

CMD's message to Shareholders

Dear Shareowners,

It gives me pleasure to share with you the highlights of another year of good performance.

Your Company was awarded the **“Best young value creator”** award by Outlook Money-NDTV Profit Summit and Awards 2007.

The Board has also considered and proposed bonus for the 7th consecutive year.

We have strengthened our position as a global Healthcare Devices company. The emphasis on Research and Development continued during the year with the Company receiving US FDA approval on two of its new generation range of Pulse Oximeters, enabling Opto to market its new Models of Pulse Oximeters in the United States. Additionally two other new products are in the pipeline, which, when launched will provide many advanced features in monitors and pulse-oximeters.

DIOR - the world's first CE approved drug coated coronary balloon dilation catheter was successfully introduced into the market.

OCI expanded its medical technologies portfolio by acquiring domestic manufacturing companies Devon Innovations Pvt. Ltd. and Ormed Medical Technology Ltd. The companies manufacture products like catheters, stone graspers, stone baskets and dilator sets for different specialized applications, mainly in the areas of urology, gastroenterology and gynecology and orthopedics.

Your Company acquired Criticare Systems Inc, a leading US-based healthcare company for \$68 million in April 2008. Its expanded product line and leading edge technology will allow Opto Circuits to enter new markets and compete more effectively with leading manufacturers. In addition the acquisition adds the anesthesia gas monitoring capability to Opto's technology portfolio. Products of Criticare are expected to play a key role in the future growth strategy of the Company.

The global economy is facing uncertain times, with the global credit crunch and major economies in recession, the business landscape is changing dramatically worldwide. We are confident that the Healthcare industry will continue to be a sector that is vital to both developing and developed economies.

The demand for medical equipment in the domestic market is rising annually at an impressive rate of 15%. As one of the leading players in the Indian market, we are confident of achieving robust growth and improving our market share in the domestic market.

Our energies have also been focused on creating an efficient and productive manufacturing base. The work for setting up SEZ for specialized facilities is progressing. This will gear the Company's businesses to harness the full potential of emerging opportunities.

Acknowledgements

Although a number of factors have contributed to our success, we believe that the support and commitment of all our stakeholders including our customers, shareholders, employees, vendors and partners is what empowers us the most.

I am confident that with your encouragement and support, the Company will not only continue to prosper and achieve robust growth, but also be able to firmly establish itself as a key player in the Healthcare industry globally.

With best wishes,
Sincerely,

Vinod Ramnani
Chairman & Managing Director

DIRECTORS' REPORT TO THE SHARE HOLDERS

**To:
The Members,**

We are pleased to present the 16th Annual Report on the business and operations of your Company together with the audited financial statements and the Auditors' Report of your company for the financial year ended March 31, 2008.

The Financial highlights for the year under review are given below:

Opto Standalone	(Rs.in Lacs)	
Particulars for the year ended March 31,	2008	2007
Total Revenues	34,326.44	20,735.68
Profit before Depreciation	12,199.19	7,533.14
Depreciation	258.95	159.42
Profit before tax	11,940.24	7,373.72
Provision for taxation	43.38	96.50
Prior year adjustment	(17.45)	(59.48)
Profit for the year	11,879.41	7,217.73
APPROPRIATIONS		
Proposed Dividend	4,821.82	3,080.83
Tax on Dividend	819.47	523.59
Surplus carried to Balance Sheet	6,238.12	3,613.31

RESULTS OF OPERATIONS:

The business performance of the Company during the year has been commendable. The total revenue at Rs. 34,326.44 Lacs for the year ended 31st March 2008 as against Rs.20,735.68 Lacs for the corresponding period during the previous year is higher by 66% and profit after tax at Rs.11,879.41 Lacs for the year ended 31st March 2008 as against Rs.7,217.73 Lacs for the corresponding period during the previous year represents an increase of 65% over the previous year.

APPROPRIATIONS:

Dividend:

Considering the performance of the Company, your Directors are pleased to recommend for approval of members a Dividend at the rate of Rs.5/- per share for the year ended 31st March 2008 on the equity share capital.

Bonus Shares:

Your Directors are pleased to recommend Bonus Shares on the fully paid up shares in the ratio of 7 shares for every 10 shares held in the share capital of the Company. The necessary resolution is incorporated in the notice convening the Annual General Meeting for shareholders consideration.

Transfers to Reserves:

The Company proposes to transfer Rs.1,200.00 Lacs to General Reserve, out of the amount available for appropriation. An amount of Rs.12,328.53 Lacs is proposed to be retained in the profit and loss account.

Consolidated financial statements :

Particulars for the year ended March 31st,	(Rs. in Lacs)	
	2008	2007
Total Revenues	48,810.82	25,828.09
Profit before Depreciation	14,340.44	7,882.77
Depreciation	628.60	240.02
Profit before tax	13,711.83	7,642.75
Provision for taxation	384.02	220.94
Prior year adjustment	(196.27)	(96.40)
Profit for the year	13,131.54	7,325.41
APPROPRIATION		
Proposed Dividend	4,832.85	3,123.39
Tax on Dividend	834.28	538.40
Minority Interest	65.60	18.79
Surplus carried to Balance Sheet	7,398.81	3,644.83

As stipulated in the listing agreement with the stock exchanges, the consolidated financial statements have been prepared by the Company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors Report thereon form part of the Annual Report. The Consolidated net profits of the Group for the year ended 31st March 2008 amounted to Rs.13,131.54 Lacs as compared to Rs.7,325.41 Lacs in the previous financial year representing a basic earning per shares of Rs.13.99 as against Rs.7.80 (Re-stated) in the previous year..

Preferential Issue

During July 2007, the Company made a preferential issue of 11,64,520 shares at the rate of Rs.360/- per share to Lehman Brothers Asia Limited and Alliance Bernstein Limited, Foreign Institutional Investors (FIIs). 11,00,000 Share Warrants were also issued to the promoters, directors of subsidiary companies & employees during July, 2007.

These Share Warrants are fully convertible into Equity Shares of the Company at the rate of Rs.360/- per share with in a period of 18 months from the date of allotment.

Subsidiary Companies' Accounts

Ministry of Corporate Affairs, Government of India, vide letter No. 47/493/2008-CL-III dated 21st July, 2008 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the

subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said letter is disclosed in the Annual Report. The Company will make available the annual accounts of the subsidiary companies and the related detailed information to any investor of holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the registered office of the Company and that of the respective subsidiary companies. The consolidated Financial Statements presented by the Company include financial results of its subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS**1. Industry Structure and Developments:**

Your Company is engaged in the design, development, manufacture and marketing of Medical Electronic Devices and health care products, in both invasive and non-invasive segments.

The industry segment in which the Company operates has been growing at a rate exceeding 15% p.a and is expected to grow at 10% to 20% over the next ten years.

2. Opportunities and Threats:

The Opto Electronic Market in the recent past has achieved new heights. Opto Electronic Industry Development Association, forecasts strong and steady growth for the Industry over the next decade with revenues expected to surpass \$1.2 trillion within the next decade.

The global cardiac Stents Market is estimated to reach \$12 billion by 2013. The Indian Market for Cardiac Stents is estimated to grow at 15% over the next 2-3 years.

3. SEGMENT-WISE PERFORMANCE

The Company is mainly in one business segment of Medical Products

4. OUTLOOK:

Global Market for Stents is dominated by US, which accounts for 46% share, followed by Europe, 26% and Japan 12%. Eurocor, a subsidiary of Opto, has already received CE Certification for Stents and is currently registered in 34 countries. The Company is also making efforts to get US FDA approval for its products.

Your Company is strongly positioned in the Health Care Devices Industry and will continue efforts to grow both Organically and Inorganically.

Your Directors are happy to inform that the Company has acquired Criticare Systems Inc. a leading US based healthcare company for a consideration of \$68 million. This will help the Company to expand its non-invasive business products line and also expand its global presence. With this acquisition the Company will be engaged in the designing, manufacturing and marketing of the extended range of non-invasive products including handheld pulse Oximeter, anesthesia gas monitors and vital view stations for remote monitoring of ICUs.

5. RISKS AND CONCERNS:

The Company operates in multiple geographies which increase geo-political and macro economic risks. But at the same time they reduce the risks of business concentration in specific area.

The working capital cycle of the Company is lengthy, which calls for high working capital requirements. This concern is however related to business dynamics. The products of the company relate to Critical Care Segment where inventory retention is high at vendors and at client level. As our clients are hospitals and other blue chip clients, possibility of defaults are remote which is vindicated by the absence of any provision for bad and doubtful debts.

The Company has applied for US FDA approval for its products, which is a very long drawn process involving continuous investments as well. As the US Market for Stents

constitute 46% of the total global market any delay or hurdle in obtaining the same would affect the market growth of the Company.

The Company operates in the Industry exposed to product obsolescence, with high cost. The Company has built in systems to combat obsolescence and is endeavoring to be a leader in innovations with newer products and has been continuously improving its products line with new launches.

The working results of the Company is affected by changes in Government policies, regarding excise duty, service tax, import and export policies/duty, income tax, fringe benefit tax, VAT and any other Central/ State levy.

The assets of the Company have been adequately insured against natural calamities.

As is normal to any export oriented industry the Company is exposed to exchange rate fluctuations. However, this risk is mitigated by the fact that the company's import is also substantial.

A sluggish global economy, its impact on India and a possible recession may affect the Company. However the management is closely tracking these concerns and will take appropriate action as and when required.

6. INTERNAL CONTROL AND THEIR ADEQUACY:

The Company has a well defined organization structure. The policy guidelines and authority levels are clear and well established. The Internal Control Systems ensure that all resources are optimally used and there is accurate reporting of financial transactions. Strict compliance with all applicable Laws and Regulations are also ensured.

The Company is well staffed with qualified and experienced personnel and systems are in place to ensure that all the assets of the Company are safeguarded against loss from unauthorized uses or disposition and that all transactions are authorized, recorded and reported correctly and in time.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

RESULTS ON OPERATION:

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2008	Rs in Lacs	Rs in Lacs
Particulars	2007-08	2006-07
INCOME		
Sales	32,869.35	20,164.34
Other Income	1,183.19	266.55
Increase / Decrease in WIP & FG	273.90	304.80
TOTAL	34,326.44	20,735.68
EXPENDITURE		
Manufacturing Expenses	19,707.20	11,274.71
Administrative & Selling Expenses	1,543.49	1,429.62
Financial Expenses	876.57	498.21
Depreciation	258.95	159.42
TOTAL	22,386.20	13,361.96
Profit for the year before Tax	11,940.24	7,373.72
Add/(Less) Prior year adjustment	(17.45)	(59.48)
Provisions for Tax ation	43.38	96.50
Profit After Tax	11,879.41	7,217.73
Profit brought forward from Previous year	7,290.41	4,402.10
Profit available for appropriation	19,169.82	11,619.83
Amount Transferred to General Reserve	1,200.00	725.00
Proposed Dividend	4,821.82	3,080.83
Tax on Distributed Profits	819.47	523.59
Profit carried to Balance Sheet	12,328.53	7,290.41

COMPARISION OF FISCAL 2008 WITH 2007

SALES:

Particulars	Rs in Lacs	
Item	2007-08	2006-07
Export Sales	32,822.23	20,078.86
Domestic Sales	47.12	85.47
TOTAL SALES	32,869.35	20,164.34

MATERIAL COST :

Material Cost for Mar-08 & Mar-07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Material Cost	19,441.90	11,003.97
Material cost as % of Sales	59%	55%

Increase in material cost is due to introducing new range of products.

FACTORY EXPENSES :

Factory Expenses for Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Factory Expenses	265.29	270.74
Factory Expenses as % of Sales	0.81%	1.34%

STAFF COST :

Staff Cost for Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Staff Cost	521.94	419.03
Staff Cost as % of Sales	1.59%	2.08%

ADMINISTRATIVE EXPENSES :

Administrative Expenses for Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Administrative Expenses	840.27	652.08
Administrative Expenses as % of Sales	2.56%	3.23%

SELLING EXPENSES :

Selling Expenses Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Selling Expenses	181.28	358.52
Selling Expenses as % of Sales	0.55%	1.78%

FINANCIAL CHARGES:

Financial Charges Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Financial Charges	876.57	498.21
Financial Charges as % of Sales	2.67%	2.47%

PBIDT :

PBIDT for Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
PBIDT	12,924.63	7,870.96
PBIDT as % of Sales	39.32%	39.03%

CASH PROFIT AFTER TAX:

Cash Profit after Tax for Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Profit	12,138.36	7,377.15
Profit as % of Sales	36.93%	36.59%

NET PROFIT:

Net Profit (Before Prior Period Adjustments) for Mar 08 & Mar 07 are compared below

Particulars	Rs in Lacs	
	2007-08	2006-07
Net Profit	11,896.86	7,277.21
Net Profit as % of Sales	36.19%	36.09%

BALANCE SHEET AS ON 31ST MARCH 2008

	(Rs in Lacs)	
Particulars	2007-08	2006-07
SOURCE OF FUNDS		
SHARE HOLDERS FUND		
Share Capital	9,417.18	6,161.66
Share Warrants	396.00	-
Reserve & Surplus	22,134.32	14,959.09
LOANS FUNDS		
Secured Loans	8,135.86	4,903.42
Unsecured Loans	687.05	22.10
TOTAL	40,770.41	26,046.27
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	4,112.41	3,853.79
Less: Depreciation	1,002.78	749.76
Net Block	3,109.63	3,104.03
Capital Work In Progress	76.92	27.33
INVESTMENTS	10,255.23	4,287.11
CURRENT ASSETS & LOANS&ADVANCES		
Inventories	6,629.81	4,814.20
Sundry Debtors	20,046.99	12,892.65
Cash & Bank Balances	6,016.00	3,055.43
Loans & Advances	3,182.70	3,858.80
	35,875.50	24,621.08
Less: Current Liabilities & Provisions		
Liabilities	1,244.56	2,064.85
Provisions	7,316.82	3,946.56
Net Current Assets	27,314.12	18,609.67
Miscellaneous Expenditure	14.51	18.13
TOTAL	40,770.41	26,046.27

BALANCE SHEET ANALYSIS :

NET WORTH:

	(Rs in Lacs)	
Item	2007-08	2006-07
Equity Share Capital	9,417.18	6,161.66
Share Warrants	396.00	-
Reserves & Surplus	22,134.32	14,959.09
Total Net Worth	31,947.50	21,120.75

The net worth of the company has increased to Rs.31,947.50 Lacs in Mar-08 compared to Rs.21,120.75 Lacs in Mar-07. It has increased by Rs.10,826.75 Lacs.

The breakup of this increase is given below:

	(Rs in Lacs)	
Item	Amount	
Issue of 11.64 Lacs Equity Shares on Preferential basis	4,192.63	
Issue of 11 Lacs fully convertible share warrants	396.00	
Current year Profit less Dividend and Dividend Tax	6,238.12	
Total	10,826.75	

LOAN FUNDS:

Item	(Rs in Lacs)	
	2007-08	2006-07
Secured Loans	8,135.86	4,903.42
Unsecured Loans	687.05	22.10
Total	8,822.91	4,925.52

SECURED LOANS:

Secured Loans have increased by Rs.3,232.44 Lacs due to the increase in the facilities availed from Banks and Financial Institutions to meet its business expansion.

UNSECURED LOANS:

Unsecured Loans have increased by Rs.664.95 Lacs due to acceptance of Deposits from the Directors of the Company.

FIXED ASSETS:

Item	(Rs in Lacs)	
	2007-08	2006-07
Gross Block	4,112.41	3,853.80
Capital work in progress	76.92	27.33
Depreciation	1,002.78	749.76
Net Block	3,186.55	3,131.37

During the year the Company has added Fixed Assets of Rs.287.21 Lacs mainly on account of expansion / modernization of manufacturing capacity.

INVESTMENTS:

Item	(Rs in Lacs)	
	2007-08	2006-07
Investments	10,255.24	4,287.11

The Company has made investments of Rs.5968.13 Lacs during the year. Devon Innovations Private Ltd., and Ormed Medical Technologies Ltd., were acquired during the year by Investing Rs.312.50 Lacs and Rs.85.01 Lacs respectively and these Companies are now wholly owned subsidiaries of Opto Circuits (India) Ltd. Rs. 5,570.62 Lacs was invested in Eurocor GmbH a wholly owned subsidiary

RAW MATERIAL INVENTORY:

Item	(Rs in Lacs)	
	2007-08	2006-07
Value of Raw Material	5,797.22	4,255.51
Stock of Raw Material in no. of months consumption	3.58	4.64
Raw Material as a % of sales	17.64%	21.10%

FINISHED GOODS AND WIP:

Item	(Rs in Lacs)	
	2007-08	2006-07
Value of finished goods & WIP	832.60	558.70
Finished goods & WIP stock in no of months sales	0.30	0.33
Finished goods & WIP as a % of sales	2.53%	2.77%

The level of finished goods & WIP inventory approximately remains the same as compared to the previous year.

DEBTORS :

(Rs in Lacs)

Item	2007-08	2006-07
Debtors	20,046.99	12,892.65
Debtors equal to no. of months sale	7.32	7.67

CURRENT LIABILITIES :

(Rs in Lacs)

Item	2007-08	2006-07
Current Liabilities	1,244.56	2,064.85
Current Liabilities equal to no of months sale	0.45	1.23

8. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED.

The Company considers its employees as one of the important assets and they have been given all opportunities to harness their potential, spirit and energy to synchronize the same with the objectives of the Company. The success story of the Company has been made possible by the confidence and optimism of its employees. The Company constantly endeavors to create distributed leadership which ensures that the company's business is managed by a team of competent and inspired leaders who create a culture of learning, innovation and excellence.

The Company believes that training is an integral part of the business for achieving excellence and it is the highest multiplier of motivation and productivity. Training Programs are conducted to bring in contemporary skills to the Company.

The employee strength was 447 as on 31st March, 2008.

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

In pursuance of the provisions of Section 217 (1)(e) of the companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished below:

Conservation of Energy: The Company is certified to ISO 14001. This is the international environmental management system standard. The environmental policy of the Company states about our commitment to conserve natural resources and minimize pollution.

The Company generates the necessary power for its operations at Bangalore with a captive power plant. An energy audit has been done at the facility to assess the areas for improvement in energy performance. Based on the audit report several short term and medium term projects have been taken up to realize reduction in energy consumption. The projected investment based on the energy audit report study to realize this energy conservation is Rs. 30.00 Lacs.

Implementing the measures based on the audit report and assessing the energy cost saved will reduce the overheads of the Company

Research & Development: your company has launched a specialized Research & Development facility in Electronic City, Bangalore. The research activities focus on the design and development of new range of products.

During the year the Company developed "Intelligent Pulse Oximeter", iPoX, which improves performance even when signals are low. Its technology can be used for future generation Pulse Oximeters and Vital Sign Monitors.

Advanced Finger Pulse Oximeter is another new development which is being planned for a commercial launch.

Three parameter Vital Sign Monitors are also being developed.

TECHNOLOGY ABSORPTION: Not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company earned Rs.26,402.45 Lacs in Foreign Exchange. Foreign Exchange outgo including expenditure on capital goods was Rs.21,569.42 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.

1. Employed for the full year

Name	Vinod Ramnani	Usha Ramnani
Designation/Nature of Duties	Chairman and Managing Director- Managerial	Executive Director - Managerial
Remuneration Received	Rs.66.95 Lacs	Rs.66.95 Lacs
Qualification & Experience	B.E 25 years	M.Com 25 years
Date of commencement of employment	08.06.1992	08.06.1992
Age	52 years	51 years
Last employment held	Elekon Industries Pte Limited.	United India Insurance Company Limited.

2. Employed for the part of the year - Nil

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

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

SUBSIDIARIES:

As on 31st March 2008 your Company had six subsidiary companies, namely, Advanced Micronic Devices Limited, a listed company, Mediaid Inc, USA, Altron Industries Private Limited, Eurocor GmbH, Germany, Devon Innovations Private Limited and Ormed Medical Technology Limited.

The Combined revenue for the year ended 31st March, 2008 was Rs. 48,810.82 Lacs an increase of 89% as compared to the combined revenue of Rs. 25,828.09 Lacs for the year ended 31st March, 2007.

1. ADVANCED MICRONIC DEVICES LIMITED (AMD L):

AMD L is a listed company providing innovative product ranges both in Hardware and Software segments. AMD L is a premier organization having high profile customer base including major state and central government hospitals, super speciality hospital, research institutions, banks etc. Since its acquisition by Opto Circuits (India) Limited, AMD L has come a long way. Its business has grown from Rs. 2,550 lacs for the year ended 31st March, 2002 to Rs.5,261 lacs for the year ended 31st March, 2008 and the net profits has grown from Rs.59 lacs for the year ended 31st March, 2002 to Rs.211.97 lacs for the year ended 31st March, 2008

AMD L is continuously rewarding its shareholders by payment of dividend. During the year 2006-07 the dividend payment was increase to 20%, and for the year 2007-08 also,

20% dividend is proposed for the approval of the shareholders.

2. MEDIAID INC. USA:

Mediaid Inc is based at California, USA and has offices at Germany and Dubai. Its strong focus on design and engineering function is the basis for new product development, backed by richly experienced and strong technical team with the support of exclusive test labs and prototype development facility.

Mediaid is also a Marketing arm for Opto Circuits (India) Limited for it's overseas market. Its Monitors and Sensors are CE Marked. They also have FDA 510 (k) pre market notification. It has also received approval from the United States Food and Drug Administration (FDA) for the Model 900 and Model 960. This vital approval has opened up the US hospital market having huge potential.

3. ALTRON INDUSTRIES PRIVATE LIMITED:

An ISO 9001 certified company engaged in Electronic Manufacturing Services (EMS) is having its state-of-the-art manufacturing facility at Electronic City, Bangalore. The unit is capable of mass manufacturing of electronic products and assemblies to world standard requirements.

4. EUROCOR GmbH:

Eurocor GmbH is a German based company focusing on interventional cardiology. It is, both in the Bare Metal Stents (BMS) and Drug Eluting Stents (DES). DES are gaining market share due to lower clinical complications and better long-term patient outcome, compared to BMS. The major innovation in this area is the new medical concept of treating coronary artery disease by a drug-eluting coronary dilatation catheter. Eurocor has successfully adopted this technology and is the first company in the world to be awarded with CE Mark for DIOR Paclitaxel-coated balloon catheter. MAGICAL, drug-eluting balloon-coronary stents system, FREEWAY, a peripheral drug coated dilatation catheter, PROCOR, a pro healing Paclitaxel coated coronary stents system are other innovative products of Eurocor.

During the year 2007-08, Eurocor received three different CE mark approvals.

5. ORMED MEDICAL TECHNOLOGY LIMITED AND DEVON INNOVATIONS PRIVATE LIMITED:

Ormed Medical Technology Limited and Devon Innovations Private Limited which were acquired during April, 2007, are medical equipment companies manufacturing products like Catheters, Stone graspers, Stone Baskets, dilator Sets etc for different specialized applications mainly in the areas of Urology, Gastroenterology and Gynecology.

Devon Innovations private limited manufactures Catheters and allied products for various medical segments. Ormed Medical Technology Limited was set in collaboration with German Ormed, a very popular brand name and deals in Orthopedic Prosthesis and Surgical disposables. Both Companies are ISO 9001 Certified manufacturing companies. Devon Medical Technologies products have CE Marks also.

The acquisitions will help Opto Circuits (India) Limited to penetrate into the Indian and International Health Care Market and will help in getting synergy in manufacturing and marketing. Strategic plans are being evolved to increase the businesses of these subsidiaries by using the existing marketing network in India and abroad.

Since the closure of the financial year 2007-08, your Company has acquired two more companies namely Criticare Inc USA and Opto Infrastructure Limited.

6. CRITICARE Inc., USA:

The acquisition of Criticare Inc. USA was completed during April, 2008 and now it is a wholly owned subsidiary of Opto.

Criticare is a leading US based healthcare company manufacturing Vital Sign Monitors, Anesthesia Monitors, Pulse Oximeters and Patient Monitors and accessories. The acquisition will help Opto to expand its non-invasive product line, enter into new geographical area and strengthen its presence in US. It will also add anesthesia gas monitoring capability to Opto's technology portfolio.

7. OPTO INFRASTRUCTURE LIMITED:

Opto Infrastructure Limited became a subsidiary of Opto Circuits (India) Limited during April, 2008. Its main objects are to develop specialized infrastructure such as Special Economic Zones (SEZ), Industrial Park, Hospitality Establishments, Townships and other Infrastructure Projects.

CORPORATE GOVERNANCE REPORT:

Corporate Governance Report and the Certificate dated 31st July, 2008 of the auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges, is enclosed.

RESPONSIBILITY STATEMENTS:

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, your directors hereby confirm:

- a) that in the preparation of the Annual Accounts for the financial year ended 31st March 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) that they have selected such appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended on 31st March, 2008 and of the profit of the company for the period ending on that date.
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities.

d) that they have prepared the annual accounts on a going concern basis.

LISTING OF SECURITIES:

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

FIXED DEPOSITS:

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

DIRECTORS:

Mr. Thomas Dietiker and Mr. V. Bala Subramaniam and Dr. Suleman Adam Merchant retire by rotation and offer themselves for re-appointment.

AUDITORS:

M/s. Anand Amarnath and Associates, Chartered Accountants, Bangalore (Formerly known as M/s. Anand Shenoy & Co.,) retire at the conclusion of the forthcoming Annual General Meeting, and being eligible offer, themselves for reappointment. We have received intimation from them that their change in name is without any change in constitution of the firm, which is duly confirmed by the Institute of Chartered Accountants of India. Your company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provisions of section 224 (1B) of the Companies Act 1956.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Date : 31st July 2008
Place: Bangalore

Vinod Ramnani
Chairman and Managing Director

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:

Integrity, fairness, equity, transparency, accountability, responsibility and commitment to values are the basic principles of Corporate Governance and at Opto Circuits (India) Limited, these principles are followed consistently and they emerge from the culture and mind set of the system adopted by the Company. The Company has a strong foothold in Corporate Governance which is supported and implemented by the Board of Directors with a balanced mix of experts of eminence and integrity, core group of top level

executives, professionals and the best systems, process and technology that have been put in place by the Company.

Over the years the Company has consistently shown commitment towards maintaining high level of Corporate Governance.

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 and Managing Director and Mrs. Usha Ramnani, is the Executive Director. The remaining 7 (seven) Directors are Non-Executive, out of which 5 (five) are Independent Directors.

During the year 2007-08, 16 (sixteen) Board Meetings were held on the following dates:

SL NO	DATE OF MEETING	SL NO	DATE OF MEETING	SL NO	DATE OF MEETING
1	25.04.2007	8	25.09.2007	15	17.03.2008
2	24.05.2007	9	24.10.2007	16	25.03.2008
3	29.06.2007	10	05.11.2007		
4	14.07.2007	11	15.12.2007		
5	24.07.2007	12	29.01.2008		
6	31.07.2007	13	20.02.2008		
7	25.08.2007	14	07.03.2008		

(ii) (iii) (iv) the details of the Directors as on 31st March 2008 and their attendance at the Board / Annual General Meetings are as follows:

Name & Category	Date of appointment	No of Board meetings attended	Memberships in the Board of other Companies*	Memberships of Board Committees in all Companies**	Chairman of Board Committees in all Companies **	Attended the last AGM
Mr. Vinod Ramnani Promoter	08.06.1992	14	02	Nil	Nil	Yes
Mrs. Usha Ramnani Promoter	08.06.1992	16	02	02	Nil	Yes
Mr. Jayesh C Patel Promoter	03.04.2000	04	Nil	Nil	Nil	Yes
Mr. Thomas Dietiker Promoter	03.04.2000	01	Nil	Nil	Nil	Yes
Dr. Suleman Adam Merchant Independent	20.08.2001	03	01	02	02	Yes
Mr. Rajkumar Raisinghani Independent	31.12.2005	12	02	04	Nil	Yes
Mr. V. Bala Subramaniam Independent	31.12.2005	14	01	Nil	02	Yes
Dr. Anvay Mulay Independent	31.12.2005	05	01	Nil	Nil	No
Dr. William Walter O' Neill Independent	28.09.2006	Nil	Nil	Nil	Nil	No

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

** Chairmanship and Membership of Audit Committee and Shareholders Grievance Committee only.

Pursuant to the provisions of the Companies Act, 1956, Mr. Thomas Dietiker, Mr. Bala Subramaniam and Dr. Suleman Adam Merchant, retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Relationship between Directors

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

Code of Conduct

The Board of Directors of your Company have laid down a Code of Conduct ('the code') applicable to all Board

Members and Senior Management. A Declaration from the CEO to the effect that all the Board Members and Senior Management Personnel have affirmed compliance with 'the code' forms a part of this report.

3. AUDIT COMMITTEE

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

The Audit Committee has the following powers.

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

The role of the Audit Committee includes the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are fairly stated.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
3. Reviewing the internal audit system and scope of internal audit.
4. Reviewing with the management the annual financial statement before submission to the Board with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with the listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control system.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with internal auditors 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 or 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 is existing.
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 2007-08. The attendance is follows.

Name	No. of Meetings Attended
Mr. V Bala Subramaniam	05
Dr. Suleman Adam Merchant	03
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 agreements.

4. REMUNERATION COMMITTEE AND REMUNERATION TO DIRECTORS:

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

The committee reviews and decides the overall remuneration of the key employees of the company and the Whole time Directors.

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

The Committee has been empowered to review/recommend appointment and remuneration of the executive and non-executive Directors. The Committee met once during the financial year where the Chairman and two 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 meeting.

The Company's remuneration policy is to attract and retain high caliber talent and to leverage on performance and is driven by the success and performance of the employees. The remuneration paid to the employees is as per the prevailing Industry Standards and it encourages them to seek personal growth and achieve all round development.

(v) (a). The details of the remuneration paid to the Directors during the year 2007-08 are given below.

Amount in Rupees

SL No	Name of the Director	Salary	Perquisites *	Total
1	Mr. Vinod Ramnani	4463444	2231722	6695166
2	Mrs. Usha Ramnani	4463444	2231722	6695166
3	Mr. Thomas Dietiker	Nil	Nil	Nil
4	Mr. Jayesh C Patel	Nil	Nil	Nil
5	Dr. Suleman Adam Merchant	Nil	Nil	Nil
6	Dr. Anvay Mulay	Nil	Nil	Nil
7	Mr. Bala Subramaniam	Nil	Nil	Nil
8	Mr. Rajkumar Raisinghani	Nil	Nil	Nil
9	Dr. William Walter O'Neill	Nil	Nil	Nil

* Out of the eligible perquisites, only house rent allowance at the rate of 50% of salary were drawn by Mr. Vinod Ramnani and Mrs. Usha Ramnani during the year 2007 -08 Besides perquisites Mr. Vinod Ramnani and Mrs. Usha Ramnani are also entitled to Gratuity and encashment of leave at the end of tenure, as per the rules of the Company.

(b) During the year no payments were made to the non-executive Directors of the Company.

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

(d) Mr. Vinod Ramnani, Chairman and Managing Director and Mrs. Usha Ramnani, Executive Director, have entered into Service Contracts with the Company. The Notice Period and the Severance Fee applicable to both of them are as follows:

(i) No Notice for termination need be given by the Company within two years from the date of appointment. But Severance Compensation of twelve months remuneration is to be given by the company.

(ii) Six months Notice or payment in lieu of notice for termination by the Company is to be given after two years from the date of employment with no Severance Compensation.

(iii) However if the termination is for "Cause" no Notice or payment in lieu of Notice need be given by the Company.

(iv) The Chairman and Managing Director and the Executive Director may resign after two years from the date of appointment by giving three months Notice to the Company.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE.

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

The shareholders / investors Grievance committee consists of the following Directors.

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

During the year nine meetings of the committee were held and the attendance was as follows.

Name of the Member	No. of Meetings attended
Dr. Suleman Adam Merchant	05
Mrs. Usha Ramnani	09
Mr. Rajkumar Raisinghani	06

(ii) Vijayendra. R, Company Secretary acts as the Compliance Officer.

(iii) (iv) (v) the total numbers of Complaints received and replied to the satisfaction of shareholders during the year under review, was 89. There were no outstanding complaints as on 31st March 2008. No requests for transfers and for dematerialization were pending for approval as on 31st March 2008.

6. GENERAL MEETINGS.

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

Financial Year	2004-05
Date, Time and Venue	21 st July, 2005 10.00 a m The Grand Ashok Kumara Krupa High Grounds Bangalore - 560 001.
Special Resolution passed	1. Consent to issue shares under Employee Stock Option Plan (ESOP) and Employee Stock Purchase Scheme (ESPS)

Financial Year	2005-06
Date, Time and Venue	28 th September, 2006 11.00 a m The Grand Ashok Kumara Krupa High Grounds Bangalore - 560 001.
Special Resolutions passed	1. Increase of Authorized Capital from Rs.50.00 Crores to Rs.65.00 Crores and amendment of the Memorandum of Association accordingly. 2. Amendment to the Articles of Association to increase the Authorized Capital as above. 3. Consent to the Directors to make loans and investments under Section 372A of the Companies Act, 1956

Financial Year	2006-07
Date, Time and Venue	25 th September 2007 11.00 am The Grand Ashok Kumara Krupa High Grounds Bangalore – 560 001.
Special Resolutions passed	1. Increase of Authorized Capital from Rs.65.00 Crores to Rs100.00 Crores and amendment of the Memorandum of Association accordingly. 2. Amendment to the Articles of Association to increase the Authorized Capital as above.

(iii) & (iv) There were no special resolutions that were passed through postal ballot during the financial year 07-08.

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

7. DISCLOSURES

(i). Basis of Related party transaction

Your Company places all the 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 SLNo. 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 put in place a unified risk management system which is in consonance with the best practice in the industry and they are being reviewed periodically and corrective actions are taken for managing/mitigating the risks.

(vii). Proceeds from Public Issues, Right Issues, and Preferential Issues etc.

The Company allotted on 14th July 2007, 11,64,620 equity shares of Rs10/- each at a price of Rs. 360/- aggregating to Rs.41.92 Crores in terms of SEBI Guidelines on Preferential issue. Also, on the same day 11,00,000 fully convertible share warrants were issued on which 10% of price i.e.Rs.36/- on each warrant is paid by the share warrant holders. The company has not utilized these funds for purposes other than

those specified in the Notice of the EGM at which approval of the share holders were accorded for the issue.

Uses and application of funds raised through Follow on Public Issue has been placed before the Audit Committee on a quarterly basis as a part of quarterly declaration of financial results.

(viii). No significant material transaction has been made with the non-executive Directors via-a via the Company.

(ix). The number of shares held by the Directors as on 31st March 2008 is as follow.

Sl No.	Name	No. of Shares
1.	Mr. Vinod Ramnani	13984698
2.	Mrs. Usha Ramnani	3373668
3.	Mr. Jayesh C Patel	4824936
4.	Mr. Thomas Dietiker	6438474
5.	Dr. Suleman Adam Merchant	140985
6.	Mr. Bala Subramaniam V	11700
7.	Mr. Rajkumar Raisinghani	9858
8.	Dr. Anvay Mulay	500
9.	Dr. William Walter O' Neill	Nil

(x). CEO/CFO Certification

CEO/CFO has given a certificate to the Board as contemplated in clause 49 of the listing agreements.

8. A. MEANS OF COMMUNICATION

(i)& (ii) The annual, half yearly and quarterly 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 at the Company's Website and also at the SEBI website www.sebidifar.nic.in.

(iv) & (v) the official news releases and the presentations made to the institutional investors and the analysts are also displayed at the Company's website.

8. B. MANAGEMENT DISCUSSION AND ANALYSIS.

The management discussions and Analysis report forms 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:	30 th September 2008 at 12.00 noon
Venue :	NIMHANS Convention Centre NIMHANS Campus Hosur Road BANGALORE 560 029.

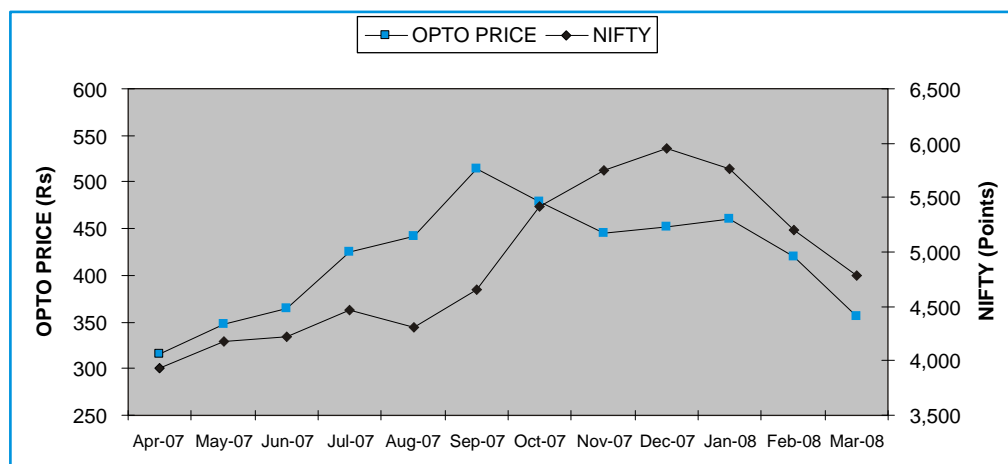
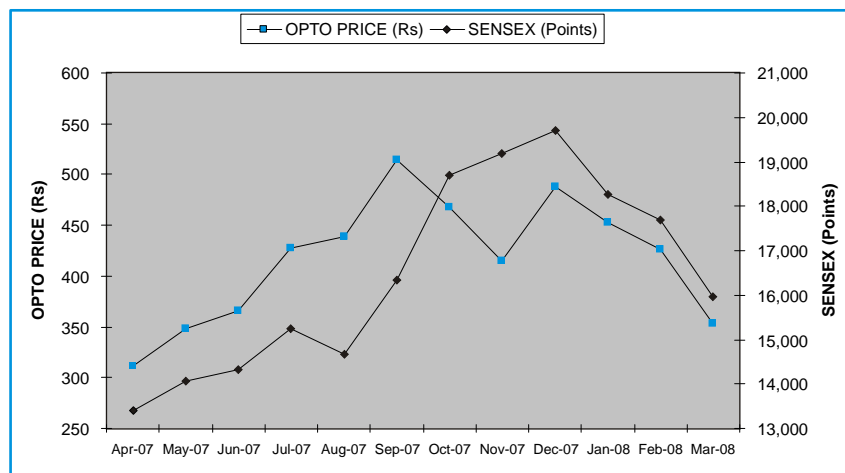
(ii) Financial Calendar (Tentative):

Results	Reporting
Quarter 30th June, 2008	On or before 31 st July, 2008
Quarter 30th September, 2008	On or before 31 st October, 2008
Quarter 31 st December, 2008	On or before 31 st January, 2009
Quarter 31 st March, 2009	On or before 30 th June, 2009
AGM for the approval of the Audited accounts for the year Ended 31 st March 2009	On or before 30 th September, 2009
Financial year	1st April to 31st March
(iii) Details of Book Closure	26 th September 2008 to 30 th September 2008 (Both days inclusive)
(iv) Dividend payment	On or before 29 th October 2008.
(v) Listing of Equity shares on Stock Exchanges	1. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400001 2. 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 Symbol :	OPTOCIRCUI
b. Demat ISIN Numbers in NSDL and CDSL for equity Shares	INE808B01016
Listing Fee :	Paid

(vii) Stock Market Data: High and low quotation at Bombay Stock Exchange, 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
Apr-07	340.00	282.30	599908	350.00	282.50	881653
May-07	366.70	328.60	637096	366.70	329.05	1301851
Jun-07	400.40	330.00	1636690	400.20	329.50	2462034
Jul-07	493.40	361.00	4333741	493.90	355.50	6968339
Aug-07	473.90	405.00	1141183	478.20	406.20	2584351
Sep-07	587.00	442.10	1310971	585.00	441.70	2007520
Oct-07	584.90	351.50	1464560	581.00	375.10	2212496
Nov-07	475.00	355.00	1119820	479.80	410.00	1505485
Dec-07	581.00	395.25	1019999	515.00	390.00	2022144
Jan-08	570.00	335.00	909010	569.00	350.00	1625871
Feb-08	483.00	369.00	603605	471.00	369.00	1787400
Mar-08	414.90	292.00	423176	418.90	292.00	2313257

(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 price / indices)



(ix) Registrar & Transfer Agents

(Share transfer and communication
Regarding share certificate, dividends
And change of Address)

Karvy Computershare Pvt Ltd.,
No17 to 24 Near Image Hospital
Vittal Rao Nagar,
Madhapur, Hyderabad 500 081
Ph 040 23420815 to 828
Fax 040 23420814
E-Mail: 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 Investors/shareholders grievances committee.

(xi) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2008

Sl. No.	Category	Number of Shareholders	%	Amount Rs.	%
1	1-500	22651	82.67	25633660	2.72
2	501-1000	2133	7.78	15742530	1.67
3	1001-2000	1155	4.22	16544300	1.76
4	2001-3000	476	1.74	11859640	1.26
5	3001-4000	221	0.81	7667040	0.81
6	4001-5000	135	0.49	6084620	0.64
7	5001-10000	276	1.01	19815300	2.10
8	10001-above	352	1.28	838370910	89.04
	Total	27399	100.00	941718000	100.00

Categories of shareholders as on 31st March 2008

Sl. No.	Description of Holders	No. of Shareholders	Shares	% to Equity
1	Banks	5	135834	0.14
2	Clearing Member	81	87914	0.09
3	Employees	8	4775	0.01
4	FII's	55	24769991	26.30
5	Foreign Nationals	2	3018	0
6	Foreign Promoter	1	6438474	6.84
7	HUF	528	390963	0.42
8	Indian Promoters	3	22183302	23.56
9	Bodies Corporate	769	10200096	10.83
10	Mutual Funds	17	4101215	4.36
11	Non Resident Indians	446	7898407	8.39
12	Resident Individuals	25479	17953201	19.06
13	Trusts	5	4610	0
	TOTAL	27399	94171800	100.00

(xii) Dematerialization of shares and Liquidity.

As on 31st March 2008, 91.45% of the company's total paid up capital representing 8,61,14,615 shares were held in dematerialized form and the balance 8.55% representing 80,57,185 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 as on 31st March, 2008. On 14th July 2007, as approved at the EGM held on 29th June 2007, 11,00,000 share warrants were allotted which are convertible into 11,00,000 equity shares at the option of the allottees within a period of 18 months from the date of allotment.

(xiv) The Company's plants are located at

i) No.83, Electronic City, Hosur Road, Bangalore-560100

ii) Shed No. 15 VSEZ Duuvada SDF-1 Building, Vadlapudi post, Visakapatnam, AP 530 046

(xv) Address for correspondences

(i) CORRESPONDENCE FOR SHARES HELD IN PHYSICAL FORM:

(Share transfer and communication
Regarding share certificate, dividends
And change of address and any
Query relating to the shares of the
Company)

Karvy Computershare Pvt Ltd.,
No 17 to 24 Near Image Hospital,
Vittal Rao Nagar, Madhapur,
Hyderabad-560 081
E-Mail: mailmanager@karvy.com

(ii) For shares held in Demat Form to the Depository Participant

(iii) The Company has designated "investorsservices@optoindia.com" as the e-mail for the purpose of registering complaints by investors.

10. NON-MANDATORY REQUIREMENTS

1. The Company has no non-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" in the Annual Report.
3. There are no qualifications in the Audit Report for the year 2007-08.
4. The Company has not adopted the other non-mandatory requirements as specified in Annexure I D of Clause 49 of Listing Agreement.

For and on behalf of the Board

Vinod Ramnani
Chairman and Managing Director

Date: 31st July, 2008
Place: Bangalore

CERTIFICATE 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 the 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 2007-08

Vinod Ramnani
Chairman and Managing Director

Date: 31st July, 2008
Place: Bangalore

**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, 2008, 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 and Associates
Chartered Accountants

B.K Amarnath
Partner
M.No.26536

Date: 31st July 2008
Place: Bangalore

AUDITOR'S REPORT

To,

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

1. We have audited the attached Balance Sheet of **Opto Circuits (India) Limited** as at **31st March 2008** 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 proves 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 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 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 accounting 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 2008;

(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
M.No: 26536

Date: 27.05.2008
Place: Bangalore.

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 2008)

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 not given loans to the parties listed in the register maintained under section 301 of the Companies Act 1956.

(b) As per the explanation given to us the Company has taken loans from 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 control.

v.

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

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

vi.

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

vii.

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

viii.

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

ix.

On the basis of records produced before us, the Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty and Service Tax. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Customs Duty, Excise Duty and Service Tax which are outstanding as on 31st March 2008 for a period of more than six months from the date on which they became payable.

x.

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

xi.

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

xii.

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

xiii.

In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special status applicable to Chit-Fund and Nidhi / Mutual Benefit Fund/ Societies, accordingly clause 4(xii) of the order is not applicable.

xiv.

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

xv.

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

xvi.

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

xvii.

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

xviii.

The Company has made preferential allotment of 11,64,620 equity shares of Rs. 10/ each with premium including parties and companies covered in the register maintained under

Section 301 of the Companies Act, 1956 during the year. Further the company has issued 11,00,000 share warrants with premium during the year against which 10% money have been received. These have been discussed in detail under point no 15 of notes forming part of accounts in Schedule Q.

xix.

The company has not issued debentures during the financial year, accordingly clause 4(xix) of the Order is not applicable.

xx.

The company has not raised any money through a public issue during the year and accordingly clause 4(xx) of the Order is not applicable.

xxi.

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

For Anand Amarnath & Associates
Chartered Accountants

(B K Amarnath)
Partner
M.No: 26536

Date: 27.05.2008
Place: Bangalore.

OPTO CIRCUITS (INDIA) LIMITED
BALANCE SHEET AS AT 31.03.2008

PARTICULARS	SCH	31.03.2008 (Rs.)	31.03.2007 (Rs.)
I. SOURCES OF FUNDS			
SHARE HOLDERS FUND			
Capital	A	941,718,000	616,165,800
Share Warrant	A (a)	39,600,000	-
Reserves & Surplus	B	2,213,432,099	1,495,909,508
LOAN FUNDS			
Secured Loans	C	813,586,111	490,342,392
Unsecured Loans	D	68,705,275	2,210,008
	TOTAL	4,077,041,485	2,604,627,708
II. APPLICATION OF FUNDS			
FIXED ASSETS:			
Gross Block	E	411,240,869	385,379,579
Less: Accumulated Depreciation		100,278,360	74,976,487
Net Block		310,962,509	310,403,092
Capital work - in - progress		7,692,284	2,732,880
INVESTMENTS			
	F	1,025,523,751	428,710,999
CURRENT ASSETS, LOANS & ADVANCES:			
Inventories	G	662,981,319	481,420,165
Sundry Debtors		2,004,698,818	1,289,265,243
Cash & Bank Balances		601,600,504	305,542,915
Loans & Advances		318,269,588	385,879,501
		3,587,550,229	2,462,107,824
LESS : CURRENT LIABILITES & PROVISIONS			
Liabilities	H	124,455,662	206,484,754
Provisions		731,682,270	394,655,638
Net Current Assets		2,731,412,297	1,860,967,432
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	I	1,450,644	1,813,305
	TOTAL	4,077,041,485	2,604,627,708
Notes forming part of Accounts Significant Accounting Policy	Q		

For and on behalf of the Board of Directors

Read with our Report
For Anand Amarnath & Associates
Chartered Accountants

Vinod Ramnani Usha Ramnani R Vijayendra
Chairman & Managing Director Executive Director Company Secretary

B K Amarnath
Partner
M.No.:26536

Date : 27th May 2008.

Place: Bangalore

OPTO CIRCUITS (INDIA) LIMITED
PROFIT & LOSS ACCOUNT FOR PERIOD ENDED 31.03.2008

PARTICULARS	SCH	31.03.2008 (Rs.)	31.03.2007 (Rs.)
INCOME:			
Sales	J	3,286,935,312	2,016,433,731
Other Income	K	118,318,804	26,654,623
Increase/Decrease in W I P & FG	L	27,390,042	30,479,722
	TOTAL	3,432,644,158	2,073,568,076
EXPENDITURE:			
Manufacturing Expenses	M	1,970,719,518	1,127,470,945
Administrative & Selling Expenses	N	154,348,689	142,962,460
Financial Expenses	O	87,656,530	49,821,061
Depreciation	E	25,895,411	15,941,777
	TOTAL	2,238,620,148	1,336,196,243
Profit for the year before Tax		1,194,024,010	737,371,833
Add/(Less):Prior Year Adjustment		(1,745,204)	(5,948,478)
Profit Before Tax		1,192,278,806	731,423,355
Provision for Taxation - (<i>Refer Note 19</i>)	P	4,338,267	9,650,404
Profit After Tax		1,187,940,539	721,772,951
Profit brought forward from Previous Year		729,041,226	440,209,864
Profit available for appropriation		1,916,981,765	1,161,982,815
Amount Transferred to General Reserve		120,000,000	72,500,000
Proposed Dividend		482,182,100	308,082,900
Tax on Distributed Profits		81,946,848	52,358,689
Profit carried to Balance Sheet		1,232,852,817	729,041,226
Number of Equity Shares		94,171,800	61,616,580
Basic Earnings per Share (Rs.)		12.65	7.69
Diluted Earnings per Share (Rs.)		12.47	-
Notes forming part of Accounts	Q		
Significant Accounting Policy			

For and on behalf of the Board of Directors

Read with our Report

For Anand Amarnath & Associates
Chartered Accountants

Vinod Ramnani Usha Ramnani R Vijayendra
Chairman & Managing Director Executive Director Company Secretary

B K Amarnath
Partner
M.No.:26536

Date : 27th May 2008.

Place: Bangalore

OPTO CIRCUITS (INDIA) LIMITED
CASH FLOW STATEMENT AS ON 31ST MARCH 2008

PARTICULARS	31.03.2008 (Rs.)	31.03.2007 (Rs.)
I Cash flow from operating activities		
Net profit before tax & extraordinary items	1,194,024,010	737,371,833
Adjustments for non operating items		
Amortisation and other non cash items	2,267,013	17,090,361
Depreciation	25,895,411	15,941,777
Dividend received for the year	(9,386,550)	(3,153,165)
Interest paid on borrowings	87,656,530	49,821,061
Interest received on Fixed Deposit	(21,196,526)	(23,402,442)
Profit / (Loss) Sale of Fixed Assets	(167,507)	125,112
	1,279,092,381	793,794,537
Adjustments for working capital		
(Increase)/Decrease in inventories	(181,561,154)	(256,907,305)
(Increase)/Decrease in loans & advances	67,609,913	(341,123,282)
(Increase)/Decrease in sundry debtors	(715,433,574)	(548,607,932)
Increase/(Decrease) in current liabilities	(685,849)	55,641,090
Cash operating profit/(loss) before income tax	449,021,717	(297,202,892)
Income tax	(4,338,267)	(9,650,404)
	444,683,450	(306,853,296)
Cash flow from operating activities before extraordinary items		
Extraordinary items previous year transactions	(1,745,204)	(5,948,478)
Net cash flow from operations	442,938,246	(312,801,774)
II. Cash flow from investing activities		
Dividend Income	9,386,550	3,153,165
Interest received on Fixed Deposit	21,196,526	23,402,442
Proceeds from Sale of Fixed Assets	167,507	(125,112)
Proceeds from sale of investments(net)	(596,812,752)	(32,094,376)
Total inflow of cash from investing activities	(566,062,169)	(5,663,881)
Purchase of Fixed Assets	(28,721,840)	(126,933,777)
Payment towards Capital Work in Progress	(4,959,404)	(2,713,880)
Product development expenses	-	(1,813,305)
Net cash flow from investing activities	(599,743,413)	(137,124,843)
III. Cash flow from financing activities		
Proceeds from Long term borrowings - Net	382,788,500	(266,577,928)
Proceeds from Issue of Share Capital	11,646,200	40,000,000
Proceeds from Issue of Share Capital - Share Premium	407,617,000	1,040,000,000
Proceeds from Issue of Share Warrants	39,600,000	-
Share Issue Expenses	-	(72,036,570)
Repayment of Secured Loans	(61,771,010)	175,633,572
Repayment of Unsecured Loans	68,721,496	(10,931,303)
Inflow of cash	848,602,186	906,087,771
Interest paid on borrowings	(87,656,530)	(49,821,061)
Dividend paid (including dividend tax)	(308,082,900)	(123,233,160)
Net cash flow from financing activities	452,862,756	733,033,550
Total increase in cash & cash equivalents during the year	296,057,589	283,106,933
Cash & cash equivalents at the beginning of the year	305,542,915	22,435,982
Cash & cash equivalents at the end of the year	601,600,504	305,542,915

Note: Previous year's figures have been regrouped and recast wherever necessary to the current years format and figures in brackets indicates outflow.

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of Opto Circuits (India) Limited, for the year ended 31st March 2008. The Statement has been prepared by the Company in accordance with the requirement under Clause 32 of the Listing Agreement with the 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 31st March 2008.

For and on behalf of the Board of Directors

Vinod Ramnani
Chairman & Managing Director

Usha Ramnani
Executive Director

R Vijayendra
Company Secretary

Read with our Report
For Anand Amarnath & Associates
Chartered Accountants

B K Amarnath
Partner
M.No.:26536

Date : 27th May 2008.
Place: Bangalore

**OPTO CIRCUITS (INDIA) LIMITED
SCHEDULE TO BALANCE SHEET**

PARTICULARS	31.03.2008 (Rs.)	31.03.2007 (Rs.)
SCHEDULE A:		
Share Capital Authorised :		
100,000,000 Equity Shares of Rs.10/- Each (P.Y. 65,000,000 Equity Shares of Rs. 10/- each)	1,000,000,000	650,000,000
Issued Capital		
94,433,700 Equity Shares of Rs.10/- each (P.Y. 61,878,480 Equity Shares of Rs. 10/- each)	944,337,000	618,784,800
(Out of the above-		
1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash		
83,454,280 (P.Y52,063,680) Equity Shares of Rs.10/- Each fully paid up as Bonus shares		
1,164,620 Equity Shares of Rs.10/- Each fully paid up as Preferential basis		
Subscribed Capital		
94,171,800 Equity Shares of Rs.10/- Each fully paid up (P.Y. 61,616,580 Equity Shares of Rs. 10/- each)	941,718,000	616,165,800
(Out of the above-		
1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash		
83,454,280 (P.Y52,063,680) Equity Shares of Rs.10/- Each fully paid up as Bonus shares		
1,164,620 Equity Shares of Rs.10/- Each fully paid up as Preferential basis		
Paid-up Capital		
94,171,800 Equity Shares of Rs.10/- Each fully paid up (P.Y. 61,616,580 Equity Shares of Rs. 10/- each)	941,718,000	616,165,800
(Out of the above-		
1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash		
83,454,280 (P.Y52,063,680) Equity Shares of Rs.10/- Each fully paid up as Bonus shares		
1,164,620 Equity Shares of Rs.10/- Each fully paid up as Preferential basis		
TOTAL	941,718,000	616,165,800
SCHEDULE A(a):		
Share Warrant		
11,00,000 partly paid share warrants of Rs. 360/- each to be converted into Equity share of Rs. 10/- each at a premium of Rs.350/-	39,600,000	-
TOTAL	39,600,000	-
SCHEDULE B:		
Reserves & Surplus		
a. Share Premium account		
Add: Additions during the year	659,880,530	967,963,430
Less: Capitalisation of Reserves-Bonus Shares	407,617,000	-
	313,906,000	308,082,900
TOTAL- (a)	753,591,530	659,880,530
b. General Reserve:		
As per Last Balance Sheet	106,987,752	32,987,752
Add: Transfer from Profit & Loss Account	120,000,000	72,500,000
Add: Subsidy received from Govt. of Karnataka	-	1,500,000
TOTAL- (b)	226,987,752	106,987,752
c. Profit & Loss Account balance -		
TOTAL- (c)	1,232,852,817	729,041,226
TOTAL (a+b+c)	2,213,432,099	1,495,909,508

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULE TO BALANCE SHEET

PARTICULARS	31.03.2008 (Rs.)	31.03.2007 (Rs.)
SCHEDULE C:		
Secured Loans:		
Term Loan From Banks & Financial Institutions*	387,500,000	4,711,500
Working Capital Advances from Banks **	415,756,390	477,527,400
Other Term Loans***	10,329,721	8,103,492
	813,586,111	490,342,392
* Secured by hypothecation of Fixed Assets		
** Secured by hypothecation of Stocks & Book Debts		
*** Secured by hypothecation of Equipments & Vehicles		
SCHEDULE D:		
Un Secured Loans:		
From Directors	68,705,275	2,210,008
TOTAL	68,705,275	2,210,008
SCHEDULE F:		
Investments:		
Quoted Shares at Cost :		
Advanced Micronic Devices Limited- 3,153,165 E.Shares of Rs.10/- Fully Paidup (Aggregate cost of Quoted investment Rs.52461254. Market Value Rs.177,207,873/- as on 31.3.2008 or as on last quoted date)	52,461,254	52,461,254
Unquoted Investment at Cost:		
Medi Aid Inc., 2,250,000 E.shares of US\$1/- Fully paid up	101,488,225	101,488,225
EuroCor GMBH 40,850 E.Shares of Euro 1/- Fully paid	601,933,128	269,561,806
EuroCor GMBH - Additional Investment *	224,690,000	-
Altron Industries Private Limited 7,020 E.Shares of Rs.100/- Fully paid	5,199,714	5,199,714
Devon Innovations Private Limited 100,000 E.shares of Rs. 312.50/- Fully paid	31,250,000	-
Ormed Medical Technology Limited 250,000 E.shares of Rs. 34/- Fully paid	8,501,430	-
TOTAL	1,025,523,751	428,710,999
<i>*towards Capital investment in EuroCor GmbH for regulatory approvals</i>		
SCHEDULE G:		
Current Assets, Loans & Advances:		
A. Inventories		
(Valued at lower of cost or market value as certified by the Management)	TOTAL	662,981,319
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	57,556,300	269,792,952
- From Subsidiaries - Below 180 Days	270,516,123	253,689,693
-From Others - Above 180 Days	772,145,942	12,557,554
- From Others - Below 180 Days	904,480,453	753,225,044
TOTAL	2,004,698,818	1,289,265,243

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULE TO BALANCE SHEET

PARTICULARS	31.03.2008 (Rs.)	31.03.2007 (Rs.)
C. CASH & BANK BALANCES:		
Deposit & Other Accounts	289,236,100	303,087,400
Current Accounts - Scheduled Banks	312,341,930	2,430,915
Cash on hand	22,474	24,600
TOTAL	601,600,504	305,542,915
D. Loans & Advances:		
(Unsecured considered good, receivable in cash or in kind or for value to be received)		
Advances to suppliers & services		
- Subsidiary	8,200,378	88,442,174
- Others	84,914,609	216,048,718
Other Advances	33,949,037	28,261,040
Advances to suppliers of Capital goods	71,591,046	39,103,288
MAT Credit Entitlement - (Ref Note 19)	111,662,920	-
Advance Income Tax	-	3,167,425
Staff Advance	402,274	3,366,446
Deposits	6,872,534	6,124,831
Prepaid Expenses	676,790	1,365,579
TOTAL	318,269,588	385,879,501
SCHEDULE H:		
Current Liabilities & Provisions:		
Current Liabilities :		
Sundry Creditors for Purchases		
- Subsidiary	5,724,072	34,248,075
- Others	49,000,616	91,624,334
Sundry Creditors for Expenses	19,461,933	28,953,142
Sundry Creditors for Capital Goods		
- Subsidiary	-	20,440,590
- Others	2,457,682	2,553,522
Other Advances	3,536,185	15,036,185
Advance received from Customers	22,517,709	9,966,718
Statutory Dues Payable	2,055,056	1,914,749
Unclaimed Dividend - 2000-2001	70,111	70,111
Unclaimed Dividend - 2001-2002	93,557	93,557
Unclaimed Dividend - 2002-2003	193,852	199,160
Unclaimed Dividend - 2003-2004	164,263	196,105
Unclaimed Dividend - 2004-2005	234,084	244,612
Unclaimed Dividend - 2005-2006	742,702	943,894
Unclaimed Dividend - 2006-2007	18,203,840	-
TOTAL	124,455,662	206,484,754
Provisions :		
Provision for Dividend	476,359,000	308,082,900
Provision for Dividend Tax	134,305,537	67,642,140
Provision for FBT	1,016,127	815,734
Provision for Current Tax / MAT	111,662,920	-
Provision for Interest on Dividend Tax	3,200,900	-
Provision for Taxation 06-07	-	8,800,000
Provision for Taxation 05-06	-	3,400,000
Provision for Leave Encashment	2,651,790	2,220,109
Provision for Gratuity	2,364,756	3,694,755
Provision for Wealth Tax	121,240	-
TOTAL	731,682,270	394,655,638
SCHEDULE I:		
Miscellaneous Expenses, R&D & Product Development Expenses (to the extent not written off or adjusted)	1,450,644	1,813,305
TOTAL	1,450,644	1,813,305

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT

PARTICULARS	31.03.2008 (Rs.)	31.03.2007 (Rs.)
SCHEDULE J:		
SALES		
SALES - Exports - EOU	2,709,657,127	2,007,886,235
SALES - Exports - SEZ	572,566,065	-
SALES - D T A	4,712,120	8,547,496
TOTAL	3,286,935,312	2,016,433,731
SCHEDULE K:		
OTHER INCOME:		
Dividend Received	9,386,550	3,153,165
Interest received	21,196,526	23,402,442
Difference in Exchange Rate	86,762,542	-
Profit on Sale of Asset	167,507	-
Miscellaneous Income	805,679	99,016
TOTAL	118,318,804	26,654,623
SCHEDULE L:		
Increase/Decrease in WIP & Finished Goods		
Opening Stock of WIP	44,375,903	25,389,868
Opening Stock of Finished Goods	11,493,687	-
TOTAL (a)	55,869,590	25,389,868
LESS:		
Closing Stock of WIP	52,471,460	44,375,903
Closing Stock of Finished Goods	30,788,172	11,493,687
TOTAL (b)	83,259,632	55,869,590
Increase/(Decrease) in WIP & Finished Goods	27,390,042	30,479,722
SCHEDULE M:		
A. MANUFACTURING EXPENSES:		
CONSUMPTION OF RAW MATERIALS & CONSUMABLES		
Opening Stock	425,550,575	199,122,992
ADD:		
Purchase of Raw Materials & Consumables	2,098,361,560	1,326,824,981
	2,523,912,135	1,525,947,973
LESS: Closing Stock		
Raw Materials & Consumables	579,721,687	425,550,575
Raw materials & Consumables Consumed	1,944,190,448	1,100,397,398
TOTAL (a)	1,944,190,448	1,100,397,398
B. FACTORY EXPENSES:		
Labour Charges & Job Work	10,954,474	10,795,196
Power & Fuel	8,624,754	8,505,606
Tooling Charges	402,995	596,071
Insurance	3,102,006	4,215,841
Repairs & Maintenance - Plant & Machinery	1,537,400	1,192,317
Repairs & Maintenance - Electricals & Others	849,158	1,042,150
Repairs & Maintenance - Building	165,963	618,383
R&D,Product Development Expenses	837,202	-
Customs Duty & Supervision Charges	55,118	107,983
TOTAL (b)	26,529,070	27,073,547
TOTAL (a+b)	1,970,719,518	1,127,470,945

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULE TO PROFIT & LOSS ACCOUNT

PARTICULARS	31.03.2008 (Rs.)	31.03.2007 (Rs.)
SCHEDULE N:		
A. ADMINISTRATIVE EXPENSES:		
Advertisement & Trade Shows	1,576,890	1,883,765
Auditor's Remuneration	1,167,980	625,193
Commission	1,662,618	
Directors Remuneration	13,390,332	11,514,384
General Expenses	3,422,563	2,554,852
Loss on sale of Asset	-	125,112
Membership, Books & Periodicals	36,214	16,175
Miscellaneous Expenses/Amortisation	362,661	-
Postage, Telephone & Fax Charges	3,224,047	3,255,483
Printing & Stationery	4,358,497	4,349,951
Professional Consultancy Charges	30,136,686	11,148,652
Rates & Taxes	2,617,296	3,361,075
Rent	1,228,318	486,136
Repairs & Maintenance - Others	267,912	98,358
Share Transfer Charges	121,224	127,981
Software Licence Fees	714,127	-
Travelling & Conveyance	19,739,953	25,660,395
TOTAL (A)	84,027,318	65,207,512
B. STAFF EXPENSES:		
Salaries & Allowances	40,685,316	32,154,657
Staff Welfare and Amenities	11,508,380	9,748,277
TOTAL (B)	52,193,696	41,902,934
C. SELLING EXPENSES:		
Freight & Handling Charges	11,788,203	13,256,547
Difference in Exchange	-	14,252,043
Packing Materials	2,503,832	2,713,313
Clearing Charges	2,266,386	3,034,639
Business Promotion Expenses	188,391	1,365,260
Transportation	1,380,863	1,230,212
TOTAL (C)	18,127,675	35,852,014
TOTAL (A+B+C)	154,348,689	142,962,460
SCHEDULE O:		
FINANCIAL CHARGES		
Interest - Working Capital	59,874,942	33,894,648
Interest on Term Loan	13,307,388	4,183,302
Interest to Others	1,106,627	1,653,054
Bank Charges	13,367,573	10,090,057
TOTAL	87,656,530	49,821,061
SCHEDULE P:		
PROVISION FOR TAXATION		
Income Taxes	114,985,060	8,800,000
MAT Credit Entitlement - (Refer Note 19)	(111,662,920)	-
Fringe Benefit Tax	1,016,127	850,404
TOTAL	4,338,267	9,650,404

OPTO CIRCUITS (INDIA) LIMITED
SCHEDULE - E:

Fixed Assets Schedule for the Year ending 31.03.2008

PARTICULARS	%	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 01.04.07	ADDI- TIONS	DELE- TIONS	TOTAL AS ON 31.03.08	AS ON 01.04.07	For the year	DELE- TIONS	As on 31.03.08	As on 31.03.07
Land	-	2,136,100	-	-	2,136,100	-	-	-	2,136,100	2,136,100
Borewell	-	73,655	-	-	73,655	-	-	-	73,655	73,655
Office Building	1.63%	4,347,218	-	-	4,347,218	1,138,163	70,860	-	3,138,195	3,209,055
Building	3.34%	27,511,435	-	-	27,511,435	5,132,403	918,882	-	21,460,149	22,379,032
Apartment	3.34%	12,685,605	-	-	12,685,605	1,469,252	423,699	-	10,792,654	11,216,353
GH Furniture & Fittings	3.34%	311,481	345,847	-	657,328	14,011	14,285	-	629,032	297,470
Plant & Machinery	4.75%	244,789,584	16,285,127	(2,860,550)	258,214,161	45,279,730	11,871,206	(593,538)	201,656,763	199,509,853
Furniture & Fixtures	6.23%	10,231,673	908,839	-	11,140,512	3,796,656	643,774	-	6,700,082	6,435,017
Computers & Software	16.21%	5,816,011	700,838	-	6,516,849	2,100,148	955,032	-	3,461,669	3,715,863
Office Equipments	4.75%	1,355,673	449,780	-	1,805,453	594,465	77,692	-	1,133,296	761,208
Electrical Installations	4.75%	7,580,306	303,758	-	7,884,064	2,300,231	365,018	-	5,218,815	5,280,075
Vehicles	9.50%	33,723,611	9,727,651	-	43,451,262	13,151,427	3,591,518	-	26,708,317	20,572,184
Intangible Assets		34,817,227	-	-	34,817,227	-	6,963,445	-	27,853,782	34,817,227
Total		385,379,579	28,721,840	(2,860,550)	411,240,869	74,976,487	25,895,411	(593,538)	310,962,509	310,403,092
Previous Year (06-07)		260,348,698	126,933,777	(1,902,896)	385,379,579	59,504,270	15,941,777	(469,560)	310,403,092	
Capital WIP		2,732,880	4,959,404	-	7,692,284	-	-	-	7,692,284	2,732,880

NOTES FORMING PART OF ACCOUNTS

SCHEDULE Q

1. **Contingent Liability:**

The Company has issued Corporate guarantee in favour of State Bank of India and State Bank of Travancore against line of credit sanctioned to its subsidiary for M/s. Advanced Micronic Devices Limited for Rs. 19.77 Crores (PY Rs. 19.77 Crores)

2. The Company has recognized and provided for the liability towards gratuity and un-availed en-cashable earned leave on accrual basis.

3. **CIF value of Imports**

(Rs.)

Particulars	31 st -March-2008	31 st -March-2007
a. Components and Spares	6,561,116	5,42,1492
b. Capital Goods	16,024,877	77,356,752
c. Raw material	1,817,574,310	1,274,333,695

4. **Value of raw materials Consumed**

Particulars	31 st -March-2008		31 st -March-2007	
	%	Rs.	%	Rs.
a. Imported	98.65	1,908,248,575	97.36	1,060,909,209
b. Indigenous	1.35	26,182,802	2.64	28,812,077
Total	100.00	1,934,431,377	100.00	1,089,721,286

5. **Stores and Spares consumed**

Particulars	31 st -March-2008		31 st -March-2007	
	%	Rs.	%	Rs.
a. Imported	70.34	6,864,384	90.77	9,691,197
b. Indigenous	29.66	2,894,685	9.23	984,915
Total	100.00	9,759,069	100.00	10,676,112

6. **Income in foreign exchange (INR)**

Particulars	31 st -March-2008	31 st -March-2007
	Rs in Lacs	Rs in Lacs
a. Sales	26,402.45	14,890.96

7. **Expenditure in foreign currency (INR)**

Particulars	31 st -March-2008	31 st -March-2007
	Rs in Lacs	Rs in Lacs
a. Capital Equipment (CIF value)	288.60	776.32
b. Raw materials	21,280.82	14,498.96

8. Remuneration to Chairman, Managing Directors & Directors (INR)

Particulars		31 st -March-2008	31 st -March-2007
a.	Salary	8,926,888	7,676,256
b.	Perquisites (HRA)	4,463,444	3,838,128
c.	TOTAL (a + b)	13,390,332	11,514,384

Computation of Net Profits under Section 198 read with Section 349 and Section 350 of the Companies Act, 1956 for the year ended March 31, 2008.

Particulars	Rs. Lacs 31.03.2008	Rs. Lacs 31.03.2007
Profits Before Taxation	11,940.24	7,373.72
Add:		
Managerial Remuneration to Directors	133.90	115.14
Loss on Sale of Fixed Assets	-	1.25
Depreciation as per accounts	258.95	159.42
	12,333.10	7,649.53
Less:		
Depreciation as per Section 350 of the companies Act	258.95	159.42
Profit on Sale of Fixed Assets	1.68	-
Net Profits as per 349 of the Companies Act, 1956	12,072.47	7,490.11
Remuneration to Managing and Whole-time Directors @ 10 % of the Net Profits (maximum)	1,207.25	749.01
Remuneration to Whole-time Directors (Salary & Perquisites)	133.90	115.14

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

9. Capacities & Production

	Year ending	31 st -March-2008	31 st -March-2007
a.	Production (Units)	4,144,550	4,127,472

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

10. 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 setoff. Tax expenses towards deferred tax liability does not arise as the unit is 100% EOU and income is covered under section 10B of the Income Tax Act, 1961.

11. Auditors Remuneration

Particulars	31 st March 2008	31 st March 2007
Statutory Audit fees	750,000	375,000
Tax Audit fees	250,000	125,000
Other Services	167,980	125,193

(Rs.)

12. Product Development Expenses.

An Amount of Rs. 3.62 Lacs has been charged to Profit & Loss account which is 1/5th of Rs. 18.13 Lacs shown as product development expenditure of embedded software for Pulse Oximeter.

13. Segment wise reporting (Rs. In Lacs)

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

Sales Revenue by Geographical segment

(Rs.in Lacs)

Continents	Current Year 31-Mar-2008	Previous Year 31-Mar-2007
Asia	18,278.18	8,221.78
Europe	531.00	7,121.92
America	14,012.32	4,733.81
Domestic & Others	47.86	86.83

- 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.
- Segment 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.

14. Utilisation of Public Issue Proceeds

Particulars		Rs. In Lacs	
SL NO	Project cost	Projected in Prospectus	Utilisation as at 31st March08
1	Up-gradation of Research & Development facility	1,938.00	219.47
2	Cost of Upgrading Infrastructure and for modernizing and acquisition of additional plant & machinery	1,635.00	1,205.90
3	Investment in Mediaid Inc for establishing marketing offices	750.00	558.84
4	Acquisition of EuroCor GmbH	2,721.00	2,695.62
5	Additional Working capital Requirement	2,250.00	2,250.00
6	General Corporate Purpose	1,543.59	1,338.28
7	Issue Expenses	706.00	720.37
	TOTAL	11,543.59	8,988.48
8	Unutilised Fund	-	2,555.11
		11,543.59	11,543.59
SL. NO.	Means of Finance	Projected in Prospectus	Actual Realisation as at 31st March 2008
1	Equity share Capital	400.00	400.00
2	Share Premium	10,400.00	10,400.00
3	Internal Generation	743.59	743.59
	TOTAL	11,543.59	11,543.59

15. The Company has raised 11,64,620 preferential equity shares @ Rs. 360 per share which is fully received. The Company has also raised 11,00,000 convertible share warrants of Rs. 360 each, out of which the company has received 10% of warrant amount. On receipt of balance 90% of share warrant money, the warrants will be converted into equity shares. These have been disclosed in the Balance sheet under Schedule A.

16. **Utilisation of Preferential/Warrants Issue Proceeds**

	Particulars	Rs. In Lacs
SL NO	Project cost	Utilisation as at 31st March 08
1	Funded for the approval/expansion/diversification, R&D activities for the health care and other related products of the company and its subsidiaries and working capital needs.	4,274.49
2	Issue Expenses	94.41
	TOTAL	4,368.90
3	Unutilised Fund	219.73
	TOTAL	4,588.63
SL. NO.	Means of Finance	Actual Realisation as at 31st March 2008
1	11,64,620 Equity Shares on Preferential basis	4,192.63
2	11,00,000 fully convertible share warrants (10% of Rs.360/- paid up)	396.00
	TOTAL	4,588.63

17. **Related Party Disclosure:**

A) List of related parties where control exists

- (a) **SUBSIDIARIES**
 (i) ADVANCED MICRONIC DEVICES LIMITED
 (ii) MEDIAID INC.,
 (iii) ALTRON INDUSTRIES PRIVATE LIMITED.
 (iv) EUROCOR GmbH, GERMANY
 (v) DEVON INNOVATIONS PRIVATE LIMITED
 (vi) ORMED MEDICAL TECHNOLOGY LIMITED

(b) **KEY MANAGEMENT PERSONNEL**

Name of Related Party	Relationship
Mr. Vinod Ramnani	Key Management Personnel
Mrs. Usha Ramnani	Key Management Personnel
Mr. Jayesh Patel	Key Management Personnel
Mr. Thomas Dietiker	Key Management Personnel

RELATED PARTY TRANSACTIONS

During the year the Following Transaction were carried out with the related party in the Ordinary Course of Business

(Rs.)

PARTICULARS	SUBSIDIARIES		KEY MANAGEMENT PERSONNEL		TOTAL	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Purchase of Goods	282,116,114	268,562,373	-	-	282,116,114	268,562,373
Sale of Goods	309 909 122	672 620 954	-	-	309 909 122	672 620 954
Purchase of Fixed Assets	143,503	4,118,747	-	-	143,503	4,118,747
Receiving of Services	-	34,943,238	-	-	-	34,943,238
Dividend Received	6,306,330	3,153,165	-	-	6,306,330	3,153,165
Loans & Advances (Debit Balance)	18,078,574	95,062,795	-	-	18,078,574	95,062,795
Loans & Advances (Credit Balance)	3,536,185	15,036,185	68,705,275	2,210,008	72,241,460	17,246,193
Sundry Debtors (Balances)	328,072,423	523,482,645	-	-	328,072,423	523,482,645
Sundry Creditors (Balances)	5,724,072	54,688,665	-	-	5,724,072	54,688,665
Directors Remuneration	-	-	13,390,332	11,514,384	13,390,332	11,514,384

18. Sundry Debtors includes an amount of Rs.65,02,094/- which is doubtful of recovery. Effective steps have been taken to obtain clearances/approval from relevant statutory authorities for writing off doubtful debts. However, no provisions for such doubtful debts have been made in the accounts.
19. Pursuant to the amendments in the Indian Income Tax Act, the Company has calculated its tax liability after considering Minimum Alternative Tax (MAT). The MAT liability can be carried forward and setoff against future tax liabilities. Accordingly Rs.1,116.63 Lacs was carried forward and shown under Loans & Advances in the Balance Sheet as of March 31, 2008.
20. Dividend paid in foreign currency for the year 2006 - 07 is USD 560,119.10, towards 4,486,578 Equity Shares held by NRI's.
21. Previous year figures have been regrouped & reclassified to correspond with the current year's classification.

NOTES FORMING PART OF ACCOUNTS (Continued)
Significant Accounting Policies
1. System of Accounting

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

2. Revenue Recognition

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

3. Fixed assets

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

4. Depreciation

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

5. Inventories

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

Raw Materials	At Cost
Work in Process	Cost Plus estimated expenses up to the stage of completion.
Finished Goods	Cost or Net realizable Value which ever is lower.

6. Retirement benefits to employees

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

7. Investments

The investments are stated at cost.

8. Deferred Tax

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

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. 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. Dues to Small & Medium Enterprises

On the basis of data available with the company there is no amount due of Rs. 1 Lac and above beyond 30 days to small & Medium Enterprises during the year.

12. Earnings per share

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

For and on behalf of the Board of Directors

Vinod Ramnani Usha Ramnani R Vijayendra
Chairman & Managing Director Executive Director Company Secretary

Read with our Report
 For Anand Amarnath & Associates
 Chartered Accountants

B K Amarnath
Partner
M.No.:26536

Date : 27th May 2008.

Place: Bangalore

OPTO CIRCUITS (INDIA) LIMITED BALANCE SHEET ABSTRACT AND COMPANY 'S GENERAL BUSINESS PROFILE.

Registration Details:			
Registration No.	13223	State Code	08
Balance Sheet Date	31/03/2008		

Capital Raised during the year (Amounts in Rs.Thousands)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	313,906	Private Placement (Preferential Basis)	419,263
		Share Warrants	39,600

Position of Mobilisation and deployment of funds (Amounts in Rs.Thousands)

Total Liabilities	4,077,041	Total Assets	4,077,041
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Sources of Fund		Application of Funds	
Paid up Capital	941,718	Net Fixed Assets	318,655
Share Warrant	39,600	Net Current Assets	2,731,412
Secured Loans	813,586	Investments	1,025,524
Reserves & Surplus	2,213,432	Misc. Expenditure	1,451
Unsecured Loans	68,705	Accumulated Losses	-

Performance of the Company (amount in Rs.Thousands)

Turnover	3,286,935	Total Expenditure	2,238,620
Profit before Tax	1,192,279	Profit after tax	1,187,941
Earnings per Share in Rs.	12.65	Dividend Rate %	50%
Diluted Earnings per Share Rs.	12.47		

Generic Names of three Principal products / services of company.

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

For and on behalf of the Board of Directors

VINOD RAMNANI Chairman & Managing Director	USHA RAMNANI Executive Director	R VIJAYENDRA Company Secretary
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Date : 27th May 2008.

Place: Bangalore

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, 2008 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.

We did not audit the financial statements of Mediaid Inc., USA, & Eurocor GmbH, German, the subsidiary, whose financial statements reflect the total assets of Rs.77.03 crores as against the Consolidated total assets of Rs.444.05 crores as at 31st March, 2008 and the total revenues of Rs.138.45 crores as against the Consolidated total revenue of Rs.488.11 crores 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, 2008**.
- 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
M.No. 26536

Date: 27 May 2008
Place: Bangalore

**OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31.03.2008**

Particulars	SCH	31.03.2008 (Rs.)	31.03.2007 (Rs.)
I. SOURCES OF FUNDS			
SHARE HOLDERS FUND			
Capital	A	941,718,000	616,165,800
Share Warrant	A (a)	39,600,000	-
Reserves & Surplus	B	2,364,440,536	1,508,650,851
LOAN FUNDS			
Secured Loans	C	936,051,996	640,337,996
Unsecured Loans	D	73,925,094	4,782,781
Deferred Tax Liability		5,287,098	5,091,275
Minority Interest		79,438,210	72,877,976
TOTAL		4,440,460,934	2,847,906,679
II. APPLICATION OF FUNDS			
FIXED ASSETS:			
Gross Block	E	777,791,728	607,416,737
Less Accumulated Depreciation		221,815,172	148,886,035
Net Block		555,976,556	458,530,702
Capital work - in - progress		17,147,663	12,153,503
GOODWILL			
	F	436,717,987	338,141,820
INVESTMENTS			
	G	2,850,225	2,850,225
CURRENT ASSETS, LOANS & ADVANCES:			
	H		
Inventories		1,455,542,785	1,054,583,771
Sundry Debtors		2,375,921,694	1,187,398,354
Cash & Bank Balances		683,305,621	384,662,705
Loans & Advances		564,605,299	417,249,750
		5,079,375,399	3,043,894,580
LESS : CURRENT LIABILITIES & PROVISIONS			
	I		
Liabilities		1,111,849,105	585,215,259
Provisions		801,219,600	424,751,781
Net Current Assets		3,166,306,694	2,033,927,541
Miscellaneous Expenditure (to the extent not Written off or Adjusted)	J	261,461,809	2,302,889
TOTAL		4,440,460,934	2,847,906,679
Notes Forming Part of Accounts Significant Accounting Policy	R		

For and on behalf of the Board of Directors

Read with our Report
For Anand Amarnath & Associates
Chartered Accountants

Vinod Ramnani
Chairman & Managing Director

Usha Ramnani
Executive Director

R Vijayendra
Company Secretary

B K Amarnath
Partner
M.No.:26536

Date : 27th May 2008.
Place: Bangalore

**OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED PROFIT & LOSS A/C FOR PERIOD ENDED 31.03.2008**

Particulars	SCH	31.03.2008 (Rs.)	31.03.2007 (Rs.)
INCOME:			
Sales	K	4,680,784,420	2,515,725,212
Other Income	L	170,671,379	36,604,026
Increase/Decrease in W I P & FG	M	29,626,181	30,479,722
TOTAL		4,881,081,980	2,582,808,960
EXPENDITURE:			
Manufacturing Expenses	N	2,782,740,100	1,333,401,653
Administrative & Selling Expenses	O	555,624,549	387,043,887
Financial Expenses	P	108,673,129	74,086,307
Depreciation	E	62,860,495	24,001,927
TOTAL		3,509,898,273	1,818,533,774
Profit for the year before Tax		1,371,183,707	764,275,186
Add/(Less):Prior Year Adjustment		(19,627,259)	(9,639,595)
Profit Before Tax		1,351,556,448	754,635,591
Provision for Taxation - <i>(Refer note 13)</i>	Q	38,402,349	22,093,766
Profit After Tax		1,313,154,099	732,541,825
Profit brought forward from Previous Year		752,843,921	462,113,542
Profit available for appropriation		2,065,998,020	1,194,655,367
Amount Transferred to General Reserve		120,783,379	73,753,200
Proposed Dividend		483,284,805	312,338,770
Tax on Distributed Profits		83,428,197	53,840,038
Share of Minority Interest		6,560,235	1,879,438
Profit carried to Balance Sheet		1,371,941,404	752,843,921
Notes forming part of Accounts Significant Accounting Policy	R		

For and on behalf of the Board of Directors

Read with our Report
For Anand Amarnath & Associates
Chartered Accountants

Vinod Ramnani Usha Ramnani R Vijayendra
Chairman & Managing Director Executive Director Company Secretary

B K Amarnath
Partner
M.No.:26536

Date : 27th May 2008.
Place: Bangalore

OPTO CIRCUITS (INDIA) LIMITED, BANGALORE
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

Particulars	31.03.2008 (Rs.)	31.03.2007 (Rs.)
I Cash flow from operating activities		
Net profit before tax & extraordinary items	1,371,183,707	764,275,186
Adjustments for non operating items		
Amortisation and other non cash items	17,794,657	24,910,213
Depreciation	62,860,495	24,001,927
Dividend received for the year	(3,085,480)	(11,554)
Interest paid on borrowings	108,673,129	74,086,307
Interest received on Fixed Deposit	(23,348,115)	(26,546,103)
Profit / (Loss) Sale of Fixed Assets	140,773	71,953
	1,534,219,166	860,787,929
Adjustments for working capital		
(Increase)/Decrease in inventories	(400,959,014)	(259,428,659)
(Increase)/Decrease in loans & advances	(147,355,549)	(267,202,104)
(Increase)/Decrease in sundry debtors	(1,188,523,339)	(445,702,914)
Increase/(Decrease) in current liabilities	656,704,318	54,593,232
Cash operating profit/(loss) before income tax	454,085,582	(56,952,516)
Income tax	(38,060,705)	(21,415,766)
Cash flow from operating activities before extraordinary items	416,024,877	(78,368,282)
Extraordinary items Previous year transaction	(19,627,259)	(9,639,595)
Net cash flow from operations	396,397,618	(88,007,877)
II. Cash flow from investing activities		
Dividend Income	3,085,480	11,554
Interest received on Fixed Deposit	23,348,115	26,546,103
Acquisition consideration	(98,576,166)	(369,073,038)
Proceeds from Sale of Fixed Assets	(140,773)	(71,953)
Intangible Assets	(58,453,398)	(91,859,319)
Change in Minority Interest	6,560,235	1,879,438
Proceeds from sale of investments(net)	-	237,467,430
Total inflow of cash from investing activities	(124,176,507)	(195,099,785)
Purchase of Fixed Assets	(101,852,952)	(100,296,804)
Payment towards Capital Work in Progress	(4,994,160)	(5,861,270)
Product development expenses	(261,461,809)	(2,302,889)
Net cash flow from investing activities	(492,485,428)	(303,560,748)
III. Cash flow from financing activities		
Proceeds from Long term borrowings - Net	295,714,000	-
Proceeds from Issue of Share Capital	11,646,200	40,000,000
Proceeds from Issue of Share Capital - Share Premium	407,617,000	1,040,000,000
Proceeds from Issue of Share Warrants	39,600,000	-
Share Issue Expenses	-	(72,036,570)
Repayment of Secured Loans	-	(117,511,232)
Repayment of Unsecured Loans	69,142,313	(12,490,631)
Inflow of cash	823,719,513	877,961,567
Interest paid on borrowings	(108,673,129)	(74,086,307)
Dividend paid (including dividend tax)	(320,315,657)	(129,190,900)
Net cash flow from financing activities	394,730,727	674,684,360
Total increase in cash & cash equivalents during the year	298,642,916	283,115,735
Cash & cash equivalents at the beginning of the year	384,662,705	101,546,970
Cash & cash equivalents at the end of the year	683,305,621	384,662,705

Note: Previous year's figures have been regrouped and recast where ever necessary to the current years format and figures in brackets represent outflows.

For and on behalf of the Board of Directors

Read with our Report

For Anand Amarnath & Associates
Chartered Accountants

Vinod Ramnani Usha Ramnani R Vijayendra
Chairman & Managing Director Executive Director Company Secretary

B K Amarnath
Partner

M.No.:26536

Date : 27th May 2008.
Place: Bangalore

OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED SCHEDULE TO BALANCE SHEET

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
SCHEDULE A:		
Share Capital Authorised :		
100,000,000 Equity Share of Rs.10/- Each (P.Y. 65,000,000 Equity Shares of Rs. 10/- each)	1,000,000,000	650,000,000
Issued Capital		
94,433,700 Equity Shares of Rs.10/- each (P.Y. 61,878,480 Equity Shares of Rs. 10/- each) (Out of the above-	944,337,000	618,784,800
1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash 83,454,280 (P.Y52,063,680) Equity Shares of Rs.10/- Each fully paid up as Bonus shares 1,164,620 Equity Shares of Rs.10/- Each fully paid up as Preferential basis		
Subscribed Capital		
94,171,800 Equity Shares of Rs.10/- Each fully paid up (P.Y. 61,616,580 Equity Shares of Rs. 10/- each) (Out of the above-	941,718,000	616,165,800
1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash 83,454,280 (P.Y52,063,680) Equity Shares of Rs.10/- Each fully paid up as Bonus shares 1,164,620 Equity Shares of Rs.10/- Each fully paid up as Preferential basis		
Paid-up Capital		
94,171,800 Equity Shares of Rs.10/- Each fully paid up (P.Y. 61,616,580 Equity Shares of Rs. 10/- each) (Out of the above-	941,718,000	616,165,800
1,239,831 Equity Shares of Rs. 10/- each fully paid-up allotted otherwise than for cash 83,454,280 (P.Y52,063,680) Equity Shares of Rs.10/- Each fully paid up as Bonus shares 1,164,620 Equity Shares of Rs.10/- Each fully paid up as Preferential basis		
TOTAL	941,718,000	616,165,800
SCHEDULE A(a):		
Share Warrant		
11,00,000 partly paid share warrants of Rs. 360/- each to be converted into Equity share of Rs. 10/- each at a premium of Rs.350/-	39,600,000	-
TOTAL	39,600,000	-
SCHEDULE B:		
Reserves & Surplus		
a. Share Premium account		
Add:Addition during the year	659,880,530	967,963,430
Less: Capitalisation of Reserves-Bonus Shares	407,617,000	-
	313,906,000	308,082,900
TOTAL- (a)	753,591,530	659,880,530
b. General Reserve:		
As per Last Balance Sheet	108,240,952	32,987,752
Add: Transfer from Profit & Loss Account	120,783,379	73,753,200
Add: Subsidy received from govt. of Karnataka	-	1,500,000
	229,024,331	108,240,952
Add/(Less):Foreign Currency Translation Reserve	9,883,271	(12,314,552)
TOTAL- (b)	238,907,602	95,926,400
c. Profit & Loss Account balance -		
TOTAL- (c)	1,371,941,404	752,843,921
TOTAL- (a+b+c)	2,364,440,536	1,508,650,851

OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED SCHEDULE TO BALANCE SHEET

	31.03.2008	31.03.2007
	(Rs.)	(Rs.)
SCHEDULE C:		
Secured Loans:		
Term Loan From Banks & Financial Institutions*	394,907,803	31,017,681
Working Capital Advances from Banks **	528,326,538	598,070,548
Other Term Loans***	12,817,655	11,249,767
TOTAL	936,051,996	640,337,996
* Secured by hypothecation of Fixed Assets		
** Secured by hypothecation of Stocks & Book Debts		
*** Secured by hypothecation of Equipments & Vehicles		
SCHEDULE D:		
Un Secured Loans:		
From Directors	69,205,275	2,710,008
From Others	4,719,819	2,072,773
TOTAL	73,925,094	4,782,781
SCHEDULE F:		
Goodwill / (Capital Reserve)		
Mediaid Inc., USA	4,871,765	4,871,765
EuroCor GmbH., Germany	455,007,667	369,073,038
Devon Innovations Private Limited	14,520,189	-
Advanced Micronic Devices Limited	(33,428,276)	(33,428,276)
Altron Industries Private Limited	(2,374,707)	(2,374,707)
Ormed Medical Technologies Limited	(1,878,651)	-
TOTAL	436,717,987	338,141,820
SCHEDULE G:		
Investments:		
Quoted Shares at Cost :		
Centum Electronics Ltd	7,000	7,000
Fortune Informatics Ltd	69,385	69,385
Gold Stone Technologies Ltd	90,431	90,431
Gujrat Ambuja Cements Ltd	129,776	129,776
HDFC Bank Ltd	9,000	9,000
Hindustan Lever Ltd	296,226	296,226
ICICI Bank Ltd	127,925	127,925
IDBI Ltd	29,820	29,820
Infosys Technologies Ltd	462,259	462,259
Navaneeth Publication Ltd	55,134	55,134
NIIT Ltd	96,071	96,071
Samrat Ashoka Exports Ltd	12,000	12,000
Siemens Ltd	28,385	28,385
Silverline Technologies Ltd	356,610	356,610
Sonata Software Ltd	67,780	67,780
Sri Adhikari Bros Ltd	367,793	367,793
Sundaram Fastners Ltd	146,379	146,379
Tata Chemicals Ltd	172,920	172,920
TISCO Ltd	33,538	33,538
Titan Industries Ltd	4,972	4,972
Wockhardt Ltd	85,021	85,021
<i>(Market Value Rs.5,169,345 (P Y Rs.5,286,480) as on 31.3.2008 or as on last quoted date)</i>		
Unquoted Investment at Cost:		
Microland Ltd	102,000	102,000
Micronic Healthcare Pvt Ltd	99,800	99,800
TOTAL	2,850,225	2,850,225

OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED SCHEDULE TO BALANCE SHEET

		31.03.2008	31.03.2007
		(Rs.)	(Rs.)
SCHEDULE H:			
Current Assets, Loans & Advances:			
A. Inventories	TOTAL	1,455,542,785	1,054,583,771
(Valued at lower of cost or market value as certified by the Management)			
B. Sundry Debtors			
(unsecured considered good, for which the company holds no security other than the debtor's personal security)			
	- Above 180 Days	609,759,589	354,650,100
	- Below 180 Days	1,766,162,105	832,748,254
	TOTAL	2,375,921,694	1,187,398,354
C. CASH & BANK BALANCES:			
Deposit & Other Accounts		323,557,069	336,710,845
Current Accounts		358,968,222	46,955,778
Cash on hand		780,330	996,082
	TOTAL	683,305,621	384,662,705
D. Loans & Advances:			
(Unsecured considered good, receivable in cash or in kind or for value to be received)			
Advances to suppliers & services		112,414,868	320,559,600
Others Advances		239,274,201	36,074,205
Advances to suppliers of Capital goods		71,591,046	18,662,698
MAT Entitlement Credit - (Refer note 13)		111,662,920	-
Advance Income Tax		9,281,631	8,831,161
Staff Advance		2,988,119	5,937,024
Deposits		16,419,940	25,310,768
Prepaid Expenses		972,574	1,874,294
	TOTAL	564,605,299	417,249,750
SCHEDULE I:			
Current Liabilities & Provisions:			
Current Liabilities :			
Sundry Creditors for Purchases		699,765,508	363,415,452
Sundry Creditors for Expenses		75,063,900	73,354,316
Sundry Creditors for Capital Goods		2,457,682	2,553,522
Other Advances		266,483,297	80,499,860
Advance received from Customers		33,974,288	47,592,895
Statutory Dues Payable		12,832,548	14,795,878
Unclaimed Dividend - 1999-2000		-	69,540
Unclaimed Dividend - 2000-2001		155,184	155,368
Unclaimed Dividend - 2001-2002		258,784	258,901
Unclaimed Dividend - 2002-2003		375,520	384,535
Unclaimed Dividend - 2003-2004		395,912	435,051
Unclaimed Dividend - 2004-2005		412,259	435,396
Unclaimed Dividend - 2005-2006		1,042,853	1,264,545
Unclaimed Dividend - 2006-2007		18,631,370	-
	TOTAL	1,111,849,105	585,215,259
Provisions :			
Provision for Dividend		480,614,870	312,338,770
Provision for Dividend Tax		137,268,235	70,998,413
Provision for FBT		4,478,350	815,734
Provision for Current Tax / MAT		111,662,920	8,800,000
Provision for Interest on Dividend Tax		3,200,900	-
Provision for Taxation		53,504,334	25,860,000
Provision for Leave Encashment		3,477,915	2,220,109
Provision for Gratuity		5,888,169	3,694,755
Provision for Wealth Tax		1,123,907	24,000
	TOTAL	801,219,600	424,751,781
SCHEDULE J:			
Miscellaneous Expenses, R&D & Product Development Expenses (to the extent not written off or adjusted)		261,461,809	2,302,889
	TOTAL	261,461,809	2,302,889

OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED SCHEDULE TO PROFIT AND LOSS ACCOUNT

	31.03.2008	31.03.2007
	(Rs.)	(Rs.)
SCHEDULE K:		
SALES		
SALES - Exports - EOU	3,587,687,915	2,084,381,266
SALES - Exports - SEZ	572,566,065	-
SALES - D T A	452,036,321	376,194,162
SALES - Commission	68,494,119	55,149,784
TOTAL	4,680,784,420	2,515,725,212
SCHEDULE L:		
OTHER INCOME:		
Dividend Received	3,085,480	11,554
Interest received	23,348,115	26,546,103
Difference in Exchange Rate	87,805,812	495,249
Profit on Sale of Asset	63,979	128,166
Miscellaneous Income	56,367,993	9,422,954
TOTAL	170,671,379	36,604,026
SCHEDULE M:		
Increase/Decrease in WIP & Finished Goods		
Opening Stock of WIP	48,085,886	27,537,268
Opening Stock of Finished Goods	16,374,492	-
TOTAL (a)	64,460,378	27,537,268
LESS:		
Closing Stock of WIP	56,763,976	46,523,303
Closing Stock of Finished Goods	37,322,583	11,493,687
TOTAL (b)	94,086,559	58,016,990
Increase/(Decrease) in WIP & Finished Goods	29,626,181	30,479,722
SCHEDULE N:		
A. MANUFACTURING EXPENSES:		
CONSUMPTION OF RAW MATERIALS & CONSUMABLES		
Opening Stock	1,000,467,554	815,520,839
ADD:		
Purchase of Raw Materials & Consumables	3,083,953,106	1,457,396,044
	4,084,420,660	2,272,916,883
LESS: Closing Stock		
Raw Materials & Consumables	1,361,456,226	996,566,781
Raw materials & Consumables Consumed	2,722,964,434	1,276,350,102
B. FACTORY EXPENSES:		
Labour Charges & Job Work	14,365,679	12,823,443
Power & Fuel	9,701,023	8,844,378
Tooling Charges	719,164	596,071
Insurance	4,373,955	5,928,269
Repairs & Maintenance - Plant & Machinery	1,842,310	1,261,481
Repairs & Maintenance - Electricals & Others	869,819	1,056,010
Repairs & Maintenance - Building	184,359	618,383
R&D,Product Development Expenses	837,202	407,987
Freight, Handling, Octroi and Others	-	10,559,147
Sales Tax	3,590,346	24,987
Service Charges	19,016,045	9,663,321
Spares - materials	4,220,646	5,144,385
Production Supplies	-	15,706
Customs Duty & Supervision Charges	55,118	107,983
TOTAL (b)	59,775,666	57,051,551
TOTAL (a+b)	2,782,740,100	1,333,401,653

OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED SCHEDULE TO PROFIT AND LOSS ACCOUNT

	31.03.2008	31.03.2007
	(Rs.)	(Rs.)
SCHEDULE O:		
A. ADMINISTRATIVE EXPENSES:		
Advertisement & Trade Shows	55,176,215	11,378,109
AGM Expenses	34,000	-
Auditor's Remuneration	2,794,285	1,386,905
Bad Debts Written off	614,996	2,967,821
Commission	20,711,672	15,223,543
Directors Remuneration	16,303,932	14,091,384
Discount Allowed	4,883,206	2,007,532
Donation	36,601	-
Electricity & Water Charges	998,095	1,131,766
Foreign Exchange Translation Loss	-	47,455
General Expenses	3,719,533	3,474,389
Insurance	7,746,409	4,368,210
Loss on sale of Asset	204,752	200,119
Membership, Books & Periodicals	315,194	858,382
Miscellaneous Expenses/Amortisation	1,317,522	12,510,895
Office Maintenance	4,078,319	5,088,029
Outside Labour	1,999,722	1,173,713
Penalties and Interest	12,043	75
Postage, Telephone & Fax Charges	14,307,480	11,204,885
Preliminary expenses Written off	407,989	943,175
Printing & Stationery	7,489,162	7,425,272
Professional Consultancy Charges	37,665,290	15,811,314
Quality Certification, Patent & FDA Expenses	1,156,454	4,240,164
Rates & Taxes	3,959,921	3,653,048
Rent	21,834,225	10,256,069
Repairs & Maintenance - Others	2,996,082	2,417,158
Repairs & Maintenance - Vehicle	2,624,294	832,181
Security Charges	666,962	237,978
Seminar Expenses	1,502,530	859,047
Share Transfer Charges	121,224	127,981
Tender	232,281	176,643
Travelling & Conveyance	70,061,986	46,491,416
TOTAL (A)	285,972,376	180,584,658
B. STAFF EXPENSES:		
Salaries & Allowances	182,051,909	130,568,574
Staff Welfare and Amenities	28,858,347	20,494,695
TOTAL (B)	210,910,256	151,063,269
C: SELLING EXPENSES:		
Freight & Handling Charges	19,031,427	18,365,794
Duty	10,644,469	3,335,472
Difference in Exchange	8,994,507	15,783,741
Packing Materials	8,552,112	8,849,307
Clearing Charges	2,266,386	3,034,639
Business Promotion Expenses	7,845,023	4,782,775
Transportation	1,407,993	1,244,232
TOTAL (C)	58,741,917	55,395,960
TOTAL (A+B+C)	555,624,549	387,043,887
SCHEDULE P:		
FINANCIAL CHARGES		
Interest - Working Capital	75,104,699	48,325,662
Interest on Term Loan	16,130,032	8,642,260
Interest to Others	1,870,853	2,093,761
Bank Charges	15,567,545	15,024,624
TOTAL	108,673,129	74,086,307
SCHEDULE Q:		
PROVISION FOR TAXATION		
Income Taxes	146,991,482	19,401,553
MAT Credit Entitlement - (Refer Note 13)	(111,662,920)	-
Fringe Benefit Tax	2,732,143	2,014,213
Deferred Tax	341,644	678,000
TOTAL	38,402,349	22,093,766

**OPTO CIRCUITS (INDIA) LIMITED
CONSOLIDATED SCHEDULE TO BALANCE SHEET**

SCHEDULE - E:
CONSOLIDATED FIXED ASSET SCHEDULE FOR THE YEAR ENDING 31.03.2008

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK				
	AS ON 01.04.07	Devon &Ormed 01.04.07	Consolidated 01.04.07	ADDI- TIONS	DELE- TIONS	ADJUST- MENTS	TOTAL AS ON 31.03.08	AS ON 01.04.07	Devon &Ormed 01.04.07	Consolidated 01.04.07	For the year	DELE- TIONS	ADJUST- MENTS	As on 31.03.08	As on 31.03.07
Land	6,965,782	-	6,965,782	-	-	-	6,965,782	-	-	-	-	-	-	6,965,782	6,965,782
Borewell	73,655	-	73,655	-	-	-	73,655	-	-	-	-	-	-	73,655	73,655
Building	74,871,584	-	74,871,584	-	-	195,291	75,066,875	14,421,392	14,421,392	2,013,507	-	195,291	-	58,436,685	60,450,192
Apartment	12,685,605	-	12,685,605	-	-	-	12,685,605	1,469,252	1,469,252	423,699	-	-	-	10,792,654	11,216,353
Plant & Machinery	280,686,034	9,839,572	290,525,606	82,965,925	(2,860,550)	(2,218,951)	368,412,030	58,227,822	4,130,972	21,113,648	(593,538)	145,950	83,024,854	222,458,212	
Furniture & Fixtures	20,995,339	2,436,561	23,431,900	2,547,775	-	(31,283)	25,948,392	6,638,389	7,924,960	1,624,124	-	(9,693)	9,539,391	14,356,930	
Computers & Software	21,504,455	640,363	22,144,818	5,005,648	-	(1,006,002)	26,144,464	10,542,315	437,331	1,459,930	-	(611,611)	11,827,965	10,962,140	
Office Equipments	5,737,526	-	5,737,526	2,267,659	-	182,597	8,187,782	2,440,012	2,440,012	245,976	-	51,095	2,737,083	3,297,514	
Electrical Installations	8,449,752	-	8,449,752	310,549	-	-	8,760,301	2,715,403	2,715,403	419,338	-	-	3,134,741	5,450,699	
Vehicles	46,495,025	540,459	47,035,484	13,096,984	(1,937,453)	198,305	58,393,320	18,223,409	18,693,454	4,841,941	(785,413)	108,668	22,858,650	5,734,349	
Overseas Assets	2,820,355	-	2,820,355	-	-	(249,856)	2,570,499	1,475,887	1,475,887	208,758	-	(168,837)	1,515,808	28,271,616	
Intangible Assets	126,131,625	-	126,131,625	48,541,266	-	9,912,132	184,585,023	32,732,154	32,732,154	30,509,575	-	5,413,810	68,655,539	93,399,471	
Total	607,416,737	13,456,955	620,873,692	154,735,806	(4,798,003)	6,980,233	777,911,728	148,886,035	6,324,919	62,860,495	(1,378,951)	5,122,674	221,815,172	458,530,702	
Previous Year (06-07)	419,572,205	-	419,572,205	194,858,257	(6,093,941)	(919,784)	607,416,737	128,177,610	-	24,001,927	(1,451,749)	(1,841,753)	148,886,035	458,530,702	
Capital WIP	12,153,503	-	12,153,503	5,645,309	-	(651,149)	17,147,663	-	-	-	-	-	-	17,147,663	12,153,503

NOTES TO THE CONSOLIDATED BALANCE SHEET:

SCHEDULE - R

1. The consolidated financial statements have been prepared in accordance with the general principles of Accounting standards 21 "Consolidated Financial Statements" issued by the ICAI.
2. The Subsidiaries (which along with Opto Circuits (India) Limited, the Holding Company) considered in the preparation of these consolidated financial statements are:

	Name of the Company	Country of Incorporation	Percentage of ownership interest as at 31.03.2008	Percentage of ownership interest as at 31.03.2007
1	Advanced Micronic Devices Limited	India	59.71%	59.71%
2	Mediaid Inc., USA	USA	100%	100%
3	Altron Industries Pvt Limited	India	100%	100%
4	Eurocor GmbH	Germany	100%	100%
5	Ormed Medical Technology Limited.	India	100%	NIL
6	Devon Innovations Private Limited.	India	100%	NIL

3. The financial statements of all subsidiaries have been considered in the preparation of the consolidated financial statements as of 31st March 2008.
4. Ormed Medical Technology Limited & Devon Innovations Private Limited was acquired by Opto Circuits (India) Ltd., during April 2007, consequently the Financial Statement of both the companies for the period 1st April 2007 to 31st March 2008 has been considered for consolidation.
5. The total amount of accumulated depreciation as per consolidated accounts is Rs.221,815,172 out of which an amount of Rs. 24,144,863 pertaining to Depreciation of Mediaid Inc. USA, Altron Industries Pvt., Ltd., & Devon Innovations Private Limited, the subsidiaries are calculated on Written Down Value method, (which constitutes 10.89% of the total accumulated depreciation).
6. Unrealised profits of Rs.14,082,892/-on the unsold inventory of stock of the inter-related companies has been considered while preparing the Consolidated Financial Statements.
7. 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 against which such Deferred Tax Asset can be set off. Tax expenses towards Deferred Tax Liability does not arise as the unit is 100% EOU and income is covered under Section 10B of the Income Tax Act, 1961.

Deferred Tax liability in case of Advanced Micronic Devices Limited, Ormed Medical Technology Limited & Devon Innovations Private Limited the subsidiaries, as at 31st March 2008 represents the tax effect of temporary difference substantially on account of depreciation methods/rates and other timing differences arising during the accounting year, as detailed below.

Particulars	31.3.2008 (Rs.)	31.3.2007 (Rs.)
Timing difference on account of depreciation	3,41,644	6,78,000
Other timing differences	NIL	NIL
Net Deferred Tax Liability	(3,41,644)	(6,78,000)

8. **Intangible Assets:** During the year the company has spent an amount of Rs.184,585,023 towards appraisal, authentication, deliveries, patents, licenses, trials and studies at Eurocor GmbH, Mediaid Inc., Advanced Micronic Devices and Opto Circuits (India) Limited for getting the necessary approvals with competent authority which were capitalized as intangible assets. Accordingly, it has been decided and being amortized over the estimated useful life of five years.

9. **Segment wise revenue reporting:** (Rs. Lacs)

Particulars	International 31.03.08	Domestic 31.03.08	Total 31.03.08
1. Segment Revenue			
a. Health Care	46,788.79	3,022.19	49,810.98
b. Information Technology	-	2,208.08	2,208.08
c. Others	-	1,706.71	1,706.71
Total	46,788.79	6,936.98	53,725.77
Less: Inter Segment Revenue	4,969.04	242.18	5,211.22
Net Sales/Income From Operations	41,819.75	6,694.80	48,514.55
2. Segment Results (Profit before Interest & Tax)			
a. Health Care	13,697.69	405.23	14,102.92
b. Information Technology	-	275.13	275.13
c. Others	-	420.52	420.52
Total	13,697.69	1,100.88	14,798.57
Less: Interest	882.53	204.19	1086.72
Total Profit Before Tax	12,815.16	896.69	13,711.85

10. During July, 2007 Opto Circuits (India) Limited has issued 11,64,620 Equity shares @ Rs. 360 per share on preferential basis. The Company has also issued 11,00,000 fully convertible share warrants of Rs. 360 each, out of which the company has received 10% of warrant amount. On receipt of balance of 90% of share warrant money, the warrant will be converted into equity shares.

11. Previous year financials do not include results of Ormed Medical Technology Limited & Devon Innovations Private Limited.

12. An amount of Rs. 859.35 Lacs has been paid towards part acquisition cost of Eurocor GmbH. This has been capitalized and treated as Goodwill.

13. Pursuant to the amendments in the Indian Income Tax Act, the Company has calculated its tax liability after considering Minimum Alternative Tax (MAT). The MAT liability can be carried forward and setoff against future tax liabilities. Accordingly Rs. 1,116.63 Lacs was carried forward and shown under Loans & Advances in the Balance Sheet as of March 31, 2008.

14. **Earnings Per Share:**

Particulars	31.03.2008	31.03.2007
EPS - (Calculated on Profit after tax before adjustment of Prior Period items) - Basic	14.20	7.91
EPS - (Calculated on Profit after tax before adjustment of Prior Period items) - Diluted	13.99	-
EPS - (Calculated on Profit after tax after adjustment of Prior Period items) - Basic	13.99	7.80
EPS - (Calculated on Profit after tax after adjustment of Prior Period items) - Diluted	13.79	-

15. The subsidiary company Advanced Micronic Devices Limited has not paid undisputed income tax, liabilities outstanding of Rs. 398.12 Lacs as on 31st March 2008 for a period of more than 6 months from the date on which they become payable. The Income Tax liabilities include interest payable upto 31 st March 2008.

16. The Director Revenue Intelligence have scrutinized records of Advanced Micronic Devices Limited (the Company), one of our subsidiaries. On their scrutinizing of records for the year 2006 & 2007, the Company has accepted the following additional liability.

	(Rs. In Lacs)
Customs Duty	93.23
Interest	14.29
Total :	107.52

Out of the above interest amount Rs.7.29 Lacs remains unpaid. The Company intends to make an application before the settlement commission. As on date, the Company is not in a position to quantify further liability.

The Company has received notice from the office of the Director General of Central Excise Intelligence, Bangalore Zone Unit, for verification of payment of Service Tax. All the requested particulars have been furnished to the department. All applicable Service Tax amounts have been paid & the Company do not foresee any liability pm account of Service Tax. If the department takes a different view, the Company intends to challenge the same.

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

Consolidated Notes forming Part of Accounts (Contd)

Significant Accounting Policies

Convention:

Financial statements have been prepared in accordance with the applicable accounting standards in India. A summary of important accounting policies, adopted by the Holding Company, which have been applied consistently, is set out below.

Basis of Accounting:

Financial statements have been prepared in accordance with the historical cost convention, modified by revaluation of certain fixed assets as and when undertaken as detailed below.

1. Fixed assets:

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

2. 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. However, in case of Mediaid Inc., USA, Altron Industries Private Limited and Devon Innovations Private Limited the subsidiaries, depreciation is provided on written down value method

3. Revenue Recognition:

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

4. Inventories:

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

Raw Materials	At Cost
Work in Process	Cost Plus estimated expenses up to the stage of completion.
Finished Goods	Cost or Net realizable Value which ever is lower.

5. 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.

6. Taxes on Income:

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

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

7. Foreign currency translations:

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

While translating the financial statements of non integral foreign subsidiaries the exchange difference arising on translation of assets / liabilities and income / expenses is disclosed as foreign currency translation reserve. The Goodwill / Capital Reserve, arising out of acquisition of subsidiaries are stated at closing rate and the difference in translation are disclosed in foreign currency translation reserve.

8. Research & Development:

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

9. Provisions:

Provision for income tax is provided by the company, after considering the exemption U/s 10B of the Income Tax Act, available to the Holding Company.

10. Investments:

Investments other than investments in associates are valued at cost.

11. Earnings per share

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

For and on behalf of the Board of Directors

As per our report of even date
For Anand Amarnath & Associates
 Chartered Accountants

VINOD RAMNANI
 Chairman & Managing Director

USHARAMNANI
 Executive Director

R. VIJAYENDRA
 Company Secretary

B K Amarnath
 Partner
 M.No. 26536

Date: 27th May 2008
 Place: Bangalore

Annex - I
Summarised statement of Financials of Subsidiary Companies pursuant to approval under Section 212(8) of Companies Act, 1956.

		(Rs.in Lacs)										
Sl.No.	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 Limited	528.11	1,264.74	7,787.86	6,023.51	28.50	5,261.10	277.33	172.88	104.45	120.44	India
2	Mediaid Inc.,	1,014.88	144.59	6,516.93	5,357.45	-	6,946.46	396.35	129.57	266.78	-	USA
3	Altron Industries Private Limited	7.02	31.81	199.74	160.92	-	12.76	(11.19)	0.08	(11.27)	-	India
4	EuroCor GmbH.,	23.50	-	11,858.95	11,835.45	-	6,899.15	906.39	0.01	906.38	-	Germany
5	Devon Innovations Private Limited	10.00	210.53	286.03	65.51	-	343.20	73.09	19.86	53.23	-	India
6	Ormed Medical Technology Limited	25.00	109.50	228.39	93.88	-	295.98	48.95	18.25	30.70	-	India

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