



**ANNUAL REPORT
2001-2002**

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OPTO CIRCUITS (INDIA) LIMITED



OPTO CIRCUITS (INDIA) LIMITED

BOARD OF DIRECTORS

- | | |
|-------------------------|------------------------------|
| • Vinod Ramnani | Chairman & Managing Director |
| • Usha Ramnani | Executive Director |
| • Jayesh C. Patel | Director |
| • Thomas Dietiker | Director |
| • Mahesh C. Patel | Director |
| • Suleman Adam Merchant | Director |

AUDITORS

- Anand Shenoy & Co.
Chartered Accountants
S-2, II Floor, Gem Plaza,
No. 66, Infantry Road,
Bangalore - 560 001

COMPANY SECRETARY

- Mrs. Rose Chintamani

BANKERS

- State Bank of India
- State Bank of Travancore
- United Bank of India

REGISTERED OFFICE

- No. 83, Electronics City,
Hosur Road, Bangalore - 561 229.

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Annual General Meeting

Day & Date	:	Monday, 30th September 2002.
Time	:	12.00 Noon.
Venue	:	Taj Gateway, Garden Side Hall No. 66, Residency Road, Bangalore - 560 025



DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their report on the business and operations of the company for the year ended 31st March 2002.

(Rs.in lakhs)

FINANCIAL RESULTS

	Year Ended 31.03.02	Year Ended 31.03.01
Total Revenue	3124.26	2872.08
Profit before Depreciation	722.71	683.50
Depreciation	55.58	47.43
Profit before Tax	667.13	636.07
Provision for taxation	10.00	10.00
Profit for the year	657.13	626.07

APPROPRIATION

Proposed Dividend	298.66	286.53
Tax on Dividend	—	29.23
Surplus carried to Balance Sheet	358.47	310.31

COMPANY PERFORMANACE

Your Company recorded yet another good performance during the year under review. The total revenue at Rs.3124.26 lakhs is higher by 8.78% and profit at Rs. 657.13 lakhs represents an increase of 4.88% over the previous year.

DIVIDEND

Considering the performance of the Company, your Directors are pleased to recommend an Equity Dividend at the rate of 30% for the year ended 31st March 2002 on the equity share capital.

MANAGEMENT DISCUSSION AND ANALYSIS

Opportunity & Threats

State of the art manufacturing facility ensures high degree of adaptability to any changes in the

technology. Globalization of Indian Economy is resulting in new opportunities being created. Product superiority and rich experience of the promoters provides greater opportunity for securing larger global market share. The Company is operating in the area where threat of technology obsolescence is high. Competition from prominent overseas firms/multinationals could also be a major threat

• Outlook

The industries targeted by the Company are medical electronic, Security Systems, Industrial and Fire Detection and Automotive which have experienced rapid growth rates of over 15% in recent years and are expected to continue to grow at an annual rate of 10% to 20% over the next few years. Based on the projected growth rates in the specific industries targeted by the Company and the general optoelectronics component market, the Company estimates that the market for its standard and customized devices will continue to grow rapidly.

• Internal Control System and Adequacy.

The Company has well laid internal control systems and procedures in all the areas of activities. The activities are also subject to internal and external Audit. The internal control systems and procedures are commensurate and adequate with the size and nature of the business of the Company.

• Human Resources.

The Company considers its employees as valuable assets, and has adopted various HRD measures including proper appraisal of employees, placements, recognition, career growth prospects, improvement of managerial and internal personal skills through various training programs etc.,. The Company had 169 employees as at 31st March 2002,



BONUS SHARES

Your Directors are pleased to recommend Bonus shares on the fully paid up shares in the ratio of 1 share for every 10 shares held in the sharecapital of the Company. The necessary resolution is incorporated in the notice convening the Annual General Meeting for shareholders consideration.

ACQUISITION

- a) During the year under review your company acquired controlling stake in Advanced Micronic Devices Limited a listed Company engaged in the business of Health care, Computer System and Information Technology. The Company acquired the stake in the said company through purchase of shares from promoters and open offer made to the shareholders in accordance with SEBI guidelines.
- b) During the current financial year your company acquired the digital thermometer division of Hindustan Lever Limited. This acquisition would expand the product range of your company. Consequent to ban on mercury thermometer in developed countries due to environmental reasons, the digital thermometers are in great demand in the global markets. Your Company proposes to export the entire production of Digital Thermometers.

CORPORATE GOVERNANCE

Certificate dated 16th August 2002 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.

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 available at the registered office of your Company. As per the provisions

of Section 219(1)(b)(iv) of the said Act, the Report and Accounts are being sent to all shareholders of the Company excluding the statement of particulars of employees u/s 217(2A) of the said Act. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary at the Registered Office of the Company.

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:

1. 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.
2. Research and Development: Not applicable.
3. Technology Absorption: Not applicable.
4. Foreign Exchange Earnings and outgo: The Company earned Rs. 3166.43 lakhs in Foreign Exchange. The Foreign Exchange outgo including capital goods was Rs 2680.43 lakhs.

RESPONSIBILITY STATEMENTS

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed:

That in the preparation of the Annual Accounts for the financial year ended 31st March, 2002, the applicable



accounting standards have been followed along with proper explanation relating to material departures;

That they have selected such appropriate accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.

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:

That the Directors have prepared the annual accounts for the financial year ended 31st March 2002 on a going concern basis.

LISTING OF SECURITIES

The Company's securities are listed in Bangalore Stock Exchange, Mumbai Stock Exchange and Hyderabad Stock Exchange.

FIXED DEPOSITS

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

PERSONNEL

The Employer-Employee relationship was cordial throughout the year under review. The Board wishes to express its appreciation to all the sections of employees for their contribution to the growth of the business during the year.

DIRECTORS

Mr. Vinod Ramnani retires by rotation and being eligible offers himself for re-election. Mr. Mahesh C Patel and Dr. Suleman Adam Merchant were appointed as Additional Directors effective from 20th August 2001 and in terms of Section 260 of The Companies Act, 1956 they hold office upto the date of ensuing Annual General

Meeting. The Company has received notices under Section 257 of The Companies Act 1956 proposing their candidature to the office of the Directors.

GRATUITY AND LEAVE TRAVEL

The Company has not made any provision towards the gratuity and leave travel liability as noted by the auditors vide their report dated 28th June 2002. The Company will however provide for the gratuity during the current financial year based on the actuarial valuation and Leave Travel on accrual basis.

AUDITORS

The auditors M/s. Anand Shenoy & Co., Chartered Accountants, Bangalore retires at the conclusion of the forthcoming Annual General Meeting. Your Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provisions of Section 224(1-B) of the Companies Act 1956.

ACKNOWLEDGMENT

The Directors wish to thank all stakeholders and business partners. Your Company's bankers, financial institutions and business associates for their continued support and valuable co-operation. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

Date : 16th August 2002
Place: Bangalore

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