



**ANNUAL REPORT  
2000-2001**

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**OPTO CIRCUITS (INDIA) LIMITED**



## OPTO CIRCUITS (INDIA) LIMITED

<b>BOARD OF DIRECTORS</b>	<ul style="list-style-type: none"> <li>● Vinod Ramnani</li> <li>● Usha Ramnani</li> <li>● Jayesh.C. Patel</li> <li>● Thomas Dietiker</li> </ul>	Chairman & Managing Director Executive Director Director Director
<b>AUDITORS</b>	<ul style="list-style-type: none"> <li>● Anand Shenoy &amp; Co. Chartered Accountants S-2, II Floor, Gem Plaza, No. 66, Infantry Road, Bangalore - 560 001</li> </ul>	
<b>BANKERS</b>	<ul style="list-style-type: none"> <li>● ICICI Banking Corporation Ltd</li> <li>● State Bank of Travancore</li> <li>● Union Bank of India</li> </ul>	
<b>REGISTERED OFFICE</b>	<ul style="list-style-type: none"> <li>● No. 83, Electronics City, Hosur Road, Bangalore - 561 229.</li> </ul>	

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### ANNUAL GENERAL MEETING

Day & Date : Thursday, 16th August 2001  
 Time : 12:00 Noon  
 Venue : The Atria Hotel  
 No. 1, Palace Road,  
 Bangalore - 560 001



## DIRECTOR'S REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2001.

### FINANCIAL RESULTS

	(Rs. in Lakhs)	
	31.03.2001	31.03.2000
Total Revenue	2872.08	1850.92
Profit before depreciation	683.50	384.04
Depreciation	47.43	40.88
Profit before tax	636.07	343.16
Provision for taxation	10.00	0.00
Profit after tax	626.07	343.16

### APPROPRIATIONS:

Dividend Proposed	286.53	0.00
Provision for tax on Proposed Dividend	29.23	0.00
Surplus carried to Balance Sheet	310.31	343.16

### PERFORMANCE REVIEW

Your company recorded an impressive performance during the year under review. The total revenue grew by over 55% compared to the previous year. The net profit after tax at Rs. 626.07 lakhs represents an increase of 82% compared to the last year.

### DIVIDEND

Your Directors recommend a maiden dividend of Rs. 3.00 per share (on fully paid up share) and Rs. 1.50 per share (on partly paid up shares), for the year under review. As per the provisions of the Income-tax Act, 1961, the Company will be paying the tax on dividend. In accordance with the Articles of Association, the dividend on partly paid up shares will be adjusted against outstanding allotment money and interest due thereon.

### CHANGE IN THE CAPITAL STRUCTURE.

During the year under review your Company had allotted Bonus shares to the tune of 48,86,640 shares in the ratio of 10:18 on 24.05.2000 to the existing share holders and further allotted 3,98,000 shares at Rs. 10/- per share together with a premium of Rs. 40/- per share to friends, relatives and associates.

During the year under review the Company had made its initial public offer to the tune of 27,02,000 equity shares aggregating Rs. 1351.00 lakhs including a premium of Rs. 1080.80 lakhs and the issue was subscribed by over 90% of the issue, in a depressed primary market conditions. The share issue expenses amounting to Rs. 103.05 lakhs has been written off against the share premium collected.

### GRATUITY AND LEAVE ENCASHMENT

The Company has not made any provision towards the gratuity and leave encashment liability as noted by the auditors vide their report dated 10.04.2001. The Company will however provide for the same during the current financial year based on the actuarial valuation.

### BUSINESS & YEAR AHEAD

Your Company is negotiating a fresh substantial order from Agilent Technologies and other major existing customers for its new products and also from some new customers. Though the entire global economy has slowed down, your company is looking for new avenues by acquisitions of the existing companies in line with the company's business. As discussed in the Prospectus, your company will be concluding the setting up of the overseas marketing office, which is in the final stages. Your Company is hopeful of getting substantial orders from Europe through its new overseas office.

### UTILISATION OF IPO PROCEEDS

The utilisation of the IPO proceeds projected in the offer document as compared to the utilisation as on 31-03-2001 is furnished below.

Particulars	Rs in lakhs
1) Projected utilisation	1550.00
2) Amount collected	1123.00
3) Actual utilisation	860.00
4) Cash at Bank	263.00



## DIRECTORS

Mr. Jayesh C Patel, Director retires by rotation, in terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, and being eligible, offers himself for re-election.

## FIXED DEPOSITS.

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

## PARTICULARS OF EMPLOYEES

None of the employee is drawing remuneration in excess of limits specified under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## RESPONSIBILITY STATEMENT.

The Directors confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

## CORPORATE GOVERNANCE

The company's equity shares were listed on the Stock Exchanges during the end of December 2000. The company has not yet complied with the Corporate Governance provisions stipulated in the listing agreement. However, the Company is taking effective steps to comply with the same by 2nd quarter of the Current Financial year.

## CONSERVATION OF ENERGY, RESEARCH AND 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 operations of your Company are not energy intensive. Adequate measures have, however, been taken to reduce energy consumption by using energy efficient computer terminals. Air-conditioners are used only when required, thereby enhancing energy efficiency.
- Research and Development : Not applicable.
- Technology Absorption : Not applicable
- Foreign Exchange Earnings and outgo: The Company earned Rs. 2065.39 lakhs in Foreign Exchange. The Foreign Exchange outgo including capital goods was Rs. 2065.34 lakhs.

## AUDITORS

M/s. Anand Shenoy & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**ACKNOWLEDGMENTS**

Your Directors thank the business associates/ customers, vendors for their continued support of your Company's growth. Your Directors place on record their appreciation of the significant contribution made by employees at all levels who have been instrumental in enabling your Company to make rapid progress during the year. Your Directors also thank the shareholders for their continued support.

Date : 10th April 2001  
Place : Bangalore

For and on behalf of the Board  
**VINOD RAMNANI**  
Chairman & Managing Director

**AUDITORS' CERTIFICATE**

We refer to the circular dated 21st February, 2000 issued by the SEBI in respect of incorporation of new clause 49 in the listing agreement for Corporate Governance. We would like to state that the Company has not complied with the Corporate Governance provisions as of 31st, March 2001. However, the Company has given an undertaking agreeing to comply with the Corporate Governance provisions by 2nd quarter of the current financial year.

**For ANAND SHENOY & CO.,  
CHARTERED ACCOUNTANTS**

Date : 10th April 2001  
Place : Bangalore

**B.K. AMARNATH**  
Partner



## AUDITOR'S REPORT

### TO THE MEMBERS OF OPTO CIRCUITS (INDIA) LIMITED

We have audited the attached Balance Sheet of M/s. OPTO CIRCUITS (INDIA) LIMITED, Bangalore, as on 31/03/2001 and also the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been maintained by the company so far as it appears from our examination of the books.
3. The Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4.
  - a. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards (AS) referred to in Section 211 (3C) of the Companies Act, 1956.
  - b. Based on representations made by the Directors of the Company and according to the information and explanations given to us in our opinion the Directors of the Company are not prima facie disqualified from being appointed as directors.
5. In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with Schedules, Accounting Policies and other notes thereon subject to note no. 10(b) regarding non-ascertainment of gratuity liability, and note no 10 (c) regarding non Provisions of LTA benefits to employees give the information as required under the Companies Act, 1956, in the manner so required and give a true and fair view:
  - a. In the case of the Balance Sheet, of the State of Affairs of the company, as at 31st March, 2001.  
and
  - b. In case of the Profit and Loss account, of the Profit of the Company, for the year ended on that date.
6. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
  - A. The company has maintained proper records of the fixed assets to show full particulars including quantitative details and situations thereof. These fixed assets have been physically verified by the management at reasonable intervals. There were no material discrepancies noticed on such verification.
  - B. None of the Fixed Assets have been revalued during the year.
  - C. The physical verification of the finished goods, stores, spare parts and raw-materials has been conducted by the management at reasonable intervals.
  - D. As per the information and explanations obtained, the procedure of physical verification of stock followed by the management are reasonable and are adequate in relation to the size of the company and the nature of its business.
  - E. There are no material discrepancies noticed on physical verification of stocks as compared to book records.
  - F. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks are fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the immediate preceding previous year.
  - G. The Company has taken unsecured loans from parties listed in the register maintained u/s. 301 of the Companies Act, 1956. The company is paying interest on these unsecured loans as per the terms and conditions of the Company. The Company has also taken loans from Directors on which it is not paying any interest. Other than the above, the company has not taken any loans secured or unsecured from any other company or firm as listed in the register maintained under section 301 of the Companies Act, 1956 or from Companies under the same management as defined u/s 370(1B) of the Companies Act, 1956.
  - H. The Company has not granted loans secured or unsecured to the companies, firms or other parties listed in the register maintained u/s. 301 of the Companies Act, 1956 or to companies under the same management within the