



2012

GLORIOUS YEARS

ANNUAL REPORT 2011 – 12



SENSING TECHNOLOGY

OPTO CIRCUITS (INDIA) LIMITED

23.6 EPS

5 YEAR SALES CAGR OF 56%

100+ PRODUCTS

DISTRIBUTED IN
150 COUNTRIES

193 PATENTS

572 CRORES
OF NET PROFIT

~1840 EMPLOYEES

2357 CRORES
OF NET SALES

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. Balasubramaniam, Independent Director
Dr. Anvay Mulay, Independent Director
Rajkumar Raisinghani, Independent Director
Dr. William Walter O'Neill, Independent Director

BANKERS

State Bank of India
United Bank of India
IndusInd Bank Limited
DBS Bank Limited
Standard Chartered Bank
HDFC Bank Limited
YES Bank Limited
ICICI Bank Limited
IDBI Bank Limited

COMPANY SECRETARY

K V Ganesh

REGISTERED OFFICE

83, Electronics City
Bengaluru 560100 Karnataka, India

20TH ANNUAL GENERAL MEETING

Day & Date: Saturday, 29th September 2012

Time: 12 noon

Venue: Manipal County

No.65 Singasandra, Off Hosur Road
Bengaluru 560068

AUDITORS

Anand Amarnath & Associates
Chartered Accountants
S-2, II Floor, Gem Plaza,
No. 66, Infantry Road,
Bengaluru 560001

ESTABLISHED: 1992 | **HEADQUARTERS:** Bengaluru, Karnataka, India | **BSE CODE:** 532391 | **NSE SYMBOL:** OPTOCIRCUI |
INDUSTRY: Medical Technology & Consumables | **BUSINESS:** develops, manufactures and markets medical equipment and consumables (non invasive) and interventional devices & tools (invasive); leader in cardiac and vital signs monitoring, emergency cardiac care, vascular treatments and sensing technologies | **PATENTS:** 193 (+ 108 pending applications) |
APPROVALS: USFDA listed, CE marked & local country registered products | **REACH:** More than 150 countries; predominant in North America, Europe and BRIC.

BRAND PORTFOLIO

Quinton	eTraQ	MediChek	Joker
Burdick	eVision	Revo	Freeway
PowerHeart	Poet IQ	Dior	Genius Magic
CareCentre MD	nCompass	Genius Taxcor	Magical
HeartCentrix	nGenuity	Amadeus Supercross	eFlex
Pyramis	eQuality	eMagic	

INDEX

CHAIRMAN'S STATEMENT	02
SHAREHOLDER RETURNS	05
RECAP 2011-12	06
GROUP'S FINANCIAL HIGHLIGHTS	08
PRODUCT PORTFOLIO	10
NEW PRODUCT LAUNCHES	18
MANUFACTURING FACILITIES	19
AT THE HEART OF SAVING LIVES	23
PEOPLE POWER	25
STATUTORY REPORTS	27
STANDALONE FINANCIAL STATEMENTS	51
CONSOLIDATED FINANCIAL STATEMENT	79
SUBSIDIARY FINANCIAL INFORMATION	107
GLOSSARY, TERMS & CONTACTS	109



CHAIRMAN'S STATEMENT

The support and encouragement from all our stakeholders was instrumental in creating an organization that created global employment opportunities, enabled improvements in healthcare technologies and generated shareholder value beyond the ordinary.

Dear Shareholders,

Team Opto Circuits is celebrating 20 glorious years of astounding growth, market success and medical innovation. It's an added moment of pride that during our 20th year, we crossed ₹ 2000 crores in revenues and reported an industry-beating organic growth rate of around 22%.

20 years back, when my colleagues and I invested our lives' savings and family resources to start a company, little did we know or realize then that our little entrepreneurial initiative would one day create wealth for more than fifty thousand global shareholders. Nor had we set out to become India's largest and most well known medtech company. Years of toil, relentless travelling and 20-hour work days all seem worth the contributions, we, as Team Opto, have been able to make to society in the last two decades. The support and encouragement from all our stakeholders was instrumental in creating an organization that created global employment opportunities, enabled improvements in healthcare technologies and generated shareholder value beyond the ordinary.

When I think about the next 20 years in the life of this company, I think about the kind of organization that will be chaperoned by the leaders of tomorrow. Of primary importance are the values of good governance and good conduct that should outlive any Board or any CEO. I would also encourage my younger colleagues to lead the businesses with a personal sense of entrepreneurship and accountability. The next two decades, perhaps, will also throw up many multi-disciplinary and much larger opportunities in the healthcare sector. The industry will also continue to be uniquely defensive and prone to rapid growth at the same time. It may also be the industry that, for its global citizens, will enhance quality of life and human survival rates, the most. I wish for Team Opto to be at the forefront of achieving these goals through a dedicated focus on scientific progress and with an aim to making such progress available to populations across all income levels.

In preparation to harness the great potential that the future holds out, we undertook some strategic initiatives last fiscal.

We've re-aligned our go-to market strategies and created customer facing assets that can leverage synergies across the Group. Our monitoring and measurement businesses have been operationally integrated to serve a common customer

type in various geographies. Similarly, all entities in the business of minimally invasive medical procedures and vascular solutions have been organized under one umbrella entity.

Our investments into R&D are designed and deployed to leverage on the skills and talents available to our various global locations. The life sciences, engineering and software development teams have been strengthened in the US and India to maintain a healthy pipeline of new innovations and product developments. Fresh capacities have been built in the sustenance engineering function for shelf-life extensions of proven technologies and for rendering commercially successful platforms viable for the developing world. Of special importance is the fact that young talent from Opto's India R&D operations is now contributing to the global medical technology sector and is being sought out by our global research teams to collaborate on advanced engineering and biotech projects. As a leader, I am very proud that such research opportunities addressing global patient-care challenges are now available to the country's young and able engineers and scientists. It reinforces my belief that the spirit of scientific inquiry and healthcare innovation thrives in the minds and hearts of the new generation workforce and will be the key factor that will put India on the map of medical innovation and advancement. The proximity of this talent to the developing world realities also renders them better equipped to design clinical solutions for the poor and low income countries. Additionally, the international nature of the Group's operations and customer locations enables cross-border exchange of ideas and execution capabilities within the R&D function, helping enhance the quality of its output.

Our Malaysian facilities have been rendered operational during the last fiscal and more manufacturing lines will be moved this fiscal from high-cost locations to Malaysia and India. The new Asian manufacturing bases are geared to help cater to the fast growing markets in MENA & SEA and will enable a diversified manufacturing strategy. Being closer to our growing customer base will, also, in the long term, enable faster logistics and an efficient supply chain for the whole Group.

This phase of consolidation, strategic relocations and leveraging of internal assets has resulted in cross-functional efficiencies and double digit revenue growth. These corporate initiatives are expected to bear many more rewards in the coming years. In FY13, the management's key priorities will

continue to be revenue and profit growth complemented by a healthy balance sheet and robust return ratios. But above all, the spotlight will be on optimizing the organic potential of the Group's assets and resources, an endeavour that will be driven by strong intra-Group ties and co-operation. The Group's current portfolio of products, skills, patents, certifications and manufacturing infrastructure have already created a sustainable growth engine. Our internal strengths and corporate brand equity, built on and refined over the last 20 years, are well poised and prepared to effect global market share expansions over the next few years.

On that note, I want to thank you very much for being by our side always and for your faith in our capabilities. I am very confident that with your continued support and goodwill, Team Opto will attain far greater heights in the coming decades.

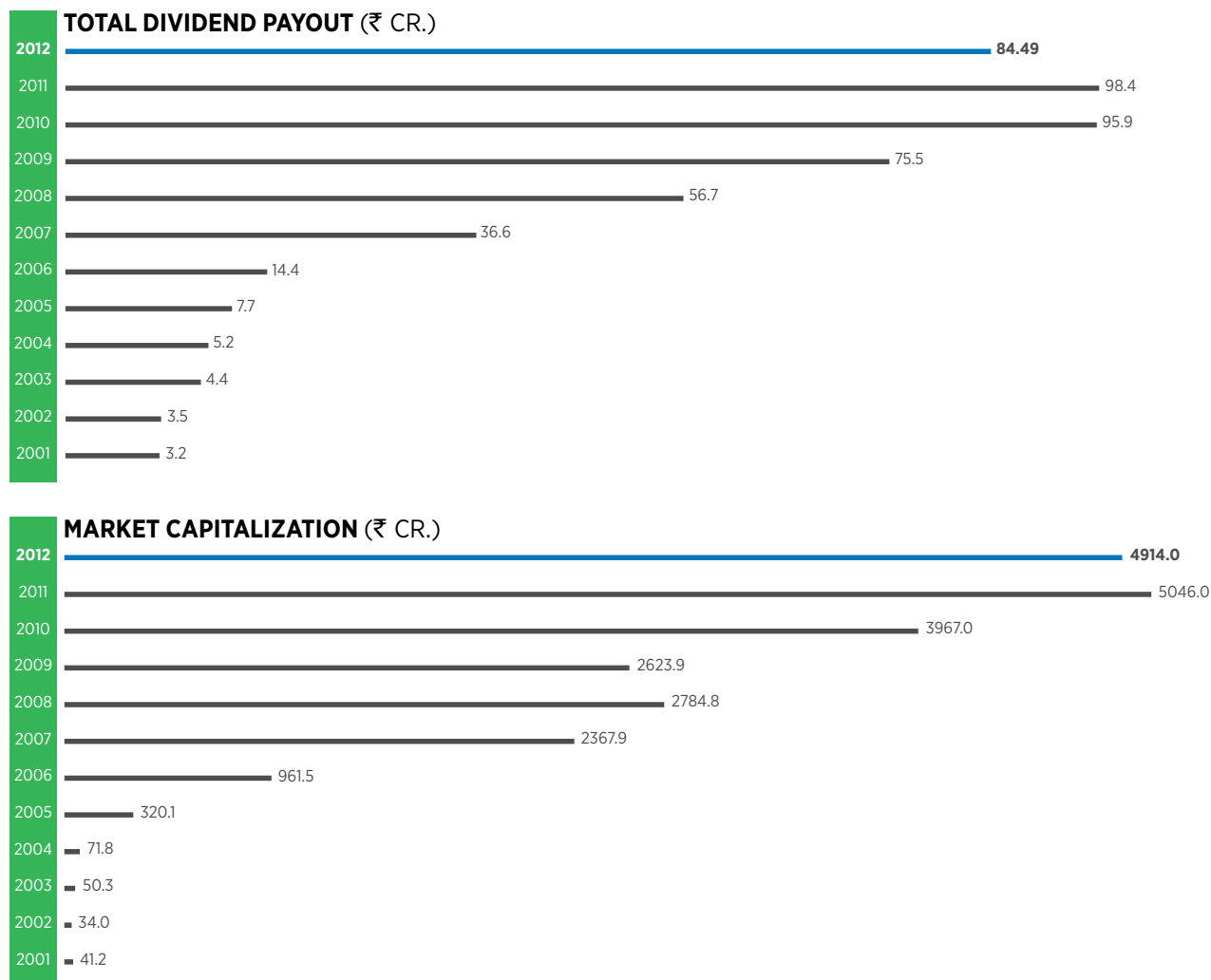
Sincerely,

VINOD RAMNANI

Chairman & Managing Director

SHAREHOLDER RETURNS

Opto Circuits has a strong track record of delivering returns during its tenure as a listed company.



BONUS & DIVIDEND TRACK RECORD (FACE VALUE: ₹ 10)

Year	Bonus Ratio	Dividend ₹ / 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
2012	3:10	3.00

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

Amount in ₹

Particulars	Shares	Price Per Share	Amount
Initial Investment in FY2001	1,000	50	50,000
Value on 31st March 2012	17,066*	202.79**	3,718,819***
Returns	1607%	306%	7438%

*Includes Cumulative Bonus Shares

** ₹ 202.79 is the BSE closing rate as at 31st March 2012

*** Includes Cumulative Dividends but does not include Dividend as proposed on 22nd May 2012 and which is subject to shareholder approval at the AGM to be held on 29th September 2012.

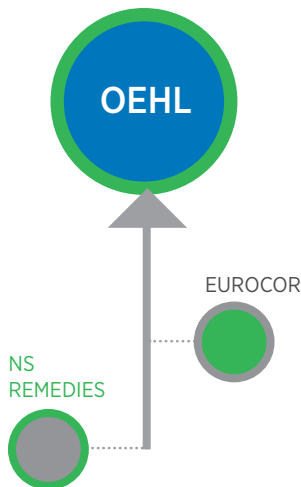
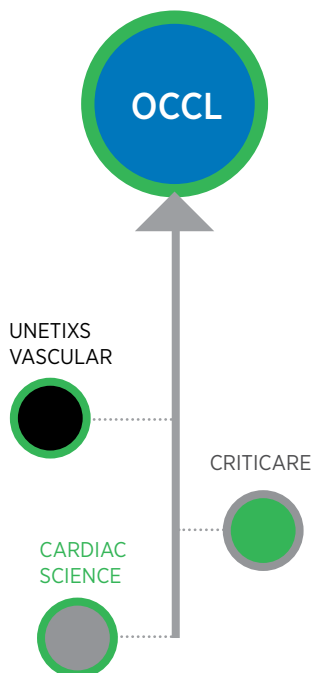
CORPORATE DEVELOPMENTS

Strengthened Top Management

- > Arindam Sen was appointed as CEO for Advanced Micronic Devices Ltd. (AMD).
- > Dr. Antonino Laudani was appointed as COO for Eurocor GmbH.

Restructured the Medical Equipment & Interventional Businesses

- > Investments of three US-based subsidiaries, Cardiac Science Corporation, Criticare Systems Inc. and Unetixs Vascular Inc. were transferred to Opto Cardiac Care Ltd. (OCCL), a wholly-owned subsidiary of Opto Circuits (India) Ltd.



- > Investments of subsidiaries, Eurocor GmbH and N.S.Remedies Pvt. Ltd. were transferred to Opto Eurocor Healthcare Ltd. (OEHL), a wholly-owned subsidiary of Opto Circuits (India) Ltd.



OPTO EUROCOR HEALTHCARE

Renewed India Focus

- > AMDL's healthcare division, recast its market presence in an all new avatar – AMDL Health



HEART-SAFE ENVIRONMENTS CAMPAIGN

As part of its initiative to create awareness around sudden cardiac arrest (SCA) and the role of community-led emergency treatment efforts towards saving lives of SCA victims, Opto Circuits presented its Powerheart G3 AEDs to:

- > Bangalore Metro Rail Corporation Ltd.
- > Delhi Metro's Central Secretariat and Kashmere Gate Stations
- > Press Club Mumbai
- > Cochin International Airport's Domestic and International Terminals
- > India Habitat Centre, Delhi
- > Bangalore International Airport Ltd. (BIAL)



LAUNCHES & APPROVALS

AMDL Health launched its advanced cardiology and emergency care portfolio from Cardiac Science & Criticare in India at the esteemed CSI Conference in Mumbai.

CORPORATE DEVELOPMENTS

HEART-SAFE ENVIRONMENTS CAMPAIGN

LAUNCHES & APPROVALS

NEW MARKET ENTERIES

CLINICAL TRIALS & REGISTRIES



AMDL Health launched eTraQ™ Application for the BlackBerry® PlayBook™ tablet.



The application allows medical practitioners to use a BlackBerry® PlayBook™ to remotely access multiple patients' real-time physiological parameters collected through eTraQ™ Transport Monitors.

Cardiac Science received FDA clearance for MySense Heart®, a revolutionary wearable Holter cardiac monitor



It is small, lightweight and disposable, enabling patients to wear it comfortably for an extended time. The device is a breakthrough in low-cost, disposable cardiac monitoring.

NEW MARKET ENTRIES

Cardiac Science won large AED contracts to deploy AEDs in Spain (Europe) and Columbia (Latin America).

Cardiac Science re-entered the Japanese AED market.

Cardiac Science signed an agreement to provide Powerheart® AED G3 Pro® units to the Hong Kong Department of Health (DH).



Cardiac Science signed agreements to supply hundreds of Powerheart® G3 AEDs towards the Campaign "Defib Your Club, For Life", to sporting clubs of Victoria, Australia.



Cardiac Science Powerheart® AEDs were included in Airbus offerable vendor catalog.

CLINICAL TRIALS & REGISTRIES

Eurocor launched the DIROCT Multicenter Trial.

12 months outcome of Spanish Multicenter Registry was presented at EuroPCR.

First data at 9 months of the DEAR Registry was presented at EuroPCR.

Results of Valentines Trial II were presented at CRT2012.



The Valentines Trial

GROUP'S FINANCIAL HIGHLIGHTS

THREE YEARS AT A GLANCE

FINANCIAL DATA SUMMARY	UNIT	2010	2011	2012
PROFIT & LOSS				
Sales	₹ Crore	1078	1586	2357
EBITDA	₹ Crore	356	477	630
PBT	₹ Crore	290	394	516
PAT	₹ Crore	260	369	573
BALANCE SHEET				
Gross Block	₹ Crore	357	752	1148
Net Block	₹ Crore	272	441	711
Net Current Assets	₹ Crore	751	1077	1379
Share Capital	₹ Crore	208	186	242
Reserves and Surplus	₹ Crore	838	1180	1457
Capital Employed	₹ Crore	1292	2289	2890
PERFORMANCE RATIOS				
EBITDA/Sales	%	33%	30%	27%
PBT/Sales	%	27%	25%	22%
PAT/Sales	%	24%	23%	24%
TURNOVER RATIOS				
FA Turnover Ratio		3.96	3.59	3.31
WC Turnover Ratio		1.44	1.47	1.71
LEVERAGE RATIOS				
Debt/Equity Ratio		0.22	0.66	0.69
SHARE DATA				
Dividend	%	40%	45%	30%
Dividend per Share	₹	4.00	4.50	3.00
Basic EPS [restated]	₹	10.73	15.16	23.60
OTHER KEY PARAMETERS - BALANCE SHEET				
Goodwill/Total Assets	%	15%	21%	13%
Capital Expenditure/Sales	%	9%	14%	14%
OTHER KEY PARAMETERS - P&L				
Employee Cost/Sales	%	5%	7%	8%
SGA Total/Sales	%	10%	19%	22%
Interest Cost/Sales	%	4%	2%	3%

NOTES:

- FY 2010 numbers reflected above are not as per classification under the revised Schedule VI, hence they are not directly comparable. FY 2011 and FY 2012 numbers are drawn up/computed as per revised Sch VI classification/format and are comparable. The non-comparability owing to application of revised Schedule VI is primarily in those ratios that use Balance sheet parameters.
- Net Current Assets : Formula =(All Current Assets) minus (All Current Liabilities excluding short term borrowings and current maturities of long term debt).
- Capital Employed : Net worth + minority interest + long-term borrowing + short-term borrowing + current maturities of long-term borrowing.
- Debt : Debt is total of Long term borrowings, Short term borrowings and current maturities of long term debt.
- Capital Expenditure : The amount of moneys invested in all tangible and intangible fixed assets as available in the Cash Flow Statement section on Cash Flow from Investing Activities.
- SGA total: The amount is the sum of "other expenses" and "employee costs".