

ANAND SHENOY & CO.,
Chartered Accountants

205, II Floor, Barton Centre,
84, M. G. Road, Bangalore - 560 001.
C : 080-5091708 Fax : 080-5597878

17/06/2000

The Board of Directors
Opto Circuits India Limited
83, Electronic City,
Bangalore - 561 229

Dear Sirs,

We have perused the audited accounts of Opto Circuits (India) Limited for previous five financial years, ended on 31/03/2000 along with the statement of Profit and Loss Account (Annexure I) and also statement of Assets and Liabilities (Annexure II) for the above period, compiled by the Company on the basis of the Audited Accounts by M/s. A.R. Viswanathan & Co., for the financial years ending 31/03/1996 & 31/03/1997 and by us for the financial years ending 31/03/1998, 31/03/1999 and 31/03/2000.

We state that above Financial Statements have been drawn by company in compliance with clarification XIII and XIV issued by Securities and Exchange Board of India.

Thanking you,

Yours faithfully,
For ANAND SHENOY & CO.,
CHARTERED ACCOUNTANTS

"CERTIFIED TRUE COPY"
For OPTO CIRCUITS INDIA LIMITED
[Signature]
Managing Director

[Signature]
ANAND SHENOY
PARTNER

ANAND SHENOY & CO.,
Chartered Accountants

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ANNEXURE I

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE LAST FIVE YEARS

(Rs. In Lacs)

	March 31				
	2000	1999	1998	1997	1996
Income					
Sales	1841.07	1367.24	492.02	408.68	332.64
Other Income	9.85	2.22	0.17	0.28	0.20
Increase(Decrease) in WIP & Finished Goods	87.30	13.61	38.05	39.71	24.64
Total Income	1938.22	1383.07	530.24	448.67	357.48
Staff Expenses	68.69	51.17	32.53	31.13	34.78
Raw Materials & Consumables	1234.23	970.90	290.45	168.04	90.22
Factory Expenses	48.35	51.61	41.90	62.74	65.34
Administrative Expenses	68.41	49.19	31.80	51.78	50.85
Selling Expenses	5.27	10.42	6.32	10.82	17.48
Total Expenses	1424.93	1133.29	403.00	324.51	258.67
Operating profit	513.29	249.78	127.24	124.16	98.81
Interest	129.26	111.05	84.23	48.52	40.08
Depreciation	40.87	37.62	31.07	20.06	12.40
Profit Before Tax and Extraordinary Items	343.16	101.11	11.94	55.58	46.33
Provision for Taxation	0.00	0.00	0.00	0.00	0.00
Profit Before Extraordinary Items	343.16	101.11	11.94	55.58	46.33
Extraordinary items	0.00	0.00	0.00	0.00	0.56
Profit After Extraordinary Items	343.16	101.11	11.94	55.58	46.89
Retained profit	343.16	101.11	11.94	55.58	46.89

For ANAND SHENOY & CO.,
CHARTERED ACCOUNTANTS,

ANAND SHENOY
PARTNER

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For OPTO CIRCUITS (INDIA) LIMITED
Managing Director

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ANNEXURE II

STATEMENT OF ASSETS AND LIABILITIES FOR THE LAST FIVE YEARS (Rs. In Lacs)

	March 31				
ASSETS	2000	1999	1998	1997	1996
Gross Fixed Assets	885.42	828.96	767.26	648.69	279.85
Less: Depreciation	156.00	115.12	77.87	46.80	26.73
Net Fixed Assets	729.42	713.84	689.39	601.89	253.12
Capital Work in progress	0.00	0.00	0.00	0.00	81.38
Investments	0.18	0.18	0.18	0.18	0.03
Current Assets					
Inventories	599.20	281.07	212.16	105.16	57.75
Sundry Debtors	631.86	649.89	323.31	222.77	266.12
Cash and bank balances	50.40	34.37	34.77	6.01	36.78
Loans and advances	27.38	32.58	27.93	32.88	40.87
Total Current Assets	1308.84	997.91	598.17	366.82	401.52
Current Liabilities	252.18	347.55	51.69	185.16	120.08
Provision for tax	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	252.18	347.55	51.69	185.16	120.08
Net Current Assets	1056.66	650.36	546.48	181.66	281.44
TOTAL	1786.26	1364.38	1236.05	783.73	615.97
Loan Funds					
Long term debts - Secured	307.57	340.13	306.92	169.40	161.89
Long term debts - Unsecured	160.38	0.00	105.51	51.36	1.20
Bank overdraft	434.84	310.63	298.21	106.22	149.90
Capital and Reserves					
Share Capital	271.48	200.00	79.04	79.04	79.03
Advance towards Share Capital	0.00	244.79	278.65	221.93	131.26
Share Premium	0.00	0.00	0.00	0.00	0.00
Reserves and surplus	611.99	268.83	167.72	155.78	92.69
TOTAL	1786.26	1364.38	1236.05	783.73	615.97

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ANAND SHENOY
PARTNER

For OPTO CIRCUITS (INDIA) Ltd
Managing Director

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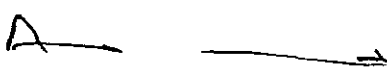
Annexure III

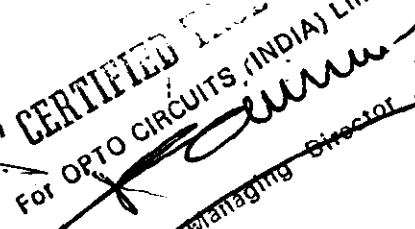
Accounting Ratios:					
Particulars	2000	1999	1998	1997	1996
Basic Earnings per share (EPS)(Rs.)	14.56*	12.68*	1.51	7.03*	5.86
Cash Earnings per share (Rs.)	16.29*	17.24*	5.44	9.57*	7.43
Net Asset Value per share (Rs.)	37.48	89.47	66.47	57.79	38.34
Return on net worth (%)	38.84	21.57	4.84	23.67	26.98
Number of equity shares of Rs. 10 each	2357400*	797619*	790395	790303*	790295

* Annualised

1. EPS represents basic earnings per share calculated as Profit After Tax (PAT) divided by number of equity shares on annualised basis.
2. Cash EPS represents Profit After Tax for the year plus depreciation after deducting Profit on sale of fixed assets divided by the number of equity shares on annualised basis.
3. Net asset value, computed as per net equity method, is arrived at as net worth at the end of the year divided by the number of equity shares on annualised basis.
4. The Company confirm that the beneficiary of the loans and advances are not in any way related to the promoters/directors of the Company.

For ANAND SHENOY & CO.,
CHARTERED ACCOUNTANTS,


ANAND SHENOY
PARTNER

"CERTIFIED TRUE COPY"
For OPTO CIRCUITS (INDIA) LIMITED

Managing Director

ANAND SHENOY & CO.,
Chartered Accountants

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

System of Accounting

Financial statements are based on historical cost concept on the basis of a going concern. The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis including provisions, adjustments for committed obligations and amounts determined as payable or receivable during the period.

Revenue Recognition

Sales are recognised on the dispatch of goods to customers and are recorded net of discounts, rebates for price adjustment, rejections and shortage in transit, taxes and duties but include export incentives (wherever applicable).

Interest on investments and deposits are booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

Fixed Assets

Fixed assets are accounted on the basis of cost of acquisition. The assets, which are under installation as at the date of Balance Sheet are shown as Capital Work-in-Progress.

Capital Work-In-progress

Capital Work-in-progress comprises of direct cost to the related assets.

Depreciation

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

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ANAND SHENOY
PARTNER

For OPTO CIRCUITS (INDIA) LIMITED
Managing Director