenses	664.22	534.64
Selling Expenses	379.65	338.71
Total Expense	1,753.11	1,634.68
Total Expense as % of Income	2.74%	3.55%

FINANCIAL EXPENSES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Financial Charges	2,492.81	3,452.31
TOTAL	2,492.81	3,452.31
Total expense as % of Income	3.90%	7.49%

In FY2011, financial expenses largely comprised interest cost on working capital. A combined effect of growth in top-line (sales growth 28% year on year) and borrowing costs, driven by lower cost loans, has resulted in 3.90% financial expense to Income in FY2011 vs 7.49% in FY2010.

PROFIT BEFORE DEPRECIATION,
INTEREST AND TAX (PBDIT)

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Profit before Depreciation, Interest & Tax	27,788.73	20,114.32
Profit before Depreciation, Interest & Tax as % of Income	43.47%	43.64%

NET PROFIT AFTER TAX

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Net Profit after Tax	24,437.52	14,703.58
Net profit after Tax as % of Income	38.23%	31.90%

Sturdy sales growth, controlled overheads and financial expense resulted in net profit margin growth from 31.90% to 38.23%

BALANCE SHEET – STANDALONE

Rupees in Lacs

Particulars	As at March 31 2011	As at March 31 2010
Sources of Funds		
Share Holders Funds		
Capital	18,639.95	18,289.95
Share Warrants	–	2,456.47
Reserves & Surplus	87,643.22	65,385.40
Loan Funds		
Secured Loans	64,315.58	19,250.05
Unsecured Loans	8,085.18	210.11
Deferred Tax (Asset)/ Liability	[40.03]	[15.77]
TOTAL	178,643.90	105,576.21
Application of Funds		
Fixed Assets		
Gross Block	9,866.50	9,393.44
Less: Accumulated Depreciation	1,937.18	1,350.04
Net Block	7,929.32	8,043.40
Capital work-in-progress	119.51	75.12
Investments	111,438.91	52,142.86
Current Assets, Loans & Advances		
Inventories	24,521.43	11,534.51
Sundry Debtors	22,877.69	19,866.56
Cash & Bank Balances	11,746.40	11,083.83
Loans & Advances	28,304.61	19,517.05
TOTAL	87,450.13	62,001.95
Less: Current Liabilities & Provisions		
Liabilities	14,609.80	2,488.28
Provisions	13,684.17	14,385.04
Net Current Assets	59,156.16	45,128.63
Miscellaneous Expenditure (to the extent not written off or Adjusted)	–	186.20
TOTAL	178,643.90	105,576.21

NET WORTH

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Share Capital	18,639.95	18,289.95
Share Warrants	–	2,456.47
Reserves & Surplus	87,643.22	65,385.40
Net Worth	1,06,283.17	86,131.82

The Company had allotted 46.79 lac Convertible Share Warrants at the rate of Rs. 210 per warrant, to its promoters, employees of Company/Subsidiaries and others. Out of these, 35.00 lac share warrants were converted and an allotment of 35.00 lac equity shares was made during the financial year. Balance 11.79 lac convertible share warrants lapsed and were consequently forfeited.

Conversion of 35.00 lac share warrants to equity shares at face value Rs. 10 per share resulted in the share capital increasing by Rs. 350.00 lacs.

The premium of Rs. 200 per share on the 35 lac equity shares was transferred to Securities Premium Reserve (amount being Rs. 7,000 lacs). The amount that was received in FY2010 on 11.79 lac convertible share warrants which lapsed and was consequently forfeited was transferred to Capital Reserve (amount being Rs. 618.98 lacs). The increase in Reserves and Surplus of Rs. 22,257.82 lacs was the sum of Rs. 618.98 lac in Capital Reserve, Rs. 7,000 lacs in Securities Premium Reserve and the balance Rs. 14,638.84 lacs is current year profits after providing for Dividend and Dividend Distribution Tax.

LOAN FUNDS

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Total Loan Funds	72,400.76	19,460.16

The total loan borrowings increased owing to increases in both long term and short term loans. Primary component that increased the long term loans is the acquisition finance for Cardiac Science Corporation. The short term loans comprise of working capital that has increased to fund growth in business operations.

FIXED ASSETS

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Total Net Block	7,929.32	8,043.40

RAW MATERIAL INVENTORY

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Raw Material & Consumables	17,544.70	9,441.26
Number of days to consumption	166	145

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

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Finished Goods and Work in Process	6,976.73	2,093.25
Number of days to sales	42	16

DEBTORS

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Debtors	22,877.69	19,866.56
Number of days to sales	138	154

CURRENT LIABILITIES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Current Liabilities	14,609.80	2,488.28
Number of days to sales	88	19

Rs. 14,609.80 lacs, the current liabilities reflected as at 31st March 2011 include amounts due to subsidiary Cardiac Science Corporation. These are not current liabilities arising in the course of our usual business operations since they relate to liabilities for expenses attributable to the acquisition. Excluding this, current liabilities are comparable to FY2010 levels.

RESULTS OF OPERATIONS:

During the year, your Company has made investments into the business both in terms of acquisition of businesses and investments into new subsidiaries. Since these new entities were not part of the Opto Group in FY2010 the consolidated financials in FY2010 do not include the results. For this reason the consolidated financials for FY2011 are not directly comparable to FY2010.

PROFIT AND LOSS ACCOUNT: CONSOLIDATED

Further to our explanation in the above paragraph, the acquisitions were made at different points in time during FY2011. The results (profit and loss account) of these companies are consolidated from the time they were acquired and became part of the Group. For instance, in the case of Cardiac Science Corporation, acquired in December 2010, the consolidated profit and loss account includes four months (December 2010-March 2011) financials. Hence a reading of the consolidated profit and loss account must be made with this background in perspective.

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

Rupees in Lacs

Particulars for the year-ended March 31st	2011	% to Total Income	2010	% to Total Income
Income				
Sales	158,556.31	98.12%	107,758.26	100.71%
Other Income	3,043.31	1.88%	[758.50]	-0.71%
TOTAL	161,599.62	100.00%	106,999.76	100.00%
Expenditure				
Manufacturing Expenses	93,519.92	—	59,869.50	—
Increase/Decrease in WIP & FG	[4,098.55]	—	87.57	—
Net Manufacturing Expenses	89,421.37	55.34%	59,957.07	56.03%
Administrative & Selling Expenses	24,649.60	15.25%	11,117.98	10.39%
Financial Expenses	3,205.87	1.98%	3,821.08	3.57%
Depreciation	5,079.78	3.14%	2,779.93	2.60%
TOTAL	122,356.62	75.72%	77,676.06	72.59%
Profit for the year before Tax	39,243.00	24.28%	29,323.70	27.41%
Add/(Less): Prior Year Adjustment	120.55	0.07%	[319.12]	-0.30%
Profit Before Tax	39,363.55	24.36%	29,004.58	27.11%
Provision for Taxation	2,508.95	1.55%	2,963.73	2.77%
Profit After Tax	36,854.60	22.81%	26,040.85	24.34%

INCOME

TOTAL TURNOVER

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Sales	158,556.31	107,758.26
Other Income	3,043.31	[758.50]
Total Income	161,599.62	106,999.76

Consolidated Total Sales at Rs. 158,556.31 lacs is a 47% growth over FY2010 Sales. This turnover includes the sales from all our

acquisitions made during the year and has been explained in specific sections in this MD&A.

The strong sales growth was supported by higher sales accruing in the invasive business and the market penetration realized in the noninvasive business.

Other Income posted negative Rs. 758.50 lacs for FY2010 and this year is an Income of Rs. 3,043.31 lacs. This change was mainly owing to foreign exchange gains. Other components include profits realized on sale of fixed assets and royalty income.

EXPENDITURE

NET MANUFACTURING EXPENSES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Manufacturing Expenses	93,519.92	59,869.50
Less: (Inc) / Dec in WIP & Finished Goods	(4,098.55)	87.57
Total Expense	89,421.37	59,957.07
Total Expense as % of Income	55.34%	56.03%

ADMINISTRATIVE AND SELLING EXPENSES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Administrative Expenses	12,480.78	5,343.85
Staff Expenses	11,007.36	4,970.75
Selling Expenses	1,161.46	803.38
Total Expense	24,649.60	11,117.98
Total Expense as % of Income	15.25%	10.39%

As explained earlier in this report growth in the expenses between the two financial years are not comparable since the previous year does not consist financials of our acquisitions / new investments made during FY2011.

As percent to Income, the increase from 10.39% to 15.25% is mostly owing to the SGA expense structures that our acquisitions like Cardiac Science Corporation operate under at present. Increase in staff expenses and administrative costs such as travel, conveyance, outside labor costs were influenced by our ramp up and infrastructure establishment initiatives in N. S. Remedies Pvt. Ltd. and the locations that were set operational during the year in Malaysia both for the medical equipment and interventional lines of business.

FINANCIAL EXPENSES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Financial Expenses	3,205.87	3,821.08
Total Expense as % of Income	1.98%	3.57%

A strong growth in the top-line (47%) and a lower-cost loan portfolio during FY2011 when compared to FY2010 caused the financial expense to reflect a 1.98% to Income when compared to 3.57% in FY2010

DEPRECIATION

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Depreciation & Amortisation	5,079.78	2,779.93
Total Expense as % of Income	3.14%	2.60%

Increased depreciation costs are owing to increase in asset base pursuant to the acquisitions made during FY2011 and also to the increase in the share of intangible assets in the total fixed assets.

PROFIT BEFORE DEPRECIATION,
INTEREST AND TAX (PBDIT)

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Profit before Depreciation, Interest & Tax	47,649.20	35,605.59
Total PBDIT as % of Income	29.49%	33.28%

PBDIT margin at 29.49% in FY2011 is mainly owing to the aggregation of costs of the new acquisitions especially Cardiac Science Corporation that presently operates under a high SGA cost structure profile.

CASH PROFIT AFTER TAX

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Cash Profit after Tax	41,934.38	28,820.78
Cash profit after tax as % of Income	25.95%	26.94%

Cash profit after tax percent to Income has been impacted by the variance as explained above at PBDIT level. The Cash profit after tax gained from savings in both interest and tax expense and stood at 25.95% for FY 2011.

NET PROFIT

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Net Profit after Tax	36,854.60	26,040.85
Net Profit as % of Income	22.81%	24.34%

Net margin posted 22.81% vs 24.34% in FY2010. The net margin was mainly affected by the variance as explained above at PBDIT level.

BALANCE SHEET – CONSOLIDATED

During the year, your Company has made investments into the business both in terms of acquisition of businesses and investments into new subsidiaries. Since these entities were not part of the Opto Group in FY2010 the consolidated financials in FY2010 do not include the results of these new entities. For this reason, the consolidated financials for FY2011 are not directly comparable to FY2010.

These acquisitions were made at different points in time during the year. While the “results” (profit and loss account) of such companies are consolidated from the time the acquisition is complete and they are part of the Group, the “position” (balance sheet) reflects the balance of assets and liabilities taken over on the date of acquisition and the movement that has occurred in them during the period they were part of the Opto Circuits Group.

For instance, in the case of Cardiac Science Corporation, acquired in December 2010, the consolidated profit and loss account include four months (December 2010-March 2011) of the results but the consolidated balance sheet reflects the assets and liabilities that were taken over on date of acquisition and the movements that occurred owing to normal business operations for the period December 2010-March 2011. For the reasons detailed above the consolidated balance sheet position does not strictly match the consolidated results and could render a skew in key year end ratios (viz., holding periods, turnover ratios etc).

BALANCE SHEET - CONSOLIDATED

Rupees in Lacs

Particulars	As at 31.03.2011	As at 31.03.2010
Sources of Funds		
Share Holders Funds		
Capital	18,639.95	18,289.95
Share Warrants	—	2,456.47
Reserves & Surplus	118,046.06	83,828.75
Loan Funds		
Secured Loans	80,325.50	21,923.54
Unsecured Loans	8,113.97	1,358.81
Deferred Tax (Asset) Liability	2,335.53	19.23
Minority Interest	2,189.43	1,350.39
Application of Funds	229,650.44	129,227.14
Fixed Assets		
Gross Block	75,210.19	35,737.09
Less Accumulated Depreciation	31,096.34	8,531.04
Net Block	44,113.85	27,206.05
Capital work-in-progress	2,519.45	2,614.91
Goodwill	62,901.78	23,744.93
Investments	1.09	28.50
Current Assets, Loans & Advances		
Inventories	43,251.93	22,122.81
Sundry Debtors	67,842.01	43,960.11
Cash & Bank Balances	23,417.85	12,232.68
Loans & Advances	58,210.54	30,537.23
TOTAL	192,722.33	108,852.83
Less: Current Liabilities & Provisions		
Liabilities	56,286.53	17,677.87
Provisions	16,997.50	16,127.96
Net Current Assets	119,438.30	75,047.00
Miscellaneous Expenditure (to the extent not written off or Adjusted)	675.97	585.75
TOTAL	229,650.44	129,227.14

NET WORTH

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Share Capital	18,639.95	18,289.95
Share Warrants	–	2,456.47
Reserves & Surplus	118,046.06	83,828.75
Net Worth	136,686.01	104,575.17

The movement has been explained in the relevant section in the Standalone Financials. Additionally, the increase in Reserves and Surplus of Rs. 34,217.31 lacs was the combined amounts of Rs. 618.98 lac in capital reserve, Rs. 7,120.99 lacs in securities Premium Reserve and the balance Rs. 26,477.34 lacs is current year profits after providing for Dividend and Dividend Distribution Tax and movement in Foreign Currency Translation Reserve.

LOAN FUNDS

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Total Loan Funds	88,439.47	23,282.35

The total loan funds increased to Rs. 88,439.47 lacs in FY2011 owing to increase in both long term and short term loans. Primary component that increased the long term loans is the acquisition finance for Cardiac Science Corporation. The short term loans comprise of working capital that has increased to fund the expansion in business operations.

FIXED ASSETS

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Net Block of Tangible Assets	22,728.69	16,539.01
Net block of Intangible Assets	21,385.16	10,667.04
Total Net Block	44,113.85	27,206.05

The total net asset block increase is contributed by increases both in the tangible and intangible assets. The increase is attributable to the fixed assets additions made during the year in our existing and new subsidiaries that we incorporated and also the fixed assets that were part of the net assets taken over by the companies we acquired during the year.

GOODWILL

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Opening Balance	23,744.93	23,744.93
Additions during the year net of capital reserve	39,156.85	–
TOTAL	62,901.78	23,744.93

The increase in goodwill is owing to the acquisitions made in the course of the year. Goodwill on acquisition is recorded as the excess of total acquisition cost over net worth of the company acquired.

The acquisitions and the rationale have been explained in detail in various sections set forth prior to this report.

RAW MATERIAL INVENTORY

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Raw Materials & Consumables	33,968.59	19,969.33
Number of days to Consumption	141	125

The periods 31st March 2011 vs 31st March 2010 are not comparable as has been explained earlier. Our acquisition of Cardiac Science Corporation in December 2010 resulted in our aggregating the new business' inventory while the results include only 4 months of revenues (December 2010-March 2011). This hence would skew the holding days. Besides, the company also held inventory in its operational locations including Malaysia and Vizag for both interventional and medical equipment business lines to service specific product and customer segments. All these reasons combined to reflect a higher than normal inventory holding at 141 days as at 31st March 2011.

FINISHED GOODS (FG)

AND WORK-IN-PROCESS (WIP)

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Finished Goods	2,217.51	38.13
Work in Process	7,065.83	2,115.35
Stock of Finished Goods and Work in Process	9,283.34	2,153.48
Number of days to Sales	21	7

The periods 31st March 2011 vs 31st March 2010 are not comparable as has been explained earlier. Our acquisition of Cardiac Science Corporation in December 2010 resulted in our aggregating the new business' inventory while the results include only 4 months of revenues (December 2010-March 2011). This

hence would skew the holding days. Besides, the company also held inventory in its operational locations including Malaysia and Vizag for both interventional and medical equipment business lines to service specific product and customer segments.

All these reasons combined to reflect a higher than normal inventory holding at 21 days as at 31st March 2011.

DEBTORS

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Debtors	67,842.01	43,960.11
Number of days to Sales	156	149

The periods 31st March 2011 vs 31st March 2010 are not comparable as has been explained earlier.

The higher debtor days is primarily attributable to the consolidation of debtors which is part of the net assets taken over during the recent acquisition of Cardiac Science Corporation. This acquisition in December 2010 resulted in our aggregating the debtors of Cardiac Science while our consolidated revenues include only 4 months of Cardiac Science revenues (December 2010-March 2011) thereby reflecting a higher holding period.

CURRENT LIABILITIES

Rupees in Lacs

Particulars	31.03.2011	31.03.2010
Current Liabilities	56,286.53	17,677.87
Number of days to Sales	130	60

The periods 31st March 2011 vs 2010 are not comparable as has been explained earlier.

Current liabilities both in terms of amount and days are higher than FY2010. This is mainly due to aggregation of current liabilities of our recently acquired Company Cardiac Science Corporation. This acquisition in December 2010 resulted in our aggregating the liabilities of Cardiac Science Corporation while the results include only 4 months of revenues (December 2010-March 2011) thereby reflecting a higher days holding.

Additionally the above Rs. 56,286.53 lacs of current liabilities also include liabilities that are attributable to acquisition related expenses. While these are not current liabilities arising in the normal working capital cycle of the business, these have caused an increase both in terms of amounts and days holding level.

Contingent Liabilities

Reference to Note 1.5 in the consolidated notes to accounts, Eurocor GmbH has certain litigations with former employee and with competitors, none of which we expect would cause any

material effect on the Company. Hence the amount of Rs. 316.72 lacs and Rs. 183.70 lacs have not been provided for in the accounts.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company has always recognized the importance of Human Resources and considers it as one of the foremost reasons for the Company's stellar growth. All efforts are made to create an environment in which opportunities are available for innovation and work satisfaction. With these practices, the Company has been able to develop a committed workforce.

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

As on 31st March, 2011, the employee strength of the Standalone Company was 424 and of the Group was 1591. People from diverse nationalities and ethnic backgrounds work with Opto Circuits to make it a truly global workplace.

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 Environmental 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 has replaced incandescent lamps with 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.

RESEARCH & DEVELOPMENT

Our life sciences and engineering teams, working out of facilities in USA, Germany and India, collaborate on projects and leverage on each others' domain expertise. We also join forces with universities and research fellows interested in defining the next generation of medical devices.

Our teams, across functions, collaborate to identify trends and seek to implement the latest and clinically relevant engineering and design systems. Every year, we endeavour to bring out new products and products with new features that are designed to complement the changing clinical requirements of our customers. Currently, we hold 168 international patents and have many more in the pipeline. Some of our key innovations have been drug-eluting balloons, anesthetic gas benches, combination angioplasty devices and many pulse oximetry sensor technologies.

Some of our current projects are in the realm of the following:

i) developing minimally-featured value equipment for hospital use in emerging markets, ii) converting high acuity hospital-use products into low acuity home use medical gadgets, iii) connecting medical equipment to hospital electronic systems and encouraging collaboration amongst systems, iv) extending clinical applications of drug coated balloons and offering alternative drugs on drug eluting stents.

As of 31st March 2011 the Group employed more than 100 people (around 7% of the total workforce) to design, develop and research on products and technologies of the future. Each wholly owned subsidiary is headed by a CEO and has a Technology Manager who manages R&D. Opto Circuits' R&D division works for subsidiaries and also works on projects to be marketed by subsidiaries.

To enhance our future growth and strengthen our market position, we have made and will continue to make significant investments in research and development. The Group's total investment in R&D for FY2011 has been at 4% of Consolidated Total Sales.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company earned Rs. 57,257.94 lacs in Foreign Exchange in the year under review. Foreign Exchange outgo including expenditure on capital goods was Rs. 53,051.12 lacs.

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
Designation and Nature of Duties	Chairman and Managing Director/ Managerial	Executive Director/ Managerial
Remuneration Received	Rs. 52,47,027/- perquisites Rs. 26,23,513/-	Rs. 52,47,027/- perquisites Rs. 26,23,513/-
Qualification and Experience.	Bachelor of Engineering/ 32 years	Masters in Commerce/ 28 years
Date of commencement of employment	08.06.1992	08.06.1992
Age	55 years	54 years
Last employment held.	Elekon Industries Pvt. Ltd.	United India Insurance Company Ltd.

Employed for part of the year - NIL

Apart from the 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 22nd August 2011 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 2011, 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.
- 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.
- 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

Dr. Anvay Mulay, Mr. Rajkumar Raisinghani and Mr. Jayesh C. Patel retire by rotation and offer themselves for re-appointment.

AUDITORS

The Auditors, M/s. Anand Amaranth & Associates, Chartered Accountants, Bengaluru, retire at the conclusion of the forthcoming Annual General Meeting. Your Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provision of Section 224 (B) of the Companies Act 1956.

With respect to observation made by the Statutory Auditors in Clause xvi of annexure to Auditor's Report on the standalone financials, your directors state as below:

Your Company acquired Cardiac Science Corporation (CSC) during FY2011. This acquisition was completed in December 2010, which was close to year end FY2011. As an interim measure, short term funds were used towards integration and stabilization of operations of CSC without impacting customer orders and revenue growth. The Company has since rectified the fund position.

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
Opto Circuits [India] Ltd.

Place: Bengaluru

Date: 22nd August 2011

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 endeavors to implement the best Corporate Governance practices by adhering to the well defined policy framework, continuously reviews its policies and practices of Corporate Governance with a clear goal, not merely to comply with statutory requirements in letter and spirit, but also to implement the best international practices of Corporate Governance in the overall interest of all the stakeholders. The Company's philosophy on Corporate Governance is to meet the aspirations and expectations of all stakeholders. 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 endeavor 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 of 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 2010-11, twelve Board Meetings were held on:

Sl. No.	Date of Meeting	Sl. No.	Date of Meeting	Sl. No.	Date of Meeting
01	09.04.2010	05	28.09.2010	09	10.01.2011
02	24.05.2010	06	18.10.2010	10	18.01.2011
03	14.06.2010	07	09.11.2010	11	27.01.2011
04	09.08.2010	08	24.12.2010	12	08.03.2011

(ii) (iii) & (iv) The details of the directors as on 31st March 2011 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 in the Board of their 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	12	04	Nil	Nil	Yes
Ms. Usha Ramnani Promoter	08.06.1992	11	03	02	Nil	Yes
Mr. Jayesh C Patel Promoter	03.04.2000	03	Nil	Nil	Nil	Yes
Mr. Thomas Dietiker Promoter	03.04.2000	02	Nil	Nil	Nil	Yes
Dr. Suleman Adam Merchant Independent	20.08.2001	02	01	02	02	No
Mr. Rajkumar Raisinghani Independent	31.12.2005	12	02	04	Nil	Yes
Mr. V. Bala Subramaniam Independent	31.12.2005	07	01	Nil	02	Yes
Dr. Anvay Mulay Independent	31.12.2005	10	01	Nil	Nil	Yes
Dr. William Walter O' Neill Independent	28.09.2006	Nil	Nil	Nil	Nil	No

*Membership across all companies excluding private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

**Chairmanship and membership of audit committee and shareholders/investors grievance committee only.

Pursuant to the provisions of the Companies Act, 1956, Dr. Anvay Mulay, Mr. Rajkumar Raisinghani and Mr. Jayesh C. Patel retire by rotation at the ensuing Annual General Meeting and being eligible, offer 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 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 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 the 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) Five audit committee meetings were held during the year 2010-11. The attendance is as follows:

Name	Number of Meetings Attended
Mr. V. Balasubramaniam	04
Dr. Suleman Adam Merchant	02
Mr. Rajkumar Raisinghani	05

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. The committee met once during the financial year where the Chairman and members were present.

(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 2010-11 are given below:

Name of the Director	Salary	Perquisites*	Total
Mr. Vinod Ramnani	5,247,027	2,623,513	7,870,540
Ms. Usha Ramnani	5,247,027	2,623,513	7,870,540
Mr. Jayesh C Patel	Nil	Nil	Nil
Mr. Thomas Dietiker	Nil	Nil	Nil
Dr. Suleman Adam Merchant	Nil	Nil	Nil

(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 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.

Name of the Director	Salary	Perquisites*	Total
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 2010-11. 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.

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, six meetings were held and the attendance was as follows:

Name of the member	Number of Meetings Attended
Dr. Suleman Adam Merchant	02
Ms. Usha Ramnani	06
Mr. Rajkumar Raisinghani	06

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

(iii)(iv) (v) The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 243. There were no outstanding complaints as on 31st March 2011. No requests for transfers and for dematerialization were pending for approval as on 31st March 2011.

6. GENERAL MEETINGS

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

Financial Year	2007–08	2008–09	2009–10
Date, Time and Venue	30th September 2008 12.00 Noon NIMHANS Convention Centre NIMHANS Campus, Hosur Road Bengaluru 560 029	29th September 2009 12.00 Noon St John's Medical College Hospital Auditorium, Opp: Koramangala BDA Complex, 100ft Road, Koramangala, Bengaluru 560 034.	28th September 2010 12.00 Noon St John's Medical College Hospital Auditorium, Opp: Koramangala BDA Complex, 100ft Road, Koramangala, Bengaluru 560 034.
Special Resolutions Passed	Increase of authorized capital from Rs.100.00 crores to Rs.200.00 crores and amendment of the Memorandum of Association accordingly. 2. Amendment to the Articles of Association to increase the authorized capital as above.	NIL	NIL

(iii) & (iv) There were no special resolutions that were passed through postal ballot during the financial year 2010–11.

(v) Resolution through postal ballot will be conducted as and when required by following the procedure prescribed in Companies [Passing of Resolution by Postal Ballot] Rules, 2001.

7. DISCLOSURES

(i) Basis of Related Party Transaction

Your Company places details with respect to related party transactions before the audit committee periodically.

No transaction of a material nature has been entered into by the Company with directors or management and their relatives, etc., that may have a potential conflict with the interest of the Company.

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

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

(iv) All the mandatory requirements of Corporate Governance clause have been complied with by the Company and compliance with non-mandatory requirements have been detailed under SI 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.

The Company had allotted 3,179,000 and 1,500,000 convertible share warrants at the rate of Rs. 210/- per warrant, to its promoters, employees of the Company/Subsidiaries and others on 29th July, 2009 and 9th April 2010 respectively. Out of these, 3,500,000 share warrants were converted and an allotment of 3,500,000 equity shares were made accordingly during the financial year.

(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 2011 are as follows:

Name	No. of shares	% of holding
Mr. Vinod Ramnani	26,150,986	14.03
Ms. Usha Ramnani	6,992,135	3.75
Mr. Jayesh C Patel	8,674,311	4.65
Mr. Thomas Dietiker	10,473,485	5.62
Dr. Suleman Adam Merchant	215,508	0.12
Mr. V. Balasubramaniam	19,890	0.01
Mr. Rajkumar Raisinghani	19,000	0.01
Dr. Anvay Mulay	2,150	0.00
Dr. William Walter O'Neill	NIL	NIL

(x) CEO/CFO Certification.

CEO/CFO has given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

8A. MEANS OF COMMUNICATION

(i) & (ii) The annual, half yearly and quarterly financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreements and published in leading newspapers like Economic Times, Business Standard and other local news papers.

(iii) The financial results of the Company are displayed on the Company's website 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.

B. MANAGEMENT DISCUSSIONS 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.

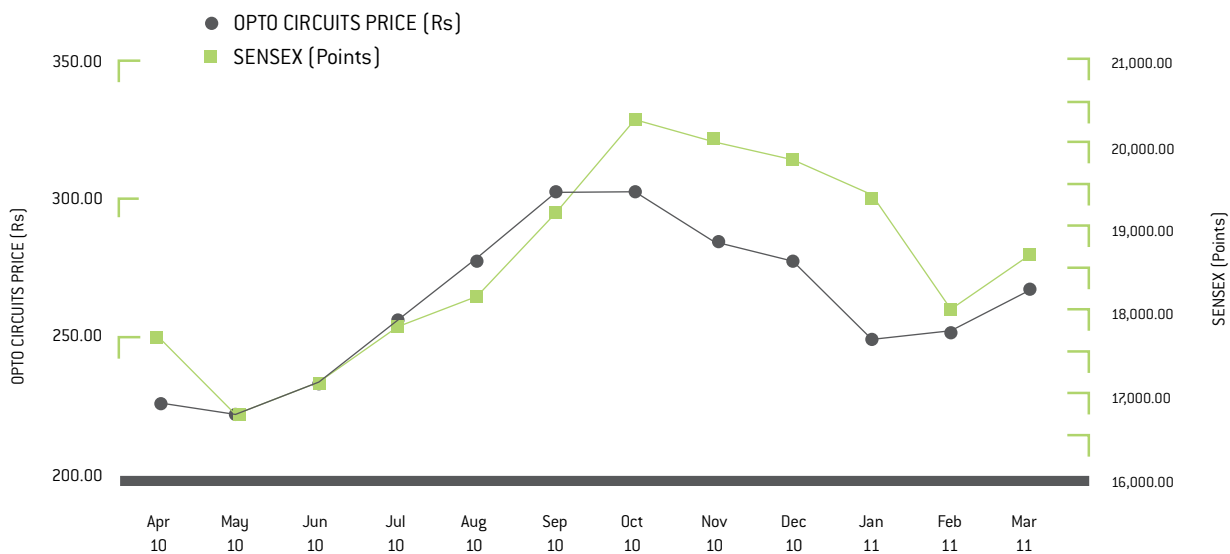
9. GENERAL SHAREHOLDER INFORMATION

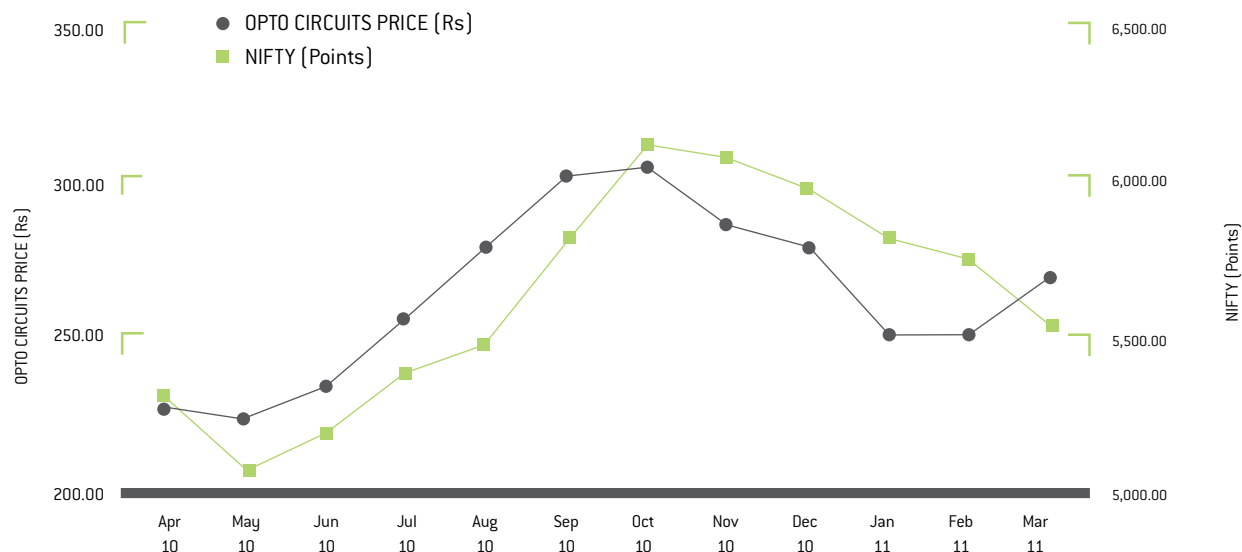
(i) Annual General Meeting	
Date and time	Wednesday, 28th September 2011 at 12.00 noon
Venue	St. Johns Medical College Hospital Auditorium, Opp. Koramangala BDA Complex, 100ft Road, Koramangala, Bengaluru 560 034
(ii) Financial Calendar (Tentative)	
Results	Reporting
Quarter 30th June 2011	On or before 15th August 2011
Quarter 30th September 2011	On or before 15th November 2011
Quarter 31st December 2011	On or before 15th February 2012
Quarter ended 31st March 2012	On or before 31st May 2012
AGM for approval of the Audited accounts for the year ended 31st March 2012	On or before 30th September 2012
Financial year	1st April to 31st March
(iii) Details of Book closure	From 23rd September 2011 to 28th September 2011 (Both days inclusive)
(iv) Dividend payment	On or after AGM date
(v) Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai 400 051
(vi) Stock code	
a. Trading code/symbol	
Bombay Stock Exchange code	532391
National Stock Exchange code	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 at National Stock Exchange and Number of Shares Traded:

Month	BSE Prices			NSE Prices		
	High (Rs)	Low (Rs)	No. of Shares	High (Rs)	Low (Rs)	No. of Shares
April 2010	237.10	215.65	2,092,906	237.30	212.05	8,096,667
May 2010	237.00	210.00	1,937,385	237.00	208.00	9,440,155
June 2010	249.00	219.00	2,743,830	246.40	217.75	7,602,536
July 2010	275.90	233.00	1,845,297	276.35	232.00	7,527,345
August 2010	292.75	263.70	2,748,170	292.45	263.40	10,703,580
September 2010	327.90	277.00	1,722,453	326.00	275.00	9,916,980
October 2010	323.90	282.10	2,076,579	324.00	283.05	8,789,488
November 2010	310.90	258.00	1,223,475	312.00	258.00	6,796,093
December 2010	304.00	251.50	2,252,746	303.80	251.00	7,323,567
January 2011	271.95	225.00	5,461,428	273.40	224.25	17,658,995
February 2011	271.50	235.00	1,963,872	271.70	248.05	5,179,789
March 2011	286.25	246.00	1,187,399	287.95	250.80	6,121,489

(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 & 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, Phone: 040 23420815 to 828, Fax: 040
23420814, Email: mailmanager@karvy.com

(x) Share Transfer System

Presently the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 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 2011

Sl No	Category		No. of Shareholders	% of Shareholders	Amount in Rs.	% of Shareholding
	From	To				
1	1	500	40,611	83.08	45,876,440	2.46
2	501	1000	3,506	7.17	25,394,770	1.36
3	1001	2000	2,171	4.44	30,959,950	1.66
4	2001	3000	835	1.71	20,720,640	1.11
5	3001	4000	380	0.78	13,384,680	0.72
6	4001	5000	222	0.45	10,175,440	0.55
7	5001	10000	492	1.01	34,066,760	1.83
8	10001	above	663	1.36	1,683,416,760	90.31
		TOTAL	48,880	100.00	1,863,995,440	100.00

Categories of Shareholders as on 31st March 2011

SL. NO.	Description of Holders	No. of Shareholders	Shares	% of Equity
1	Banks	4	231,699	0.12
2	Clearing Members	93	153,674	0.08
3	Employees	6	4,446	0.00
4	Foreign Institutional Investors	150	71,282,701	38.24
5	Foreign Nationals	2	5,130	0.00
6	Foreign Promoters	1	10,473,485	5.62
7	Hindu Undivided Family	1,017	721,045	0.39
8	Indian Financial Institutions	3	1,444,172	0.77
9	Indian Promoters	3	41,817,432	22.43
10	Bodies Corporate	956	11,131,880	5.97
11	Mutual Funds	12	737,782	0.40
12	Non Resident Indians	1,216	14,626,245	7.85
13	Resident Individuals	45,407	33,755,320	18.11
14	Trusts	10	14,533	0.01
	TOTAL	48,880	186,399,544	100.00

(xii) Dematerialization of Shares and Liquidity

As on 31st March 2011, 93.06% of the Company's total paid up capital representing 173,463,361 shares was held in dematerialized form and the balance 6.94% representing 12,936,183 shares were held in physical form.

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

(xiii) There were no outstanding GDRs / ADRs etc., as on 31st March 2011.

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

(a) Plot 83, Electronic City, Hosur Road, Bengaluru 560100

(b) Shed No.15, VSEZ Duuvada, SDF-1 Building, Vadlapudi post, Vishakapatnam, AP 530046.

(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, Phone: 040 23420815 to 828, Fax: 040 23420814, Email: mailmanager@karvy.com

(b) For shares held in demat form to the depository participant.

(c) The Company has designated investorsservices@optoindia.com as the e-mail address 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 remain 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 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. 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: 22nd August 2011

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 2010–11.

VINOD RAMNANI

Chairman & Managing Director

Place: Bengaluru

Date: 22nd August 2011

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 2011, 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: 22nd August 2011



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 2011 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 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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 2011;

(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: 17th May 2011

ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in paragraph 3 of our Report of even date on the accounts of Opto Circuits (India) Limited for the year ended 31st March 2011]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) Physical verification of Fixed Assets is performed by the management in a regular programme for verification once in a year. In our opinion, the frequency of verification is reasonable, having regard to the size and the nature of its business.
(c) There was no substantial disposal of fixed assets during the year.
- ii. (a) We are informed that the physical verifications of inventories except inventories lying with the third parties were conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories. According to the records produced to us, no discrepancies were noticed on verification between physical stocks and stock records.
- iii. (a) As per the explanation given to us the Company has given loans to the parties listed in the register maintained under section 301 of the Companies Act 1956., the rate of interest and other terms and conditions of such loans given are not prejudicial to the interest of the Company.
(b) As per the explanation given to us the Company has taken loans from the parties listed in the register maintained under section 301 of the Companies Act 1956, and there was no payment of any interest by the company during the year.
- iv. In our opinion, and according to the information and explanations given to us, there is adequate internal control procedure commensurate with size of the Company and the nature of its business for the purchase of inventory and assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- v. (a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the

Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding Rs. 500,000 in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
The Company has not accepted any deposits from the public within the meaning of Section 58A of the companies Act, 1956.
- vi. In our opinion, the internal audit system in the Company during the year is adequate and commensurate to the size and the nature of the business of the Company.
- vii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any product of the company.
- viii. On the basis of records produced before us, the Company has 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 2011 for a period of more than six months from the date on which they became payable.
- ix. The Company has no accumulated losses and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- x. During the year, the Company has not taken additional Term Loan from Banks/Financial Institutions as notified in note no.2; it has not defaulted in repayment of its dues to financial institutions and banks.
- xi. In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special status applicable to Chit-Fund and Nidhi / Mutual Benefit Fund/ Societies, accordingly clause 4 (xii) of the order is not applicable.

- xiii. In our opinion, the Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirement of Clause 4 (xiv) of the order is not applicable to the company.
- xiv. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by its subsidiary from a bank, are not prima-facie prejudicial to the interest of the Company.
- xv. In our opinion and based on information and explanations given to us by the management, term loans have been applied for the purpose for which they were obtained.
- xvi. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that an amount of Rs. 210.58 crores raised on short-term basis have been used for long-term purpose. No long-term funds have been used to finance short-term assets except permanent working capital.
- xvii. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act 1956, during the year
- xviii. The Company has not issued debentures during the financial year.

- xix. During the year the Company has raised additional amount of Rs. 5,512.50 lacs by conversion of share warrants into equity shares which were issued in July 2009. Out of the total Rs. 46.79 lacs share warrants issued earlier, Rs. 11.79 lacs share warrants were lapsed and consequently forfeited and the amount paid by the warrant holders on the above lapsed share warrants amounting to Rs. 618.97 lacs were transferred to Capital Reserve Account.
- xx. On the basis of our examination and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For ANAND AMARNATH & ASSOCIATES

Chartered Accountants

B K AMARNATH

Partner

Membership Number: 26536

Firm Registration Number: 000121S

Place: Bengaluru

Date: 17th May 2011

OPTO CIRCUITS (INDIA) LIMITED
BALANCE SHEET AS AT 31.03.2011

Amount in Rupees

Particulars	Schedule	As at 31.03.2011	As at 31.03.2010
I. Sources of Funds			
Share Holders Funds			
Capital	A	1,863,995,440	1,828,995,440
Share Warrants	A [a]	—	245,647,500
Reserves & Surplus	B	8,764,322,372	6,538,539,993
Loan Funds			
Secured Loans	C	6,431,558,323	1,925,004,649
Unsecured Loans	D	808,518,221	21,010,839
TOTAL		17,868,394,356	10,559,198,421
II. Application of Funds			
Fixed Assets	E		
Gross Block		986,649,923	939,343,991
Less Depreciation		193,718,257	135,003,527
Net Block		792,931,666	804,340,464
Capital work - in - progress		11,951,040	7,511,868
Investments	F	11,143,891,422	5,214,285,824
Deferred Tax Asset	G	4,002,845	1,576,971
Current Assets, Loans & Advances	H		
Inventories		2,452,143,723	1,153,451,041
Sundry Debtors		2,287,769,235	1,986,656,011
Cash & Bank Balances		1,174,640,156	1,108,382,686
Loans & Advances		2,830,461,344	1,951,704,923
TOTAL [A]		8,745,014,458	6,200,194,661
Less: Current Liabilities & Provisions	I		
Liabilities		1,460,979,654	248,828,346
Provisions		1,368,417,421	1,438,503,564
TOTAL [B]		2,829,397,075	1,687,331,910
Net Current Assets (A-B)		5,915,617,383	4,512,862,751
Miscellaneous Expenditure (to the extent not written off or adjusted)	J	—	18,620,543
TOTAL		17,868,394,356	10,559,198,421
Notes forming part of accounts and significant accounting policies	R		

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

SRINATHA A. N.
Company Secretary

Place: Bengaluru
Date: 17th May 2011

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
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Amount in Rupees

Particulars	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
Income			
Sales	K	6,032,027,340	4,714,966,979
Other Income	L	360,689,954	[105,716,186]
Increase/Decrease in W I P & FG	M	488,349,078	[5,055,447]
TOTAL		6,881,066,372	4,604,195,346
Expenditure			
Manufacturing Expenses	N	3,930,077,401	2,412,942,243
Administrative & Selling Expenses	O	175,310,591	163,468,124
Financial Expenses	P	249,281,588	345,231,252
Depreciation	E	59,062,012	30,970,730
TOTAL		4,413,731,592	2,952,612,349
Profit for the year before Tax		2,467,334,780	1,651,582,997
Add/(Less): Prior Year Adjustment		3,194,980	[16,352,706]
Profit Before Tax		2,470,529,760	1,635,230,291
Provision for Taxation	Q	26,778,153	164,872,496
Profit After Tax		2,443,751,607	1,470,357,795
Profit brought forward from Previous Year		2,097,114,034	1,732,979,904
Profit available for appropriation		4,540,865,641	3,203,337,699
Amount Transferred to General Reserve		250,000,000	150,000,000
Proposed Dividend		840,297,948	817,320,112
Tax on Distributed Profits		139,568,780	138,903,553
Profit carried to Balance Sheet		3,310,998,913	2,097,114,034
Number of Equity Shares		186,399,544	182,899,544
Basic earnings per equity share (Rs.)		13.10	8.02
Diluted earnings per equity share (Rs.)		–	7.95
Notes forming part of accounts and significant accounting policies	R		

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

SRINATHA A. N.
Company Secretary

Place: Bengaluru
Date: 17th May 2011

As per our report of even date

FOR ANAND AMARNATH & ASSOCIATES
Chartered Accountants

B K AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 0001215

OPTO CIRCUITS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Amount in Rupees

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
I. Cash Flow from Operating Activities		
Net profit before tax & extraordinary items	2,467,334,780	1,651,582,997
Amortisation and other non cash items	16,194,669	36,717,089
Depreciation	59,062,012	30,970,730
Dividend received for the year	(259,764,913)	(3,153,165)
Interest paid on borrowings	249,281,588	345,231,252
Interest received on Fixed Deposit	(2,208,166)	(1,293,539)
Profit / (Loss) on sale of Fixed Asset	505,055	13,076,882
	2,530,405,025	2,073,132,246
Adjustments for Working Capital		
(Increase)/Decrease in Inventories	(1,298,692,682)	(156,763,112)
(Increase)/Decrease in loans & advances	(878,756,421)	(1,138,500,618)
(Increase)/Decrease in Sundry Debtors	(301,113,224)	477,969,366
(Increase)/Decrease in Current Liabilities	1,079,631,724	(129,525,898)
Cash operating profit/ (loss) before income tax	1,131,474,422	1,126,311,984
Income Tax	(26,778,153)	(164,872,496)
Cash flow from operating activities before extraordinary items	1,104,696,269	961,439,488
Extraordinary items & previous year transactions	3,194,980	(16,352,706)
Net Cash Flow from Operations	1,107,891,249	945,086,782
II. Cash Flow from Investing Activities		
Dividend Income	259,764,913	3,153,165
Interest received on Fixed Deposits	2,208,166	1,293,539
Proceeds from Sale of Fixed Assets	697,366	(13,076,882)
Proceeds from Sale of Investments (Net)	(5,929,605,600)	(34,298,000)
Total inflow of cash from investments	(5,666,935,155)	(42,928,178)
Purchase of Fixed Assets	(48,855,635)	(530,611,746)
Payment towards Capital Work in Progress	(4,439,172)	48,498,514
Product Development Expenses	—	(16,206,833)
Net Cash Flow from Investing Activities	(5,720,229,962)	(541,248,243)

OPTO CIRCUITS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011 (CONTD.)

Amount in Rupees

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
III. Cash Flow from Financing Activities		
Proceeds from long term borrowings (Net)	678,171,203	—
Proceeds from issue of Share Capital	35,000,000	214,304,840
Proceeds from issue of Share premium / Capital Reserve	761,897,500	3,619,259,278
Proceeds from issue of Share Warrants	(245,647,500)	245,647,500
Proceeds/ (Repayment) of Secured Loans	3,828,382,472	(3,199,873,925)
Repayment of Unsecured Loans	787,507,382	10,599,314
Inflow of Cash	5,845,311,057	889,937,007
Interest paid on borrowings	(249,281,588)	(345,231,252)
Dividend & Dividend Tax	(917,433,286)	(645,876,240)
Net cash flow from financing activities	4,678,596,183	(101,170,485)
Total Increase in cash & cash equivalents during the year	66,257,470	302,668,054
Cash & cash equivalents at the beginning of the year	1,108,382,686	805,714,632
Cash & cash equivalents at the end of the year	1,174,640,156	1,108,382,686

Note: Figures in brackets represent outflows.

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of Opto Circuits (India) Ltd., for the year ended March 31, 2011. The statement has been prepared by the company in accordance with the requirement under Clause 31 of Listing Agreement with stock exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the year ended March 31, 2011.

For and on behalf of the Board of Directors

VINOD RAMNANI

Chairman & Managing Director

USHA RAMNANI

Executive Director

SRINATHA A. N.

Company Secretary

Place: Bengaluru

Date: 17th May 2011

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
SCHEDULES TO BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule A		
Share Capital Authorised		
200,000,000 Equity Shares of Rs.10/- each (P.Y. 200,000,000 Equity Shares of Rs. 10/- each)	2,000,000,000	2,000,000,000
Issued Capital		
18,666,1444 Equity Shares of Rs.10/- each, (P.Y. 183,161, 444 Equity Shares of Rs. 10/- each), Out of the above	1,866,614,440	1,831,614,440
– 1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash – 150,211,540 (P.Y.150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares – 1,164,620 Equity Shares of Rs.10/- each fully paid up on a Preferential basis – 4,040,000 Equity Shares of Rs.10/- each fully paid up as share warrants converted to Equity Shares		
Subscribed Capital		
186,399,544 Equity Shares of Rs.10/- each fully paid up, (P.Y. 182,899, 544 Equity Shares of Rs. 10/- each) Out of the above	1,863,995,440	1,828,995,440
– 1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash – 150,211,540 (P.Y.150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares – 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis – 4,040,000 Equity Shares of Rs.10/- each fully paid up as share warrants converted to Equity Shares		
Paid-up Capital		
186, 399,544 Equity Shares of Rs.10/- each fully paid up,(P.Y. 182,899,544 Equity Shares of Rs. 10/- each), Out of the above-	1,863,995,440	1,828,995,440
– 1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash – 150,211,540 (P.Y.83,454,280) Equity Shares of Rs.10/- each fully paid up as Bonus Shares – 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis – 4,040,000 Equity Shares of Rs.10/- each fully paid up as share warrants converted to Equity Shares		
TOTAL	1,863,995,440	1,828,995,440
Schedule A(a)		
Share Warrants	–	245,647,500
4,679,000 partly paid share warrants of Rs. 210/- each to be converted into Equity Shares of Rs. 10/- each at a premium of Rs. 200/-		
TOTAL		245,647,500
Schedule B		
Reserves & Surplus		
(a) General Reserve		
As per last Balance Sheet:	526,987,752	376,987,752
Add: Transfer from Profit & Loss Account	250,000,000	150,000,000
TOTAL	776,987,752	526,987,752

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule B (Contd.)		
(b) Capital Reserve 1,739,000 (P.Y. 560,000) share warrants of Rs. 210/- each	82,057,500	20,160,000
(c) Profit & Loss Account balance	3,310,998,913	2,097,114,034
(d) Securities Premium Reserve		
Share Premium account - opening Balance	3,894,278,207	275,018,930
Add: Addition during the year	700,000,000	3,619,259,277
	4,594,278,207	3,894,278,207
TOTAL (A+B+C+D)	8,764,322,372	6,538,539,993
Schedule C		
Secured Loans		
Term Loan From Banks & Financial Institutions*	1,547,877,085	866,935,767
Working Capital Advances from Banks **	4,878,010,841	1,049,628,369
Other Term Loans***	5,670,397	8,440,513
	6,431,558,323	1,925,004,649
* Secured by hypothecation of Fixed Assets & Shares ** Secured by hypothecation of Stocks & Book Debts *** Secured by hypothecation of Equipment & Vehicles		
Schedule D		
Unsecured Loans		
From Directors	8,518,221	21,010,839
From Commercial Banks	800,000,000	—
TOTAL	808,518,221	21,010,839
Schedule F		
Investments		
Quoted Shares at Cost:		
Advanced Micronic Devices Ltd. 3,153,165 Equity Shares of Rs.10/- fully paid up (Aggregate cost of Quoted investment Rs. 52,461,254. Market Value Rs. 102,320,204/- as on 31.3. 2011 or as on last quoted date)	52,461,254	52,461,254
Unquoted Investment at Cost		
Mediaid Inc.	445,549,475	101,488,225
Eurocor GmbH	826,623,128	826,623,128
Opto Eurocor Healthcare Ltd.	344,497,714	204,497,714
Devon Innovations Pvt. Ltd.	31,250,000	31,250,000
Ormed Medical Technology Ltd.	8,501,430	8,501,430
Criticare Systems, Inc.	3,809,464,073	3,809,464,073
Opto Infrastructure Ltd.	180,000,000	180,000,000
N.S. Remedies Pvt. Ltd.	60,000,000	—
Opto Circuits (Malaysia) Sdn. Bhd.	446,300,000	—
Unetixs Vascular, Inc.	453,359,732	—
Cardiac Science Corporation	4,085,884,616	—

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule F (Contd.)		
Opto Cardiac Care Ltd.	400,000,000	–
TOTAL	11,143,891,422	5,214,285,824
Schedule G		
Deferred Tax Asset	4,002,845	1,576,971
Schedule H		
Current Assets, Loans & Advances		
A. Inventories (Valued at lower of cost or market value as certified by the Management)	2,452,143,723	1,153,451,041
B. Sundry Debtors (unsecured considered good, for which the Company holds no security other than the debtor's personal security)		
From Subsidiaries		
– Above 180 Days	–	404,560
– Below 180 Days	–	1,134,547
From others		
– Above 180 Days	173,506,459	690,694,563
– Below 180 Days	2,114,262,776	1,294,422,341
TOTAL	2,287,769,235	1,986,656,011
C. Cash & Bank Balances		
Deposits	7,496,732	29,868,909
Current Accounts	1,165,145,216	1,075,772,387
Accrued Interest	-	320,936
Cash on hand	1,998,208	2,420,454
TOTAL	1,174,640,156	1,108,382,686
D. Loans & Advances (Unsecured considered good, receivable in cash or in kind or for value to be received)		
Advances to suppliers & services – Subsidiaries	158,208,023	104,879,382
Advances to suppliers & services – Others	1,378,362,671	1,112,787,184
Other Advances	15,455,990	25,788,812
Advances for supply of Capital goods – Others	396,108,236	9,967,185
Advances for supply of Capital goods – Subsidiaries	48,730,876	49,745,875
Inter Corporate Deposits – Subsidiary	482,655,174	205,109,720
MAT Credit Entitlement	174,612,055	199,704,552
Advance Income Tax	170,507,110	234,702,238
Deposits	5,821,209	9,019,975
TOTAL	2,830,461,344	1,951,704,923

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule I		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors for Purchases		
Subsidiary	10,187,698	11,049,316
Others - Small & Micro Enterprises	1,474,324	756,702
Others	29,923,306	19,258,970
Sundry Creditors for Expenses		
Others - Small & Micro Enterprises	6,671,250	5,843,838
Others	29,764,921	11,621,048
Sundry Creditors for Capital Goods	873,644	2,133,262
Advance received from Customers & Other advances	1,517,716	11,124,065
Inter Corporate Deposits received from Subsidiaries	1,336,874,145	168,876,196
Inter Corporate Deposits received from others	9,472,195	9,472,195
Statutory Dues Payable	3,267,578	2,104,702
Unclaimed Dividends	30,952,877	6,588,052
TOTAL	1,460,979,654	248,828,346
Provisions		
Provision for Dividend	838,797,948	731,598,176
Provision for Dividend Tax	263,903,890	308,670,220
Provision for MAT	80,527,280	199,704,552
Provision for Taxation	140,653,002	173,942,981
Provision for Wealth Tax	269,382	269,382
Provision for Leave Encashment	4,463,310	4,055,805
Provision for FBT	2,532,034	2,280,141
Provision for Interest on Tax	33,942,313	15,705,875
Provision for Gratuity	3,328,262	2,276,432
TOTAL	1,368,417,421	1,438,503,564
Schedule J		
Miscellaneous Expenditure		
Miscellaneous Expenses, R&D and Product Development Expenses [to the extent not written off or adjusted]	—	18,620,543
TOTAL	—	18,620,543

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO PROFIT AND LOSS ACCOUNT

Amount in Rupees

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Schedule K		
Sales		
Sales Unit II- Exports	278,434,515	1,149,822,242
Sales Unit II- DTA	180,000	14,394,526
Sales Unit III- SEZ	5,753,412,825	3,550,750,211
TOTAL	6,032,027,340	4,714,966,979
Schedule L		
Other Income		
Difference in Exchange Rate	98,716,875	(110,162,890)
Dividend & Other Income	261,973,079	4,446,704
TOTAL	360,689,954	(105,716,186)
Schedule M		
Increase/Decrease in WIP & Finished Goods		
Opening Stock of WIP	209,325,000	214,380,447
Opening Stock of Finished Goods	—	—
TOTAL (A)	209,325,000	214,380,447
Less:		
Closing Stock of WIP	697,674,078	209,325,000
Closing Stock of Finished Goods	—	—
TOTAL (B)	697,674,078	209,325,000
Increase/(Decrease) in WIP & Finished Goods (B-A)	488,349,078	(5,055,447)
Schedule N		
A. Manufacturing Expenses		
Consumption Of Raw Materials & Consumables		
Opening Stock	944,126,041	782,307,482
Add: Purchase of Raw Materials & Consumables	4,674,583,617	2,543,965,521
TOTAL (A)	5,618,709,658	3,326,273,003
Less: Closing Stock		
Raw Materials & Consumables	1,754,469,645	944,126,041
TOTAL (B)	1,754,469,645	944,126,041
Raw materials & Consumables Consumed (A-B)	3,864,240,013	2,382,146,962
B. Factory Expenses		
Labour Charges & Job Work	10,353,216	9,615,273
Power & Fuel	9,602,755	7,663,153
Tooling Charges	484,404	553,078
Insurance	2,904,074	3,983,897
Repairs & Maintenance - Plant & Machinery	1,639,834	1,428,004
Repairs & Maintenance - Electricals & Others	1,618,499	1,408,048
Repairs & Maintenance - Building	2,629,430	1,224,504
Research & Development Expenses	36,605,176	4,919,324
TOTAL (B)	65,837,388	30,795,281
TOTAL (A+B)	3,930,077,401	2,412,942,243

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO PROFIT AND LOSS ACCOUNT

Amount in Rupees

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Schedule O		
A. Administrative Expenses		
Directors' Remuneration	15,741,078	15,741,080
Travelling & Conveyance	19,466,660	9,246,082
Professional & Consultancy Charges	7,127,835	8,820,485
Printing & Stationery	7,385,426	7,208,529
General Expenses	3,489,768	3,399,033
Postage, Telephone & Fax Charges	4,488,638	3,244,628
Share Transfer Charges	194,136	133,786
Loss on Sale of Assets	505,055	13,076,882
Rates & Taxes	2,179,886	2,472,759
Advertisement	2,189,692	1,947,347
Auditor's Remuneration	3,860,500	2,206,000
Rent	3,482,465	1,552,862
Repairs & Maintenance - Others	33,278	8,110
Membership, Books & Periodicals	75,837	44,995
TOTAL (A)	70,220,254	69,102,578
B. Staff Expenses		
Salaries & Allowances	52,530,675	41,058,419
Staff Welfare & Amenities	13,891,426	12,405,848
TOTAL (B)	66,422,101	53,464,267
C. Selling Expenses		
Freight & Handling Charges	27,730,570	24,988,054
Packing Materials	4,251,532	2,704,214
Clearing Charges	5,057,707	5,642,520
Business Promotion Expenses	925,494	535,735
Bad Debts Written off	702,933	7,030,756
TOTAL (C)	38,668,236	40,901,279
TOTAL (A+B+C)	175,310,591	163,468,124
Schedule P		
Financial Charges		
Interest on Working Capital	171,323,716	155,546,750
Interest on Term Loan	61,453,600	179,454,762
Bank Charges	16,504,272	10,229,740
TOTAL	249,281,588	345,231,252
Schedule Q		
Provision For Taxation		
Income Tax	29,204,027	166,449,467
Deferred Tax	(2,425,874)	(1,576,971)
TOTAL	26,778,153	164,872,496

NOTES FORMING PART OF ACCOUNTS

SCHEDULE R

1. Contingent Liability

a. The Company has issued corporate guarantee in favour of State Bank of India, State Bank of Travancore, ICICI Bank Ltd., IndusInd Bank Ltd. and HDFC Bank Ltd. against line of credit sanctioned to Advanced Micronic Devices Ltd., Opto Eurocor Healthcare Ltd., Eurocor GmbH and Cardiac Science Corporation.

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Corporate guarantee-Advance Micronic Devices Ltd.	1,701.00	1,787.00
Corporate guarantee-Opto Eurocor Healthcare Ltd.	5,000.00	3,400.00
Corporate guarantee-Eurocor GmbH	3,162.00	—
Corporate guarantee – Cardiac Science Corporation	6,697.50	—
TOTAL	16,560.50	5,187.00

b. Bank guarantees issued on behalf of the Company to Banks is Rs. 125.00 lacs

2. Funding for Share Acquisition

The Company has established a corporate guarantee of Rs. 13,395.00 lacs against loan extended by DBS bank for investment in Cardiac Science Corporation, USA. The Loan was obtained by Jolt Acquisition Company, a wholly owned subsidiary for acquisition of shares and subsequent to the acquisition, Jolt Acquisition Company merged with Cardiac Science Corporation, USA. Since the loan was raised for acquisition of shares of Cardiac Science Corporation, the liability towards the loan and corresponding investments in shares are accounted in Opto Circuits (India) Ltd.

3. During the year ended 31st March 2011, the Company has made the following acquisitions:

- N. S. Remedies Pvt. Ltd., a stent manufacturing and research development facility in April 2010 at the total cost of Rs. 600 lacs.
- Unetixs Vascular, Inc., a specialist in detection of peripheral arterial diseases in July 2010 at the total cost of Rs. 4,533 lacs
- Cardiac Science Corporation which is a leading manufacturer of therapeutic cardiology devices in December 2010 for Rs. 40,858.84 lacs.

4. CIF Value of Imports

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
a. Components and Spares	43.14	76.33
b. Capital Goods	366.74	4,739.67
c. Raw Material	46,143.98	25,192.61

5. Value of Raw Materials Consumed

Particulars	31.03.2011		31.03.2010	
	%	Rs. in Lacs	%	Rs. in Lacs
a. Imported	98.84	17,285.62	99.17	23,525.54
b. Indigenous	1.16	202.05	0.83	198.08
TOTAL	100.00	17,487.67	100.00	23,723.62

6. Stores and Spares Consumed

Particulars	31.03.2011		31.03.2010	
	%	Rs. in Lacs	%	Rs. in Lacs
a. Imported	69.04	39.37	79.78	78.06
b. Indigenous	30.96	17.66	20.22	19.79
TOTAL	100.00	57.03	100.00	97.85

7. Income in Foreign Exchange

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Sales	57,257.94	51,082.99

8. Expenditure in Foreign Currency

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
a. Capital Equipment (CIF value)	4,125.50	1,920.88
b. Raw Materials	48,027.49	38,874.11
c. Interest & Loan Repayment	898.13	578.29

9. Remuneration to Chairman, Managing Directors & Whole time Directors

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
a. Salary	104.94	104.94
b. Perquisites (HRA)	52.47	52.47
TOTAL (a+b)	157.41	157.41

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

Computation of Net Profit under Section 198 read with Section 349 and Section 350 of the Companies Act, 1956 for the year ended March 31, 2011.

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Profit Before Taxation	24,680.33	16,352.30
Add:		
Managerial Remuneration to Directors	157.41	157.41
Loss on Sale of Fixed Assets	5.05	130.77
Depreciation as per accounts	590.62	309.71
	25,433.41	16,950.19
Less:		
Depreciation as per Section 350 of the Companies Act	590.62	309.71
Profit on Sale of Fixed Assets		
Net Profit as per 349 of the Companies Act, 1956	24,842.79	16,640.48
Remuneration to Managing and Whole Time Directors @ 10 % of the Net Profit (maximum)	2,484.28	1,664.05
Remuneration to Whole Time Directors [Salary & Perquisites]	157.41	157.41

Note: As per the AGM approval dated 21.07.2005 Whole time Directors are eligible for salary, perquisites & commission at 3 % of Net Profits

10. Capacities & Production (quantity in lacs)

Rs. in Lacs

Year ending	31.03.2011	31.03.2010
a. Production	41.33	42.47

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

11. The Income Tax department has raised a demand for tax of Rs. 14.16 lacs 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.

12. Deferred tax is recognized 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 asset has not been recognized as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available for such deferred tax asset to be set off. Tax expenses towards deferred tax liability do not arise for the SEZ unit as income is covered under section 10AA of the Income Tax Act, 1961.

13. Auditors Remuneration

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Statutory Audit fees	28.95	15.00
Tax Audit fees	9.65	5.00
Other Services	11.76	7.97

14. Product Development Expenses

Product development expenses that are not charged off to the profit and loss account are reflected under the head "Miscellaneous expenditure (to the extent not written off or adjusted)" in the Balance Sheet. This amount is amortised over the estimated useful life of product development expenses. During this year an amount of Rs. 366.05 lacs has been charged to profit and loss account as product development comprising Rs 179.85 lacs incurred during this year and Rs 186.20 lacs capitalised in the earlier years.

15. Segment wise reporting

- The Company has mainly one business segment of Medical Electronic Products.
- The Company has geographical region wise segments of customers as shown below, region wise profitability can not be ascertained.

Sales Revenue by Geographical Segment

Rs. in Lacs

Continents	31.03.2011	31.03.2010
Asia	42,200.79	30,180.34
Europe	1,558.37	1,445.08
America	16,559.31	15,314.78
Domestic & Others	1.80	60.66

1. Segments have been identified in accordance with Accounting Standard 17 "Segment reporting", considering the organization structure & the return/risk profiles of the businesses. The management information system recognizes & monitors these segments on a continuous basis.
2. Segment wise revenue includes sales & other income directly identifiable with the segment & allocated to it. Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments.

16. Table below shows the proceeds from share warrants during the year 2010-11. These share warrants were issued in July 2009 and the issue price was Rs.210 per warrant.

Particulars	No. of warrants in lacs	Price per warrant in Rs.	Total Amount (Rs. in lacs)
Subscribed at rate of 25% of issue price during FY 2009-10	46.79	52.50	2,456.47
Conversion at rate of 75% of issue price	35.00	157.50	5,512.50
Forfeited Warrants transfer to capital reserve	11.79	52.50	618.97

In July 2009, the Company had issued 60.00 lac equity warrants at Rs. 210 per share with each warrant convertible into one equity share of the Company, out of which 46.79 lac share warrants had been subscribed. The Company had received Rs. 52.50 for each warrant which is 25% of the issue price from the allottees of the share warrant holders.

During the current financial year, out of 46.79 lac shares warrants, 35.00 lac share warrants were opted for conversion by paying the balance amount of Rs. 5,512.50 lacs and 35.00 lac equity share were allotted to the warrant holders. The remaining 11.79 lac share warrants lapsed and were consequently forfeited and the amount paid by the warrant holders amounting to Rs. 618.97 lacs is transferred to Capital Reserve Account.

Details of Capital Reserve

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Opening Balance	201.60	201.60
Add: Transferred from forfeited 1,179,000 share warrants for nonpayment of balance 75% of the share warrant money	618.98	—
TOTAL	820.58	201.60

Details for Increase in Share Capital

Qty in Lacs; Value in Rs. Lacs

Particulars	31.03.2011		31.03.2010	
	Qty	Value	Qty	Value
Opening Balance	1,828.99	18,289.95	1,614.69	16,146.90
Add: Issue of shares through QIP	—	—	214.30	2,143.05
Conversion of Share Warrants	35.00	350.00	—	—
TOTAL	1,863.99	18,639.95	1,828.99	18,289.95

17. Related Party Disclosures:

List of related parties where Company's management control exists

a. Subsidiaries

Name of the Company	% of Holding
1. Advanced Micronic Devices Ltd.	59.71%
2. Mediaid, Inc.	100%
3. Eurocor GmbH	100%
4. Devon Innovations Pvt. Ltd.	100%
5. Ormed Medical Technology Ltd.	100%
6. Criticare Systems, Inc.	100%
7. Opto Infrastructure Ltd.	87.06%
8. Maxcor Lifescience Inc.	100%
9. N.S. Remedies Pvt. Ltd.	100%
10. Opto Circuits (Malaysia) Sdn. Bhd.	100%
11. Unetixs Vascular, Inc.	100%
12. Cardiac Science Corporation	100%
13. Opto Cardiac Care Ltd.	100%
14. Opto Eurocor Healthcare Ltd.	100%

b. Key Management Personnel

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

Related Party Transactions

During the year the following transactions were carried out with the related Party in the ordinary course of business

Rs. in Lacs

Particulars	Subsidiaries		Key Management Personnel		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Purchase of Goods	12.79	382.71	—	—	12.79	382.71
Sale of Goods	2.43	685.85	—	—	2.43	685.85
Purchase of Fixed Assets	4.84	—	—	—	4.84	—
Sale of Fixed Assets	8.14	—	—	—	8.14	—
Dividend Received	2,597.65	31.53	—	—	2,597.65	31.53
Loans & Advances (Debit Balance)	6,895.94	3,597.35	—	—	6,895.94	3,597.35
Loans & Advances (Credit Balance)	13,368.74	1,688.76	85.18	210.11	13,453.92	1,898.87
Sundry Debtors (Balances)	—	15.39	—	—	—	15.39
Sundry Creditors (Balances)	101.88	110.49	—	—	101.88	110.49
Management contracts including for deputation of employees	—	—	157.41	157.41	157.41	157.41

18. 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 2011 are as under:

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
The total amount due to such enterprises	81.46	66.01

There is no interest payable for such delayed payments

19. Dividend paid in foreign currency for the year 2009-10 is USD 9.41 lacs towards 101.36 lac equity shares held by NRIs, foreign nationals and FIIs.

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

21. Earnings Per Share

Amount in Rs.

Particulars	31.03.2011	31.03.2010
EPS – Basic	13.10	8.02

* EPS for previous year has been restated.

NOTES FORMING PART OF ACCOUNTS (CONTD.)

SCHEDULE R

SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting

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

2. Revenue Recognition

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

3. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Cost price includes purchase price, duties, levies and any other costs 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 Process	Valued at lower of cost and net realizable value. Work in process includes costs incurred up to the stage of completion
Finished Goods	Valued at lower of cost and net realizable value. Finished goods include cost of conversion and cost incurred 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. Provisions for Taxation

A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as asset if there is convincing

evidence that the Company will pay normal tax after the tax holiday period.

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

SRINATHA A. N.

Company Secretary

Place: Bengaluru

Date: 17th May 2011

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	13223	State Code	08
Balance Sheet Date	31.03.2011		

Capital raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Private Placement	NIL
Rights Issue	NIL	QIP Issue	NIL
Bonus Issue	NIL	Share Warrants	551,250

Position of Mobilisation and deployment of funds (Amount in Rs.Thousand)

Total Liabilities	17,868,394	Total Assets	17,868,394
-------------------	------------	--------------	------------

Sources of Fund		Application of Funds	
Paid up Capital	1,863,996	Net Fixed Assets	804,883
Secured Loans	6,431,558	Net Current Assets	5,915,617
Reserves & Surplus	8,764,322	Deferred Tax Asset	4,003
Unsecured Loans	808,518	Investments	11,143,891

Performance of the Company (Amount in Rs. Thousand)

Turnover	6,032,027	Total Expenditure	4,413,732
Profit before Tax	2,470,530	Profit after tax	2,443,752
Earnings per Share in Rs.	13.10	Dividend Rate	Rs. 4.50 per share

Generic Names of three principal products / services of the Company

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

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

SRINATHA A. N.
Company Secretary

Place: Bengaluru
Date: 17th May 2011



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, 2011 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.

Mediaid Inc., USA, Eurocor GmbH, Germany, Criticare Systems, Inc., USA, Opto Circuits (Malaysia) Sdn. Bhd., Unitexs Vascular, Inc., USA, MCH Realty LLC, Cardiac Science Corporation, USA, N.S.Remedies Pvt. Ltd., the subsidiaries whose financial statements have been audited by independent auditors reflect the total assets of Rs. 171,315.03 lacs as against the consolidated total assets of Rs. 302,934.45 lacs as at 31st March, 2011 and the total revenue of Rs. 91,323.94 lacs as against the Consolidated total revenue of Rs. 165,698.16 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, 2011.
- 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: 17th May 2011

OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31.03.2011

Amount in Rupees

Particulars	Schedule	As at March 31, 2011	As at March 31, 2010
I. Sources of Funds			
Share Holders Funds			
Capital	A	1,863,995,440	1,828,995,440
Share Warrants	A (a)	–	245,647,500
Reserves & Surplus	B	11,804,605,750	8,382,875,315
Loan Funds			
Secured Loans	C	8,032,550,582	2,192,353,679
Unsecured Loans	D	811,396,513	135,880,528
Deferred Tax Liability		233,552,971	1,922,546
Minority Interest		218,943,183	135,039,549
TOTAL		22,965,044,439	12,922,714,557
II. Application of Funds			
Fixed Assets	E		
Gross Block		7,521,018,980	3,573,709,983
Less Accumulated Depreciation		3,109,634,327	853,104,486
Net Block		4,411,384,653	2,720,605,497
Capital work-in-progress		251,945,150	261,490,863
Goodwill	F	6,290,178,369	2,374,492,943
Investments	G	109,000	2,850,225
Current Assets, Loans & Advances:	H		
Inventories		4,325,193,394	2,212,281,318
Sundry Debtors		6,784,200,668	4,396,011,367
Cash & Bank Balances		2,341,785,664	1,223,267,577
Loans & Advances		5,821,053,867	3,053,723,377
TOTAL [A]		19,272,233,593	10,885,283,639
Less: Current Liabilities & Provisions	I		
Liabilities		5,628,653,210	1,767,787,489
Provisions		1,699,749,760	1,612,795,993
TOTAL [B]		7,328,402,970	3,380,583,482
Net Current Assets (Total A-B)		11,943,830,623	7,504,700,157
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	J	67,596,644	58,574,872
TOTAL		22,965,044,439	12,922,714,557
Notes forming part of consolidated accounts & significant accounting policies	R		

For and on behalf of the Board of Directors

As per our report of even date

VINOD RAMNANI
Chairman & Managing Director

FOR ANAND AMARNATH & ASSOCIATES
Chartered Accountants

USHA RAMNANI
Executive Director

B K AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

SRINATHA A. N.
Company Secretary

Place: Bengaluru
Date: 17th May 2011

OPTO CIRCUITS (INDIA) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Amount in Rupees

Particulars	Schedule	Year ended 31st March, 2011	Year ended 31st March, 2010
Income			
Sales	K	15,855,630,636	10,775,825,625
Other Income	L	304,331,115	[75,850,318]
Increase/Decrease in WIP & FG	M	409,854,539	[8,757,094]
TOTAL		16,569,816,290	10,691,218,213
Expenditure			
Manufacturing Expenses	N	9,351,991,881	5,986,950,538
Administrative & Selling Expenses	O	2,464,960,040	1,111,797,654
Financial Expenses	P	320,586,950	382,107,839
Depreciation	E	507,978,260	277,992,555
TOTAL		12,645,517,131	7,758,848,586
Profit for the year before Tax		3,924,299,159	2,932,369,627
Add/(Less): Prior Year Adjustment		12,055,857	[31,912,181]
Profit Before Tax		3,936,355,016	2,900,457,446
Provision for Taxation	Q	250,894,936	296,372,661
Profit After Tax		3,685,460,080	2,604,084,785
Profit brought forward from Previous Year		4,061,600,117	2,581,796,814
Profit available for appropriation		7,747,060,197	5,185,881,599
Amount Transferred to General Reserve		314,557,157	150,064,636
Proposed Dividend		843,489,851	819,448,047
Tax on Distributed Profits		140,994,677	139,644,228
Share of Minority Interest		12,967,734	1,041,680
Unrealised Profit		—	14,082,891
Profit carried to Balance Sheet		6,435,050,778	4,061,600,117
Notes forming part of consolidated accounts & significant accounting policies	R		

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

SRINATHA A. N.
Company Secretary

Place: Bengaluru
Date: 17th May 2011

As per our report of even date

FOR ANAND AMARNATH & ASSOCIATES
Chartered Accountants

B K AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 0001215

OPTO CIRCUITS (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Amount in Rupees

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
I. Cash Flow from Operating Activities		
Net profit before tax & extraordinary items	3,924,299,159	2,932,369,627
Adjustments for non operating items		
Amortisation and other non cash items	197,009,154	[433,504,138]
Depreciation	507,978,260	277,992,554
Dividend received for the year	[12,649,519]	[121,214]
Interest paid on borrowings	320,586,950	382,107,839
Interest received on Fixed Deposits	[1,943,727]	[1,991,167]
(Profit) / Loss on Sale of Fixed Assets	[69,590,365]	13,253,050
	4,865,689,912	3,170,106,551
Adjustments for working capital		
(Increase)/Decrease in inventories	[2,112,912,077]	92,952,871
(Increase)/Decrease in loans & advances	[2,767,330,491]	[488,719,689]
(Increase)/Decrease in sundry debtors	[2,388,189,302]	[336,204,614]
Increase/(Decrease) in current liabilities	3,947,819,481	[328,390,258]
Cash flow from operating profit/(loss) before income tax	1,545,077,523	2,109,744,861
Income tax	[250,894,936]	[296,372,661]
Cash flow from operating activities before extraordinary items	1,294,182,587	1,813,372,200
Extraordinary items Previous year transaction	12,055,857	[31,912,182]
Net cash flow from operations	1,306,238,444	1,781,460,018
II. Cash Flow from Investing Activities		
Dividend Income	12,649,519	121,214
Interest received on Fixed Deposits	1,943,727	1,991,167
Goodwill	[3,915,685,426]	–
Proceeds from Sale of Fixed Assets	131,068,211	[13,253,050]
Change in Minority Interest	83,903,634	1,041,680
Proceeds from sale of investments (Net)	2,741,225	–
Total inflow of cash from investing activities	[3,683,379,110]	[10,098,989]
Purchase of Fixed Assets/Intangible Assets	[2,260,235,257]	[1,018,463,079]
Payment towards Capital Work in Progress	[18,096,600]	[89,179,065]
Product development/approval expenses	–	[41,017,460]
Net cash flow from investing activities	[5,961,710,967]	[1,158,758,593]

OPTO CIRCUITS (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011 (CONTD.)

Amount in Rupees

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
III. Cash Flow from Financing Activities		
Proceeds/ (Repayment) of Term Loans	1,673,418,670	(1,914,681,240)
Proceeds from - Share Capital	35,000,000	214,304,840
Proceeds from - Share Premium/ Capital Reserve	773,996,700	3,785,695,000
Proceeds from - Share Warrants	(245,647,500)	245,647,500
Share Issue Expenses	—	(166,435,724)
Proceeds/ (Repayment) of Working Capital Loans	4,166,778,232	(1,255,762,667)
Proceeds/ (Repayment) of Unsecured Loans	675,515,985	119,649,183
Inflow of cash	7,079,062,087	1,028,416,892
Interest paid on borrowings	(320,586,950)	(382,107,839)
Dividend/Dividend Tax	(984,484,527)	(959,092,275)
Net cash flow from financing activities	5,773,990,610	(312,783,222)
Total increase in cash & cash equivalents during the year	1,118,518,087	309,918,203
Cash & cash equivalents at the beginning of the year	1,223,267,577	913,349,374
Cash & cash equivalents at the end of the year	2,341,785,664	1,223,267,577

Note: Figures in brackets represent outflows.

For and on behalf of the Board of Directors

VINOD RAMNANI
Chairman & Managing Director

USHA RAMNANI
Executive Director

SRINATHA A. N.
Company Secretary

Place: Bengaluru
Date: 17th May 2011

As per our report of even date

FOR ANAND AMARNATH & ASSOCIATES
Chartered Accountants

B K AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 0001215

OPTO CIRCUITS [INDIA] LIMITED
SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule A		
Share Capital Authorised	2,000,000,000	2,000,000,000
200,000,000 Equity Share of Rs.10/- each (P.Y. 200,000,000 Equity Shares of Rs.10/- each)		
Issued Capital	1,866,614,440	1,831,614,440
186,614,444 Equity Shares of Rs.10/- each (P.Y. 183,161,444 Equity Shares of Rs.10/- each) Out of the above		
– 1,239,831 Equity Shares of Rs.10/- each fully paid-up allotted otherwise than for cash. – 150,211,540 (P.Y. 150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares – 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis – 4,040,000 (P.Y. 540,000) Equity shares of Rs.10/- each fully paid up as share warrants converted to Equity Shares		
Subscribed Capital	1,863,995,440	1,828,995,440
186,399,544 Equity Shares of Rs.10/- each (P.Y. 182,899,544 Equity Shares of Rs.10/- each) Out of the above		
– 1,239,831 Equity Shares of Rs.10/- each fully paid-up allotted otherwise than for cash. – 150,211,540 (P.Y. 150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares – 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis – 4,040,000 (P.Y. 540,000) Equity shares of Rs.10/- Each fully paid up as share warrant converted to Equity Shares		
Paid-up Capital	1,863,995,440	1,828,995,440
186,399,544 Equity Shares of Rs.10/- each (P.Y. 182,899,544 Equity Shares of Rs.10/- each) Out of the above-		
– 1,239,831 Equity Shares of Rs.10/- each fully paid-up allotted otherwise than for cash. – 150,211,540 (P.Y. 150,211,540) Equity Shares of Rs.10/- each fully paid up as Bonus Shares – 1,164,620 Equity Shares of Rs.10/- each fully paid up on Preferential basis – 4,040,000 (P.Y. 540,000) Equity shares of Rs.10/- Each fully paid up as share warrant converted to Equity Shares		
TOTAL	1,863,995,440	1,828,995,440
Schedule A[a]		
Share Warrants/Share Application		
(P.Y. 46,79,000 Share Warrants of Rs.10/- each partly paid up)	–	245,647,500
Total	–	245,647,500
Schedule B		
Reserves & Surplus		
Capital Reserve	82,057,500	20,160,000
17,39,000 (P.Y. 5,60,000) Shares Warrants forfeited for non exercise of option to convert into Equity Shares		
TOTAL (A)	82,057,500	20,160,000
Securities Premium Reserve	3,894,278,207	275,018,930
Add : Addition during the year	712,099,200	3,619,259,277
TOTAL (B)	4,606,377,407	3,894,278,207

OPTO CIRCUITS [INDIA] LIMITED
SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule B [Contd.]		
General Reserve		
As per last Balance Sheet	529,473,498	379,408,862
Add: Transfer from Profit & Loss Account*	250,869,277	150,064,636
	780,342,775	529,473,498
Add/(Less) : Foreign Currency Translation Reserve	(99,222,710)	(122,636,507)
TOTAL [C]	681,120,065	406,836,991
Profit & Loss Account Balance TOTAL [D]	6,435,050,778	4,061,600,117
TOTAL [A+B+C+D]	11,804,605,750	8,382,875,315
* Adjusted for carry forward loss of step down subsidiary		
Schedule C		
Secured Loans		
Term Loan from Banks & Financial Institutions*	2,691,195,167	1,011,814,865
Working Capital Advances from Banks **	5,329,001,114	1,162,222,882
Other Term Loans***	12,354,301	18,315,932
TOTAL	8,032,550,582	2,192,353,679
* Secured by hypothecation of Fixed Assets & Shares		
** Secured by hypothecation of Stocks & Book Debts		
*** Secured by hypothecation of Equipments & Vehicles		
Schedule D		
Unsecured Loans		
From Directors	10,534,366	134,692,093
From Commercial banks/others	800,862,147	1,188,435
TOTAL	811,396,513	135,880,528
Schedule F		
Goodwill / [Capital Reserve]		
Advanced Micronic Devices Ltd.	(33,428,277)	(33,428,277)
Mediaid, Inc.	4,871,765	4,871,765
Opto Eurocor Healthcare Ltd.	(2,374,707)	(2,374,707)
Eurocor GmbH	902,695,319	449,267,786
Devon Innovations Pvt. Ltd.	14,520,189	14,520,189
Ormed Technology Pvt. Ltd.	(1,878,651)	(1,878,651)
Criticare Systems, Inc.	2,101,335,975	2,101,335,975
Opto Infrastructure Ltd.	(157,821,137)	(157,821,137)
N.S. Remedies Pvt. Ltd.	31,464,473	—
Unetixs Vascular, Inc.	237,876,353	—
Cardiac Science Corporation	3,188,407,117	—
Opto Cardiac Care Ltd.	4,509,950	—
TOTAL	6,290,178,369	2,374,492,943
Schedule G		
Investments		
Quoted Shares at Cost		
Ambuja Cements Ltd.	—	129,776

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule G (Contd.)		
Centum Electronics Ltd.	7,000	7,000
Gold Stone Technologies Ltd.	—	90,431
HDFC Bank Ltd.	—	9,000
Hindustan Unilever Ltd.	—	296,226
ICICI Bank Ltd.	—	127,925
IDBI Ltd.	—	29,820
Infosys Technologies Ltd.	—	462,259
Intense Technologies Ltd.	—	69,385
Navneet Publications Ltd.	—	55,134
NIIT Ltd.	—	96,071
Samrat Ashoka Exports Ltd.	—	12,000
Siemens Ltd.	—	28,385
Silverline Technologies Ltd.	—	356,610
Sonata Software Ltd.	—	67,780
Sri Adhikari Bros Ltd.	—	367,793
Sundaram Fastners Ltd.	—	146,379
Tata Chemicals Ltd.	—	172,920
TISCO Ltd.	—	33,538
Titan Industries Ltd.	—	4,972
Wockhardt Ltd.	—	85,021
Unquoted Investment at Cost		
Microland Ltd.	102,000	102,000
Micronic Healthcare Pvt. Ltd.	—	99,800
TOTAL	109,000	2,850,225
Schedule H		
Current Assets, Loans & Advances		
A. Inventories (Valued at lower of cost or market value as certified by the management)	4,325,193,394	2,212,281,318
B. Sundry Debtors (unsecured considered good, for which the Company holds no security other than the debtor's personal security)		
- Above 180 Days	1,291,714,919	749,944,403
- Below 180 Days	5,492,485,749	3,646,066,964
TOTAL	6,784,200,668	4,396,011,367
C. Cash & Bank Balances		
Deposit & Other Accounts	308,879,159	47,145,648
Current Accounts	2,024,272,408	1,172,699,718
Cash on hand	8,634,097	3,422,211
TOTAL	2,341,785,664	1,223,267,577

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

Amount in Rupees

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule H (Contd.)		
D. Loans & Advances (Unsecured considered good, receivable in cash or in kind or for value to be received)		
Advances to suppliers & services	2,119,937,061	1,228,660,960
Other Advances	1,750,386,175	723,839,189
Advances to suppliers of Capital goods	1,232,656,728	497,009,750
Advance Income Tax –MAT	178,950,719	199,704,552
Advance Income Tax	210,470,670	287,117,029
Staff Advance	2,307,216	1,249,157
Deposits	113,626,567	26,682,658
Prepaid Expenses	212,718,731	89,460,082
TOTAL	5,821,053,867	3,053,723,377
Schedule I		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors for Purchases	2,288,038,784	1,349,647,856
Sundry Creditors for Expenses	2,722,535,309	228,877,100
Sundry Creditors for Capital Goods	2,597,145	9,640,911
Other Advances	124,446,198	13,160,317
Inter Corporate Deposits	43,792,037	27,834,983
Advance received from Customers	386,415,035	20,401,889
Statutory Dues Payable	28,006,256	109,726,035
Unclaimed Dividend	32,822,446	8,498,398
TOTAL	5,628,653,210	1,767,787,489
Provisions		
Provision for Dividend	841,989,851	733,726,111
Provision for Dividend Tax	266,159,461	310,151,569
Provision for FBT	4,085,063	2,453,145
Provision for Current Tax/ MAT	80,527,280	199,709,360
Provision for Taxation	463,825,066	337,343,490
Provision for Interest on Dividend Tax	33,942,313	15,705,875
Provision for Leave Encashment	4,798,143	5,774,013
Provision for Gratuity	4,153,201	7,663,048
Provision for Wealth Tax	269,382	269,382
TOTAL	1,699,749,760	1,612,795,993
Schedule J		
Miscellaneous Expenses, R&D and Product Development Expenses (to the extent not written off or adjusted)	67,596,644	58,574,872
TOTAL	67,596,644	58,574,872

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

Amount in Rupees

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Schedule K		
Sales		
Sales	9,478,735,617	6,739,629,049
Sales – SEZ	5,753,412,824	3,550,750,211
Sales – DTA	609,405,908	467,431,546
Sales – Commission	14,076,287	18,014,819
TOTAL	15,855,630,636	10,775,825,625
Schedule L		
Other Income		
Dividend Received	12,649,519	121,214
Interest Received	1,943,727	1,991,167
Difference in Exchange Rate	139,692,376	(108,296,168)
Profit on Sale of Asset	72,673,563	25,608
Miscellaneous Income	77,371,930	30,307,861
TOTAL	304,331,115	(75,850,318)
Schedule M		
Increase/Decrease in WIP & Finished Goods		
Opening Stock of WIP	212,194,767	218,373,866
Opening Stock of Finished Goods	306,284,692	5,731,289
TOTAL (A)	518,479,459	224,105,155
Less:		
Closing Stock of WIP	706,582,738	211,535,225
Closing Stock of Finished Goods	221,751,260	3,812,836
TOTAL (B)	928,333,998	215,348,061
Increase/(Decrease) in WIP & Finished Goods (B-A)*	409,854,539	(8,757,094)
Schedule N		
A. Manufacturing Expenses		
Consumption Of Raw Materials & Consumables		
Opening Stock	2,843,080,558	2,081,129,033
Add: Purchase of Raw Materials & Consumables	9,317,186,967	5,777,846,933
TOTAL (A)	12,160,267,525	7,858,975,966
Less: Closing Stock		
Raw Materials & Consumables TOTAL (B)	3,396,859,397	1,996,933,257
Raw materials & Consumables Consumed (A-B)*	8,763,408,128	5,862,042,709
B. Factory Expenses		
Labour Charges & Job Work	366,033,258	20,520,468
Power & Fuel	10,984,700	8,677,765
Tooling Charges	14,393,376	774,149
Insurance	3,912,612	4,696,569
Repairs & Maintenance - Plant & Machinery	9,754,634	1,925,989

*Opening stock of WIP, finished goods, raw materials includes balances from entities acquired during the year and hence does not compare with Closing stock of last year.

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

Amount in Rupees

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Schedule N (Contd.)		
Repairs & Maintenance - Electricals & Others	1,618,499	1,472,909
Repairs & Maintenance – Building	12,377,395	17,025,157
R&D and Product Development Expenses	49,729,782	4,919,324
Freight, Handling, Octroi and Others	11,879,110	6,380,466
Warranty Purchases	3,986,210	2,081,705
Service Charges	64,181,203	41,120,980
Spares – Materials	7,142,760	8,801,540
Production Supplies	32,303,161	6,510,808
Customs Duty & Supervision Charges	287,053	-
TOTAL (B)	588,583,753	124,907,829
Total Cost of Goods Sold (A+B)	9,351,991,881	5,986,950,538
Schedule O		
A. Administrative Expenses		
Advertisement & Trade Shows	213,875,098	43,121,945
AGM Expenses	74,866	38,133
Auditor's Remuneration	14,389,823	5,072,117
Bad Debts Written off	1,315,445	13,907,841
Commission	76,240,546	54,446,127
Directors Remuneration	29,104,023	22,478,685
Discount Allowed	4,372,912	2,041,473
Donation	1,653,077	28,602
Electricity & Water Charges	15,978,491	3,415,073
Foreign Exchange Translation Loss	22,467,156	4,774,684
General Expenses	57,494,366	3,467,582
Insurance	36,871,654	22,349,517
Loss on Sale of Asset	3,083,198	13,278,658
Membership, Books & Periodicals	12,734,734	1,156,297
Miscellaneous Expenses/Amortisation	40,657,360	26,802,735
Office Maintenance	26,270,106	7,341,290
Outside Labour	79,254,135	53,444,414
Postage, Telephone & Fax Charges	58,422,768	25,134,563
Printing & Stationery	14,521,407	11,804,621
Professional Consultancy Charges	85,676,576	37,610,256
Quality Certification, Patent & FDA Expenses	89,050,501	21,678,951
Rates & Taxes	45,006,560	12,150,492
Rent	73,208,661	32,405,128
Repairs & Maintenance - Others	19,372,936	4,200,226
Repairs & Maintenance - Vehicle	21,142,116	9,165,942
Security Charges	674,999	612,523
Seminar Expenses	8,423,321	4,111,237
Share Transfer Charges	4,360,291	133,786
Tender	270,117	275,252

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

Amount in Rupees

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Schedule O (Contd.)		
Travelling & Conveyance	192,110,188	97,936,203
TOTAL (A)	1,248,077,431	534,384,353
B. Staff Expenses		
Salaries & Allowances	876,371,073	408,893,492
Staff Welfare and Amenities	224,365,323	88,181,446
TOTAL (B)	1,100,736,396	497,074,938
C. Selling Expenses		
Freight & Handling Charges	50,216,415	46,786,867
Difference in Exchange	19,213,674	4,836,258
Packing Materials	11,505,523	12,455,141
Clearing Charges	5,057,707	5,642,520
Business Promotion Expenses	21,037,012	10,617,577
Transportation	9,115,882	-
TOTAL (C)	116,146,213	80,338,363
TOTAL (A+B+C)	2,464,960,040	1,111,797,654
Schedule P		
Financial Charges		
Interest - Working Capital	194,203,186	170,790,461
Interest on Term Loan	63,092,126	179,448,857
Interest to Others	27,773,192	7,882,713
Bank Charges	35,518,446	23,985,808
TOTAL	320,586,950	382,107,839
Schedule Q		
Provision For Taxation		
Income Taxes	253,188,576	297,696,417
Deferred Tax	(2,293,640)	(1,323,756)
TOTAL	250,894,936	296,372,661

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULE - E: CONSOLIDATED FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31.03.2011

Amount in Rupees

Particulars	Grossblock					Depreciation					Netblock	
	As on 01.04.2010	Additions	Deletions	Adjustments	Total as on 31.03.2011	As on 01.04.2010	For the year	Deletions	Adjustments	As on 31.03.2011	As on 31.03.2010	
Land	434,788,648	22,917,261	[7,461,440]	[891,006]	449,353,463	—	—	—	—	449,353,463	413,495,896	
Borewell	73,655	—	—	—	73,655	—	—	—	—	73,655	73,655	
Office Building	4,347,218	—	—	—	4,347,218	1,350,742	70,860	—	—	1,421,602	2,996,475	
Building	424,757,366	102,081,743	—	[9,692,159]	517,146,950	131,658,999	10,773,318	—	[1,105,863]	141,326,454	102,509,794	
Apartment	12,685,605	—	—	—	12,685,605	2,740,349	423,699	—	—	3,164,048	9,945,256	
GH Furniture & Fittings	657,328	—	—	—	657,328	72,206	21,955	—	—	94,161	585,122	
Plant & Machinery	1,376,677,986	92,518,674	[4,780,786]	[11,571,527]	1,452,844,347	356,030,881	70,100,493	[3,452,657]	[12,758,816]	409,919,901	955,636,010	
Furniture & Fixtures	387,438,989	28,429,547	[15,875,843]	[7898,413]	392,094,280	298,198,188	17,125,963	[15,875,843]	[7876,458]	291,571,850	23,139,567	
Computers & Software	547,210,749	6,332,713	[37,937,560]	[10,085,121]	505,520,781	334,634,666	31,731,478	[37,937,560]	[7,007,439]	321,421,145	57,945,261	
Office Equipment	145,822,640	1,134,751	[16,597,633]	[1,419,162]	128,940,596	107,288,198	6,343,825	[14,188,294]	[1,388,359]	98,055,370	34,101,568	
Electrical Installations	238,585,598	3,529,457	[43,093,800]	[1,347,361]	197,673,894	199,009,371	9,641,077	[42,933,849]	[4,574,236]	161,142,363	5,807,483	
Vehicles	91,685,550	44,725	[5,760,839]	[263,046]	85,706,390	41,557,902	8,308,128	[3,795,902]	895,046	46,965,174	46,689,972	
Overseas Assets	3,167,072	—	—	[224,100]	2,942,972	2,192,058	100,205	—	[255,337]	2,036,926	975,014	
Intangible Assets	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	1,066,704,424	
TOTAL	7,150,887,358	563,330,821	[179,661,951]	[13,537,248]	7,521,018,980	2,756,534,830	507,978,260	[118,184,105]	[36,694,658]	3,109,634,327	2,720,605,497	
Previous Year (09-10)	2,636,036,265	1,174,527,936	[51,670,971]	[185,183,247]	3,573,709,983	655,901,292	277,992,555	[13,932,580]	[66,856,781]	853,104,486	—	
Capital WIP	261,490,863	236,834,529	[244,869,823]	[1,510,419]	251,945,150	—	—	—	—	251,945,150	261,490,863	

Note: Opening balance as of April 1st 2010 in the above schedule include the assets added and acquired owing to our investments in new subsidiaries and acquisitions during FY 2011. This is detailed as below.

Particulars	Amount in Rs.
Gross Block	3,577,177,374
Accumulated Depreciation	1,903,430,346
Net Block	1,673,747,028

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

SCHEDULE R

1. CONTINGENT LIABILITIES

1.1 Corporate guarantees have been issued in favour of State Bank of India, State Bank of Travancore, ICICI Bank, IndusInd Bank and HDFC Bank, against line of credit sanctioned to Advanced Micronic Devices Ltd., Opto Eurocor Healthcare Ltd., Eurocor GmbH and Cardiac Science Corporation.

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Corporate guarantee - Advanced Micronic Devices Ltd.	1,701.00	1,787.00
Corporate guarantee - Opto Eurocor Healthcare Ltd.	5,000.00	3,400.00
Corporate guarantee - Eurocor GmbH	3,162.00	—
Corporate guarantee - Cardiac Science Corporation	6,697.00	—
TOTAL	16,560.00	5,187.00

1.2 There is a Labour Court Order towards a claim by an ex-employee for Rs. 1.13 lacs. No provision has been made for the above amount since the Company has filed an appeal (Previous year- Rs. 1.13 lacs) in Devon Innovations Pvt. Ltd.

1.3 Letter of Credit established

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Advanced Micronic Devices Ltd.	71.23	74.23
Opto Circuits (India) Ltd.	—	461.92
Cardiac Science Corporation	44.65	—
TOTAL	115.88	536.15

1.4 Bank Guarantees

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Advanced Micronic Devices Ltd.	319.91	275.39
Opto Circuits (India) Ltd.	125.00	157.50
N.S. Remedies Pvt. Ltd.	4.47	—
TOTAL	449.38	432.89

1.5 Eurocor GmbH has pending litigation related to a former executive Rs. 316.72 lacs (equivalent Euros 500,000) and other litigations with competitors amounting to Rs. 183.70 lacs (equivalent Euros 290,000).

1.6 Ormed Technology Pvt. Ltd. has an Income Tax demand of Rs. 7.82 lacs and Rs. 2.30 lacs for the assessment years 1999-2000 and 2000-2001 respectively from the Income Tax Department U/s 148 and 156 of the Income Tax Act, 1961. However, no provision is made since the matter is pending before the Appellate Authorities.

1A) FUNDING FOR SHARE ACQUISITION

Opto Circuits (India) Ltd. established a corporate guarantee of Rs. 13,395 lacs, towards a loan extended by DBS Bank for investment in Cardiac Science Corporation. The loan was obtained by Jolt Acquisition Company, a wholly owned subsidiary, for acquisition of shares and subsequent to the acquisition, Jolt Acquisition Company merged into Cardiac Science Corporation. Since the loan was raised for acquisition of shares of Cardiac Science Corporation, the liability towards the loan and the corresponding investment in shares are accounted in Opto Circuits (India) Ltd.

2. SUBSIDIARIES OF OPTO CIRCUITS (INDIA) LTD.

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

Name of the Company	Country of Incorporation	% of ownership interest as on 31.03.2011	% of ownership interest as on 31.03.2010
1. Advanced Micronic Devices Ltd.	India	59.71%	59.71%
2. Medaid, Inc.	USA	100%	100%
3. Opto Eurocor Healthcare Ltd.	India	100%	100%
4. Eurocor GmbH	Germany	100%	100%
5. Ormed Medical Technology Ltd.	India	100%	100%
6. Devon Innovations Pvt. Ltd.	India	100%	100%
7. Criticare Systems, Inc.	USA	100%	100%
8. Opto Infrastructure Ltd.	India	87.06%	87.33%
9. Maxcor Lifescience Inc.	USA	100%	100%
10. N. S. Remedies Pvt. Ltd.	India	100%	—
11. Unetixs Vascular, Inc.	USA	100%	—
12. Opto Circuits (Malaysia) Sdn. Bhd.	Malaysia	100%	—
13. Cardiac Science Corporation	USA	100%	—
14. Opto Cardiac Care Ltd.	India	100%	—

2.2 Following are the step-down subsidiaries of Opto Circuits [India] Ltd.:

Subsidiary Company	Name of the Step-down Subsidiaries	Country of Incorporation
1. Cardiac Science Corporation	Cardiac Science International A/S	Denmark
	Cardiac Science UK Ltd.	United Kingdom
	Cardiac Science Deutschland GmbH	Germany
	Cardiac Science Japan KK	Japan
	Cardiac Science Medical Devices Co. Ltd. (Majority owned joint ventures – 66% owned)	China
	Cardiac Science France SAS (Majority owned joint ventures – 60% owned)	France
2. Criticare Systems, Inc.	Criticare Systems (M) SDN BHD,	Malaysia
3. Mediaid, Inc.	Mediaid Fze	Dubai
4. Eurocor GmbH	Eurocor Sp Z.o.o	Poland
	Eurocor Singapore Pte. Ltd.	Singapore
	Eurocor Asia Sdn. Bhd.	Malaysia
5. Unetixs Vascular, Inc.,	MCH Realty LLC	USA
6. Opto Infrastructure Ltd.,	Micronic Healthcare Pvt. Ltd.	India

2.3 The financial statements of all the subsidiaries including the step-down subsidiaries have been considered in the preparation of the consolidated financial statements as of 31st March, 2011. The Company made investments / acquisitions in the course of FY2011 which has been detailed in separate sections of this annual report. Since these investments were made during the course of FY2011, the prior year numbers do not include the financials of these new entities.

3. ACQUISITIONS / INVESTMENTS BY PARENT COMPANY

3.1 Acquisitions and Investments

During the course of FY2011, Opto Circuits [India] Ltd. acquired N.S. Remedies Pvt. Ltd., a stent manufacturing and research & development facility, Unetixs Vascular, Inc. and its subsidiary, a specialist in the detection of peripheral arterial disease; Cardiac Science Corporation, a leading manufacturer of therapeutic cardiology devices for a total acquisition cost of Rs. 600.00 lacs, Rs. 4,533.59 lacs and Rs. 40,858.84 lacs respectively. During the course of FY2011, Opto Circuits [India] Ltd. made

investments into wholly owned subsidiaries: Rs. 4,000.00 lacs in Opto Cardiac Care Ltd. and Rs. 4,463.00 lacs into Opto Circuits [Malaysia] Sdn. Bhd.

Altron Industries Pvt. Ltd., an existing wholly owned subsidiary was renamed as Opto Eurocor Healthcare Ltd. and converted into Public Limited company in March 2011. During FY2011, Opto Circuits [India] Ltd. made an investment of Rs. 1,400.00 lacs in this Company.

During FY2011, Opto Circuits [India] Ltd. increased investments into existing subsidiary Mediaid, Inc. by Rs. 3,440.61 lacs.

3.2 Investments by subsidiaries

During FY2011, the following changes in investments were recorded by the subsidiaries:

- Criticare Systems, Inc., incorporated a wholly owned subsidiary in Malaysia and invested USD 171,800 (equivalent to Rs. 76.70 lacs)
- Mediaid, Inc., incorporated a wholly owned subsidiary in Dubai with investments made during the year amounting to USD 273,224 (equivalent to Rs. 121.99 lacs)
- Eurocor GmbH has made an investment in its wholly owned subsidiary of Rs. 13.85 lacs in Eurocor Asia Sdn. Bhd., Malaysia.
- Advanced Micronic Devices Ltd. sold its investment in Micronic Healthcare Pvt. Ltd. to Opto Infrastructure Ltd. for an amount of Rs. 1.00 lac. With this disposal Micronic Healthcare Pvt. Ltd. is a wholly owned subsidiary of Opto Infrastructure Ltd.
- Opto Eurocor Healthcare Ltd. sold the assets and liabilities related to the hotel line of business for Rs. 60.00 lacs to Micronic Healthcare Pvt. Ltd.

3.3 Other investments

During the year, Advanced Micronic Devices Ltd. has sold its quoted investment in shares for Rs. 81.05 lacs. The Book value of the investment was Rs. 27.41 lacs.

4. TAXES

The provision for taxation includes tax liabilities in India on the Company's income as reduced by exempt income and any tax liabilities arising overseas on income sourced from those.

4.1 Advanced Micronic Devices Ltd. has not paid undisputed Income tax liabilities outstanding as on 31st March 2011 for a period more than 6 months from the date on which they become payable, as outlined below :

Particulars	Rs. in Lacs
Income tax	146.51
Dividend Tax	8.31

4.2 The appeal prepared by Advanced Micronic Devices Ltd. for assessment year 1995-96 and 1996-97 filed before the Hon. High Court of Karnataka was upheld by court against which the department has not contested. Since a large amount is due from the department which has to be adjusted against interest and tax liability payable by the Company we are unable to quantify the interest liability. The Company will account the interest liability after obtaining the refund order from the Income Tax Department.

4.3 During FY2010, the Commissioner of Service Tax, Audit Section, Bengaluru conducted the audit and served the demand on Advanced Micronic Devices Ltd. for an amount of Rs. 201.31 lacs. The Company has paid Rs. 44.04 lacs and is contesting for the balance amount.

4.4 The Income Tax Department has raised a demand for tax of Rs. 14.16 lacs for the fiscal year 2004-05 for which Opto Circuits [India] Ltd has preferred an appeal before the Commissioner of Income Tax (Appeal) III. Pending disposal, Company has not provided for Income Tax liability.

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

4.6 Deferred Tax Liability exists in case of Advanced Micronic Devices Ltd. and Cardiac Science Corporation. Deferred tax assets exist in Opto Circuits [India] Ltd., Criticare Systems, Inc. and Unetix Vascular, Inc., as on 31st March 2011 and this represents the tax effect of temporary difference substantially on account of depreciation methods/rates and other timing difference arising during the accounting year.

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Timing difference on account of depreciation	2,316.30	(11.32)
Other timing difference	Nil	Nil
Net Deferred Tax Assets/ (Liability)	(2,316.30)	11.32

5. The amount of Rs. 13.15 lacs has been treated as bad debts and written off by Criticare Systems, Inc., Cardiac Science Corporation and Opto Circuits [India] Ltd. for the period ended 31st March 2011.

6. DEPRECIATION METHOD AND VALUE

The total amount of accumulated depreciation as per consolidated accounts for the period ended 31st March 2011 is Rs. 31,096.34 lacs out of which an amount Rs. 5,706.64 lacs pertaining to depreciation of Mediaid, Inc., Opto Eurocor Healthcare Ltd., Devon Innovations Pvt. Ltd., Criticare Systems, Inc., and N.S. Remedies Pvt. Ltd., is calculated under Written Down Value method.

7. INTANGIBLE ASSETS

Intangible assets acquired during the year owing to the acquisitions made by the Company are reflected as intangible assets. Amount expended during the year towards patents, licenses, appraisal, authentication, deliveries, trials and studies for getting necessary approvals with competent authority were capitalized as intangible assets. These assets are amortised over their respective individual estimated economic useful lives.

Rs. in Lacs

Particulars	31.03.2011	31.03.2010
Opening Balance	10,667.04	10,461.48
Addition during the year	23,838.91	2,038.34
Amortization	(13,120.79)	(1,832.78)
Closing Balance	21,385.16	10,667.04

8. CONSOLIDATED SEGMENT WISE REVENUE REPORTING

Rs. in Lacs

Particulars	International 31.03.2011	Domestic 31.03.2011	Total
1. Segment Revenue			
a. Healthcare	152,359.55	3,034.75	155,394.30
b. Information Technology	–	3,247.71	3,247.71
c. Others	5,442.06	137.66	5,579.72
TOTAL	157,801.61	6,420.12	164,221.73
Less: Inter Segment Revenue	(2542.36)	(79.75)	(2,622.11)
Net Sales/Income From Operations	155,259.25	6,340.37	161,599.62
2. Segment Results (Profit before Interest & Tax)			
a. Healthcare	41,793.75	311.87	42,105.62
b. Information Technology	–	186.12	186.12
c. Others	274.19	3.49	277.68
TOTAL	42,067.94	501.48	42,569.42
Less: Interest	3,058.94	146.93	3,205.87
Total Profit Before Tax	39,009.00	354.55	39,363.55

9. SHARE WARRANTS

Table showing increase in share capital of Opto Circuits (India) Ltd. during the year 2010-11

Qty in lacs; Value is Rs. lacs

Particulars	31.03.2011		31.03.2010	
	Qty	Value	Qty	Value
Opening Balance	1,828.99	18,289.96	1,614.69	16,146.91
Add: Issue of shares through QIP	–	–	214.30	2,143.05
Add: Conversion of Share Warrants	35.00	350.00	–	–
TOTAL	1,863.99	18,639.96	1,828.99	18,289.96

Table showing proceeds from share warrants during the year 2010-11. These share warrants were issued in July 2009 and the issue price was Rs. 210.00 per warrant.

Particulars	No of warrants in Lacs	Price per warrant in Rs.	Amount in Rs. lacs
Subscribed at rate of 25% of issue price during FY 2009-10	46.79	52.50	2,456.47
Converted and balance 75% of issue price paid	35.00	157.50	5512.50
Forfeited Warrants transferred to Capital Reserve	11.79	52.50	618.97

In July 2009, the Company had issued 60 lac equity warrants at Rs. 210.00 per share, with each warrant convertible into one equity share of the Company. 46.79 lac share warrants had been subscribed. The Company had received Rs. 52.50 for each warrant i.e 25% of the issue price of Rs. 210.00, from the allottees of the share warrant.

During the financial year 2010-11, out of 46.79 lacs share warrants, 35.00 lac share warrants were converted to equity, by paying the balance amount of Rs. 5,512.50 lacs and 35.00 lac equity shares were allotted to the warrant holders. The remaining 11.79 lac share warrants lapsed and were consequently forfeited and the amount paid by the warrant holders of Rs. 618.97 lacs was transferred to Capital Reserve Account.

10. DIVIDENDS REMITTED IN FOREIGN CURRENCY

Dividends paid in foreign currency for the year 2009-10 is USD 9.41 lacs towards 101.36 lac equity shares held by NRIs, FIIs and Foreign Nationals.

11. EARNINGS PER SHARE

Amount in Rupees

Particulars	31.03.2011	31.03.2010
EPS – Basic*	19.70	13.95

* EPS for previous year has been restated.

12. LEASE

The Company has taken residential / office premises / manufacturing facility / warehouses under Operating leases. The lease term in respect of such premises are based on individual agreement. The lease payments are recognized in the Profit & Loss Account under the expense head Rent.

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

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS (CONTD.)

SCHEDULE R

COMPANY OVERVIEW

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

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION & PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting principles (GAAP) under the historic cost convention on the accrual basis except for 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.

1.1 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 recognised 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 recognised on rendering of the related services in accordance with the terms of the agreement.

3. PROVISIONS AND CONTINGENT LIABILITIES

Provisions for Income tax is provided by the Company, after considering the exemption u/s 10 AA of the Income Tax Act, 1961,

available to the Holding Company. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimates can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

4. FIXED ASSETS INCLUDING GOODWILL, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Land is stated at cost. Other tangible fixed assets are stated at cost, less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Goodwill comprises the excess of cost of acquisition over the fair value of the net assets of the acquired enterprise on the date of acquisition. Net assets is defined as the net worth which is share capital including accumulated losses/profits as the case may be that is recorded in the book on the date of acquisition or alternatively the total assets minus total outside liabilities as on the date of acquisition.

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. However, Opto Eurocor Healthcare Ltd., Devon Innovations Pvt. Ltd., Criticare Systems, Inc., N.S. Remedies Pvt. Ltd. and Mediaid, Inc., depreciation is provided under written down value method.

Goodwill that arises owing to acquisition is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any is provided for.

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 centres, 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.

The 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 weighted average / FIFO basis.

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

10. RETIREMENT BENEFITS

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

11. TAXES ON INCOME**11.1 Income Tax**

A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that 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 an asset, if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

11.2 Deferred Tax

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of temporary differences between the carrying value of the assets & liabilities and their respective tax bases. Deferred Tax Asset in the nature of unabsorbed depreciation and 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 Tax Assets & Liabilities of a change in rates is recognized in the income statement in the period of enactment of the change.

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 is stated at closing rate and difference in translation is disclosed in foreign currency translation reserve.

13. RESEARCH & DEVELOPMENT

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

14. INVESTMENTS

Investments other than investments in associates are valued at cost.

15. EARNINGS PER SHARE

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

16. 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
Associates**

VINOD RAMNANI
Chairman
& Managing Director

USHA RAMNANI
Executive Director


SRINATHA A. N.
Company Secretary

As per our report of even date

For ANAND AMARNATH & ASSOCIATES
Chartered Accountants

B K AMARNATH
Partner
Membership Number: 26536
Firm Registration Number: 000121S

Place: Bengaluru
Date: 17th May 2011



Subsidiary Financial Information

SUBSIDIARY DETAILS

Summarised Statement of Financials of Subsidiary Companies pursuant to general circular number 2/ 2011 issued by Ministry of Corporate Affairs, Government of India.

Rs. in Lacs

Name of the Subsidiary	Capital	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 Ltd.	528.11	1,464.71	6,169.34	4,177.61	1.09	7,243.35	245.35	71.49	173.86	93.48	India
2. Mediad, Inc.	4,455.49	4,122.10	15,026.75	6,449.15	—	14,503.08	2,284.44	(120.07)	2,404.50	1,696.70	USA
3. Opto Euorcor Healthcare Ltd.	3,400.00	19.68	3,449.23	29.55	—	60.00	6.24	9.27	(3.03)	—	India
4. Euorcor GmbH	6,480.22	15,904.65	41,422.41	19,037.54	—	32,149.97	10,464.94	1,960.53	8,504.42	822.12	Germany
5. Devon Innovations Pvt. Ltd.	10.00	418.24	620.95	192.70	—	450.78	85.27	18.18	67.09	—	India
6. Ormed Medical Technology Ltd.	25.00	214.89	353.70	113.81	—	456.52	89.72	28.16	61.56	—	India
7. Criticare Systems, Inc.	199.72	23,620.55	34,331.24	10,510.96	—	18,235.73	1,719.42	110.77	1,608.65	—	USA
8. Opto Infrastructure Ltd.	2,067.45	2,186.89	10,920.55	6,666.22	—	—	—	—	—	—	India
9. N. S. Remedies Pvt. Ltd.	120.75	165.70	626.52	340.07	—	221.51	1.12	0.02	1.10	—	India
10. Unetix Vascular, Inc.	12.34	2,226.07	3,087.09	848.68	—	2,368.68	201.93	24.40	177.53	—	USA
11. Opto Circuits (Malaysia) Sdn. Bhd.	4,463.00	(38.70)	4,424.42	0.12	—	0.03	(205.18)	—	(205.18)	—	Malaysia
12. Cardiac Science Corporation	106,684.59	(93,236.39)	72,396.61	58,948.40	—	23,744.94	2,362.65	138.42	2,224.23	—	USA
13. Opto Cardiac Care Ltd.	4,005.50	—	4,106.66	101.16	—	—	—	—	—	—	India

Note:

- The above information has been drawn up to co-relate with the Consolidated Financial Statements.
- In case of Mediad Inc., and Opto Euorcor Healthcare Ltd., investments made during the year by the parent Company led to increase in share capital. This is discussed in 'Investments' section of Consolidated Notes to Accounts.
- In case of Euorcor GmbH, share capital increased due to inclusion of share application money for shares to be issued to parent company.



Glossary, Terms and Contacts

ABBREVIATIONS

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

RATIOS & FORMULAS

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

DEFINITION OF FINANCIAL TERMS

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

GROUP WEBSITES :

www.optocircuits.com | www.amdlcorp.com
www.cardiacscience.com | www.csiusa.com
www.devoncath.com | www.eurocor.de
www.mediaidinc.com | www.nsremedies.com
www.ornedortho.com | www.unetixs.com

COMPANY CO-ORDINATES FOR INVESTORS :

9am IST – 5pm IST, Weekdays
 A: # 83, Electronics City
 Bengaluru 560100, Karnataka, India
 T: 91 80 2852 1040/41/42
 F: 91 80 2852 1094

Company Secretary: Srinatha A. N.

Please send your investment-related requests for information, meetings and calls to ir@optoindia.com. Queries on bonus, dividends and regulatory matters should be addressed to investorsservices@optoindia.com. Please quote your Full Name, Folio No./ DP ID, Client ID to receive a prompt reply.

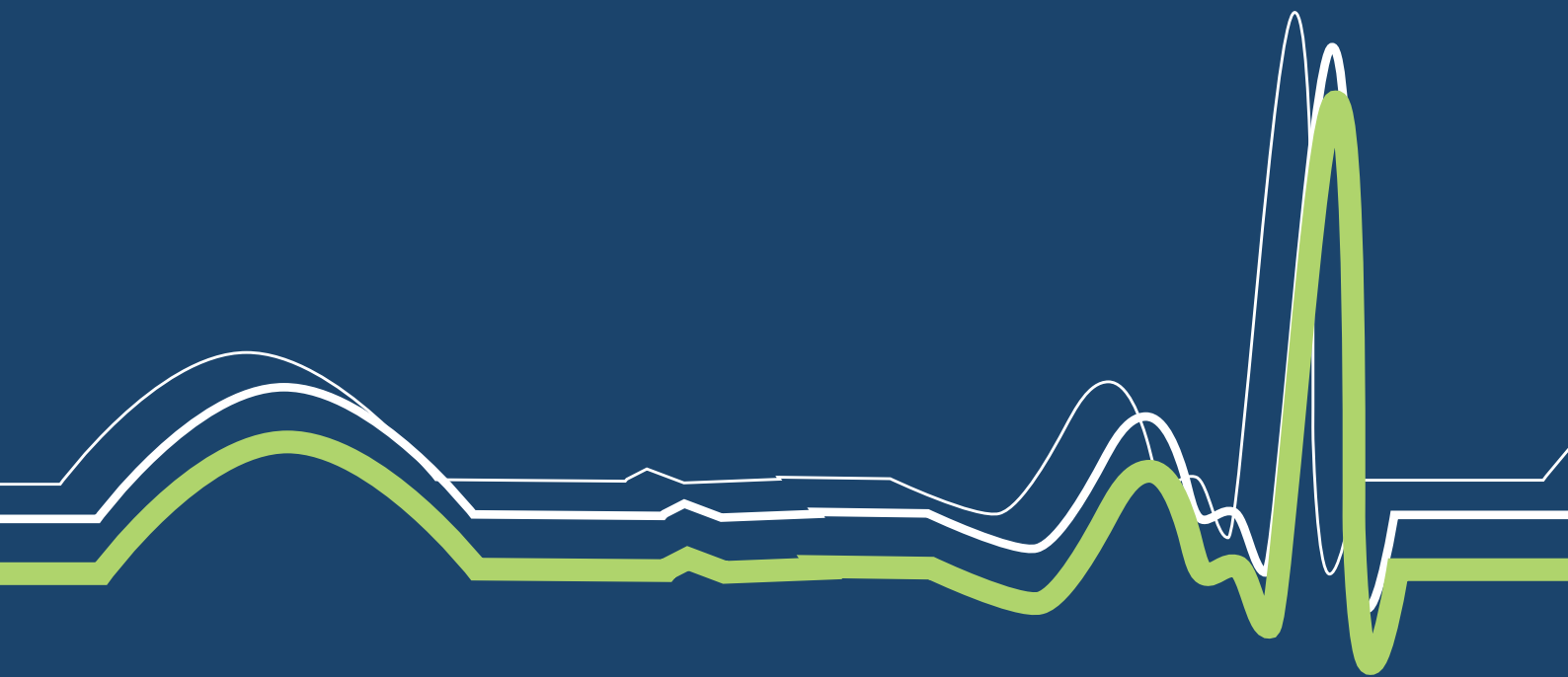
NOTES

NOTES

SAFE HARBOUR

Statements made in this Annual Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulation 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 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.



OPTO CIRCUITS (INDIA) LIMITED

#83, Electronics City, Bengaluru 560 100, Karnataka, India

T: +91 80 2852 1040/ 41/ 42 **F:** +91 80 2852 1094 **E:** investorsservices@optoindia.com **W:** www.optocircuits.com