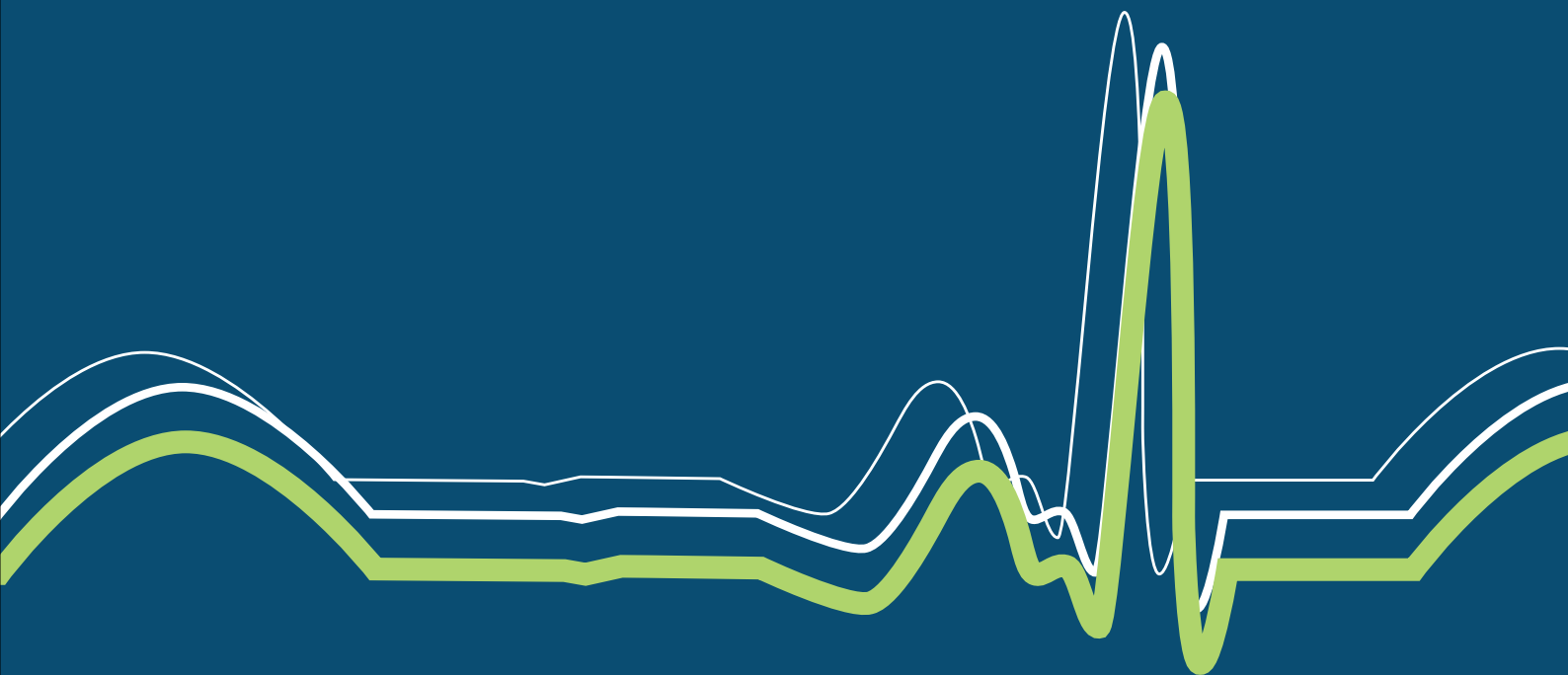


2010–11: 19TH ANNUAL REPORT



SENSING TECHNOLOGY

OPTO CIRCUITS [INDIA] LIMITED

BOARD OF DIRECTORS

Vinod Ramnani, Chairman & Managing Director

Usha Ramnani, Executive Director

Jayesh C Patel, Director

Thomas Dietiker, Director

Dr. Suleman Adam Merchant, Independent Director

V. Bala Subramaniam, Independent Director

Dr. Anvay Mulay, Independent Director

Rajkumar Raisinghani, Independent Director

Dr. William Walter O'Neill, Independent Director

COMPANY SECRETARY

Srinatha A.N.

REGISTERED OFFICE

#83, Electronics City, Bengaluru 560100

Karnataka, India

AUDITORS

Anand Amarnath & Associates, Chartered Accountants

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

Bengaluru 560001

BANKERS

State Bank of India

United Bank of India

IndusInd Bank Ltd.

DBS Bank Ltd.

Standard Chartered Bank

HDFC Bank Ltd.

YES Bank Ltd.

19TH ANNUAL GENERAL MEETING

Day & Date: Wednesday, 28th September 2011

Time: 12 noon

Venue: St. John's Medical College Hospital Auditorium

Opp: Koramangala BDA Complex, 100 Feet Road

Koramangala, Bengaluru 560034

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A TÊTE-À-TÊTE WITH THE CHAIRMAN

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

IR: How was Fiscal 2011 for Opto Circuits?

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

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

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

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

We also launched new generation patient monitors and accessories

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chairman: Our human resources continue to be the backbone of

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

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

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

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

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

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

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

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

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

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

IR: What are your key endeavours for FY2012?

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

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

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

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

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

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

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

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

IR: Chairman, any final message to your shareholders?

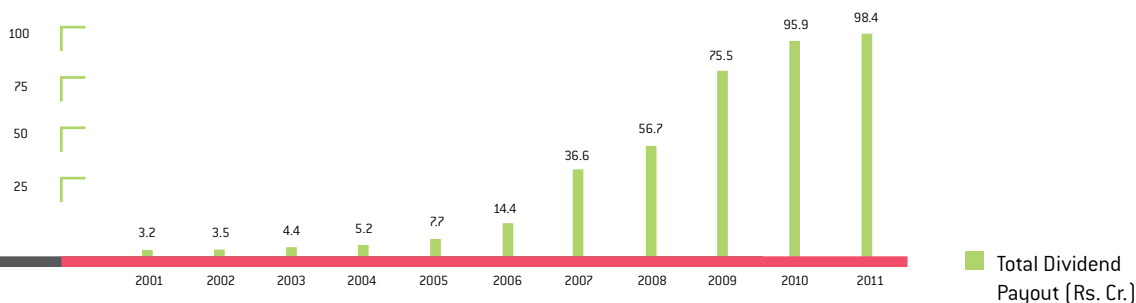
Chairman: Yes. I would like to thank all shareholders for their continued support. I would like to reiterate that the members of the Board and the management are committed to the long term growth and profitability of this Company.

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

IR: Thank you, Chairman.

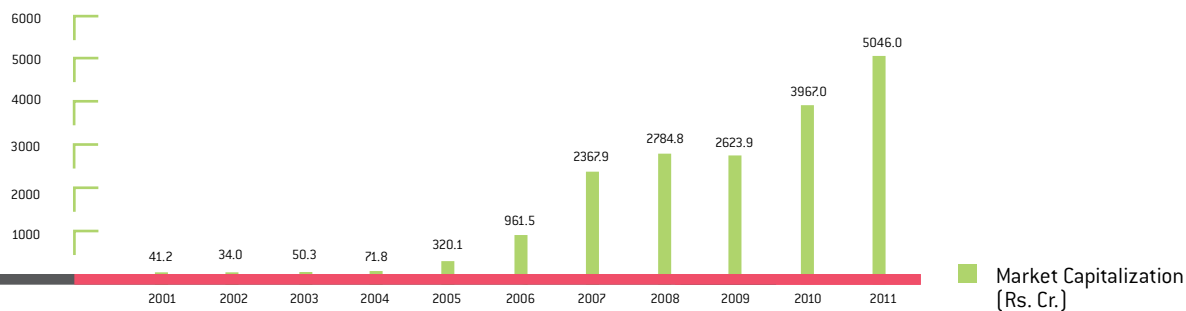
SHAREHOLDER RETURNS: A SUMMARY

Total Dividend Payout (Rs. Cr.)



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

Market Capitalization (Rs. Cr.)



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

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

Year	Bonus Ratio	Dividend Rs./ Share
2001	-	3:00
2002	1:10	3:00
2003	2:10	3:00
2004	3:10	3:00
2005	5:10	3:50
2006	1:1	4:00
2007	1:2	5:00
2008	7:10	5:00
2009	-	4:00
2010	-	4:00
2011	-	4:50

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

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

*Includes cumulative bonus shares

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

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

RECAP 2010–2011: ACQUISITIONS, APPROVALS & LAUNCHES



ACQUISITION OF UNETIXS VASCULAR, INC.

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

April 2010

July 2010



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

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

October 2010 November 2010

ACQUISITION OF

N.S. REMEDIES PVT. LTD.

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

GLOBAL LAUNCH OF FREEWAY™

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

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

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

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

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



ACQUISITION OF

CARDIAC SCIENCE CORPORATION

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

December 2010

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

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



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

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



January 2011

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

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

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



ENROLLMENT FOR VALENTINES TRIAL II

February 2011

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

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

RESULTS OF VALENTINES TRIAL I ANNOUNCED

March 2011

GROUP'S FINANCIAL HIGHLIGHTS

Three Years at a Glance

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

Note:

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

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