



Sensing Technology

OPTO CIRCUITS (INDIA) LIMITED

(Originally Incorporated as Opto Circuits (India) Private Limited on June 8, 1992 in Bangalore, India under the Companies Act, 1956 vide Registration No. 08/13223 of 1992. The Company was subsequently converted as a Public Limited Company with effect from April 29 2000 pursuant to Sections 31 and 44 of the Act. On December 1, 1996 the registered office of our company was shifted from No. 38/3 Sri Laxmi Industrial Complex, Hosur to Plot No. 83, Electronics City, Hosur Road, Bangalore - 560 100.)

REGISTERED OFFICE: Plot No. 83, Electronics City, Hosur Road, Bangalore - 560 100

Tel. No: +91-80-28521040/41/42, Fax No: +91-80-28521094

E-mail: fpo@optoindia.com; website: www.optoindia.com; Contact person: Mr. Bodapati Bhaskar, Chief Financial Officer

PUBLIC ISSUE OF 40,00,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF Rs. 270/- PER EQUITY SHARE AGGREGATING TO Rs.10,800 LAKHS BY OPTO CIRCUITS (INDIA) LIMITED ("THE COMPANY" OR "ISSUER") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF UPTO 32,00,000 EQUITY SHARES OF RS.10/- EACH, A RESERVATION FOR EMPLOYEES UPTO 4,00,000 EQUITY SHARES OF Rs.10/- EACH AND A RESERVATION FOR EXISTING RETAIL SHAREHOLDERS UPTO 4,00,000 EQUITY SHARES OF Rs.10/- EACH, AT THE ISSUE PRICE. THE ISSUE WOULD CONSTITUTE 12.98 % OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

ISSUE PRICE : Rs. 270/- PER EQUITY SHARE OF FACE VALUE OF Rs. 10/- EACH

THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10/- EACH. THE OFFER PRICE IS 27 TIMES THE FACE VALUE

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the bidding terminals of the Syndicate.

The issue is being made through the 100% book building process wherein upto 50% of the net Issue shall be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids received from them at or above the issue price. Further, not less than 15% of the net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the net Issue shall be available for allocation on a proportionate basis to Retail Bidders, subject to valid bids being received at or above the issue price.

RISK IN RELATION TO THE ISSUE

We are listed on the National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE"). The Issue Price/price band (determined by the Company in consultation with the Book Running Lead Managers ("BRLMs") on the basis of assessment of market demand for the Equity Shares by way of book building as stated herein under the paragraph on Justification of Premium) should not be taken to be indicative of the market price of the equity shares after the shares are listed. The market price of the existing equity shares of Opto Circuits (India) Limited could effect the price Discovery through book building and vice versa. No assurance can be given regarding an active or sustained trading in the shares of the Company nor regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Prospectus.

Specific attention of the investors shall be invited to the summarized and detailed statement of risk factors appearing on Page No. viii of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in the Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The in-principle approvals of the Stock Exchanges for listing Equity Shares have been received pursuant to letter nos. NSE/LIST/20144-3 and DCS/Smd/sm/2005 dated February 3, 2006 and February 1, 2006 respectively. BSE is proposed to be the designated Stock Exchange.

BOOK RUNNING LEAD MANAGER



Karvy Investor Services Limited

"Karvy House" 46, Avenue 4, Street No.1, Banjara Hills,
Hyderabad - 500 034, Andhra Pradesh, India
Tel.No.: 91 040-23374714/23320751, Fax No. : 91 040 23374714
E-mail : mbd@karvy.com
website:www.karvy.com

REGISTRAR TO THE ISSUE



Karvy Computershare Private Limited

"Karvy House" 46, Avenue 4, Street No.1, Banjara Hills,
Hyderabad - 500 034, Andhra Pradesh, India
Tel.No.+91 40-23320251/23312454, Fax No. : +91 40 23431551
E-mail : mailmanager@karvy.com
Website: www.karvy.com

ISSUE PROGRAMME

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SECTION I DEFINITIONS AND ABBREVIATIONS

I. DEFINITIONS / ABBREVIATIONS

1. ABBREVIATIONS

Term	Description
The “Company” or “our Company” or “OCI” or “Opto Circuits” or “Opto Circuits (India) Limited” or “we” or “our” or “us”	Unless the context otherwise requires refers to Opto Circuits (India) Limited, a company incorporated under the Companies Act, 1956
AMDL	Advanced Micronic Devices Limited
Altron	Altron Industries Private Limited
EuroCor	EuroCor GmbH, Germany and its 2 subsidiaries in France and Poland.
MediAid	MediAid Inc., USA

2. ISSUE RELATED TERMS

Term	Description
Allotment	Issue of Equity Shares pursuant to the Issue to the successful Bidders as the context requires.
Allottee	The successful Bidder to whom the Equity Shares are being/ have been issued
Banker(s) to the Issue	Yes Bank Ltd., UTI Bank Ltd., ICICI Bank Ltd., Centurion Bank of Punjab Ltd. and State Bank of India.
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form.
Bid Closing Date /Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Regional newspaper.
Bid Opening Date/Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Regional newspaper.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for issue of the Equity Shares pursuant to the terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding Period / Issue Period	The period between the Bid Opening Date/Issue Opening Date and the Bid Closing Date/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process	Book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is made.
BRLMs/Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being Karvy Investor Services Limited and SBI Capital Markets Limited



CAN/Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Cut-off Price	Any price within the Price Band finalised by the Company in consultation with the BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band.
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Issue Account after the Prospectus is filed with the RoC, following which the Board shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited, Mumbai
Red Herring Prospectus	The Red Herring Prospectus proposed to be filed with the RoC, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue.
Eligible Employee	Means a permanent employee or the Director of the Company (or its subsidiaries), who is an Indian National based in India and is physically present in India on the date of submission of the Bid cum Application form. In addition, such person should be an employee or director during the period commencing from the date of filing of the Red Herring Prospectus with RoC upto the bid/issue closing date. Promoter Directors are not eligible to be treated as eligible employees.
Employee Reservation Portion	That portion of the issue being a maximum of 4,00,000 Equity Shares available for allocation to eligible employees.
Existing Retail Shareholders	Existing shareholders who are holders of Equity Shares of the Company as of March 10, 2006 and who hold Equity Shares worth up to Rs. 1,00,000 determined on the basis of the closing price of the Equity Shares on the BSE on March 09, 2006.
Existing Retail Shareholders Reservation Portion	The portion of the Issue being a maximum of 4,00,000 Equity Shares available for allocation to Existing Retail Shareholders.
Equity Shares	Equity shares of our Company of Rs. 10/- each unless otherwise specified in the context thereof.
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount.
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s) and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Account will be opened.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Issue Size	Public issue of 40,00,000 Equity Shares at the Issue Price pursuant to the Red Herring Prospectus and the Prospectus.



Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue on the Designated Date.
Issue Price	The final price at which Equity Shares will be allotted in terms of the Prospectus, as determined by the Company in consultation with the BRLMs, on the Pricing Date.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may range between 10% to 100% of the Bid Amount.
Net Offer to the Public	32,00,000 Equity Shares of Rs.10/- each being the issue size less employee reservation portion & existing retail shareholders reservation portion.
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000.
Non-Institutional Portion	The portion of the Issue being 4,80,000 Equity Shares of Rs. 10/- each available for allocation to Non Institutional Bidders.
Pay-in-Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable.
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending up to the date specified in the CAN.
Price Band	The price band with a minimum price (Floor Price) of Rs. 240/- and the maximum price (Cap Price) of Rs.270/-, including any revisions thereof.
Pricing Date	The date on which the Company in consultation with the BRLMs finalizes the Issue Price.
Promoters	Mr.Vinod Ramnani, Mrs. Usha Ramnani, Mr. Jayesh C Patel and Mr. Thomas Dietiker
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
QIB Portion	The portion of the Issue to public and upto 16,00,000 Equity Shares of Rs.10 each at the Issue Price, available for allocation to QIBs.
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million pension funds with a minimum corpus of Rs. 250 million, and multilateral and bilateral development financial institutions.
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Reservation portion	The portion of the Issue being a maximum of 8,00,000 Equity Shares available for allocation to Employees and Existing



	Retail Shareholders.
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 1,00,000 in any of the bidding options in the Issue.
Retail Portion	The portion of the Net Issue to the public and being a minimum of 11,20,000 Equity Shares of Rs.10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	Means the document issued in accordance with the SEBI Guidelines, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus which will be filed with the RoC at least 3 days before the Bid Opening Date and will become a Prospectus after filing with the RoC after pricing and allocation.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
Stock Exchanges	BSE and NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement entered into between the Company and the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Member	Karvy Stock Broking Ltd.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement among the members of the Syndicate and the Company to be entered into on or after the Pricing Date.

3. COMPANY AND INDUSTRY TERMS

Term	Description
Auditors	The statutory auditors of our Company, Anand Shenoy & Co.
API	Advance Photonics
Board of Directors/Board	The Board of Directors of our Company or a committee constituted thereof.
BCT	Bank Card Technology
CE	Consormite'e' Europe'e'enne
CEPZ	Cochin Export Processing Zone
EOU	Export Oriented Unit
FDA	Food & Drug Administration
FIs	Financial Institutions
ICTD	Information, Communication & Technology Division
OE	Opto Electronics
OEM(s)	Original Equipment Manufacturers
OIDA	Optoelectronics Industry Development Association
OMD	Opto Monitors Division



POX	Pulse Oxymeter
SBI	State Bank of India
SBT	State Bank of Travancore
SED	Strategic Electronics Division
SEZ	Special Economic Zones
SPO2	Saturation Pulse Oxymeter
SQA	Software Quality Assurance
STPI	Software Technology Parks of India
UK	United Kingdom
UL	Underwriter Laboratories
USA	United States of America

4. CONVENTIONAL/GENERAL TERMS

Term	Description
AGM	Annual General Meeting of the Shareholders
Articles/ Articles of Association	The Articles of Association of Opto Circuits (India) Limited
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
EGM	Extraordinary General Meeting of the Shareholders.
EPS	Earnings per share.
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there-under.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995] registered with SEBI under applicable laws in India.
Financial Year /fiscal year/FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FIPB	Foreign Investment Promotion Board.
Government/ GOI	The Government of India
HUF	Hindu Undivided Family.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Indian GAAP	Generally Accepted Accounting Practices in India.
LII	Local Informatics Infrastructure



Memorandum/Memorandum of Association	The Memorandum of Association of Opto Circuits (India) Limited.
MNC	Multi National Corporation
NAV	Net Asset Value.
Non Residents	Non-Resident is a Person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NRE Account	Non Resident External Account
NRI/Non-Resident Indian	Non-Resident Indian, is a Person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
PIO/ Person of Indian Origin	Shall have the same meaning as is ascribed to such term in the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000.
RBI	Reserve Bank of India.
Reserve Bank of India Act/RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RoC	The Registrar of Companies, Bangalore, Karnataka 'E' Wing, 2nd Floor, Kendriya Sadan, Koramangala, Bangalore-560034
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time.



SECTION II - RISK FACTORS

1. FORWARD-LOOKING STATEMENTS, CERTAIN CONVENTIONS & MARKET DATA

Statements included in this Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations in respect of, but not limited to,

- Our ability to successfully implement our strategy, our growth and expansion plans,
- Any disruptive change in technology
- General economic and political conditions in India which have an impact on our business activities
- Any variation in corporate expenditure on Health Care
- The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- Changes in the laws and regulations that apply to the Health Care Industry, including tax laws,
- Potential mergers, acquisitions or restructurings or changes in competition in our industry.

For further discussion of factors that could cause the Company’s actual results to differ, see the section entitled “Risk Factors” beginning on page no. viii of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The Company, the members of the Syndicate and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the BRLMs will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

Unless stated otherwise, the financial data in this Prospectus is derived from our financial statements prepared in accordance with Indian GAAP and included in this Prospectus. Our current fiscal year commenced on April 1, 2005 and ends on March 31, 2006. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP and U.S. GAAP accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. The Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the Company urges you to consult your own advisors regarding such differences and their impact on our financial data.

Market data used throughout this Prospectus has been obtained from Industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. The information obtained from internal Company reports and contained in this Prospectus has been obtained from sources believed to be reliable, but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although, the Company believes that the market data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed to be reliable, have not been verified by any independent source.



2. RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Shares. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Materiality

The risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- a) Some events may not be material individually but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may be having material impacts in future.

A. INTERNAL RISK FACTORS

1. *We have not received the prior permission of KEONICS for the acquisition of Altron*

Our 100% subsidiary, Altron Industries (India) Private Limited, had entered into a lease cum sale agreement dated August 2, 2004 with Karnataka State Electronics Development Corporation Limited (KEONICS) for acquisition of a plot of land on lease, wherein it is provided that (1) no change in the constitution/ status of Altron shall be effected without the previous written consent of KEONICS or any other officer authorized by KEONICS, (2) that the said consent shall be granted to Altron subject to the condition that the director/ promoter/original applicant/ shareholders should continue to hold a minimum 51% of the interest/shares in the newly constituted company and that (3) Altron shall not change the name/product (as mentioned in the application) without the previous consent of KEONICS and the consent shall be subject to the condition that Altron has to pay the prevailing rate of the plot.

Consequent to our acquisition of Altron, there has been a change in the shareholding and ownership of Altron and therefore a change in constitution. Since Altron did not obtain the prior consent of KEONICS for the sale of shares by the promoters/shareholders, under the terms of the lease cum sale agreement dated August 2, 2004, KEONICS may terminate the agreement and require us to vacate the premises. We have now applied for a post facto consent from KEONICS; however, in the event that the said NOC is not forthcoming from KEONICS, we may be required to vacate the premises.

2. *We are subject to restrictive covenants in certain debt facilities provided to us by our lenders.*

There are certain restrictive covenants in the agreements that we have entered into with certain banks for short-term loans and long-term borrowings. These restrictive covenants include an obligation to seek the prior consent of the Banks in writing to:

- Effect any change in the capital structure.
- Formulate any scheme of amalgamation and reconstruction.
- Undertake any new project or expansion schemes/modernization/diversification /renovation or acquire any fixed assets. unless the expenditure on such expansion, etc, is covered by the company's net cash accruals after providing for dividends, investments etc, or from long term funds received for financing such new projects or expansion.
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concern.
- Enter into borrowing arrangements either secured or unsecured with any other Bank, Financial institution, company or otherwise save and except the working capital facilities granted/ to be granted by other consortium member banks, under consortium arrangement with the bank and term loans proposed to be obtained from financial institutions/ banks for completion of the replacement-cum-modernization programme.



- Undertake guarantee obligation on behalf of any other company.
- Declare dividends for any year except out of profits relating to that year and with specific approval from the Banks.
- Withdraw loans/deposits secured from promoter shareholders, directors, depositors and promoters of the company.
- The company should not make any drastic change in its management setup without the Bank's permission.
- Pay any commission to the guarantors towards the guarantees executed by them for the credit facilities granted by the Banks to the company.
- Create any further charge, lien or encumbrance over the assets and properties of the Borrower to the charged to the Bank in favour of any other Bank, Financial Institutions, Company, firm or person.
- Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.

In addition, we are under an obligation to maintain a minimum net working capital of 25% of total current assets, and our promoters may not divest their shares in the company during the currency of the loan.

We cannot assure you that we will be able to obtain applicable permissions from our lenders. In such an event, we shall not be able to exploit some investment opportunities. This shall adversely affect our profitability

3. High credit risk on account of high level of receivables

Total of account receivables stood at Rs.5986.61 lakhs as on 30/09/2005 due to long business cycle, which constitutes 63.40% of total assets, of which substantial receivables pertain to our Subsidiaries. We suffer from credit default risk on account of such high level of receivables.

4. Acquisition of various businesses, products, and technologies, which is part of our growth/expansion strategy, involves inherent risks and exposure to significant costs and liabilities.

We have acquired EuroCor GmbH, a company based in Germany which is involved in the manufacturing of stents including drug eluding stents. Although we have taken all efforts to minimize the risks associated with the acquisition by carrying out a due diligence of the EuroCor and its books, our diligence may not have revealed to us all material risks associated with the acquisition. These material risks may expose us to significant costs and contingent liabilities.

We may undertake similar acquisition of companies or their businesses, products and technologies. Such acquisitions may, besides exposing us to significant costs and liabilities, also lead to a dilution of the shareholding of our promoters and affect substantial debt and expose us to contingent liabilities thus negatively impacting our business, business prospects and results of operations.

5. Any loss of our research and development personnel may have an adverse effect on our business

The optoelectronics and medical instrumentation industry of which we form a part are substantially dependent on research and development for growth. Our future success is substantially dependent on the research and development undertaken by us and the expertise of our research team. Therefore, our success is also dependent on our ability to attract, motivate and retain highly skilled research team. Any loss of the services of such personnel could have an adverse effect on our business.

6. We face intense competition and if we are not able to compete effectively, our business, results of operations and financial condition will be adversely affected.

The optoelectronics industry and medical instrumentation industry across the world is intensely competitive. Large manufacturers in Japan and United States dominate the industry. We compete in global markets and in each of our markets we face competition from other manufacturers. Although we have competed successfully in the past, we cannot be certain that we will continue to compete effectively. As a result, we may lose clients to our competitors and our business, financial condition and profitability could be adversely affected.

7. We manufacture products requiring high level of technology, and in the event that the technology we presently use becomes obsolescent, this may adversely impact our financial condition

Technology plays a vital role in the optoelectronics industry. We are required to constantly upgrade and innovate in terms of the technology employed. Our failure or inability to incorporate or keep abreast of changes



in technology might place our competitors at an advantage in terms of cost, efficiency and timely delivery of products. The threat of technological obsolescence is very real, and in the event that the technology we presently use becomes obsolescent, we may have to upgrade our processes and systems to stay competitive. This would entail substantial expenditure, which may adversely affect our financial condition.

8. *Non-intimation of our acquisition of Altron Industries Private Limited to the stock exchanges may result in action for non-compliance with the listing agreement.*

We acquired 100% shareholding in Altron Industries Private Limited on August 11 2004

Since the value of the acquisition was not substantial enough to have an impact on the prices of our scrip, we were of the view that this acquisition did not amount to price-sensitive information under clause 36 of the Listing Agreement. Therefore, we did not, intimate details of the same to the Stock Exchanges. While we have subsequently intimated the stock exchanges regarding the acquisition, the stock exchanges may seek to take appropriate action against us for non-compliance with disclosure requirements and non-compliance with corporate governance norms.

9. *Since our markets are primarily outside India, our revenues/profitability are susceptible to change in global patterns, our strategic partners overseas, etc.*

The majority of our revenue is through export sales. Any change in global demand patterns may affect our profitability adversely. Further, our success in overseas markets is dependent on our ability to locate strategic partners, distribution channels and investment opportunities in these markets and on our ability to negotiate terms that are commercially profitable to us. Our failure to discover such opportunities or alliances in the overseas market may adversely affect our profitability and sale.

10. *Since sales to OEMs form a major portion of our total sales, any decline in sales to OEMs would effect our sales/profitability*

A large percentage of our products are sold to Original Equipment Manufacturers ("OEMs") as sub-assemblies. We are largely dependant on the OEMs for our sales and this dependence restricts our market. Any decline in the sales of the OEMs would adversely affect our sales and thereby our profitability.

11. *Since we and our subsidiary, Eurocor GmbH operate in a free product regime, our products may be replicated by other companies, leading to a decline in our market share.*

The acquisition of EuroCor GmbH, Germany enables us to manufacture drug eluding stents, which is in a free product regime. The products manufactured by us are also in the free product regime. This implies that our products may be freely replicated by other companies. This would also increase the competition for drug eluding stents and other products. If such replicas are more acceptable to the present clients, EuroCor and we may lose our present market share. As a result, our financial condition and the financial condition of EuroCor may be adversely affected which would in turn affect our profitability.

12. *Due to the absence of any written agreements with our vendors and customers, we are exposed to risks due to supply obligations not clearly specified in writing*

We do not have written agreements with our vendors and customers and operate on a purchase order system. We had a written and executed agreement with Measurement Specialties Inc, one of our customers, which was valid till June 18, 2005 and is yet to be renewed. Due to the absence of any formal contract with our vendors and customers, we are exposed to the risks of irregular supplies or no supplies at all, defective supplies and delayed or no payments.

13. *Since our fund requirement has not been appraised and is based on our estimation, any escalation in the same would have an adverse impact on implementation of the objects of the issue.*

The funding requirements including working capital requirements as mentioned under "the Objects of the Issue" has not been appraised by any bank or financial institution but are based on our estimation. In the event of escalation in the fund requirements, the same would have an adverse impact on the implementation of the objects of the issue.

14. *We do not have any definitive agreements for utilization of proceeds and this may adversely impact the implementation of the objects of this issue.*

We have not placed orders or entered into any definitive agreements for planned investments to utilize major



part of the net proceeds of the issue. The present issue of equity shares mainly finances the repayment of short term loan availed from SBI and term & credit facilities availed from SBT for acquisition of EuroCor GmbH, investment in subsidiary, setting up of manufacturing and R&D facility and for proposed expansion programmes. Any delay in raising funds from the public issue would adversely affect the performance of the Company.

15. *We are dependant on our senior management team and the loss of team members may adversely affect our business.*

We have a team of professionals to oversee the operations and growth of our businesses. Our success is substantially dependent on the expertise and services of our management team and skilled labour. Although we have not had any significant turnover at senior management level in the past, the loss of the services of such management personnel or key personnel could have an adverse effect on our business and results of operations.

16. *Our exposure to interest rates may adversely affect our financial performance.*

We borrow from time to time both in Indian Rupees and in foreign currencies. Some of our borrowings may be linked to movements in particular currencies or particular indices. We may enter into interest rate derivative contracts from time to time. Adverse movements in interest rates and/or in such indices and/or currencies may adversely affect our results of operations and financial condition.

17. *If we become subject to significant legal action, we may incur substantial costs related to litigation.*

The medical instrumentation industry has been subject to significant product liability, intellectual property and other litigation. Many of these actions involve large claims and significant defence costs. Our products are being exported to the United States and European markets, where standards of health care are very high and products liability and other claims can be relatively easy to pursue. We currently carry no products liability insurance with respect to our API and other businesses. Claims made against us could result in substantial liability, which would have a material adverse effect on our results of operations, cash flows and financial condition.

18. *We have entered into transactions with related parties.*

We have entered into various transactions with related parties,. For detailed information on our related party transactions, see the "Statement of Related Party Transactions" annexed to the Auditors Report in the section titled "Financial Statements", beginning on page no. 78.

19. *The market price of our Equity Shares may be adversely affected by additional issues of equity or equity linked securities or by sale of a large number of our Equity Shares by our Promoters and significant shareholders and additional issues of equity may dilute investors equity position.*

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of equity or equity-linked securities in our Company may dilute the positions of investors in our Equity Shares and could adversely affect the market price of our Equity Shares. Sale of a large number of our Equity Shares by our Promoters and significant shareholders could adversely affect the market price of our Equity Shares.

20. *While our initial public offer was subscribed to the extent of minimum subscription required under law, it was not subscribed to in entirety, and we were not able to complete the objects for which the initial public offer was made.*

In our initial public offering (which closed on October 6, 2000), we received aggregate subscription to the extent of 90% of the issue size, and the total size of the issue had to be reduced from Rs. 1550 lakhs to Rs. 1373.93 lakhs. Accordingly, we had to revise the Project Cost (as indicated in the offer document for the initial public offer) downwards and meet the remaining shortfall from internal accruals. For further details please refer to the section "Promise Vs Performance" on page no. 149.

21. *We have contingent liabilities that have not been provided for in the audited financial statements (as on September 30, 2005)*

We have issued a corporate guarantee in favour of State Bank of India against credit facilities sanctioned to our subsidiary, Advanced Micronic Devices Limited for Rs.1841 lakhs and also provided a counter guarantee



given to the Bankers for the Bank Guarantee issued for Rs.250 lakhs. These have not been shown as contingent liabilities that have not been provided for in the audited financial statements (as on September 30, 2005).

22. Our restated financial statements have been qualified.

The auditors' report on our restated financial statements for the year ended March 31, 2005 and half year ending September 30, 2005, included in this Red Herring Prospectus contains the following qualifications:

- All other retirement benefits payable to employees are accounted for on payment basis and not provided for on accrual basis.
- Deferred Tax Asset/Liability has not been recognized as there is a Deferred Tax Asset on the opening Timing difference of the depreciation charged on the Fixed Assets for the year ending March 31, 2002 and there is no virtual Certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized.

23. The Company is yet to receive the renewal for the following consents

- a) Consent order under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 dated 19.10.2005 which was valid upto 31.12.2005
- b) Consent Order under Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 dated 19.10.2005 which was valid upto 31.12.2005.

24. Risk related to non-registration of our trademark/logo.

We have not made any application for registration of trademarks and logo, due to which we may not be able to prohibit persons from using the said trademark/logo to their advantage and any unfavourable use of such trademark/logo may adversely affect our goodwill and business.

25. No monitoring agency has been appointed for monitoring the utilization of proceeds by the Company

We have not appointed a separate monitoring agency to monitor the utilization of the proceeds of the issue. The monitoring would be done by the Audit Committee of our Board of Directors.

B. External Risk Factors

1. Our performance is highly dependent upon demand from the United States and Europe and is constrained by the regulatory policies of the respective countries.

Since nearly 60% of our revenue comes from product exports and services to developed country markets, principally the United States and the European Union, our performance is highly dependent upon demand from and regulatory policies adopted in these markets. Demand in these markets is often driven by reimbursement policies of large health insurers and government benefits providers. As part of an effort to contain health care costs, governments and private insurers have sought to reduce the costs of drug delivery. This effort may reduce the profitability of drug delivery systems in developed country markets and the level of research and development undertaken by pharmaceutical companies that service those markets. These developments, in turn, could have a material adverse effect on our product sales. Policy decisions by major developed country regulators, have the effect of making it more difficult for producers and service providers from developing countries such as India to provide products into their markets or research services for other companies that service their markets, would have a material adverse effect on our businesses

2. Our business is subject to regulation by several authorities, which could have an adverse effect on our business.

To carry on our business of manufacturing, we must obtain licenses, permits and approvals for our manufacturing facilities. We cannot assure you that we will be able to obtain and comply with all necessary licenses, permits and approvals for our manufacturing facilities. Under applicable laws, in the event of default by us, certain adverse consequences such as imposition of penalties, revocation or termination of a license or suspension of a license, may occur. Our business might suffer in case there are adverse changes to the regulatory framework, which could include new regulations that we are unable to comply with or those that allow our competitors an advantage.

We are also subject to and required to comply in all material respects with various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air



emissions and wastewater discharges. Additional costs and liabilities related to compliance with these laws and regulations are an inherent part of our business. We are required to obtain consents under these environmental laws and regulations including the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 to establish and operate our printing facilities. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance with health and safety regulations, regardless of fault or the legality of the disposal activities. Other laws may require us to investigate and remediate contamination at our properties. While we intend to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may prove restrictive and onerous.

If we cannot comply with all applicable regulations, our business prospects and results of operations could be adversely affected.

3. A slowdown in economic growth in India could cause our business to suffer.

The Indian economy has shown sustained growth over the last few years. The estimate of GDP released by the Central Statistical Organisation (“CSO”) has placed the GDP growth at 6.9% in fiscal 2005. GDP in India grew at 8.5% in fiscal 2004, 4.0% in fiscal 2003 and 5.8% in fiscal 2002. India’s GDP growth for the first quarter of fiscal 2006 (April-June) accelerated to 8.1% from 7.6% in the corresponding period last year, signaling continued strong growth. (Source: Macroeconomic and Monetary Developments - Mid-Term Review 2005-06, Reserve Bank of India.) Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect our income, which could adversely affect our results of operations.

4. A significant change in the Government of India’s economic liberalization and deregulation policies could disrupt our business and cause the price of our Equity Shares to decline.

Our assets are located in India. The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including the Equity Shares. The present government, which was formed after the Indian parliamentary elections in April-May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Any significant change in the government’s policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the price of our Equity Shares.

5. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy, adversely affecting our business and our results of operations.

6. Our profitability would decrease if the Government of India or the State of Karnataka reduced or withdrew tax benefits and other incentives it currently provides to us.

We currently take advantage of various income tax exemptions and deductions, which are applicable to companies engaged in export and R&D activities. Specifically, we avail of benefits under Section 10B, of the Income Tax Act, 1961, which is available upto Assessment Year 2009-2010. For details, please refer to the section entitled “Statement of Possible Tax Benefits Available to us and our Shareholders” on page no. 35 of this Prospectus. The loss or unavailability of these benefits would likely increase our income tax obligations and have a material adverse effect on our profits and cash flow.

7. Foreign Exchange fluctuations

As a 100% Export Oriented Unit, we are exposed to fluctuations in currency rates. Further, we import our entire plant and machinery and raw materials. Therefore, fluctuations in the rate of conversion of foreign exchange will have an impact on the performance and profitability of the Company.

8. The price of the Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price or at all.

The market price of the Equity Shares after this Issue may be subject to significant fluctuations in response to, among other factors, our results of operations and performance; subsequent corporate actions taken by us, performance of our competitors & market conditions.



The Issue price of our Equity Shares will be determined by the Book Building Process. This price will be based on numerous factors (discussed in the section “Basis for Issue Price” on page no.33 of this Red Herring Prospectus) and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue price. We cannot assure you that you will be able to resell your shares at or above the Issue price.

Following are among the factors that could affect our share price:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- general market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

Future sales by current shareholders could cause the price of our shares to decline.

If our existing shareholders sell a substantial number of our Equity Shares in the public market, the market price of our Equity Shares could fall. Sales or distributions of substantial amounts of our shares by existing holders, or the perception that such sales or distributions could occur, could adversely affect prevailing market prices for our shares.

Notes:

- The net worth of the Company as per the restated Financial Accounts of the Company as on September 30, 2005 (un-consolidated basis) is Rs. 6596.93 lakhs and Rs. 7207.78 lakhs (consolidated basis) and the size of the issue is Rs 10,800 lakhs.
- The average cost of acquisition of Equity Shares of the Promoters is as under:

S.No	Promoter	Cost per share
1	Mr. Vinod Ramnani	Rs.1.39
2	Mrs. Usha Ramnani	Rs.1.39
3	Mr. Jayesh C Patel	Rs.1.39
4	Mr. Thomas Dietiker	Rs.1.39

- The Book value of equity shares as on September 30, 2005 is Rs.24.62 (un-consolidated basis) and Rs. 26.89 (consolidated basis).
- The promoters/ directors/ key management personnel of the Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits.
- No loans and advances have been made to any persons/companies in which the Directors of the Company are interested except as stated in the Auditors report. For details please refer to the Auditors report starting on page no.78.
- The investors are advised to refer to the Para on “Basis for Offer Price” before making any investment in this Offer.
- Investors may note that in case of over-subscription in the issue allotment to non-institutional and retail portion allotment shall be on proportionate basis. For more information, see “Basis of Allotment” beginning on page no.182 of this Prospectus.
- The promoters, relatives and directors of the Company have not undertaken any transactions in the shares of the Company during the last six months.
- The issue is being made through a 100% Book Building Process wherein upto 50% of the Net Public



Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, at least 15% of the Net Issue will be available for allocation on a proportionate basis to Non-institutional Bidders and at least 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

- The investors may contact the Book Running Lead Managers or the Compliance Officer for any complaint/clarification/information pertaining to the Issue, who will be obliged to attend to the same.
- We have entered into various transactions with related parties which are given below:

List of Related parties with whom transactions have taken place and Relationship

Name of Related Party	Relationship
Mr. Thomas Dietiker	Individuals Control or Significant influence over the company
Elekon Industries Inc., USA	Enterprises over which individuals mentioned above are able to exercise significant influence. Ceased to be a related party since June 2004.
Advanced Micronic Devices Limited, Bangalore.	Subsidiary of Opto Circuits (India) Limited
Altron Industries Pvt. Ltd., Bangalore	Subsidiary of Opto Circuits (India) Limited
Medi Aid Inc., USA	Subsidiary of Opto Circuits (India) Limited

Nature of Transactions	Elekon Industries Inc (Rs. lakhs)		
	31.03.02	31.03.03	31.03.04
Receivable	884.08	874.38	1020.47
Payables	208.14	56.62	051.37
Sales and Services	2114.98	1534	2019
Purchases	1578.94	807.5	1277
Sale of Capital Goods	4.2	-	-

No Transaction with the above party for the year 31/03/05 and period ended 30/09/05

Name of related party	Relationship
Mr. Vinod Ramnani	Key Management Personnel
Mrs. Usha Ramnani	Key Management Personnel

Remuneration to Key Management Personnel.

(Rs. lakhs)

Name of /related party	31/3/2002	31/03/2003	31/3/2004	31/3/2005	30/9/2005**
Mr. Vinod Ramnani	25.25	22.95	34.20	45.00	24.75
Mrs. Usha Ramnani	25.25	22.95	34.20	45.00	24.75

** For a period of six months only.

**Subsidiary Company, Advanced Micronics Devices Limited, Bangalore.****(Rs. lakhs)**

Nature of Transaction	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Loans					
Given During the year	100	179	51.50	276.00	65.00
Given - ICD out -standing	-	179	51.50	10.14	64.69
Balance					
Receivable	-	42.93	8.48	38.59	31.21
Payables	-	14.38	22.80	0.39	-
Sales and Services	-	4.97	256.92	179.14	29.65
Purchases	-	15.24	499.73	688.24	47.92
Sale of Capital Goods	-	41.6	-	-	-
Interest - ICD	2.49	-	-	-	-
Guarantee issued to the banker	1282	1282	1282	1282	1841

Subsidiary Company, MediAid inc., USA**(Rs. lakhs)**

Nature of Transaction	31.03.03	31.03.04	31.03.05	30.09.05
Balance				
Receivable	185.31	745.05	855.49	2379.28
Payables	-	2.99	35.50	103.24
Sales and Services	185.31	1304.58	1236.69	1468.27
Purchases	44.47	815.85	965.09	313.14

Subsidiary Company, Altron Industries Pvt. Limited. Bangalore.**(Rs. lakhs)**

Nature of Transaction	ICD Given	Receivables	Purchases
As on 30.09.2005	28.61	7.01	7.21

- Trading in equity shares of our company for all the investors shall be in dematerialized form only.



SECTION III INTRODUCTION

1. SUMMARY

Business Overview

We engage in the design, development, manufacturing, marketing and distribution of medical electronic devices and medical monitoring products employing sensing and detection techniques, from two manufacturing units in Bangalore. In the past thirteen years we established ourselves as a supplier of non-invasive OEM Optical sensors in the field of patient monitoring systems.

Our manufacturing facilities operate in Class 10000 environment with antistatic workstations wherever necessary and are completely powered by captive DG equipment for uninterrupted clean power. Further, our manufacturing facilities comprise state of the art facilities such as Disco Wafer Dicing, Die Attach, Component Forming, Wire Bonders, Transfer Molding and Re-flow Ovens. The same is backed by a comprehensive range of inspection and reliability testing equipment, such as Bond Pull, Shear Testers, Stereo Microscopes, IR Viewers and Spectrometers. We also have state of the art R & D facilities, which enable us to target the niche market through customized designing of the products to suit the requirements of our customers.

Our product portfolio includes:

- SPO2 Probes
- Reusable Sensors
- Disposable Sensors
- Pulse Oxymeters
- Digital Thermometer
- Cholesterol Monitors
- Fluid Warmers
- Infrared Emitters
- Infrared Detectors
- Photo Sensor, Detector and Emitters Assemblies.

Majority of our production is currently exported through our business associates and through direct sales. We will continue to grow our supplies to Original Equipment Manufacturers (OEMs) worldwide, both through our business associates and by direct sales that can benefit significantly from value-added, customized Optoelectronics products.

Our long-term objective is to establish ourselves as a leading provider of custom-designed, quality Optoelectronics products for OEMs in selected high-growth industries. Our primary focus is currently on supplying assemblies and sub-assemblies to the medical devices and computer peripherals industries.

Our strength lies in the following:

- In-house electronics design and testing capabilities.
- Positioning in a very specialized; technology oriented Optoelectronics industry & other products related to non-invasive health care segment.
- Experienced management team and a capable workforce.

Our Business Strategy

Expansion of business

At present, we are catering to parts of US, Europe, Far East, Latin America and Middle East markets through our 100% subsidiary Medaid Inc, our existing branches and 100 plus distributors across all these regions. We propose to expand our product range and increase product reach by setting up branches in Germany, France, Dubai, Singapore, Brazil and Chile. Our domestic market product sales are driven through Advanced Micronic Devices Limited, our subsidiary, which has a 200 member marketing and sales team spanning across the country and we leverage their extensive network and two decades of experience to drive sales.



Expansion of Product range

At present, we are producing Health Care products (SPO2 Probes, Reusable Sensors, Disposable Sensors, Pulse Oxymeters, Digital Thermometer, Cholesterol Monitors, Fluid Warmers, Infrared Emitters, Infrared Detectors, Photo Sensor, Detector and Emitters Assemblies), Industrial products such as RF Identification Tags and Electronic products such as Detectors for CT Scanners and X-Ray Machines. With the acquisition of EuroCor GmbH, we added production of medical stents to our product line in Europe, Middle, Far East & Asia

Enhance our customer reach

We propose to set up marketing office in Germany, France, Dubai, Singapore, Brazil and Chile to explore new markets and customers.

Pursue Acquisitions

We propose to achieve higher growth through sustained organic growth to be achieved by more aggressive sales of our existing products and by penetrating new markets. Simultaneously, we plan to drive inorganic growth through expansion of our product lines through acquisitions. Our objective is to achieve synergies while leveraging our selling and distribution strengths in both the overseas and domestic markets.

Industry Overview

Optoelectronics involves the combination of optics and electronics. Five principal functions are performed through Optoelectronics, viz., the collection, transmission, storage, display and hardcopy output of information. The Company's product line relates primarily to information collection and display besides the transmission of information.

The Optoelectronics industry is a subset of the semiconductor industry, which is part of the overall electronic components industry. Optoelectronics and other electronic components are fundamental building blocks for electronic products and systems. Primarily the computer, telecommunications, instrumentation, medical equipment and transportation industries generate demand for products in this industry.

The Optoelectronics industry is diverse and fragmented. Large manufacturers in Japan and United States dominate the industry. Some of the larger, well-known companies with Optoelectronics divisions or subsidiaries include Sharp Corp., Hewlett-Packard Co., Rohm Co., Honeywell Inc., Toshiba Corp., Sony Corp., Matsushita Electric, NEC Corp., Lucent Technologies, Stanley Electric, Mitsubishi, Motorola, Philips Electronics, Eastman-Kodak, IBM Corp., Panasonic, Siemens AG, Sumitomo Electric, EG & G Inc., Northern Telecom and QT Optoelectronics.

The major global manufacturers engaged in the Optoelectronics industry primarily operate in standard and off-the-shelf components which are mass-produced through highly automated methods. Since customized Optoelectronics products are labour-intensive and usually produced in smaller quantities, these products are typically manufactured by niche-oriented companies who are highly specialized in their own product lines.

Optoelectronics and other electronic components are fundamental building blocks for electronic products and systems. According to the Optoelectronics Industry Development Association ("OIDA"), 2004 was one of the strongest years for the optoelectronics market in the past decade. OIDA research and analysis revealed that in 2004 almost all categories, applications and technologies demonstrated growth over 2003.

1. Total optoelectronic components and optoelectronic-enabled products grew 39% in 2004 to \$236B, from \$170B in 2003.
2. The segment of optoelectronics components, including displays, grew 33% in 2004.

Optoelectronics technologies are utilized in products that span communications, computing, and consumer/entertainment. A number of specific types of applications that are particularly dependent upon optoelectronics have strong potential for market growth in 2005. These include healthcare and sensors, the Internet and computing; cellular telephony; wireline telecommunications; and emerging applications such as games. The industries that are targeted by OCI, viz., medical electronics, security systems, industrial fire detection and automotive, etc., have experienced rapid growth rate of over 15% in recent years and are expected to continue to grow at annual rate of 10% to 20% over the next 10 years. [SOURCE: OIDA - www.oida.org]

Our niche lies in the Patient Monitoring market (Pulse Oximeters, multiparameter Monitors, Pulse Oximeter probes etc), which is a very important & significant part of the Optoelectronics industry. The markets for patient monitoring across the world particularly in the U.S. have grown rapidly in recent years, due to factors such as aging population,



increased incidence of heart disease and other conditions requiring close patient monitoring and technological developments such as wireless remote monitoring. A brief overview of the markets for Oximeters & Sensors among G7 countries is as under:

Overall Oximeter & Sensor Market G7 Countries

(Million \$ in USD)

Years	2001	2002	2003	2004
Canada	11	11	11	11
France	36	38	40	44
Germany	40	42	45	49
Italy	22	24	24	26
Japan	109	116	131	141
UK	22	24	26	27
United States	391	422	457	491
Others	31	34	37	41
Total	662	711	771	830

*Source: Theta Reports, RAK Associates and Industry contacts



THE ISSUE

Equity Shares offered:	
Public Issue	40,00,000 Equity Shares
Of which:	
Employee reservation portion (allocation on a proportionate basis)	4,00,000 Equity Shares
Reservation for existing retail shareholders (allocation on a proportionate basis)	4,00,000 Equity Shares
And :	
Net Offer to the Public	32,00,000 Equity Shares constituting 10.39% of the fully diluted post issue paid up capital of the Company.
Comprising:	
Qualified Institutional Buyer Portion	Upto 16,00,000 Shares (allocation on proportionate basis) Constituting upto 50% of the Net Offer to the Public
Of which Reservation for Mutual Funds (allocation on proportionate basis)	Upto 80,000 Equity shares
Balance for all QIBs including Mutual Funds (allocation on proportionate basis)	Upto 15,20,000 Equity Shares
Non-Institutional Portion (allocation on proportionate basis)	Atleast 4,80,000 Equity Shares constituting upto 15% of the Net Offer to the Public
Retail Portion	Atleast 11,20,000 Equity Shares (allocation on proportionate basis) constituting upto 35% of the Net Offer to the Public
Equity Shares outstanding prior to the Issue	2,68,08,290 Equity shares
Equity Shares outstanding after the Issue	3,08,08,290 Equity shares
Objects of the Issue	
Use of proceeds by the Company	See the section titled "Objects of the Issue" on page no. 22 of this Prospectus

Notes : The un-subscribed portion, if any, in the employees reservation portion will be added back to the Net issue to the public & will be considered for allotment only on a proportionate basis.

Under-subscription, if any, in the Retail Individual Investors, Non-institutional Investors or QIBs portion would be allowed to be met with spill over from any other category at the sole discretion of the Company and the BRLMs.

Corporate Information:

The Company was originally incorporated as Opto Circuits (India) Private Limited on June 8 1992 in Bangalore, India, under the Companies Act, 1956 vide Registration No. 08/13223 of 1992. The Company was subsequently converted into public limited company with effect from April 29, 2000 pursuant to Sections 31 and 44 of the Act. Our registered office is situated at Plot No. 83, Electronics City, Hosur Road, Bangalore - 560 100

SUMMARY FINANCIALS, OPERATING AND OTHER DATA

The following table sets forth the selected historical consolidated financial information of Opto Circuits (India) Limited derived from its restated and audited consolidated financial statements for the fiscal years ended March 31, 2002, 2003, 2004 and 2005 and for six months period from April 1, 2005 to September 30, 2005, (excluding the accounts of Eurocor GmbH, which became a subsidiary with effect from January 7, 2006) all prepared in accordance with Indian GAAP, the Companies Act, and SEBI guidelines, and restated as described in the auditor's report of M/s Anand Shenoy & Co., included in the section titled "Financial Information" beginning on page no. 78 of this Prospectus and should be read in conjunction with those financial statements and notes thereon.

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT****(Rs. lakhs)**

	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Income:					
Sales:					
Sales	5651.28	6806.35	9161.16	12283.51	6330.06
Other Income	53.70	70.24	88.01	67.85	398.58
Inc/(Dec) in Work in Progress & Finished Goods	71.70	24.59	4.50	(109.02)	41.25
Total Income:	5776.68	6901.18	9253.67	12242.34	6769.89
Expenditure:					
Raw Materials & Goods Consumed	3739.92	4165.60	5020.58	7169.10	3492.40
Other Manufacturing Expenses	73.46	146.00	159.97	264.99	142.46
Staff Costs	481.07	599.08	960.60	895.14	477.82
Administrative & Other Expenses	406.47	646.32	958.50	974.45	568.28
Selling & Distribution Expenses	75.03	155.16	331.37	360.10	165.84
Finance Expenses	197.58	258.14	293.77	336.82	194.61
Miscellaneous Expenditure written off	-	-	-	-	-
Total Expenditure:	4973.53	5970.30	7724.79	10000.60	5041.41
Net Profit before Tax	803.15	930.88	1528.88	2241.74	1728.48
Depreciation & Prior Period Items:					
Depreciation	77.27	98.07	127.47	178.32	109.13
Net Profit after Depreciation before Prior period items	725.88	832.81	1401.41	2063.42	1619.35
Provision for Taxation	25.00	76.31	37.90	67.65	22.20
Tax paid/Provision written back for the previous years	-	-	-	-	-
Net Profit after Tax & before prior period items	700.88	756.50	1363.51	1995.77	1597.15
Prior period items	17.50	11.28	(2.34)	(18.12)	3.41
Unrealized Profit	-	(39.85)	(176.46)	(201.11)	(492.38)
Share of Profit - Minority Interest	(21.98)	(27.75)	(24.10)	(28.80)	(131.59)
Balance carried forward to Balance Sheet	696.40	700.18	1160.61	1747.74	976.59



Opto Circuits (India) Limited (GROUP CONSOLIDATED)

Statement of Restated Assets & Liabilities

(Rs. Lakhs)

	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
A. Assets:					
Fixed Assets - Gross Block	1862.22	2505.47	3195.49	3564.36	3590.21
Less : Depreciation	382.21	446.05	567.49	703.03	762.33
Net Block	1480.01	2059.42	2628.00	2861.33	2827.88
Less : Revaluation Reserves	-	-	-	-	-
Net Block after adjustment of Revaluation Reserves	1480.01	2059.42	2628.00	2861.33	2827.88
B. Investments	71.94	71.28	28.39	43.98	56.82
C. Current Assets, Loans & Advances:					
Inventories	1484.12	1995.03	3293.82	4295.69	5243.04
Receivables	2275.19	2763.45	3396.97	4418.13	6710.99
Cash & Bank Balances	566.17	1065.50	850.41	1021.75	962.55
Other Current Assets	-	-	-	-	47.06
Loans & Advances	483.79	1106.53	793.43	729.97	691.95
Total - A	4809.27	6930.51	8334.63	10465.54	13655.59
Current Liabilities & Provisions:					
Sundry Liabilities	1009.56	1444.16	2122.22	3084.90	4438.01
Provisions	376.46	506.71	557.54	852.30	207.23
Total - B	1386.02	1950.87	2679.76	3937.20	4645.24
Net Current Assets (A-B)	3423.25	4979.64	5654.87	6528.34	9010.35
Total Assets	4975.20	7110.34	8311.26	9433.65	11895.05
D. Liabilities & Provisions:					
-Loan Funds					
Working Capital Loans	1021.94	2197.04	2860.54	2978.81	3925.54
Secured Loans	386.56	848.07	531.63	395.12	569.00
Unsecured Loans	14.21	-	82.07	150.32	155.86
Total:	1422.71	3045.11	3474.24	3524.25	4650.40
Deferred Tax Liability	-	14.06	26.27	36.87	36.87
E. Net Worth	3552.49	4051.17	4810.75	5872.53	7207.78
Represented by:					
Share Capital	995.53	1142.28	1374.79	1787.22	2680.83
Share Application money pending allotment	-	-	-	-	-
Share Premium Account	840.72	1014.20	751.11	338.67	-
Reserves & Surplus	798.80	1020.75	1776.55	2999.77	3426.66
Less: Revaluation Reserves	-	-	-	-	-
Less: Miscellaneous expenditure not written off	-	-	-	-	-
Add: Capital Reserves & Adjustments	337.04	289.73	323.91	207.01	428.84
Reserves (Net of Revaluation Reserves-Capital Reserves)	1135.84	1310.48	2100.46	3206.78	3855.50
Minority interest	580.40	584.21	584.39	539.86	671.45
Total:	3552.49	4051.17	4810.75	5872.53	7207.78



2. GENERAL INFORMATION

REGISTERED OFFICE

OPTO CIRCUITS (INDIA) LIMITED

Plot No. 83, Electronics City, Hosur Road, Bangalore - 560 100

Tel. No: +91-80-28521040/41/42, Fax No: +91-80-28521094

E-mail: fpo@optoindia.com.; website: www.optoindia.com

Registration Number: 08/13223 of 1992

Registrar of Companies: Bangalore, Karnataka

'E' Wing, 2nd Floor, Kendriya Sadan, Koramangala, Bangalore-560034

Phone : +91- 80-5538531;Fax --+91-80-5528531

E-Mail:rocban.sb@sb.nic.in

Website:http://www.kar.nic.in/roc

BOARD OF DIRECTORS:

Name of the Director	Designation	Status
Mr. Vinod Ramnani	Chairman & Managing Director	Wholetime Director
Mrs. Usha Ramnani	Executive Director	Wholetime Director
Mr. Jayesh C. Patel	Director	Non Executive Promoter Director
Mr. Thomas Dietiker	Director	Non Executive Promoter Director
Dr. Suleman Adam Merchant	Director	Independent Non Executive Director
Dr. Anvay Mulay	Director	Independent Non Executive Director
Mr. Rajkumar Raisinghani	Director	Independent Non Executive Director
Mr. V Balasubramaniam	Director	Independent Non Executive Director

For further details in relation to our Board and Directors see the section titled "Our Management" on page no. 63 of this Prospectus.

Brief details of the Managing Director, Executive Director etc.,

Mr. Vinod Ramnani, Chairman and Managing Director

Mr. Vinod Ramnani, aged about 49 years, is a BE in Mechanical Engineering from Manipal Engineering College, Manipal, Karnataka. Till 1983, he was heading the Bangalore branch of New Standard Engineering, Bombay. As Branch Manager, Mr. Vinod Ramnani was overseeing marketing, customer service and administration functions of the company in the State of Karnataka.

During the year 1983, he moved to Los Angeles, USA and joined United Detectors Technology, LA, as Plant Manager. During his association with the company he was looking after manufacturing, R&D and product developmental functions of the unit. During the year 1987, Mr. Vinod Ramnani joined Opto Sensors (S) Pte. Ltd., Singapore, as General Manager and established the manufacturing & marketing facilities of the company.

During the year 1990, Mr. Vinod Ramnani along with Mr. Thomas Dietiker and others established Elekon Industries Pte Ltd., at Singapore to manufacture Optoelectronic products. However, with the increasing operational costs, labour costs and other input costs in Singapore, Mr. Vinod Ramnani along with others established Opto Circuits India (P) Limited, in 1992.



Mrs. Usha Ramnani, Executive Director

Mrs. Usha Ramanani, aged about 48 years, is an M.Com graduate and has worked with United India Insurance Company. Since 1992 she is looking after the administration and personnel functions of the Company.

For details of other directors, please refer to the caption "Board of Directors" on page no. 63 of this Prospectus.

COMPANY SECRETARY	BOOK RUNNING LEAD MANAGERS
<p>Mrs Rose Chintamani Plot No. 83, Electronics City, Hosur Road, Bangalore - 560 100; Tel. No: +91-80-28521040/41/42, Fax No: +91-80-28521094; E-mail: fpo@optocircuits.com.; Website: www.optoindia.com</p> <p>COMPLIANCE OFFICER Mr. B. Bhaskar, Chief Financial Officer Plot No. 83, Electronics city, Hosur Road, Bangalore - 560 100; Tel. No: +91-80-28521040/41/42, Fax No: +91-80-28521094; E-mail: fpo@optoindia.com. Website: www.optoindia.com</p> <p>Investors may note that incase of any pre Issue / post Issue related problems such as non-receipt of letters of allotment / share certificates / refund orders, etc. they should contact the Compliance Officer.</p>	<p>Karvy Investor Services Limited "Karvy House" 46, Avenue 4, Street No.1, Banjara Hills Hyderabad - 500 034 Andhra Pradesh, India Tel.No.:+91-040-23374714/23320751 Fax No. : +91-040 23374714 E-mail : mbd@karvy.com SEBI Regn.No. INM000008365 Website: www.karvy.com Contact person: Mr. V. Prashant Rao</p> <p>SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade Mumbai - 400 005 Tel. No.: +91-22-2218 9166 - 69 Fax No.: +91-22-2218 6367/ 8332 Email: opto.fpo@sbicaps.com Contact person: Mr. K S Mahesh SEBI Regn.No. MB/INM000003531 Website: www.sbicaps.com</p>
<p>LEGAL ADVISORS TO THE ISSUE</p> <p>J. Sagar Associates 4121/B, 19th A Main, 6th Cross HAL II Stage Extension Bangalore 560 038 Tel:+91-80 2520 0045 Fax: +91-22-80 2520 0044 E-mail : bangalore@jsalaw.com Contact person : Mr. Joby Mathew</p>	<p>REGISTRAR TO THE ISSUE</p> <p>Karvy Computershare Private Limited "Karvy House" 46, Avenue 4, Street No.1, Banjara Hills,Hyderabad - 500 034 Andhra Pradesh, India Tel.No. : +91 040 23320251/23312454 Fax No. : +91 040 23431551 E-mail : mailmanager@karvy.com SEBI Regn.No. INR/000000221 Contact person: Mr.M.Muralikrishna.</p>
<p>BANKERS TO THE COMPANY</p> <p>State Bank of India Industrial Finance Branch, 61, 'Residency Plaza', Residency Road, Bangalore - 560 025. Ph No. 91-80-2558 0673 Fax: 91-80-2558 1853 Email: sbifbng@bgl.vsnl.net.in</p>	



<p>State Bank of Travancore Industrial Finance Branch, 3rd Floor, Vayudhoot Chambers, Trinity Junction, M G Road, Bangalore - 560 001. Ph no: 91-80-25598957 Fax: 91-80-25598956 Email: ifbbangalore@sbt.co.in</p> <p>United Bank of India 100, UBI Building, Electronic City Post, Bangalore - 560 100 Phone: 91-80-2852 0014, 91-80-2852 8350</p>	<p>BANKERS TO THE ISSUE Yes Bank Ltd., “Nehru Centre”, 9th Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 016 Tel : 91-22-56699088 Fax : 91-22-2497639</p> <p>Centurion Bank of Punjab Ltd. Ground Floor, Block C, Central Bombay Infotech Park, 101, K. Khadye Marg, Mahalaxmi, Mumbai-400 011 Tel : 91-22-55540250 Fax:91-22-55540022</p> <p>UTI Bank Ltd. Universal Insurance Building, Ground Floor, Sir PM Road, Fort, Mumbai - 400 001 Tel : 91-22-23310400 Fax : 91-22-23310700</p> <p>State Bank of India. New Issue & Securities Services Division, Mumbai Main Branch, Mumbai Samachar Marg, P. B. No. 13, Fort, Mumbai - 400 023 Tel : 91-22-22651579 Fax : 91-22-22670745</p> <p>ICICI Bank Ltd., Capital Markets Division, 30, Mumbai Samachar Marg, Mumbai - 400 001 Tel : 91-22-22655285 Fax : 91-22-22611138</p>
<p>AUDITORS</p> <p>Anand Shenoy & Co. Chartered Accountants S2, 2nd Floor, Gem Plaza,# 66 Infantry Road, Bangalore- 560 001 Tel: +91-80-25320693 Fax:+91-80-25320693 E-mail: amarcons@bgl.vsnl.net.in Contact person: Mr. G.C Somadas</p>	<p>SYNDICATE MEMBERS</p> <p>Karvy Stock Broking Ltd. “Karvy House”, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034 Andhra Pradesh, India Tel : 91-40-23374714 Fax : 91-40-23311968 Email : vincent@karvy.com website : www.karvy.com</p>

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Broker to the issue.



STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN KARVY INVESTOR SERVICES LIMITED (“Karvy”) AND SBI CAPITAL MARKETS LIMITED (“SBICAPS”).

Sl.No.	Activities	Responsibility	Co-ordinator
01	Capital structuring with the relative components and formalities such as type of instruments, etc.	KARVY	KARVY
02	Due diligence of the company's operations / management / business plans / legal etc.	KARVY	KARVY
03	Drafting & Design of Offer Document and of statutory advertisement including memorandum containing salient features of the Prospectus. The designed Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI	KARVY	KARVY
04	Drafting and approval of Issue and statutory publicity material, etc.	SBICAPS & KARVY	SBICAPS
05	Drafting and approval of all corporate advertisement, brochure and other publicity material	KARVY & SBICAPS	KARVY
06	Appointment of Registrar, Bankers and Ad agency	KARVY & SBICAPS	KARVY
07	Appointment of Printer	KARVY & SBICAPS	KARVY
08	Marketing of the Issue, which will cover inter alia, Formulating- marketing strategies, preparation of publicity budget Finalize Media & PR strategy Finalizing centers for holding conferences for brokers, etc. Finalize collection centers Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material	SBICAPS & KARVY	KARVY
09	Finalizing the list of QIBs. Divisions of QIBs for one to one meetings, road show related activities and order procurement	SBICAPS & KARVY	SBICAPS
10	Finalizing of Pricing & Allocation	SBICAPS & KARVY	SBICAPS
11	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc.	SBICAPS	SBICAPS
12	<p>The Post Issue activities of the Issue will involve essential follow up steps including:</p> <ul style="list-style-type: none">● finalization of basis of allotment/ weeding out of multiple application, etc.● Finalization of listing of instruments● Dispatch of certificates and refunds, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the bank handling refund business. <p>Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the issuer company.</p>	SBICAPS	SBICAPS

CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

TRUSTEES

This being an issue of Equity Shares, appointment of Trustees is not required.



MONITORING AGENCY

The Audit committee appointed by our Board of Directors will monitor the utilization of issue proceeds.

BOOK BUILDING PROCESS

Book Building refers to the collection of Bids from investors, which is based on the Price Band, in the Red Herring Prospectus. The Issue Price is finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;
2. Book Running Lead Managers;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs.
4. Escrow Collection Bank(s); and
5. Registrar to the Issue.

We will comply with the SEBI DIP Guidelines for this Issue. In this regard, we have appointed the BRLMs to procure subscriptions to the Issue.

The Issue is being made through the 100% Book Building Process wherein upto 50% of the Issue shall be allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be allocated to Non-Institutional Bidders and not less than 35% of the issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

The process of Book Building under SEBI Guidelines is relatively new and investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Pursuant to recent amendments to SEBI Guidelines, QIB bidders are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date.

Please see the section entitled “Terms of the Issue” on page no. 160 of this Prospectus for more details.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The Issuer,



in consultation with the book running lead managers, will finalise the issue price at or below such cut off price, i.e. at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

1. Check eligibility for bidding, see the section titled “Issue Procedure-Who Can Bid?” on page no. 165 of this Prospectus;
2. Ensure that the Bidder has a demat account;
3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see the section titled “Issue Procedure - PAN Number” beginning on page no. 180; and
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefor.

Issue Programme

ISSUE OPENS ON	Friday, 31st March, 2006
ISSUE CLOSES ON	Wednesday, 05th April, 2006

Bids and any revision in Bids shall be accepted between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form and uploaded till such time as permitted by the BSE and the NSE.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band.

Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.



UNDERWRITING AGREEMENT:

The Underwriters have underwritten the following number of Equity Shares:

Name and address of the Underwriters	Indicative Number of Equity Shares to be underwritten	Amount Underwritten (Rs. in lakhs)
Karvy Investor Services Ltd. "Karvy House" 46, Avenue 4, Street No.1, Banjara Hills Hyderabad - 500 034 Andhra Pradesh, India	19,99,900	5399.73
SBI Capital Markets Ltd. 202, Maker Tower 'E', Cuffe Parade Mumbai - 400 005	20,00,000	5400.00
Karvy Stock Broking Ltd. "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034 Andhra Pradesh, India	100	0.27

The above-mentioned amount is indicative underwriting and this would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated 10th April, 2006.

In the opinion of our Board of Directors and BRLMs (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange (s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure/subscribe to the extent of the defaulted amount.



3. SHARE CAPITAL STRUCTURE OF THE COMPANY

The Share Capital (before and after the Issue) as on the date of filing of this Prospectus with ROC is set forth below:

PARTICULARS		Nominal Value (Rs.)	Aggregate Value (Rs.)
A.	AUTHORISED SHARE CAPITAL 5,00,00,000 Equity Shares of Rs.10/- each	50,00,00,000	
B.	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL 2,68,08,290 Equity Shares of Rs.10/- each fully paid-up	26,80,82,900	26,80,82,900
C.	PRESENT ISSUE IN TERMS OF THIS PROSPECTUS 40,00,000 Equity Shares of Rs.10/- each fully paid up Out of which 4,00,000 Equity Shares of Rs.10/- each are reserved for allotment to Eligible Employees on a competitive basis 4,00,000 Equity Shares of Rs.10/- each are reserved for Existing Retail Shareholders on a competitive basis	4,00,00,000 40,00,000 40,00,000	108,00,00,000 10,80,00,000 10,80,00,000
D.	NET OFFER TO THE PUBLIC IN TERMS OF THIS PROSPECTUS 32,00,000 Equity Shares of Rs.10/- each	3,20,00,000	86,40,00,000
E.	PAID UP EQUITY CAPITAL AFTER THE PRESENT ISSUE 3,08,08,290 Equity Shares of Rs.10/- each	30,80,82,900	
F.	SHARE PREMIUM ACCOUNT Before the issue After the issue		104,00,00,000

DETAILS OF INCREASE IN AUTHORIZED CAPITAL:

Sr. No.	Particulars of increase in the authorized capital	Date of Shareholders' Meeting
1.	As on incorporation - Rs 150 lakhs	-
2.	From Rs.150 lakhs to Rs.500 lakhs	October 31, 1998
3.	From Rs.500 lakhs to Rs.1200 lakhs	May 24, 2000
4.	From Rs.1200 lakhs to Rs.2000 lakhs	September 26, 2003
5.	From Rs.2000 lakhs to Rs.3500 lakhs	May 10, 2005
6.	From Rs.3500 lakhs to Rs.5000 lakhs	November 15, 2005



NOTES TO CAPITAL STRUCTURE

1. Capital History of the Company

Details of the share capital history of our Company is as follows :

Date of allotment/ Date when fully paid	No. of shares	Face Value (Rs.)	Issue price (Rs.)	Consi- deration	% of post issue capital	Cumulative no. of shares	Remarks/ Allotment
June 08, 1992	20	10	10	Cash	Negligible	20	Subscribers to the memorandum
November 2, 1994	1,13,394	10	—	Other than Cash*	0.37	1,13,414	Allotment of Shares towards acquiring Plant & Machinery
December 14, 1994	46,394	10	10	Cash	0.15	1,59,808	Allotment of Shares
December 14, 1994	6,30,487	10	—	Other than Cash*	2.05	7,90,295	Allotment of Shares towards acquiring Plant & Machinery
March 1, 1997	100	10	10	Cash	Negligible	7,90,395	Allotment of Shares
March 29, 1999	7,13,655	10	10	Cash	2.32	15,04,050	Allotment of Shares
March 31, 1999	4,95,950	10	—	Other than Cash*	1.61	20,00,000	Allotment of Shares towards acquiring Plant & Machinery
October 1, 1999	7,14,800	10	10	Cash	2.32	27,14,800	Allotment of Shares
May 24, 2000	48,86,640	10	—	Bonus	15.86	76,01,440	In the ratio of 10:18 out of the free reserves
July 11, 2000	3,98,000	10	50	Cash	1.29	79,99,440	Allotment of Shares to Friends, relatives and associates
November 4, 2000	24,40,100	10	50	Cash	7.92	1,04,39,540	Public issue
November 30, 2002	(1,01,100)	5	—	—	(0.33)	1,03,38,440	Forfeited Share Paid up value
February 5, 2003	10,33,844	10	—	Bonus	3.36	1,13,72,284	In the ratio of 1:10 out of the free reserves
November 20, 2003	22,74,457	10	—	Bonus	7.38	1,36,46,741	In the ratio of 2:10 out of the free reserves
January 5, 2004#	1,01,100	10	77	Cash	0.33	1,37,47,841	Re-issue of Forfeited Share
November 12, 2004	41,24,352	10	—	Bonus	13.39	1,78,72,193	In the ratio of 3:10 out of the free reserves
August 25, 2005	89,36,097	10	—	Bonus	29.00	2,68,08,290	In the Ratio of 5:10 out of the free reserves
TOTAL	2,68,08,290						



* We sourced major and critical equipments/ machineries for the existing facilities from global vendors through Elekon Industries Pte. Ltd., Singapore. In consideration of the payments made by Elekon Industries Pte. Ltd., Singapore towards the procurement of capital goods, we allotted 12,39,831 Equity Shares at par. In respect of the machineries procured, being brand new, we obtained clearance from Secretariat for Industrial Approvals, Department of Industrial Development, Government of India vide letter no. PER: 216(92)/E.O.233 (92)/Misc/Auto dated May 18, 1992. We also obtained necessary permissions from Reserve Bank of India vide their letter Nos. 7631/13.05.594/93-94 dated 19/11/93, No.7294/13.05.594/94-95 dated 13/12/1994 and No.EC.BG.No. /1800/FID/21.03.141/96/97 dated 18/03/97 for allotment of shares as above.

The forfeited shares have been allotted to M/s Zen Tours and Travels Private Limited at a price of Rs.77/- per share.

Note:

We issued bonus shares in the following ratio vide respective board resolutions passed on the following dates

Sr. No.	No. of Shares	Bonus Shares issued: Equity Shares held	Date of Board Resolution
1	48,86,640	10:18	May 24, 2000
2	10,33,844	1:10	February 5, 2003
3	22,74,457	2:10	November 20, 2003
4	41,24,352	3:10	November 12, 2004
5	89,36,097	5:10	August 25, 2005

2. Promoters Contribution and Lock-In Period

We have been listed on at least one stock exchange for more than 3 years and have a track record of dividend payment for the 3 immediate preceding years. The requirement of promoters' contribution shall not be applicable as per clause 4.10.1 (a) of chapter IV of the SEBI DIP guidelines, hence the shares are not subject to lock-in.

Promoters

Name	Date of Allotment/ Acquisition	Consi- deration	No. of shares	Face Value	Issue Price	% of pre- issue capital	% of Post Issue capital
Mr. Vinod Ramnani	Memorandum Subscription	Cash	10	10	10	Negligible	Negligible
	01/03/00	Cash	1,91,716	10	10	0.71	0.62
	01/10/99	Cash	4,55,067	10	10	1.70	1.48
	24/05/00	Bonus	11,64,228	10	Nil	4.34	3.79
	05/02/03	Bonus	1,81,102	10	Nil	0.68	0.59
	20/11/03	Bonus	3,98,424	10	Nil	1.49	1.29
	12/11/04	Bonus	7,17,164	10	Nil	2.68	2.33
	25/08/05	Bonus	15,53,855	10	Nil	5.80	5.04
Total			46,61,566			17.39	15.14
Mrs Usha Ramnani	Memorandum Subscription	Cash	10	10	10	Negligible	Negligible
	01/03/00	Cash	76,751	10	10	0.29	0.25
	01/10/99	Cash	79,272	10	10	0.30	0.26
	24/05/00	Bonus	2,80,858	10	Nil	1.05	0.91
	05/02/03	Bonus	43,689	10	Nil	0.16	0.14



Name	Date of Allotment/ Acquisition	Consi-deration	No. of shares	Face Value	Issue Price	% of pre-issue capital	% of Post Issue capital
	20/11/03	Bonus	96,115	10	Nil	0.36	0.31
	12/11/04	Bonus	1,73,009	10	Nil	0.64	0.56
	25/08/05	Bonus	3,74,852	10	Nil	1.40	1.22
Total			11,24,556			4.20	3.65
Mr. Thomas Dietiker	01/03/00	Cash	2,30,543	10	10	0.86	0.75
	01/10/99	Cash	67,237	10	10	0.25	0.22
	24/05/00	Bonus	5,36,004	10	Nil	2.00	1.74
	05/02/03	Bonus	83,378	10	Nil	0.31	0.27
	20/11/03	Bonus	1,83,432	10	Nil	0.68	0.60
	12/11/04	Bonus	3,30,178	10	Nil	1.23	1.07
	25/08/05	Bonus	7,15,386	10	Nil	2.67	2.32
Total			21,46,158			8.00	6.97
Mr. Jayesh C Patel	01/03/00	Cash	1,09,930	10	10	0.41	0.36
	01/10/99	Cash	1,13,224	10	10	0.42	0.37
	24/05/00	Bonus	4,01,677	10	Nil	1.50	1.30
	05/02/03	Bonus	62,482	10	Nil	0.24	0.20
	20/11/03	Bonus	1,37,462	10	Nil	0.51	0.45
	12/11/04	Bonus	2,47,433	10	Nil	0.92	0.80
	25/08/05	Bonus	5,36,104	10	Nil	2.00	1.74
Total			16,08,312			6.00	5.22

3. Buyback and Standby Agreements

Neither we nor our Directors nor the Promoters of the Company, the BRLMs have entered into any buyback and/or standby arrangements for the purchase of our Equity Shares from any person.

- Over-subscription** - an oversubscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to nearest integer while finalizing the basis of allotment.
- In this issue, in case of over-subscription in all categories, upto 50% of the net issue shall be allocated on proportionate basis to Qualified Institutional Buyers out of which 5% shall be available for allocation on a proportionate basis to mutual funds. The remainder shall be available for allotment on a proportionate basis to QIBs and mutual funds. Not less than 15% of the net issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the net Issue shall be available for allocation on proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any in the Employee reservation category would be met with spill over from the net offer to the public category at the sole discretion of our Company in consultation with the BRLMs. Under subscription, if any, in the non-institutional bidders and retail bidders category would be met with spillover from other categories at the sole discretion of our Company in consultation with BRLMs.

6. Pre-Issue and Post-Issue Shareholding Pattern

Pre-Issue and Post-Issue shareholding pattern of our Company assuming full subscription of the present issue is given below:



Sr. No.	Particulars	Pre Issue		Post Issue	
		No of Equity Shares	%	No of Equity Shares	%
1	Promoters:				
	Indian Promoters	73,94,434	27.58	73,94,434	24.01
	Foreign Promoters	21,46,158	8.01	21,46,158	6.97
	Sub Total	95,40,592	35.59	95,40,592	30.98
2	Non Promoter's Holding				
	Institutional Investors				
	Mutual Funds and UTI	10,46,810	3.90		
	Banks, Financial Institutions, Insurance Companies	25,471	0.10		
	FII's	26,74,908	9.98		
	Sub Total	37,47,189	13.98		
	Others			2,12,67,698	69.02
	Private Corporate Bodies	40,06,098	14.94		
	Indian Public	61,32,868	22.88		
	NRIs/OCBs	33,20,694	12.39		
	Any Other- clearing members	57,528	0.21		
Trust	44	0.00			
Transit	3,277	0.01			
	Sub Total	1,35,20,509	50.43	2,12,67,698	69.02
	Grand Total	2,68,08,290	100.00	3,08,08,290	100

7. Top Ten Shareholders:

Our ten largest shareholders two years prior to date of filing of the Prospectus with ROC are as follows:

S. No.	Name of the Shareholder	No. of Shares	% to post issue Capital
1	Vinod Ramnani	23,90,547	7.76
2	Thomas Dietieker	11,00,594	3.57
3	Jayesh C Patel	8,24,776	2.73
4	Usha Ramnani	5,76,696	1.87
5	Veenus Thermocol Pvt Ltd	5,47,800	1.79
6	Alps Developers Ltd	5,23,282	1.70
7	EGON Fritz	4,11,901	1.34
8	VR Thermo Devices Pvt Ltd	4,05,968	1.32
9	Valiveti Bhaskar	2,72,007	0.88
10	Pushpa Bose	2,60,935	0.85



Our ten largest shareholders 10 days prior to date of filing of this Prospectus with ROC are as follows:

S. No.	Name of the Shareholder	No. of Shares (of Rs.10 each)	% to post issue capital
1	Vinod Ramnani	46,61,566	15.13
2	Thomas Dietieker	21,46,158	6.97
3	Jayesh C Patel	16,08,312	5.22
4	Thomas Thomas	11,69,998	3.78
5	Usha Ramnani	11,24,556	3.65
6	Veenus Thermocol Pvt Ltd	10,68,210	3.46
7	Citigroup Global Markets Mauritius Private Ltd	9,01,471	2.93
8	BSMA Limited	8,73,900	2.84
9	EGON Fritz	8,03,206	2.61
10	Alps Developers Ltd	7,47,498	2.43

Our ten largest shareholders as on the date of filing of this Prospectus with ROC are as follows:

S. No.	Name of the Shareholder	No. of Shares (of Rs.10 each)	% to post issue capital
1	Vinod Ramnani	46,61,566	15.13
2	Thomas Dietieker	21,46,158	6.97
3	Jayesh C Patel	16,08,312	5.22
4	Thomas Thomas	11,69,998	3.78
5	Usha Ramnani	11,24,556	3.65
6	Veenus Thermocol Pvt Ltd	10,68,210	3.46
7	Citigroup Global Markets Mauritius Private Ltd.	10,01,471	3.25
8	BSMA Limited	8,73,900	2.84
9	EGON Fritz	8,03,206	2.61
10	Magna Umbrella Fund PLC	7,84,185	2.54

8. The aggregate shareholding of the promoter group is 95,40,592 equity shares aggregating to 35.59%. None of the promoters, promoter group or directors of our Company have purchased and/or sold/ financed any shares of the Company during the past six months.
9. No shares have been allotted on firm basis or through private placement in the last two years nor has the Company bought back its equity shares in the last six months preceding the date on which the Red Herring Prospectus is filed with SEBI.
10. A total of up to 10% of the Issue size, i.e., up to 4,00,000 Equity Shares, has been reserved for allocation to the Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Employees may bid in the Net Issue to the public portion as well and such Bids shall not be treated as multiple Bids. Any under subscription in the Equity Shares under the Employees Reservation Portion would be treated as part of the Net Issue to the public in the manner detailed in the section titled "Issue Structure" on page no. 162.
11. A total of up to 10% of the Issue size, i.e., up to 4,00,000 Equity Shares, has been reserved for allocation to the Existing Retail Shareholders on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Existing Retail Shareholders as on 10th March, 2006 would be eligible to apply in this Issue under reservation for our Existing Retail Shareholders. Existing Retail Shareholders may bid in the Net Issue to the public portion as well and such Bids shall not be treated as multiple Bids. Any under subscription in the



Equity Shares under the Existing Retail Shareholders Reservation Portion would be treated as part of the Net Issue to the public in the manner detailed in the section titled "Issue Structure" on page no. 162.

12. An investor in the Net Issue to the public cannot make a Bid for more than the number of Equity Shares offered in the Net Issue This is further subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor. Further an investor applying in the category reserved for the Existing Retail Shareholders or Employees cannot make a Bid for more than the number of Equity Shares offered in the respective category.
13. There are no outstanding warrants, options or rights to convert debentures or other instruments into equity shares as on date.
14. Our Company does not currently have any employee stock option plan.
15. Our Company has issued shares for consideration other than cash (other than by way of capitalization of reserves) as under:
 - a. On November 2, 1994 we issued 1,13,394 shares towards acquiring Plant & Machinery.
 - b. On December 14, 1994 we issued 6,30,487 shares towards acquiring Plant & Machinery.
 - c. On March 31, 1999 we issued 4,95,950 shares towards acquiring Plant & Machinery.
16. Our Company has not revalued its assets since incorporation.
17. The Company has made payment of Rs.1850.84 lakhs to the Shareholders of EuroCor for acquisition of shares and Rs.420.66 lakhs for discharging the liabilities of EuroCor, which is part of the acquisition consideration by availing a short term loan from State Bank of India, IFB Branch, Bangalore and Term loan & working capital facility from State Bank of Travancore, Bangalore. These amounts will be repaid out of the proceeds of this Follow on Public Offer.
18. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Red Herring Prospectus with SEBI until the equity shares offered through hereby have been listed.
19. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of the Issue, by way of split/consolidation of the Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly into Equity Shares) whether on a preferential basis or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities linked to equity shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the interest of the Company.
20. The shares of the Company held by the promoters and promoter group or companies promoted by promoter group are not locked in.
21. There shall be only one denomination of the Equity Shares of the Company, unless otherwise permitted by law. The Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
22. A Bidder cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
23. Securities offered through this issue shall be made fully paid up or may be forfeited within 12 months from the date of allotments of securities in the manner specified in clause 8.6.2 of the SEBI (DIP) Guidelines.
24. As on March 21, 2006, the total number of equity shareholders were 10,204.
25. No shares of the promoters have been pledged.
26. We have not made any preferential allotments after listing pursuant to our previous public issue but prior to filing of the Red Herring Prospectus.



27. The Company made a public issue of 27,02,000 Equity Shares of Rs.10 each for cash at a premium of Rs.40 aggregating Rs. 1,351 lakhs. The issue opened on September 29, 2000 and closed on October 06, 2000. The shares were listed on the Bombay Stock Exchange Limited, the Hyderabad Stock Exchange Limited and Bangalore Stock Exchange Limited. Subsequently, the Company has delisted itself from and Bangalore Stock Exchange Limited and Hyderabad Stock Exchange Limited with effect from 01/03/2004 and 31/03/2004 respectively.

28. **Restrictive Covenants in the sanction Letter from State Bank of India and State Bank of Travancore.**

The sanction letters dated 19.11.2004 and 19.01.2005 respectively issued by State Bank of India and State bank of Travancore for a fund based limit of Rs. 1888 lakhs and a non-fund based limit of Rs.320 lakhs from State Bank of India and Fund Based limit for Rs. 516 lakhs and non-fund based limit of Rs. 180 lakhs from State Bank of Travancore, contains the following restrictive covenants on the company, during the currency of the facility, wherein the company shall not without prior consent of the Banks in writing:

- Effect any change in the capital structure.
- Formulate any scheme of amalgamation and reconstruction.
- Undertake any new project or expansion schemes/modernization/diversification/renovation or acquire any fixed assets. Without obtaining the Bank's prior consent unless the expenditure on such expansion, etc, is covered by the company's net cash accruals after providing for dividends, investments etc, or from long term funds received for financing such new projects or expansion.
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concern.
- Enter into borrowing arrangements either secured or unsecured with any other Bank, Financial institution, company or otherwise save and except the working capital facilities granted/ to be granted by other consortium member banks, under consortium arrangement with the bank and term loans proposed to be obtained from financial institutions/ banks for completion of the replacement-cum-modernization programme.
- Undertake guarantee obligation on behalf of any other company.
- Declare dividends for any year except out of profits relating to that year and with specific approval from the Banks.
- Withdraw loans/deposits secured from promoter shareholders, directors, depositors and promoters of the company.
- The company should not make any drastic change in its management setup without the Bank's permission.
- Pay any commission to the guarantors towards the guarantees executed by them for the credit facilities granted by the Banks to the company.
- Create any further charge, lien or encumbrance over the assets and properties of the Borrower to the charged to the Bank in favour of any other Bank, Financial Institutions, Company, firm or person.
- Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.

In addition, we are under an obligation to maintain a minimum net working capital of 25% of total current assets, and our promoters may not divest their shares in the company during the currency of the loan.



4. OBJECTS OF THE ISSUE

The objects of the issue are to upgrade Research and Development facility , to upgrade infrastructure and acquire additional plant and machinery, to invest in Mediaid Inc for establish marketing offices, to fund the acquisition of EuroCor GmbH, a german company engaged in the production of medical stents, to meet our additional working capital requirements, and to cover the Issue expenses.

The fund requirement and deployment is based on internal management estimates. The fund requirement below is based on our current business plan. In view of the highly competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our fund requirement may also change. This may include rescheduling of our capital expenditure programmes and an increase or decrease in the capital expenditure for a particular purpose vis-à-vis current plans at the discretion of our Management. In case of any variations in the actual utilization of funds earmarked for the above activities, increased funddeployment for a particular activity will be met from internal accruals of the Company. The balance proceeds of the Issue, if any, will be used for growth opportunities and general corporate purposes.

The main objects, objects incidental or ancillary to the main objects and other objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

Fund Requirements

The total estimated fund requirement is as follows:

Particulars	Amount (Rs. Lakhs)
To upgrade our Research & Development facility	1938.00
Cost of upgrading infrastructure and for modernizing and acquisition of additional plant & machinery	1635.00
Investment in Mediaid Inc for establishing marketing offices.	750.00
Acquisition of EuroCor GmbH*	2721.00
Additional Working Capital requirements.	2250.00
General Corporate Purposes	1543.59
Issue Expenses	706.00
Total	11,543.59

* By way of (i) repayment of funds availed from State Bank of India and State Bank of Travancore for the acquisition (ii) additional expenses to be incurred in connection with the acquisition.

1. To upgrade R & D facility

The segment in which we operate being research intensive, we propose to upgrade our R & D facility to understand the emerging technologies and upgrade technical capabilities in our areas of operation.

The R & D activities cover the area of research and development and integration of products to reduce the input cost by adopting new technologies and methods which will make our business model competitive. We propose to hire technical personnel and will be building applications around the existing and new generation products.

In addition a highly specialized manufacturing facility is also planned under the R & D facilities. We require large number of PCB's of highly complicated configuration in many of our products. Keeping in view of the level of accuracy required and also delivery schedules, it is planned to establish in-house PCB assembly facility with sophisticated equipments such as SMT machines, screen printers, reflowovens, etc. This facility apart from strengthening manufacturing will also be useful to the R & D setup.



Summary of Investments in R&D facility.

Particulars	Amount (Rs. Lakhs)
Land	100.00
Civil works	1117.44
Air-conditioning	203.17
Furniture & Fixtures.	136.20
Equipments	214.36
Contingencies @ 10%	167.12
Total cost	1938.29
Say	1938

Details of Land for R&D facility

The Proposed R&D facility will be set up in 5 acres of land to house the proposed building, test equipments and facilities for carrying out the R&D activities. The cost of the land is estimated at Rs. 20 lakhs per acre including the cost of acquisition, registration and land development.

Details of Civil Works and furniture to be supplied to R&D facility

Sl. No.	Name of the Engineer /Supplier	Description	Date of quotation	Qty./ Sets/ Area in Sq.ft.	Net Amount	Packing Forwarding and others including Tax (Rs. Lakhs)	Amount
Civil works							
1.	Ravi Associates	Civil works for construction of Basement Floor, Ground Floor, First Floor, Second Floor, Third Floor, Terrace Floor and Compound Wall and others.	12/12/05	91195	829.85	33.19	863.04
2.	Akash Electrical Consultants	Electrical Works	12/12/05	Lump sum	147.00	5.88	152.88
3.	Multi Ax	Modular False Ceilings	09/12/05	88000 Sq.ft. and	37.84	6.62	44.46
		Antistatic PVC Flooring Rools	09/12/05	50000 Sq.ft. and	19.00	3.33	22.33
4.	Gateway Networking Solutions	Net Working	13/12/05	Lump sum	29.56	5.17	34.73
							1117.44
Air Conditioning Works							
5.	Aircon Systems	Airconditioning works	12/12/05	20,000 Sq.ft	181.05	22.12	203.17
							203.17



Sl. No.	Name of the Engineer /Supplier	Description	Date of quotation	Qty./ Sets/ Area in Sq.ft.	Net Amount	Packing Forwarding and others including Tax (Rs. Lakhs)	Amount
Furniture & Fixtures.							
6.	Panorama Solutions Pvt Ltd.	Modular Work Station	10/12/05	Lump sum	92.59	11.58	104.17
7.	Sri Balaji Interiors	Aluminium Semi-glazed Aluminium Partition	10/12/05	22,000 Sq.ft	30.80	1.23	32.03
							136.20

Details of Equipment to be installed at R & D Centre

Sl. No.	Name of the Supplier	Description	Date of quotation	Qty./ Sets	Unit Price	Currency	Net Amount (Rs. lakhs)	Packing Forwarding & Taxes (Rs. lakhs)	Gross amount (Rs. lakhs)
1.	M/s. EMS	Full vision Components placer with Standard Accessories Model KE -2060 L, PCB SIZE 330mm X 250mm.	30/12/05	2 Nos.	14000000	Japan-Yen	109.20	5.46	114.66
2.	M/s. Accurex.	R29 Series Semi automatic Screen Printer	30/12/05	1 No	19,000	GB-Pounds	15.70	0.78	16.48
3.	M/s. Accurex.	Forced Convection Reflow Oven.	30/12/05	1 No	60,200	Euros	33.71	1.69	35.40
4.	M/s. SBA Computer Services	SBA Power stream, 15" Samsung Monitor, 512MB Toshiba Pen Drive, 2 Port PCI Serial Card.	03/01/06	100 Nos.	32900	Rupees	34.22	1.71	35.93
5.	Scientific & Industrial Equipment Company	SCIENTIFIC Mono 100 MHz 1 GS/s Real Time sampling digital Storage Oscilloscope with Built in USB Port & software.	03/01/06	2 Nos.	73500	Rupees	1.47	0.07	1.54
		SCIENTIFIC color 100 MHz 250 MS/s Real Time sampling digital Storage Oscilloscope with Built in USB Port & software.	03/01/06	2 Nos.	63000	Rupees	1.26	0.06	1.32
		SCIENTIFIC Mono 100 MHz 250 MS/s Real Time sampling digital Storage Oscilloscope with Built in USB Port & software.	03/01/06	2 Nos.	56500	Rupees	1.13	0.06	1.19



Sl. No.	Name of the Supplier	Description	Date of quotation	Qty./ Sets	Unit Price	Currency	Net Amount (Rs. lakhs)	Packing Forwarding & Taxes (Rs. lakhs)	Gross amount (Rs. lakhs)
		SCIENTIFIC 3 MHz Function Generator	03/01/06	5 Nos.	8750	Rupees	0.44	0.06	0.49
		SCIENTIFIC 5 MHz Function Generator	03/01/06	5 Nos.	10300	Rupees	0.52	0.07	0.58
		SCIENTIFIC 0-30 V/3A Single Power supply	03/01/06	25 Nos.	5500	Rupees	1.38	0.18	1.55
		SCIENTIFIC 0-30 V/3A Dual Power supply	03/01/06	25 Nos.	8200	Rupees	2.05	0.27	2.32
		SCIENTIFIC 0-30 V/3A Dual Tracking Power supply	03/01/06	5 Nos.	8600	Rupees	0.43	0.06	0.49
		SCIENTIFIC 3 3/4 Digit Digital Multimeter.	03/01/06	100 Nos.	1850	Rupees	1.85	0.24	2.09
		SCIENTIFIC L-C-R-Q Bridge.	03/01/06	2 Nos.	14100	Rupees	0.28	0.04	0.32
							203.62	10.74	214.36
Assumptions 1 Japanese Yen = Rs. 0.39 1 GB Pound = Rs. 82.61 1 Euro = Rs. 56.00									

2. Expansion and up-gradation of existing facilities.

The company proposes to enhance its capabilities in core manufacturing in its existing setup at Electronics City. The important components of Expansion / Up-gradation process are as below.

Details of Assets Proposed to be acquired

Particulars	Net Amount	Freight, Packing etc.	Contingency	(Rs. Lakhs)
				Gross Amount
		5%	10%	
Equipment for upgradation of existing facility	474.95	23.75	47.49	546.19
Equipments for Inspection & Test equipments for existing and Expansion	184.05	9.20	18.40	211.65
Equipments for Manufacture of Cables for SPO2 Sensor assembly	654.00	32.70	65.40	752.10
	1313.00	65.65	131.3	1509.95
Civil Works				125.19
Total				1635.14
Approx				1635



A. Enhancing manufacturing area.

We constructed an additional area of about 15,000 sft within the existing campus and created clean room manufacturing facility, storage etc., This additional manufacturing area will be used for accommodating the proposed expansions.

The detailed expenditure incurred is as under:

SI No.	Particulars	Amount Rs. In lakhs
1	Civil Works	103.00
2	Furniture & Fixtures.	11.58
3	Electrical Installations	10.61
	Total	125.19

B. Up gradation of Existing manufacturing facility.

It is proposed to modernize / upgrade the existing production lines by adding newer equipments particularly in processes such as dicing, bonding wafer mounting, moulding etc., The total cost of these equipments works out to Rs. 546.19 lakhs (including freight and packaging and contingencies).

Details of Equipments proposed to be acquired for the existing production lines

SI No.	Name of the Supplier	Description	Date of quotation	Qty./ Sets	Unit Price	Converted Currency	Amount Rs. Lakhs
Equipment for up gradation of existing facility							
1.	Disco Hi-Tech (Singapore) Pte Ltd.	Semi automatic dicing Saw, Model DAD3220	19/12/05	1	120140	USD	54.23
2.	Technovision, Inc.	Wafer Mounter	16/12/05	2	35,000	USD	31.60
3.	Technovision, Inc.	Wafer Expander	16/12/05	2	13,880	USD	12.53
4.	K & S Esec, Shinkava, Israel.	Mannual Bell Bonder	16/12/05	4	38690	USD	69.86
5.	K & S Esec, Shinkava, Israel.	Mannual Wedge Bonder	16/12/05	4	43300	USD	78.18
6.	Fuji Rf Applications (S) Pte Ltd	Pellet Pre Heater	19/01/05	3	16500	USD	22.34
7.	HANMI Semiconductor Co. Ltd	Molding Press	22/12/05	2	90700	USD	81.88
8.	HANMI Semiconductor Co. Ltd	4 Chase Conventional Mold	13/12/05	3	66000	USD	89.38
9.	HANMI Semiconductor Co. Ltd	Book Mold	13/12/05	3	25800	USD	34.95
					450010		474.95

C. Inspection and Testing equipments

The company proposes to upgrade its inspection and testing capabilities substantially to meet the stringent quality norms for its products. These facilities are must to produce world class products & to take global competition. The cost works out to Rs. 211.65 lakhs (including freight and packaging and contingencies).


Inspection and Testing equipments
(Rs. Lakhs)

Sl. No.	Name of the Supplier	Description	Date of quotation	Qty./ Sets	Unit Price	Converted Currency	Amount
10	Toshniwal Brothers Pvt Ltd	Storage Cabinets	13/12/05	10	4850	Pounds	40.06
11	Terra Universal.Com	Wafer Storage Cabinets	22/12/05	2	13298	USD	12.01
12	Advance Tech Services	PCB Rework Station	13/12/05	5	47000	Rs	2.35
13	Toshniwal Brothers Pvt Ltd	Thermal cycling Chanber	18/11/05	3	21966	Pounds	54.43
14	Mitutoyo	Inspection System	23/12/05	1		Rs	21.24
	Mitutoyo	Optional Accessories	23/12/05	1	8,89,280	Rs	8.89
15	Terra Universal.Com	Ultrasonic Cleaner	22/12/05	1	1858	USD	0.84
16	Terra Universal.Com	Precision Vacu Sealer	22/12/05	1	7503	USD	3.39
17	Terra Universal.Com	Air Showers	22/12/05	2	14241	USD	12.86
18	Terra Universal.Com	Vertical Laminar Flow Stations	22/12/05	5	7327	USD	16.54
19	Terra Universal.Com	Air Multi Purpose Ovens	22/12/05	5	4130	USD	9.32
20	Terra Universal.Com	Wire Bond Strength Tester	22/12/05	1	4687	USD	2.12
							184.05

D. Manufacturing Equipments

Company manufactures SPO2 cables in large numbers. The demand is increasing steadily Presently the requirement of cables and related processes such as over moulding, crimping, stripping etc., are got done overseas. It is now proposed to establish facilities for manufacturing cables for SPO2 in house by adding full range of top end equipments.

The cost of these equipments works out to Rs. 752.10 lakhs (including freight and packaging and contingencies)

Equipments for Manufacture of Cables for SPO2 Sensor assembly
(Rs. lakhs)

Sl. No.	Name of the Supplier	Description	Date of quotation	Qty./ Sets	Unit Price	Converted Currency	Amount
01	Kodera Shahhababd Impex (Stoko)	Crimping Machine	17/12/05	1	700000	USD	315.98
02	Cirris	High Voltage Testers	17/12/05	4	5550	USD	10.02
03	Eubanks Engineering Co.	Automatic Wire Cutter & Stripper	17/12/05	3	19245	USD	26.06
04	Maillefer Extrusion	PVC Extrusion Machine	23/12/05	1	785350	CHF	270.16
05	Taiwan Kinki Machinery Co. Ltd.	Injection Moulding Machine for overmoulding connector	15/12/05	4	17600	USD	31.78
							654.00

Currency Conversion as at 23-12-2005.
1USD = Rs. 45.14
1 Lb = Rs. 82.60
1 CHF = Rs. 34.40



3. Investment in Mediaid Inc., for establishing marketing offices

The products of the company are marketed globally through the marketing offices set by its subsidiary Mediaid Inc., USA. Armed with FDA & CE approvals, there is tremendous scope for OCI's products to penetrate major markets such as USA, Latin America, Middle East, Europe etc., In order to explore these opportunities, the company intends to establish marketing offices in at least 6 places viz., Germany, France, Dubai, Singapore, Brazil & Chile.

Investment for setting up marketing offices.

Particulars	(Rs. Lakhs)
Distribution office in Singapore	49.00
Distribution office in Dubai	30.00
Distribution office in Bonn	113.00
Distribution office in Brazil/Chile	25.00
Distribution office in France	60.00
2 training Programmes each for 6 Countries	53.00
Product Seminars	220.00
Participation in Exhibitions Medica, Arab health show, Institute of Cardiologists ESE Congress	200.00
Total	750.00

This investment will be made by way of Equity at par. The Company does not envisage any dividend payouts in the next two years.

4. Acquisition of EuroCor GmbH, Germany¹

With the completion of the acquisition on 10th January 2006, EuroCor GmbH is our 100% Subsidiary.

Based on the Memorandum of Understanding (MOU) with EuroCor GmbH, Germany signed on December 8, 2005 all the shares of EuroCor have been acquired from the existing shareholders by us.

EuroCor is located in Bonner Talweg 61, 53113 Bonn, Germany which is engaged in production of Stents.

We have acquired all the shares from the existing shareholders of EuroCor. For a consideration of Euro 41,82,606 equivalent to Rs 2271.50 Lakhs. A further price of Euro 5,00,000 is payable in two installments of Euro 250,000 on March 31'06 & a further sum of Euro 250,000 on June 30 '06. Subsequently if EuroCor achieves a turnover of Euro 10 million by February' 07 OCI will have to pay 60% of the turnover that exceed above Euro 10 million. The amount so payable will be restricted to Euro 3 million. Thereafter should the company achieve a turnover exceeding Euro 20 million for a 12 month period ended February 2008, OCI will have to pay 60% of the turnover that exceed above Euro 20 million. The amount so payable will be restricted to Euro 3 million.

We have made payment of Rs.1850.84 lacs to the Shareholders of EuroCor for acquisition of shares and Rs.420.66 lacs for discharging the liabilities of EuroCor, which is part of the acquisition consideration by availing a short term loan from State Bank of India, IFB Branch, Bangalore. On February 15, 2006, we have repaid an amount of Rs. 1300 lakhs to State Bank of India by a fresh term loan and working capital facility from State Bank of Travancore, IFB, Bangalore.

Accordingly, the following loans, availed for the purpose of the part acquisition, are sought to be repaid from the proceeds of the Follow on Public Offer:

1. Short term ad-hoc loan of Rs. 500 lakhs from State Bank of India, IFB, Bangalore;
2. Term loan of Rs. 1000 lakhs from State Bank of Travancore, IFB, Bangalore;
3. Working capital facility of Rs. 300 lakhs from State Bank of Travancore, IFB, Bangalore;



The cost of acquisition is as under:

Particulars	(Rs. Lakhs)
Acquisition of overseas Company Eurocor, GmbH, Germany	2271.50
Additional Payment of 5,00,000 Euros	280.00
Other Acquisition Expenses	169.50
Total	2721.00

1 By way of (i) repayment of funds availed from State Bank of India and State Bank of Travancore for the acquisition (ii) additional expenses to be incurred in connection with the acquisition.

Background of EuroCor GmbH

EuroCor is a new European Life Sciences Technology corporation specializing in the research, development and manufacture of interventional cardiology products. They are into the business of coronary stent technologies and special cardiovascular devices.

The founder is Dr. Michael Orłowski, who is the Director & Chief Executive Officer. Headquartered at Bonn, Germany, with subsidiaries in France & Poland, EuroCor has a worldwide distribution network in 26 countries.

EuroCor specializes in cardiological & peripheral stenting technology with products like Genius, Magic, Taxcor, and Minimax. Besides, it also has coronary dilatation catheters in its portfolio as well as Peripheral stenting catheters.

EuroCor has launched drug eluting stents (DES) which gives safer long term patient results. EuroCor intends to implement a project for drug coating not only to fight restenosis, but also to provide a natural healing solution for it, after coronary stenting through the release of two different drugs to the coronary artery wall.

PRODUCT PROFILE:

Heart Surgery has been revolutionized in the past ten years with the development of minimally invasive procedures. In order to keep the coronary artery open, a new device was developed and clinically approved in the early 90s, the coronary stent. It is a small metal tube, which is deployed inside the coronary artery lesion by means of a coronary stent delivery system in order to keep the diameter of the stented vessel open.

The company makes the following varieties of stents in Germany.

TAXCOR - PACLITAXEL - ELUTING CORONARY STENT SYSTEM.

Taxcor provides a pure biological DLC carbonized coronary stent surface. The drug paclitaxel is incorporated in an exclusive, organic biodegradable Hyper biopolymer stent coating. The patient directed drug - eluting technology ensures controlled PACLITAXEL release Kinetics. There is no potential of long term side effects for the patient.

GENIUS MEGAFLEX

Bioflexible coronary stent system has a low restenosis option with High Clinical safety and efficacy - alternative to DES. The bio flexible Megaflex compliance with vessel motion significantly reduces vascular trauma. It provides a very high radial force to the artery wall and ensures a maximized intra-stent luminal gain.

GENIUS MAGIC

Super Thin Cobalt Chromium Coronary Stent System Biology based "MEGAFLEXIBILITY" coronary stent biomechanics reduces restenosis, significantly. Genius MAGIC follows nature by superior pulse synchronicity with every heart beat.

RADIMAX-PERIPHERAL STENTING

This is a state of the art self-expanding peripheral Stenting Technology. Radimax is manufactured from a solid nitinol tube without any welding points. Radimax is a top clinical performance stenting product providing unique vessel support without risk of vessel reaction.

Benefits accruing to OPTO with the acquisition of EUROCOR

With the acquisition of EuroCor GmbH we have enhanced our product portfolio & also extended our presence in the invasive arena of health care products. On the other hand we can utilize EuroCor's distribution network which is in 26 countries to enhance our reach to distribute our products. The synergy between the two companies can be explored to spread the product portfolio and distribution network across the globe.



5. Working Capital Requirement

OCI's Working Capital Requirement have been calculated on the basis of additional working capital required over a period of next two years. Inventories, Receivables and Advances have been taken at various levels, which is in consonance with industry practice and past trends.

In the envisaged project of Rs.2250.00 lakhs is being estimated as additional margin money requirement to meet the future working capital. The growth in the operation and opportunities drives the company to include additional margin working capital to enable the company to support its business operations. The working capital requirement has been estimated based on the additional working capital required for the year 2006 & 2007 based on the CMA dated January 7, 2006 prepared by the company. Details are as out lined below:-

(Rs. Lakhs)

Current Assets Build up			31-03-06	31-03-07
Consumption of Raw materials	3	Months	1975.51	2998.01
Work in progress	15	Days	371.24	574.61
Finished goods	7	Days	166.13	260.32
Receivables	5	Months	5375.00	8458.33
Other Current Assets			805.02	605.79
			8692.90	12907.06
Current Liabilities				
Sundry Creditors	1	Months	658.50	999.34
Other current liabilities			269.22	296.54
Net Working Capital			7765.18	11611.18
Support From the Bank			2404.00	4000.00
Available margin with the Company			5361.18	7611.18
Funds to be utilized from Public issue				2250

Existing Working Capital Limits

Working Capital Facility	Banks	Nature	Amount (Rs. Lakhs)
	SBI	Packing credit	1500.00
	SBT	Packing credit	700.00
	SBI	Cash credit	100.00
	SBT	Current A/C	0.00
	SBI	Standby line Of credit	288.00
	SBT	Standby line Of credit	212.00
	Total		2800.00

6. Issue Management Expenses

The expenses for this Issue includes underwriting and management fees, selling commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchanges, among others. The total expenses for this Issue are estimated at Rs.706 lakhs being, which will be paid by the Company.



Sr. No.	Particulars	Amount (Rs. Lakhs)
1	Book Running Lead Managers fees	194.40
2	Registrar to the Issue	10.00
3	Offer Stationery	200.00
4	Advertising Expenses	100.00
5	Brokerage, selling Commission & Underwriting Commission	135.00
6	Legal Fees	13.00
7	Other Expenses (incl. Filing Fees, Listing Fees, Depository charges, etc.)	30.00
8	Contingencies	23.60
	Total	706.00

Means of Finance:

Particulars	Amount (Rs. In lakhs)
Public Issue	10,800.00
Internal accruals	743.59
Total	11543.59

Majority of the requirement of the funds is proposed to be funded through FPO. In case of shortfall, if any, the same shall be met out of internal accruals. Excess money, if any, will be utilized for general corporate purpose. The project has not been appraised by external agencies and as such all the fund requirements are based on management estimate.

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or group companies. Pending utilisation, the proceeds will be invested in high quality, interest/dividend bearing short term/long term instruments including deposits with the banks, for the necessary duration. These investments would be authorised by the Board Of Directors or a duly authorised committee thereof.

Of the total project cost, 93.46% would be used to create tangible assets which would be financed out of the proceeds of the Issue.

5. Appraisal

The Project is an on going activity and Institutional support is not sought for. Hence the project has not been appraised.

6. Schedule of Implementation

Activity	Commencement	Completion
To upgrade R & D Centre.	June 2006	June 2007
Cost of upgrading infrastructure and for modernizing and acquisition of additional Plant & Machinery	April 2005	July 2006
Establishing marketing offices by wholly owned subsidiary Mediaid, Inc. USA.	April 2006	December 2006
To meet the cost of acquisition of EUROCOR GmbH, Germany.	January 2006	June 2006



Funds Deployed

We have spent a total of Rs.2443.59 lakhs as on February 28, 2006 for upgrading infrastructure and for modernizing and for acquisition of additional Plant and Machinery, through internal accruals. The same has been certified by the Auditors, M/s. Anand Shenoy & Associates, Chartered Accountants vide their certificate dated March 2, 2006.

(Rs. Lakhs)

Particulars	Amount
Additional construction of Factory Building	103.00
Electrical Installations.	11.58
Furniture & Fixtures.	10.61
Public Issue Expenses	46.04
Acquisition Expenses	2272.36
Total	2443.59

Sources of Financing of Funds already deployed

(Rs. Lakhs)

Particulars	Amount
Internal Accruals	643.59
Adhoc loan from SBI.	500.00
Term loan from State Bank of Travancore	1000.00
Payment out of working capital facility from State Bank of Travancore	300.00
Total	2443.59

7. Proposed deployment of funds

(Rs. Lakhs)

Activity	Cost of the Activity	Upto 28/02/2006	From 01/03/2006 to 31/03/2006	From 01/04/2006 to 31/03/2007
to set up R&D Centre.	1938.00	-	100.00	1838.00
Cost of upgrading infrastructure and for modernizing and acquisition of additional Plant & Machinery	1635.00	125.00	-	1510.00
Establishing marketing offices by wholly owned subsidiary Mediaid, Inc. USA.	750.00	-	-	750.00
To meet part of the cost of acquisition of EUROCOR, GMBH, Germany.	2721.00	307.00	2274.00*	140.00
Additional Working Capital Margin.	2250.00	-	-	2250.00
General Corporate Purposes	1543.59	-	-	1543.59
Issue Management Expenses	706.00	46.00	100.00	560.00
Total	11543.59	478.00	2474.00	8591.59

* This includes repayment of adhoc loan of Rs.500 lakhs availed from SBI and Rs 1300 lakhs availed from State Bank of Travancore.



8. Interim Use of Funds:

Pending any use as described above the proceeds of this issue will be kept in fixed deposits with Scheduled Banks.

9. TERMS OF THE PRESENT ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of this Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

10. BASIS FOR ISSUE PRICE

The Issue Price will be determined by the BRLMs in consultation with the Company, on the basis of assessment of market demand for the Equity Shares, by way of Book Building Process.

Qualitative factors

- The company has met world-class manufacturing standards (ISO 9001 - 2000).
- It has a state of the art manufacturing facility and in-house electronics design and testing Capabilities.
- Operates in technology oriented Optoelectronics industry related to non invasive health care segment

Quantitative factors

a) Earnings per share (EPS)

Unconsolidated basis

Financial year	EPS (Rs.)	Weightage
March 31, 2003	5.45	1
March 31, 2004	7.30	2
March 31, 2005	7.10	3
Weighted average EPS	6.89	
Half yearly ended on Sept. 30, 2005	4.73	

Consolidated basis

Financial year	EPS (Rs.)	Weightage
March 31, 2003	5.09	1
March 31, 2004	6.49	2
March 31, 2005	6.52	3
Weighted average EPS	6.27	
Half yearly ended on Sept. 30, 2005	3.64	

b) Price/Earning Ratio (P/E Ratio) in relation to Issue price of Rs. 270/-

Unconsolidated basis

Based on March 31, 2005 EPS	38.03
Based on weighted average EPS	39.19

Consolidated basis

Based on March 31, 2005 EPS	41.41
Based on weighted average EPS	43.06



c) **Return on Networth**

Unconsolidated basis

Financial year	RONW %	Weightage
March 31, 2003	23.31	1
March 31, 2004	31.60	2
March 31, 2005	35.75	3
Weighted average RONW	32.29	
Half yearly ended on Sept. 30, 2005	19.25	

Consolidated basis

Financial year	RONW %	Weightage
March 31, 2003	17.28	1
March 31, 2004	24.12	2
March 31, 2005	29.76	3
Weighted average RONW	25.80	
Half yearly ended on Sept. 30, 2005	13.55	

- d) Minimum return on total net worth needed after the Issue to maintain EPS (as on March 31, 2005) at Rs.7.10 is 16.81%.

e) **Net Asset Value ***

Unconsolidated basis

(Rs.)

As at March 31, 2005	29.80
As at September 30, 2005	24.62
After Issue at Issue Price of Rs.270/-	42.25

Consolidated basis

As at March 31, 2005	21.91
As at September 30, 2005	26.89
After Issue at Issue Price of Rs.270/-	46.59

- f) The face value of the shares is Rs.10/- and the Issue price is 27 times of the face value at a price of Rs. 270/-.

Comparison of accounting ratios of the Company with industry average and accounting ratios of peer group for Financial Year 2005.

We cannot be compared with the other listed companies, as we don't have an apparent competitor in the segment which is listed on any stock exchange in India, in which we are operating.

The BRLMs believe that the Issue Price of Rs. 270/- is justified in view of the above qualitative and quantitative parameters. See the section titled "Risk Factors" on page viii this Red Herring Prospectus and our financials including important profitability and return ratios, as set out in the Auditors Report on consolidated financial statements on page no. 119 of this Red Herring Prospectus to have a more informed view. The final price would be determined on the basis of the demand from the investors.



11. STATEMENT OF TAX BENEFITS FOR THE COMPANY AND ITS SHAREHOLDERS

M/s Anand Shenoy & Co., the Statutory Auditors of the Company, have certified vide their letter dated December 20 2005, that under the current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, the following benefits, inter-alia, will be available to the Company and the Members.

A. To the Company

The Company will be entitled for the following tax benefits in computing the Taxable Income under the Provisions of the Income Tax Act, 1961 (The Act).

1. Under Section 32 of the Income Tax Act, the Company is entitled to claim depreciation on tangible and intangible assets as well as unabsorbed depreciation brought forward as explained in the said section. The company is also eligible for additional depreciation allowance @ 20% on additions of new Plant & Machinery in the first year of Commissioning or such Plant & Machinery.
2. The company is eligible for amortization of preliminary expenses being the expenditure on public issue of shares under Section 35D of the Income Tax Act, subject to the conditions and limits specified in the Section.
3. Dividends received by the Company from other domestic companies are exempt in the hands of Company as per the provisions of Section 10(34) (read with section 115-O) of the Income Tax Act.
4. Under Section 10B of the Income Tax Act, a deduction in the unit II of such profits and gains as are derived by the hundred per cent export-oriented undertaking from the export of articles or things for a period of ten consecutive assessment years beginning with the assessment year 2000-2001 to 2009-2010, which the company has started to manufacture or produce articles or things, shall be allowed from the total income of the Company.
5.
 - 5.1 In accordance with the provisions of Section 10 (38), the long-term capital gains arising on the transfer of securities in a transaction entered in a recognized stock exchange in India shall be exempt from Income Tax.
 - 5.2 The long term capital gains accruing to the Company otherwise than as mentioned in clause 5.1 above shall be chargeable to tax in accordance with and subject to the provisions of Section 112 of the Income Tax Act, 1961
6. The short term capital gains accruing to the company, from the transfer of a short term capital asset, being securities, in a transaction entered in a recognized stock exchange in India, shall be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess) as per the provisions of Section 111A.
7. The Company is eligible to claim exemption in respect of tax on long term capital gains u/s 54EC & 54ED if the amount of capital gains is invested in certain specified bonds/securities subject to the fulfillment of the conditions specified in those sections.

B. To the resident shareholders

1. Dividends exempt under Section 10(34)
Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) read with section 115-O of the Income Tax Act.
2. Computation of capital gains
 - i. Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a Company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a Company, any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently, capital gains arising on sale of Shares held in a Company or any other listed securities or units of UTI or specified Mutual Fund units held for more than 12 months are considered as "long term capital gains".



- ii. Section 48 of the Income Tax Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

Under section 10(38) of the Income Tax Act, long term capital gains arising on sale of equity shares or units of an equity oriented fund, where the transaction of sale is entered into on a recognized Stock Exchange in India, on or after October 1, 2004 and is chargeable to securities transaction tax, shall be exempt from tax.

Under Section 88E, rebate in respect of securities transaction tax will be admissible from the amount of income tax payable in respect of income from business or profession subject to the conditions specified therein.

- iii. Under section 54EC of the Income Tax Act and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company that are not exempt under section 10(38) of the Income Tax Act, shall not be chargeable to tax if the whole or any part of the capital gains is invested in certain notified bonds within a period of six months after the date of such transfer. However if the said bonds are transferred or converted into money within three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money.

- iv. Under section 54ED of the Income Tax Act and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company that are not exempt under section 10(38) of the Income Tax Act, shall not be chargeable to tax if the whole or any part of the capital gains is invested in acquiring equity shares of Indian Company forming part of an “eligible issue of share capital” within a period of six months after the date of such transfer. However if the said shares are transferred within a period of one year from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the shares are transferred. Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

The issue is made by a public company formed and registered in India; and the shares forming part of the issue are offered for subscription to the public.

- v. Under section 54F of the Income Tax Act, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company, will be exempt from tax subject to other conditions specified therein, if the sale proceeds from such shares are used for the purpose of purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- vi. Under section 111A of the Income Tax Act, short term capital gains arising on sale of shares where the transaction of sale is entered into on a recognized stock exchange in India and is chargeable to securities transaction tax, on or after October 1, 2004 shall be subject to tax at a rate of 10% (plus applicable surcharge and education cess).
- vii. Under section 112 and other relevant provisions of the Income Tax Act, long term capital gains arising on transfer of shares of the company not covered by section 10(38) of the Income Tax Act, shall be subject to tax at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder. However, as per the proviso to section 112(1) of the Income Tax Act, if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20% with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10% without



indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess).

- viii. Under Section 115AD of the Income Tax Act, income received by Foreign Institutional Investor in respect of securities shall be taxed @ 20%. Income by way of Long Term Capital Gains arising from the transfer of such securities shall be taxed 10%. With effect from A. Y. 2005-06, Income by way of Short Term Capital Gains referred to in section 111A arising from the transfer of such securities shall be taxed @ 10%.

C. Additional Benefits Available to non-resident Indians

Non-resident Indians have an option to be governed by the special provisions of Chapter XIIA of the Income Tax Act according to which:

- i Under Section 115 E of the Income Tax Act, where the total income of non-residents Indian includes income by way of long term capital gains on equity shares of Indian company, long term capital gains will be taxed @ 10%.
- ii Under Section 115 F of the Income Tax Act, where there is a long term capital gain on transfer of foreign exchange assets and within a period of six months after the date of such transfer net consideration is invested in equity share or saving certificates as specified in clause (4B) of Section 10 the capital gain will be nil. But if the new assets so acquired is transferred or converted in money within a period of three years from the date of acquisition the amount of capital gain not so charged will be deemed to be the income under the head Capital Gains in the year in which such asset is transferred or converted into money.
- iii Under Section 115 G of the Income Tax Act, it shall not be necessary for the Non-resident Indians to furnish their return of Income, under section 139(1) of the Act, if their source of income is only investment income or income by way of long term capital gains or both, provided income tax deductible at source under the provisions of chapter XVII B has been deducted from such income.
- iv The benefit conferred on a Non-resident Indian assessee will be available even after the assessee becomes a resident if declaration in writing is filed along with the return of income under Section 139(1) of the Income Tax Act, to the effect that the provisions of Chapter XII A shall continue to apply to him in respect of investment income derived from foreign exchange asset vide Section 115 H of the Income Tax Act, until the Transfer or conversion (otherwise than by transfer) into money of such assets.
- v Under Section 115-I of the Income Tax Act, a Non-resident Indian, if he elects by so declaring in the return of his income for that assessment year, not to be governed by the above mentioned special provisions of chapter XII-A, then he will be entitled to tax benefits available to resident individuals.
- vi Shareholders who are tax residents of countries with which India has entered into Double Tax Avoidance Agreements (“DTAA”) may choose to pay tax in accordance with such applicable DTAA, instead of the tax regime discussed above, if the same is considered beneficial by them.

D. Benefits available to Mutual Funds

Under section 10(23D) of the Income Tax Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income-tax on all their income, including income from investment in the equity shares of a company.

E. Benefits available to Foreign Institutional Investors (FII)

- a) In case of a shareholder being a Foreign Investor (FII), in accordance with and subject to the conditions and to the extent specified in section 115 AD of the Act, tax on long term capital gain (not covered by section 10 (36) and 10 (38) will be 10% and on short term capital gain will be 30% as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case. However short term capital gain on sale of Equity shares of a company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or after October



1, 2004 and subject to Securities transaction tax shall be taxed @ 10% as per the provisions of section 111a. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FII.

- b) As per the provision section 90(2) of the Act, the provisions of Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.
- c) In accordance with and subject to the conditions and to the extent specified in Section 10 (36) of the Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their eligible Equity Shares in the company purchased during the period from March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more.
- d) As per the provisions of section 10(38), long term capital gain arising from the sale of Equity shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax
- e) As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
- f) In accordance with and subject to the conditions and to the extent specified in Section 54 EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10(36) and 10(38) arising on transfer of their shares in the company if such capital gain is invested in any of the long-term specified assets in the manner prescribed in the said section. Where the long term specified assets is transferred or converted in to money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would be come chargeable to tax a long term capital gains in the year in which the long term specified asset is transferred or converted in to money.

In accordance with and subject to the conditions and the extent specified in Section 54 ED of the Act, the shareholders would be entitled to exemption from long term capital gain tax (not covered by sections 10(36) on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring Equity Shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section

F. Benefits available to Venture Capital Companies / Funds

Under section 10(23FB) of the Income Tax Act, all venture capital companies / funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income-tax on all their income, including income from investment in the equity shares of a company.

G. Benefits available to resident shareholders under the Wealth Tax Act, 1957

Shares of the Company held by the shareholders will not be treated as an asset within the meaning of section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable.

H. Benefits available to resident shareholders under the Gift Tax Act, 1958

Gifts made on or after October 1, 1998 are not liable to any Gift tax and hence gift of shares of the Company would not be liable for any gift tax.



SECTION IV ABOUT US

1. INDUSTRY OVERVIEW

Optoelectronics involves the combination of optics and electronic- the joining of light and electricity. Five principal functions are performed through Optoelectronics, viz., the collection, transmission, storage, display and hardcopy output of information.

Optoelectronics and other electronic components are fundamental building blocks for electronic products and systems. Primarily the computer, telecommunications, instrumentation, medical equipment and transportation industries generate demand for products in this industry.

The use of light in optoelectronics has significant advantages, including higher information carrying capacity, higher data storage density and the inherent ability to carry visual information. Consequently, Optoelectronics is viewed as a major enabler of the information age that will lead to advances in the collection, storage, transmit and display of information. According to the Optoelectronics Industry Development Association ("OIDA"), Optoelectronics industry is expected to generate markets and services above \$1 trillion within the next decade (SOURCE: OIDA).

The estimated total worldwide market for Optoelectronics components is over \$147 billion (SOURCE: OIDA). This market can be categorized into seven product sectors, viz., Visible LED Lamps and Displays; Infrared LED Lamps and Assemblies; Optocouplers; Laser Diodes; Detectors; Datacom Modules; Telecom Modules and Image Sensors.

The demand for Optoelectronics and other electronic components are driven by the various electronics industries that use these components. Strategies Unlimited- a market research and management firm that specializes in assessing Optoelectronics and other emerging technologies, has estimated that the market for Optoelectronics components will grow at annual rate of 13-17% over the next few years.

The Company specifically operates in the patient monitoring segment which a subdivision of the medical electronics segment. The medical electronics segment has experienced rapid growth rates of over 15% in recent years and is expected to continue to grow at a minimum rate of 10% per annum over the next 10 years. [SOURCE: OIDA]. According to a report released on Patient Monitoring by Business Communications Co. Inc. USA, the world market for patient monitoring devices is between \$2.5 billion and \$ 10 billion in 2002, implying a U.S. market between \$1 billion & \$4 billion. The US market itself is estimated to account for about 40% of the world market for these devices.

1. Pulse Oximeters Instrument

A Pulse Oxymeter is a patient monitoring system that provides continuous confirmation of the adequacy of oxygen circulation and beat-to-beat basis confirmation that delivery of oxygen to the tissues is adequate. Pulse oximeter markets are expected to continue to achieve significant growth through the end of the decade. These Devices provide early warning of patient difficulty that cannot be detected visually or in any other manner. Pulse oximetry is being utilized on a frequent basis within the general medical segment of the hospital and alternate facility. This is due to the fact that these devices are comparatively low cost but they are highly efficient in patient care treatment and healthcare in general.

Oximeter Instrumentation Market

(Million \$ in USD)

Years	2001	2002	2003	2004
Canada	6	6	6	7
France	23	24	26	27
Germany	24	25	27	28
Italy	15	15	16	16
Japan	62	69	73	78
UK	15	16	17	18
United States	224	238	251	265
Others	23	25	28	30
Total	392	418	444	469

*Source: Theta Reports, RAK Associates and Industry contacts



Future oximeter design will have such enhancements & technological know how that it will provide a multi-parameter menu, which has already started. Apart from this the accessibility will be very convenient. It will have enhanced “fool proof” operation with audible alarms, and an output link for downloading patient information to a computer or server interfaced on a VPN. An output link may include a telemetry feature integrated in the oximeter type design.

2. Spo2 Pulse Oxymeter sensors

The Pulse Oximeter sensors are used with Pulse Oximeters and with Multi parameter monitor. There is a huge market potential for sensors as these are accessories that need to be periodically replaced. The large installed base of pulse oximeters has created a significant amount of demand for pulse oximetry sensors.

It is important to note that over time the annual revenue of these sensors has exceeded the annual dollar volume of the equipment. This relationship is true to all medical devices where a disposable trail exists. Many of the major Pulse Oximeter and Multi parameter monitor manufacturing companies are realizing the importance of generating revenues from these accessories and are stepping up their marketing efforts in this direction.

Overall Oximeter & Sensor Market G7 Countries & Other (Million \$ in USD)

Years	2001	2002	2003	2004
Canada	11	11	11	11
France	36	38	40	44
Germany	40	42	45	49
Italy	22	24	24	26
Japan	109	116	131	141
UK	22	24	26	27
United States	391	422	457	491
Others	31	34	37	41
Total	662	711	771	830

*Source: Theta Reports, RAK Associates and Industry contacts

3. Digital Thermometers

Unlike the conventional mercury based thermometers, this product comes with a microprocessor chip and a thermister for enabling quick and accurate measurement of body temperature. The conventional mercury based thermometers (MT) are banned in The US. This is mainly because the exposure to mercury may cause a variety of health effects in people. The total market size in the US alone is over 25 mn per annum. In India, the market for DT is yet to develop due to the huge cost difference.

4. Stents

5. Reusable Sensors

6. Disposable Sensors

7. Cholestrol Monitors

8. Fluid Warmers

9. Infrared Emitters

10. Infrared Detectors

11. Photo Sensor, Detector and Emitters Assemblies.

Other Patient Monitoring Devices

- Retail/workplace monitors (kiosks)
- Bedside/tabletop monitors



- Transport monitors
- Hand-held/wearable monitors

Retail and workplace kiosks are usually stationary installations. The bedside and tabletop monitor segment includes monitors that are small and light enough to be moved from site to site or mounted on a movable cart. In reality, many bedside monitors are rarely moved, including those that are connected to a network.

At the other end of the bedside/tabletop segment are comparatively small monitors. Their manufacturers advertise them as suitable for medical transport applications. It is unclear how many portable bedside monitors are actually purchased for transport applications, but there is also a category of monitors that are designed and sold specifically for transport applications. In addition to their small size, many of these devices have been “ruggedized” somewhat to increase their resistance to the normal wear-and-tear of use in a mobile setting.

Hand-held and wearable monitors are the most portable type of monitor. They are designed to be operated while held in one hand or worn on the patient’s person. Monitors in this category range from small clinical devices such as hand-held pulse oximeters to telemetry devices used to monitor ambulatory patients and consumer glucose monitoring devices.

Highly portable, hand-held and wearable monitors is the fastest-growing segment of the market with a projected average annual growth rate of 11.7% between 2003 and 2008. The rapid growth of this segment reflects the expansion of the home-care market, as well as the growing emphasis on ambulatory care. The market for hand-held and wearable devices is expected to grow from \$945.3 million (49.8% of the market) in 2003 to over \$1.6 billion in 2008 (more than 60% of the market).

Current conditions and trends that characterise the industry include the following:

- As technology has become increasingly sophisticated and complex, larger investments in research & development, personnel and equipment are required to support advanced design and manufacturing processes. OEMs are increasingly outsourcing the design and production of various components, assemblies and turnkey products included in their end products from independent manufacturers.
- Due to the increased complexity of the packaging and interconnection of high-performance systems, component suppliers have to track technology and product developments carefully in their markets and anticipate the needed changes in their own product development to ensure compatibility.

Main Drivers for the Patient Monitoring Segment as under-:

- Large scale implementation of medical electronics technology in health care and treatment
- Clinical monitoring supplies - sales of monitoring devices
- Glucose test supplies - Sales of monitoring devices
- Other home monitoring supplies - Installed base of monitoring devices

2. BUSINESS OVERVIEW

We are in a specialized technology oriented Optoelectronics industry, related to non-invasive health care segment. We engage in the design, development and manufacturing of devices that are employing light to sense and detect, medical monitoring products and distribution thereof.. This segment requires a unique mix of knowledge and niche manufacturing capabilities. One of our key strengths is our insight and knowledge of the client’s requirements. This is evident from our client base which includes names like Philips, GE and Estill Technologies etc. We are not required to disclose the details of capacities and production vide Central Government Notification No. 477(E) of 25/07/1991

We have a state of the art microelectronic assembly unit in Bangalore. We are listed with Federal Drug Authority, USA and have ISO 9001 certification. We maintain strict quality control, at par with international standards.

We acquired patient monitoring division of Palco labs, USA in 2003 and renamed the same as Mediaid Inc. as a separate entity. Mediaid is the 100% subsidiary of our Company and we use Mediaid’s strong distribution network spread across the US, Latin America and Europe to market its brands.



In India, the marketing of our products is done by Bangalore based listed company Advanced Micronic Devices Limited(AMDL). We have acquired 59.7% stake in the company in 2001. AMDL has an established medical distribution network of over 2 decades.

Currently, our range of products include oximeter probes, fluid warmers, cholesterol monitors and a multitude of SpO2 sensors for Patient Monitoring applications in operating theatres and ICUs of hospitals and nursing homes.

We export majority of our production to America, Far East, Europe and Asia. Around 75% of our sales are made in the US market and the major clients include Philips Medizin, Criticare Systems and Epic Medical Equipments. In addition we have also been spreading our wings in the domestic market through our subsidiary, AMDL.

Our strength lies in the following:

- In-house electronics design and testing capabilities.
- Positioning in a very specialized; technology oriented Optoelectronics industry related to health care segment.
- OCI has a strong base in meeting world-class standards to ISO 9001 - 2000.
- Experienced management team and a very capable workforce.

Our growth has been both organic and inorganic. Inorganic growth is due to the acquisition of:

1. Advanced Micronics Devices Limited (AMDL), a public limited company in 2001.
2. Digital Thermometer manufacturing division of Hindustan Lever Ltd., in 2002.
3. Patient Monitoring division of Palco Labs, USA in 2003
4. Altron Industries Private Limited
5. EuroCor GmBH, Germany

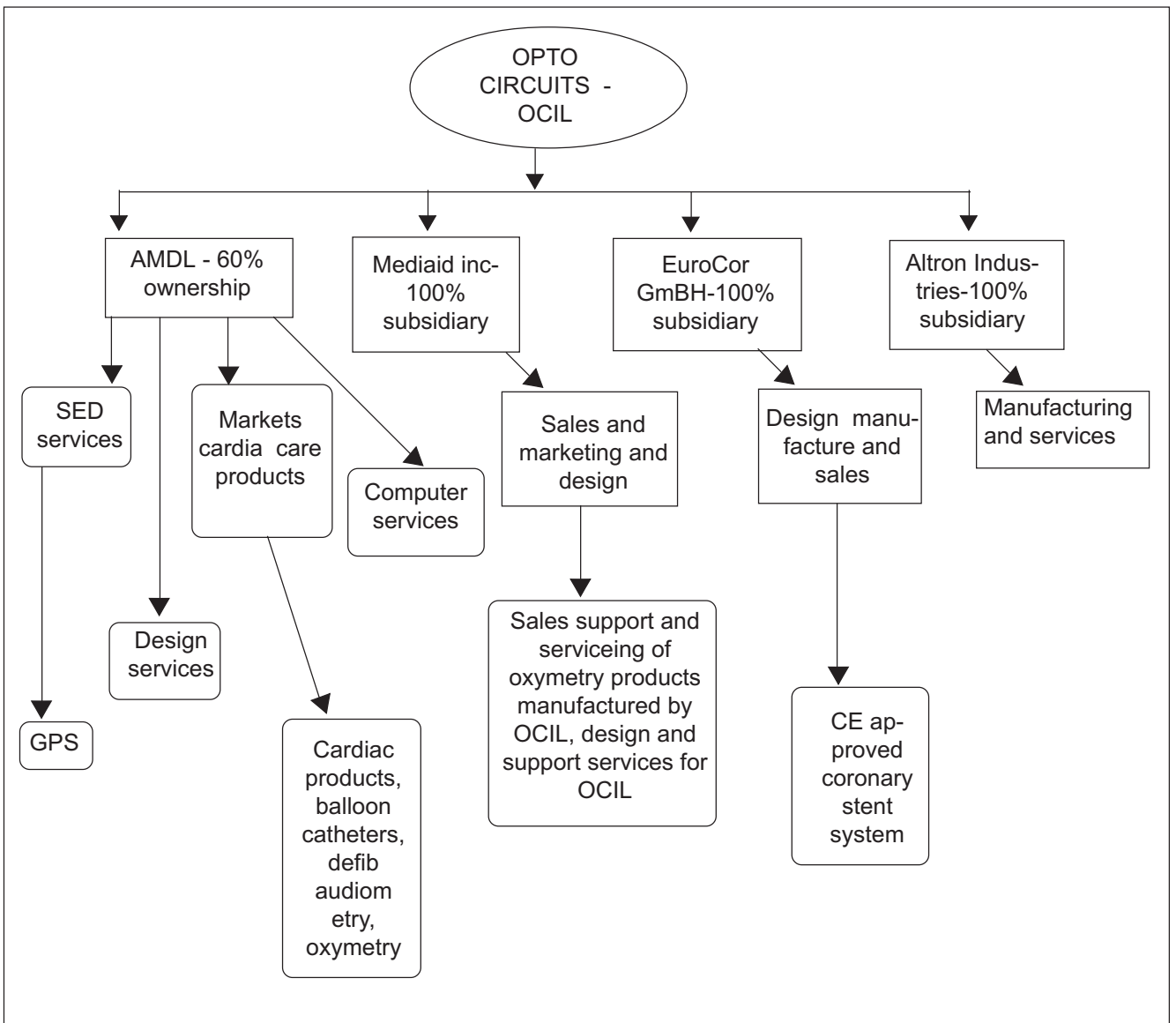
OUR VISION

Our vision is to be the world leader in Health Care related technology by:

- Producing world-class Health Care products using futuristic 'Sensing Technology' and emerge as a global leader.
- Creating a distinct status for ourself in the health-care, security systems and industrial markets
- Driving growth through both organic & inorganic initiatives.
- Keeping shareholder interests at the core of business and put Customer Satisfaction on top of the agenda.



BUSINESS MODEL





OUR PRODUCT RANGE

SpO2 Sensors

The market size for the SpO2 Sensors is broadly divided into the requirements for the OEM market (these are the companies that use various POX modules); for the Spot Check Pulse Oximeter (POX); for Stand alone POX units and for Multi parameter Monitors.

The Pulse Oximeter sensors are used with Pulse Oximeters and with Multi parameter monitor. These consist of oxy sensors (Emitter and Detector assemblies) coupled with specialized cable assemblies or customized interface circuitry to link overall patient monitoring system for checking the percentage of saturated oxygen in the blood and pulse rate.

The US market was dominated by Nellcor's oxygen sensing products. Patent expiry in November 2003 of R-Cal algorithm⁵, one of the primary pulse oximetry sensor technologies, offered by Nellcor has opened up huge market for supply of non-invasive sensor products in the US. We have been able to capitalize this opportunity and increase our presence in the region with our cost advantages and our ability to standardize probe and reader design for a variety of Nellcor's oxygen sensing product.

Pulse oximetry is often considered the fifth vital sign, after heart rate, blood pressure, temperature, and respiratory rate. It has served as an important tool for the clinician by providing continuous monitoring of the critically ill patient's arterial oxygen saturation (SaO₂), by calculating an estimate of the SaO₂ (known as the SpO₂) via an algorithm, and displaying a readout of this estimation.

Monitoring via pulse oximetry may be particularly useful when a patient is unstable and subject to rapid oxyhemoglobin desaturation. Busy staff may not notice that a patient has become restless, agitated, and confused, with accompanying cyanosis and an increased heart rate. The pulse oximeter's monitoring of the pulse rate and the SpO₂ will alert the clinician to the patient's deteriorating status in time to intervene.

SPO2 Probes - These consist of Oxy sensors (Emitter and Detector assemblies) coupled with specialized cable assemblies or customized interface circuitry to link to overall patient monitoring system for checking the percentage of Saturated Oxygen in the blood and Pulse rate. SPO2 probes can meet all the specifications and requirements of customers. Opto Circuits has the capability to make the Emitters and Detectors of both Lead frames as well as ceramic versions, required for the SPO2 Probes and can handle and assemble various kinds of tapes and housings for making the SPO2 Probes. All probes are tested comprehensively (100%) for its functionality. Depending on the customer requirement, each probe is identified for traceability, and packed.

Adaptable sensors are of various kinds:

- Reusable SpO₂ Finger sensors
- Disposable SpO₂ Finger sensors
- Soft Sensors
- Ear lobe sensors
- SpO₂ Y sensors

Reusable Sensors: It comprises Oxy-Sensors (Emitter and Detector assemblies) coupled with specialized cable assemblies or customized interface circuitry. It is used to link overall patient monitoring system for checking the percentage of Saturated Oxygen in the blood and the pulse rate. Today, a number of third world countries still prefer to use the reusable sensors. But, due to the growing hygiene awareness, a gradual shift towards disposable sensors is anticipated.

The company manufactures both reusable and disposable SpO₂ probes.

End Users: Since it is used in Patient Monitoring. It is used in intensive care units, Hospitals, specialty & private clinics etc.

Pulse Oximeters (POX)

A Pulse Oxymeter is a patient monitoring system that provides continuous confirmation of the adequacy of circulation on a beat-to-beat basis. It checks if the delivery of oxygen to the tissues is adequate. It is used to measure the level of oxygen saturation in the blood, the pulse rate and the heart beat.



Factors such as ageing population and higher incidence of heart diseases need close patient monitoring, would increase the demand for this product.

The company has launched a new product called Desktop Pulse Oxymeters used in operation theatres as well as intensive care unit. The product is featured with connectivity to computers, nurse call back facility and battery back up satisfying the international standards for this range of products.

Mini Pulse Oximeter: This is a small oximeter used at hospitals, at clinics, for sleep screening and for home health care. This can be used with either the integral finger sensor or with a cable adaptor module as well as with a variety of adult & pediatric sensors.

Multiparameter Monitors : These are used in operation theatres & intensive care units. These systems are used for monitoring the patient's vital signs such as ECG, blood pressure, temperature & oxygen level saturations.

Desk top Pulse Oximeter: This range consists of desk top pulse oximeters, which are used in operation theatres as well as intensive care units. These have now been enhanced with added features like connectivity to the computer, nurse call back facility & features like battery back up, which puts it in the league of International brands.

End Users: It is used in intensive care units, Hospitals, specialty & private clinics etc.

Other Products

Cholesterol Monitors: A portable battery-operated instrument, it is an invasive method of measuring the total cholesterol in the blood. A drop of blood when placed on a chemical strip changes the color of the strip from white to gray. This change of color is measured electronically by the instrument and is converted into an equivalent cholesterol reading. It displays the cholesterol level through a LCD panel. The unit also undertakes health risk analysis based on the cholesterol value to indicate heart attack and cardiac arrest risk for various biological ages. This health risk analysis is US-FDA approved. Furthermore, the instrument has a facility to store the cholesterol value along with the date and time of the measurement in the personalized Health Card(Smart Card). The instrument has a real time clock as also the facility for storing and retrieving patient names using the keypad.

Fluid warmer

It is used during surgeries and blood transfusions, as it helps in maintaining the temperature of blood at 37 degree Celsius (human body temperature) for smooth flow of blood. It is particularly necessary in cold areas, where the blood becomes thicker resulting in thermal shocks that can often prove fatal for patients. This product has been extensively used by the US army in Iraq.

Digital Thermometer

Unlike the conventional mercury based thermometers, this product comes with a microprocessor chip and a thermistor for enabling quick and accurate measurement of body temperature.

Baggage scanners- We manufacture a line of custom X-ray detectors used by the security equipments industry. We currently manufacturer detectors used for line scanners for a manufacturer on the east coast of the US. These detectors are fairly complex to manufacture and test, due to tight mechanical tolerances between the silicon photodiode and the scintillator. We are amongst the few companies with the capability to manufacture this sensor, and are doing so for the past eight years. The next generation of automatic baggage scanners that have been developed use computer topography technology, which is the same as thobse used in CT scanners, barring speed.

Infrared Emitters - Infrared emitters are discrete components that emit infrared (invisible) light. They are basic building blocks in optoelectronic applications. The company's emitters consist of light emitting diode (LED) chips with lead frames and gold wiring that are mounted on printed circuit boards (PCBs) or ceramic carriers or in plastic packages.

Infra Red Detectors - Infrared Detectors are discrete components that detect or receive infrared light. They too are building blocks in optoelectronic applications. They consist of light sensors such as photodiodes and phototransistors, which are semiconductor chips capable of converting light into electrical signals. The company's sensors are attached to lead frames and are mounted on PCBs or ceramic carriers or in plastic packages.



Photo Sensor, Detector and Emitter Assemblies - These products also involve multiple components and combinations of detector and emitters. Opto's sensor assemblies are used to sense motion, objects speed and distance.

TARGET MARKET

SpO2 sensors

- Companies based in Europe & US that are into manufacturing on their own
- Companies that are into distribution of SpO2 sensors manufactured for them by others, but in their own brand
- Distributors of SpO2 sensors / related products

Pulse Oximeter

- Companies that are into distribution of Pulse Oximeters manufactured for them by others, but in their own brand
- Distributors of related products

Multi Parameter Monitors

- Distributors of related products

Stents

We have acquired a German Company, EuroCOR, which has received the CE Mark approval to sell and market their product (Drug Eluting stent- Paclitaxel) in Europe, Asia and Latin America. This has given EuroCOR an opportunity to sell and market their product in 25 countries and has thus enhanced the accessible market for EuroCOR stents.

MANUFACTURING PROCESS

The process involved in the manufacturing of the major products of the Company are as follows:

Dicing

The Semiconductor chips required for the above products come in wafer form over which a number of Chips are diffused. Each will have a number of micro electronic components. The process of cutting the wafer to get individual chips is called DICING. This is done with help of dicing machine, which uses diamond edge wheel and de-ionized water.

Die-Attach

The individual chips from the diced wafer are picked one by one and placed on the substrates like- PCB, Lead-frames, Ceramics etc. This process of pick and place is done either manually or with the help of automatic pick & place machine. There are different types of die-attach, viz., Epoxy die-attach, Eutectic die-attach, Pre-forma die-attach, etc., depending upon the product manufactured.

Wire Bonding

After the die-attach process the product passes through wire bonding. The purpose of wire bonding is to give interconnection between the micro electronic components of the chip and the substrate. This is achieved with the help of machines called Wire bonders. The material used for wire bonding is either Gold or Aluminium wires of the thickness of the order of 0.001 inch to 0.005 inch depending upon the application of the component.

Visual Inspection & Bond Strength Test

The wire bonded components are then checked visually & tested for the bond strength. The bond strength is checked with the help of Bond-pull tester and Shear tester.

Encapsulation

The wire-bonded component has to be protected from getting damaged, both chemically and physically. This is achieved by encapsulating the components with the material called Epoxy resin. Encapsulation is ensured by way of Coating, Potting, Molding. While the Coating / Potting is done either manually or automatically with



the help of dispensers, the molding is done with the help of the hydraulic press and the customized mold specially designed to suit the requirement of the customer.

Singulation

The encapsulated parts have to be singulated to get individual finished product. This is done using hand operated singulation tool or pneumatically operated press.

Testing

The singulated components are finally tested for the functionality for which they are built. Testing is done either manually or with the help of automatic tester depending upon the volume of products to be tested.

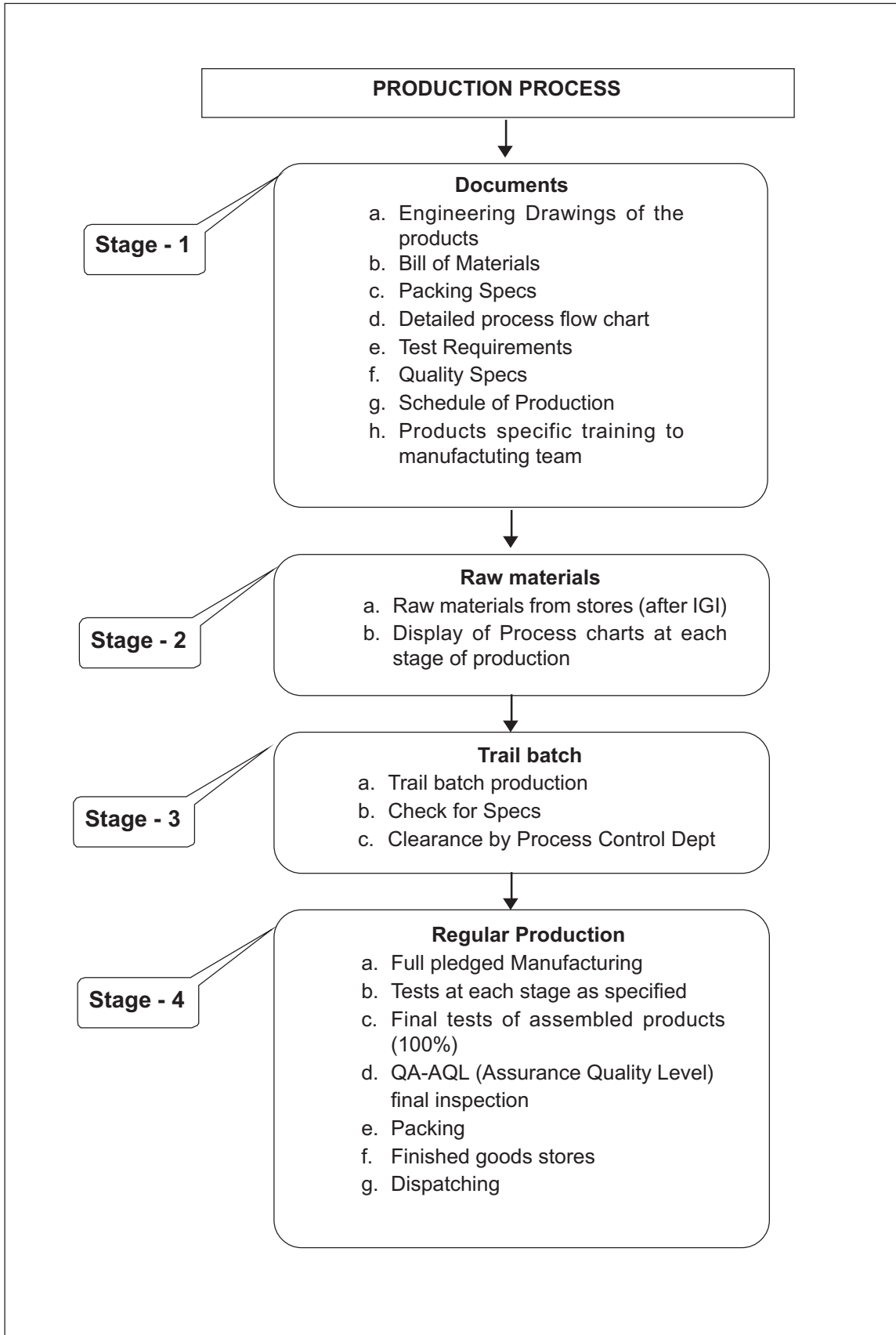
PRODUCTION ISSUES

The process involved in the manufacture of each of our products varies from product to product.

The company is engaged mainly in the manufacture of Electro medical equipments which are used under critical care situation. It is needless to emphasize that the accuracy and reliability of such equipments must adhere to world class standards. In view of this we manufacture our products adopting well defined manufacturing and stringent quality methods. The tests are conducted at various stages such as at raw-material, manufacturing and finished goods. The test requirement of each of the products is determined based on international standards for medical equipments. Products are tested 100%.

The manufacturing process involved is not simply assembling some parts. This involves high end technological inputs at each stage and stringent quality procedure. The value addition into products in terms of technology input, quality standards, reliability standards are of higher levels. The company carries out core manufacturing under strict quality control methods.

The most commonly adopted flowchart of manufacturing process is as below.





MARKETING ARRANGEMENTS & DISTRIBUTION STRATEGY

Majority of our production is currently exported to USA, Europe and Asia Pacific region. We have adopted two sales channels - sales through the business associates i.e. Original Equipment Manufacture (OEM)- and also through direct sales through subsidiaries.

Original Equipment Manufacture (OEM)

We have Measurement Speciality Inc (MSI) as OEM in USA and other OEM in Europe. OEMs in turn supplies to institutional customers.

Direct Sales

We make direct sales through our subsidiaries and distributors. Mediaid Inc is 100% subsidiary through which sales in US are effected. Mediaid Inc in turn sells the same to distributors and retail stores. In India, direct sales are made through our subsidiary AMDL AMDL in turns sales to end users in India.

We carry out our sales in Asia Pacific region through network of distributors in Far East.

We will continue to grow our supplies to OEM worldwide, both through MSI, USA Inc, and by direct sales. Our preferred supplier status with companies like Logitech, Switzerland and Hewlett Packard, Germany have begun to result in the following benefits:

- Growth in the off-take of existing products from these customers
- New customized product development for these customers
- Entry into similar large OE manufacturers worldwide, based on the performance with the current customers.

We will continue to focus our marketing efforts on OEMs of complex products and systems that can benefit significantly from value-added, customized Optoelectronics products. We also look forward to inorganic growth plans, whereby we can acquire companies in the healthcare arena & to increase our geographical spread.

OPPORTUNITIES & STRATEGY

Earlier, the patent for SpO2 sensor was with US-based Tyco-Nellcor for around 13 years. After the patent expired in November 2003, there is a huge market that opened up for sensors; however there is a lot of price competitiveness in the market and prices have come down, so there is a cutting edge competition in this sector. With our subsidiary, Mediaid Inc., securing US FDA approval for Spo2 sensors, we are geared up to compete in the market. Further, there seems to be an huge market for our products in US and Europe which we propose to capitalize by establishing branches through our subsidiary Mediaid Inc. Further, we would like to add more OEMs to our existing clients to improve our market share.

Opto Circuits is all set to grow through the organic and inorganic route increasing its presence in the international market. Our strategy is to increase our global distribution network, expansion of product portfolio and outsourcing opportunities.

1. Outsourcing opportunities from Original Equipment Manufacturers (OEMs) is increasing at a rapid pace in design and manufacture of optoelectronics devices and value added subsystems.
2. OCIL with low cost manufacturing base and standard quality products is well positioned to take advantage of the outsourcing opportunities. We target to increase our market share by adding new products and opening new branches in our subsidiary Mediaid Inc.
3. Patent expiry of R-Cal algorithm, one of the primary pulse oximetry sensor technologies, offered by Mercury thermometers (MT) are banned in the US. This provides immense growth opportunity to the company.
4. OCIL holds 59.7% stake in Advanced Micronic Devices (AMD), a specialized critical cardiac care equipment company. AMDL has strong national distribution network which would be employed to expand the domestic market for OCI's products.
5. MediAid Inc, USA is a 100% subsidiary of the OCIL and enjoys strong distribution network spread across the US, Latin America and Europe. Further, recently Mediaid has recently received a new distribution and pricing agreement (DAPA) from a Defence Personnel Support Centre based in Philadelphia. With



this agreement, the company would be able to distribute the FDA approved SpO2 Sensors and Patient Monitoring Devices at specific prices through the Medical Prime Vendor Programme (MPVP).

The Company will continue to focus its marketing efforts on OEMs of complex products and systems that can benefit significantly from value-added, customized Optoelectronics products.

COMPETITIVE STRENGTHS

- State of the art microelectronic assembly area with particle filtering and full air-conditioning, ample floor space with 60,000 sq. ft. manufacturing plant. The plant is ISO 9001 certified equipped with Class 10,000 Clean Room. The plant is UL and FDA listed.
- Cost-efficient operating structure, which allows us to offer competitive prices.
- The Company contracts with third parties for the fabrication of light-emitting and light-sensing chips (silicon wafers), which are manufactured according to the Company's specifications.
- Well-established relationships with many customers, customer service-oriented organization, which provides a platform for expanding the Company's business with existing customers while also attracting new customers.
- Customized Designed: The Company undertakes design of Opto- Electronic products for its clients. This requires sound technical expertise. Further this also results in the high client retention due to the Company's deep insight and knowledge of its client's requirements.

COMPETITION

The Optoelectronics industry is diverse and fragmented. Large manufacturers in Japan and United States dominate the industry. Some of the larger, well-known companies with Optoelectronics divisions or subsidiaries include Sharp Corp., Hewlett-Packard Co., Rohm Co., Honeywell Inc., Toshiba Corp., Sony Corp., Matsushita Electric, NEC Corp., Lucent Technologies, Stanley Electric, Mitsubishi, Motorola, Philips Electronics, Eastman-Kodak, IBM Corp., Panasonic, Siemens AG, Sumitomo Electric, EG & G, Inc., Northern Telecom and QT Optoelectronics.

The major global manufacturers engaged in Opto-electronic industry primarily operate in standard and off-the-shelf components which are mass-produced through highly automated methods. Since customized Opto-electronics products are labour-intensive and usually produced in smaller quantities, these products are typically manufactured by niche-oriented companies who are highly specialized in their own product lines.

FACILITIES & INFRASTRUCTURE

Facilities

Our headquarter is located in Bangalore, India. This office houses the business units and other support functions such as sales, marketing, finance, HR and quality control. Brief details of our facilities are as under:

Owned Facilities:

1. Plot No.83, Electronics City, Hosur Road, Bangalore
2. Guest Apartments at No. 460/1, Kaikondanahalli, Sarjapur Road, Carmelram P.O. Bangalore

Support Facilities:

1. Advanced Micronic Devices Ltd. - A 306, II Floor, KSSIDC Complex, Electronics City, Bangalore - 560 100
2. Advanced Micronic Devices Ltd.— No. 66, Infantry Road, Bangalore
3. Mediaid Inc - 4025, Spencer Street, Suite 103, Torrence, CA 90503, USA.
4. Advanced Micronics Devices Limited - Plot No. 16, First A Cross, Electronic City, Hosur Main Road, Bangalore- 560 100
5. Altron Industries Pvt. Ltd A- 306 & 307, Electronic City, Bangalore.
6. Advanced Micronic Devices Limited - Office Unit No. 13, Ground Floor, Swastik Chambers Swastik Mills Compound, Near Junction of C.S.T. Road and Sion Trombay Road, Chembur, Mumbai



Overseas Offices (Mediaid Inc):

1. Mediaid USA, 4025, Spencer Street, Torrence, Los Angeles, CA— 90503
2. Mediaid Inc. Post Box # 181722, Jebel Ali Free Zone, Dubai, UAE
3. Mediaid GmbH , AM Sturzbach 17, 41517 Grevenbroich, Germany

Leased Office Space (Advanced Micronic Devices Ltd.)

1. No. 65, D.V.G. Road, Arun Complex, Basvanagudi, Bangalore
2. (Old No. 38 A) New No. 28A, Sir Madhavan Nair Road, Mahalingapuram, Chennai
3. No. 302, Third Floor, Taramandal Complex, Saifabad, Hyderabad
4. TC No. 16/1434 (3), "Harishree Associates Building", Krishana, Gowreshapattom, Trivandrum
5. 9th Floor, Kailash Building, K.G. Marg, New Delhi
6. 37/1/B, Hazra Road, Kolkata

MANUFACTURING FACILITY

The existing manufacturing facility of the Company is located at Plot No.83, Electronic City, Hosur Road, Bangalore. The land, admeasuring 1.5 acres, was allotted to the Company by Karnataka State Electronics Development Corporation Limited (KEONICS) vide letter dated 11/08/1992 on lease cum sale basis. Subsequently, registered vide sale deed dated September 20, 2001.

The Company enjoys clear title and there is a charge created in favour of SBI and SBT by way of parri passu charge towards the term loan and corporate loan obtained from them. Currently, The main manufacturing facility of OCI is located at Electronics City, Bangalore which is popular as 'Silicon Valley of India'. This is a fully developed industrial area. The Company owns manufacturing facility consisting of various buildings measuring about 5500 sq. mts. The main building is in three floors (ground plus two floors) having various facilities like manufacturing, R&D, Material, Stores, Testing in addition to other support function departments.

The manufacturing facility of the company operates in clean room environment, antistatic workstations. The entire process is powered by Captive power facility for ensuring uninterrupted power. The manufacturing is built and maintained to suit Global Quality standards. Other infrastructure comprise of facilities such as Disco Wafer Dicing, Die Attach, Component forming, Wire Bonders, Transfer Moulding and Re flow ovens. The same is backed by comprehensive range of inspection and reliability testing equipments such as Bond pull testers, Stereomicroscopes, IR viewers and Spectrometers. The Company also has a R&D facility, which enables it to target the niche market through customized designing of products to suit the requirement of customers.

QUALITY INITIATIVES:**Patents/Trademarks/ Quality Certifications**

We recognize quality as a crucial differentiator in the industries we operate in. We have obtained various quality certifications in India and abroad for our companies to operate, as well as certain trademarks and patents, the same are listed as below:

Patents:

1. We have obtained the transfer of the following patents held by Palco Labs Inc. by the patent assignment dated December 14, 2002 registered in the US Trademark and Patent office:-
 - Patent No. 5991648;
 - Patent No. 6006120;
 - Patent No. 0430812;
 - Patent No. 6405075



Trademarks:

- E. Mediaid Inc. has registered the Trademark 'Medichek' with the US Patent and Trademark Office in International Class 10 (Registration No. 2,820,429) on 2.03.2004.
- F. Mediaid Inc. has resistered the Tardemark ;Lifeaid' with the US Patent and Trademark Office in International Class 10 (Registration No. 2,811,829) on 3.02.2004.
- G. Advanced Micronic Devices Limited, US has been assigned the Trademark 'Faichney' by Conpco Inc on 16.12.2005 and the same has been registered with the US Patent and Trademark Office vide Registration No. 844199. This assignment was pursuant to the takeover of the Business of Manufacturing and Exporting of Digital Thermometers ("Business") from Hindustan Lever Limited by Opto Circuits (India) Limited. Though the Business was taken over by Opto the intellectual property rights for marketing the product overseas was transferred to Advances Micronic Devices Limited's US office.
- H. We have executed a Trademark License Agreement with Palco Labs Inc to use and include the trademark 'Palco' as part of 'Palco Mediaid'.
- I. We have obtained registration of the Trademark 'Mediaid' vide serial no.78534875 in the US Patent and Trademark Office in the name of "Mediaid Inc."

Quality Certifications:

- 1. Opto Circuits (India) Limited has obtained ISO 9001:2000 certification on 21.11.1995 vide No. SQ/ISO 9001/051 and the same is valid till 14.12.2006.
- 2. Opto Circuits (India) Limited has been recognized as a 2 Star Export House vide letter dated 19.09.2005 and provided registration no. 002316 and the same is valid till 31.03.2009.
- 3. Advanced Micronic Devices Limited has obtained ISO 13485:1996 certification from the Underwriters Laboratories Inc on 22.03.2004 and the same is valid till 15.07.2006.
- 4. Advanced Micronic Devices Limited has obtained ISO 9001:2000 certification from the Underwriters Laboratories Inc on 22.03.2004 and the same is valid till 22.03.2007.
- 5. Advanced Micronic Devices Limited has obtained EC Certificate for Full Quality Assurance System Approval by UL International UK Ltd for Digital Clinical Thermometers dated 22.07.2004 vide Certificate No. 359 and the same is valid till 22.07.2007.
- 6. Mediaid Inc. has obtained certification from The Certification Body of TUV Rheinland Product Safety Gmbh dated 31.10.2003 vide Certificate Reg. No. SX600062990001for quality systems medical devices and the same is valid till 30.10.2008 .
- 7. Mediaid Inc. has obtained certification from The Certification Body of TUV Rheinland Product Safety Gmbh dated 31.10.2003 vide Certificate Reg. No. SY600063000001 for quality management systems and the same is valid till 30.10.2008.
- 8. Mediaid Inc. has obtained certification from The Certification Body of TUV Rheinland Product Safety Gmbh dated 31.10.2003 vide Reg. No. HD 60006298 0001 and the same is valid till 30.10.2008
- 9. Mediaid Inc. has obtained approval by the Department of Health & Human Services, USA dated 14.09.2004 for Mediaid SpO2 Sensor under the Federal Food, Drug and Cosmetic Act (Re.K041964).
- 10. Altron Industries Private Limited has obtained ISO 9001:2000 certification dated 13.02.2005 vide Certificate No. QEC14419 which is valid till 13.02.2008.
- 11. CE certification for Pulse Oximeters, sensors & digital thermometers.

Manpower

The total employee strength of the Company as on November 2005 is as given below:

	Manager	Skilled	Unskilled	Total
Male	24	210	30	264
Female	1	39	10	50
Total	25	249	40	314



Recruitment Strategy, Training Programs and retention Strategy

The company practices vibrant HR policy which aims at stringent recruitment procedures, unambiguous work procedures, quality, conduct / work rules, focused trainings, compensation policy, retention strategies and so on HR in one of the thrust areas for the top management.

The most important components of OCI's HR policies namely recruitment strategy, training programs and retention strategies are briefly explained below.

1. RECRUITMENT STRATEGY

1.1.The basic principles:

Recruiting the best manpower by identifying candidates, through a proactive screening and short-listing procedure and having the following characteristics.

- a. The right aptitude for the jobs specified
- b. The attitude suitable for our operations especially with service orientation
- c. Relevant academic proficiency and personal credentials
- d. Relevant experience and skills
- e. High potential for growth
- f. Perceived capabilities of handling a team, management of crises and stress, subordinate development and other relevant personality attributes

1.2 Recruitment Protocol

1.2.1 Manpower Plan & Requisition:

Annual Operating Plan (AOP) forms the basis for manpower planning of various departments before the commencement of the new Financial Year. It will contain cost and levels of current numbers and proposed additions, current numbers and structures, additions on account of increase in business or change in strategy, deletions on account of restructuring of business or process improvement or productivity improvement and so on. Every position to be recruited shall be on the basis of an approved Manpower budget.

1.2.2 Identification of Candidates:

Suitable candidates would be identified either through advertisements, consultants, data banks, personal contacts, walk-ins, internal data banks and referrals. The candidates so identified shall be asked to fill up employment application form of the company before calling for interview.

1.2.3 Selection:

Candidates identified as being suitable shall be short-listed by the HR department and called for interview through mail or telephone or written communication on a convenient date and time. The candidates will be put through a stringent interview process at several levels before considering for appointment.

1.2.4 Training & Probationary period

Depending upon the present and expected skills for the job, the new recruits will be placed on training initially and on probation afterwards before confirming their services in the company. The training period may be between six months to one year and extendable beyond one year if need be.

The probationary period for any new entrant to the company will be one year. During this period the employee's performance will be watched closely and at the end of the period, the services will be confirmed, subject to performance being found satisfactory.

RETENTION STRATEGY

OCI being engaged in high end electronic manufacturing has highly qualified professionals deployed into different disciplines like R & D, Engineering, Materials, Manufacturing, Marketing, Quality Control, HR administration etc.,

The expected performance from each of these departments is comparable to global standards. To achieve this there is a great need to achieve high level of retention percentage. It is worth mentioning that the percentage of attrition during the previous year was just 4% as a result of various measures taken by the



company. Following are some of the important strategies adopted by the company to achieve higher retention ratio.

- Well defined HR policies which provides unambiguous working environment to the employees
- Focused training, job rotation and promotions which help career growth of Individuals.
- Above industrial average compensation which includes salary, medical benefits, LTA, ex-gratia etc.,
- Other facilities such as subsidized canteen, transportation and conveyance Allowances etc.,
- The superannuation benefits such as PF, ESI and gratuity.
- The company also planning some of the additional benefits like group insurance, medical insurance etc.,

RAW MATERIALS

Sensors, Oxymeters and other Patient monitoring system

The main Raw material required by the company are light-emitting and light-sensing chips (silicon wafers), printed circuit boards, moulded plastic parts, cables, lead frames, wire and packaging materials. These raw materials are procured from regular suppliers in Europe and Asia Pacific countries at competitive rates. As the company has established good relationships with the suppliers for the smooth supply of raw materials and components, the company does not foresee any difficulty in sourcing the additional raw materials.

Stents

The essential raw material required by us for manufacturing of stent is steel. The steel is presently sourced from local market in Germany

POWER

The total power requirement of the Company for the proposed level of operations is estimated at 500 KVA. Presently, the plant is running on captive power generated by 250 KVA & 125 K.V.A. diesel power generators. The Company also proposes to install an additional 380 K.V.A. diesel generator. The Company has power connection to the extent of 33 HP for its existing facilities as back up from Karnataka Power Transmission Corporation Limited sanctioned vide letter dated April 9, 1999.

WATER

The manufacturing process does not require any water. The total water requirement for general usage is estimated at 24,000 liters per day, which is made available by Electronics City Industries Association. In addition the Company also has a bore well, at the factory site, to meet any additional water requirements.

EXPORT OBLIGATION

The Unit is registered as a 100% EOU with the Cochin Special Economic Zone and was granted the approval for setting up the 100% EOU on 14.03.2000 vide Permission No. 16/08/2000/PER/EOU/KR/CEPZ/1383. This permission has been renewed on 9.03.2005 for a further period of 5 years. Previously the Unit has obtained registration as a 100% EOU for another Unit vide Permission No. 216/92/E.O. 233(92)/Misc. Auto on 1.05.1992, however the Unit has exited from the EOU Scheme and the Cochin Special Economic Zone had granted approval vide letter dated 7.12.2005

Under the scheme the company is required to maintain a positive NFEE ratio (Net Foreign Exchange Earning Ratio). The company is maintaining it detailed as under:

(Rs. lakhs)

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	30/09/2005
Foreign Exchange Earnings (A)	2065.39	3166.44	3686.74	4779.73	6906.22	2011.43
Out Flows	==	==	==	==	==	==
Imports	2065.34	2680.43	2897.08	3140.06	3710.97	1982.95
Others	0	0	322.49	117.52	302.01	30.37
Total (B)	2065.34	2680.43	3219.57	3257.58	4012.98	2013.32
Net Foreign Exchange Earning Ratio (%) A/B	1.00	1.18	1.14	1.47	1.72	1.00



EFFLUENT

The manufacturing process has been tested and verified by the State Pollution Control Board and has received the following consents:

1. Consent Order under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 dated 19.10.2005 which is valid till 31.12.2005. (No. 180/KSPCB/BNG-SR1/EO/DEO/AEO-2/INR No. 118758/R.No.08632/APC/2005-06/14431).
2. Consent Order under Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 dated 19.10.2005 which is valid till 31.12.2005. (No. 201 / KSPCB / BNG-SR1 / EO / DEO / AEO-2 / INR No.118758 / R.No.08632 / WPC / 2005-06 / 14430).

We have made an application to Pollution Control Board for renewal of consent.

INSURANCE

INSURANCE COVER NOTE NAME	POLICY	VALUE	EXPIRY DATE	PREMIUM PAID (RS.)
ECGC Cover	SCR0090002123	7 Crores	31.07.2006	10000.00
United India Assurance - Export	070300/21/05/00017	5 Crores	15.05.2006	12501.00
United India Assurance - Import	070300/21/05/00016	5 Crores	15.05.2006	13776.00
Fire Insurance - New India Assurance	671901/11/04/01320	14, 97,50,000	26.03.2006	3,68,417
Fixed Assets and Stock- New India Assurance	671901/11/04/01319	17 Crores	26.03.2006	418237.00
Keyman Insurance policy (Life insurance)	340654930	9,00,00,000	21.10.2021	5,63,400

PROPERTY

We own the following properties:

- a) Plot No.83, Electronics City, Hosur Road, Bangalore
- b) Guest Apartments at No. 460/1, Kaikondanahalli, Sarjapur Road, Carmelram P.O. Bangalore

For details of our facilities of our subsidiaries, please refer title "Facilities and Infrastructure" on page no. 50 of the Red Herring Prospectus.

PURCHASE OF PROPERTY

Except as stated in the section titled "Objects of the Issue" in this Prospectus, there is no property which we have purchased or acquired or propose to purchase or acquire which is to be paid for wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus, other than property in respect of which:

- the contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of the Issue nor is the Issue contemplated in consequence of the contracts; or
- the amount of the purchase money is not material; or
- disclosure has been made earlier in this Prospectus.

Except as stated in the section titled "Related Party Transactions" on page no. 95 of this Prospectus, we have not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof



3. REGULATIONS AND POLICIES

Apart from the regulations applicable to all industries, there are no specific regulations applicable to the Company.

4. HISTORY AND CORPORATE STRUCTURE

Opto Circuits (India) Limited was originally incorporated as Opto Circuits (India) Private Limited on June 8, 1992 in Bangalore, India under the Companies Act, 1956 vide Registration No. 08/13223 of 1992 and was subsequently converted into a public limited company with effect from April 29, 2000 pursuant to Sections 31 and 44 of the Companies Act, 1956.

Previously, our registered office was situated at No. 38/3 Sri Laxmi Industrial complex, Hosur Main Road, Bangalore- 560 068 and with effect from 1st December 1996, it was shifted to Plot No. 83, Electronics City, Hosur Road, Bangalore - 560 100 to meet our enhanced needs.

Our Company was originally promoted by Mr. Vinod Ramnani and Mrs. Usha Ramnani along with an overseas corporate body, Elekon Industries (S) Pte. Limited, Singapore. Subsequently, Elekon Industries divested its shareholding in favour of various individuals. Presently, our promoters are Mr. Vinod Ramnani, Mrs. Usha Ramnani, Mr. Thomas Dietiker and Mr. Jayesh C Patel.

Our range of products includes SPO2 Probes, Reusable Sensors, Disposable Sensors, Pulse Oxymeters, Digital Thermometer, Cholesterol Monitors, Fluid Warmers, Infrared Emitters, Infra Red Detectors, Photo Sensor, Detector and Emitters Assemblies], industrial products such as RF Identification Tags and Electronic products such as Detectors for CT Scanners and X-Ray Machines.

Our group comprises Opto Circuits (India) Limited, a public listed company, Advanced Micronic Devices Limited, also a public listed company, Mediaid Inc, a wholly owned subsidiary incorporated in the United States of America, Altron Industries Private Limited and EuroCor GmbH, a company incorporated in Germany.

Acquisition of Advanced Micronic Devices Limited

We executed a share purchase agreement on May 9, 2001 with AMDL and subsequently, made an open offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, pursuant to which, we have acquired the controlling stake in AMDL for a total consideration of Rs.525 lakhs.

Business purchase from Hindustan Lever Limited

Vide an agreement dated June 20, 2002 executed between our Company and Hindustan Lever Ltd., we acquired its digital thermometer unit located at Tambaram, Chennai for a total consideration of Rs.55 lakhs. Pursuant to the said agreement, we have acquired full and absolute rights, interests, benefits and ownership of the digital thermometer unit including the business assets, plants and equipment, technical expertise and know-how, permissions, licenses, authorizations and approvals, furniture and fittings and contracts.

Asset Purchase from Palco Labs Inc.

Vide an agreement dated December 14, 2002, we have acquired the Pulse Oximetry Monitoring Division of Palco Labs Inc. in US, along with all its related inventory, equipment, machinery, tools, furniture, fixtures, goodwill, trade names and intangible assets.

We have, simultaneously, entered into a trademark license agreement for use of the trademark 'Palco' in conjunction with Mediaid.

However, we have not yet obtained registration of this transfer and we may not be able to defend any trademark infringement by third parties for a total consideration of \$1 million plus \$26,000 towards sales tax.

Acquisition of Altron Industries Private Limited.

We have acquired 100% of its total paid up equity share capital, vide a share purchase agreement dated July 11, 2004 with Altron for a total consideration of Rs.52 Lakhs

Acquisition of EuroCor GmbH

We have acquired 100% of the shares of EuroCor vide a Share Purchase and Transfer Agreement dated December 08, 2005 with EuroCor GmbH. For Further details, please refer to the sub-section "other agreements" on page no. 61 of this Prospectus.



Major Events:

A chronology of some key events in the history of the Company is set forth below:

Year	Event
1992	<ul style="list-style-type: none">• The Company was incorporated• The Company was awarded a 100% EOU (Export Oriented Unit) status by the government for one of its manufacturing units (Unit I)
1995	<ul style="list-style-type: none">• OCI was awarded ISO certification in 1995, for its plant
2000	<ul style="list-style-type: none">• The Company went public• The Company was awarded a 100% EOU (Export Oriented Unit) status by the government for another of its manufacturing units (Unit II)
2001	<ul style="list-style-type: none">• Acquired a major stake in AMDL
2002	<ul style="list-style-type: none">• Received single star status (for earning FOB of Rs.1500 lakhs during the current year and previous last three years) from the government for its Unit I• Acquired the patient monitoring line of products from Palco Labs in Santa Cruz, CA• Acquired the division of manufacturing and exporting of digital thermometers from HLL, Chennai.
2003	<ul style="list-style-type: none">• A 100% subsidiary, Mediaid , was set up in the US.• Mediaid received the CE approval, necessary for exporting goods to Europe.
2004	<ul style="list-style-type: none">• Mediaid received FDA approval for its Nellcor compatible Spo2 sensor range.• Acquired 100% stake in Altron
2005	<ul style="list-style-type: none">• Received two star status (for earning FOB of Rs.10000 lakhs during the current year and previous three years) from the government for its Unit II• 3 new product lines launched

THE MAIN OBJECTS AND OTHER OBJECTS OF THE COMPANY:

1. To carry on the business of manufacturers, assemblers, importers and exporters, wholesalers, retailers, agents and dealers in all kinds of electronic, components, accessories and materials.
2. To carry on the business of manufacture, fabricate, develop, assemble, deal, import export and to render consultancy and services in all kinds of Telecom, electronics, mechanical, electrical, electromechanical, test equipment, tools, computers, c computer based systems, software, computer peripherals, internet, electronic equipments of all description and medical products.
3. To carry on the business of job work, contract, import, export, let on hire purchase lease sub - contract, all kinds of telecom, electronics, electrical, mechanical, electromechanical, test equipment, tools, computers, computer based systems, software, computer software, computer peripherals, internet, electronic equipments of all description and medical products and to offer Technology own as well as bought out from India and abroad basic and detailed engineering facilities in the field of electrical, in electronics internet, computers and telecom and also to offer all services in connection with existing, expanding and new industries from basic idea to the Stage of actual running of the project.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.



Changes in Memorandum of Association since incorporation

Date of Shareholders Approval	Changes
October 31, 1998	The authorized share capital of the Company was increased from Rs. 1,50,00,000 comprising 15,00,000 Equity Shares of Rs.10 each to Rs. 5,00,00,000 comprising 50,00,000 Equity Shares of Rs.10 each.
February 2, 2000	<p>The Objects Clause of the Company was amended to include the following object:</p> <p>“To carry on the business of manufacture, fabricate, develop, assemble, deal, import export and to render consultancy and services in all kinds of Telecom, electronics, mechanical, electrical, electromechanical, test equipment, tools, computers, c computer based systems, software, computer peripherals, internet, electronic equipments of all description and medical products.”</p> <p>“ To carry on the business of job work, contract, import, export, let on hire purchase lease sub - contract, all kinds of telecom, electronics, electrical, mechanical, electromechanical, test equipment, tools, computers, computer based systems, software, computer software, computer peripherals, internet, electronic equipments of all description and medical products and to offer Technology own as well as bought out from India and abroad basic and detailed engineering facilities in the field of electrical, in electronics internet, computers and telecom and also to offer all services in connection with existing, expanding and new industries from basic idea to the Stage of actual running of the project.”</p>
May 24, 2000	The authorized share capital of the Company was increased from Rs. 5,00,00,000 comprising 50,00,000 Equity Shares of Rs.10 each to Rs. 12,00,00,000 comprising 1,20,00,000 Equity Shares of Rs.10 each.
July 10, 2000	The Company was converted into a public limited company, Opto Circuits (India) Limited
September 26, 2003	The authorized share capital of the Company was increased from Rs.12,00,00,000 comprising 1,20,00,000 Equity Shares of Rs.10 each to Rs. 20,00,00,000 comprising 2,00,00,000 Equity Shares of Rs.10 each.
May 10, 2005	The authorized share capital of the Company was increased from Rs. 20,00,00,000 comprising 2,00,00,000 Equity Shares of Rs.10 each to Rs. 35,00,00,000 comprising 3,50,00,000 Equity Shares of Rs.10 each.
November 15, 2005	The authorized share capital of the Company was increased from Rs.35,00,00,000 comprising 3,50,00,000 Equity Shares of Rs.10 each to Rs.50,00,00,000 comprising 5,00,00,000 Equity Shares of Rs.10 each.

Our Subsidiaries

1) **ADVANCED MICRONIC DEVICES LTD (“AMDL”)**

Constitution: AMDL is a company limited by shares.



Date of Incorporation: September 19, 1980.

AMDL was acquired in 2001, in two tranches, the first being a share purchase agreement dated 9th May, 2001 and an open offer in compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. Presently, the Company's total stake in AMDL is 59.71%.

Board of Directors as on December 31, 2005

Mr. Vinod Ramnani	Chairman and Managing Director
Mr. Bhaskar Valiveti	Whole Time Director.
Mr. S.N. Kumar	Whole Time Director.
Mrs. Usha Ramnani	Director
Mr. Balasubramaniam V	Additional Director
Dr. Anvay Mulay	Additional Director
Dr. Suleman Adam Merchant	Additional Director
Mr. Raj Kumar Rai Singhani	Additional Director

Nature of activity: AMDL is a listed company engaged in the marketing of critical cardiac-care and other health-care equipment in India. It has marketing offices in Bangalore, Mumbai, Delhi, Chennai, Hyderabad, Thiruvananthapuram and California, USA and sales representatives in other locations also. AMDL has a network of over 170 distributors across India that handles the sales & distribution of Opto Circuits' products.

The equity shares of AMDL are listed on the BSE.

The shareholding pattern of the Company, as on December 31, 2005, is as follows:

Category	No. of Shares Held	% of Share Holding
Promoter's Holding		
Promoters		
Indian Promoters	3153165	59.71
Sub Total	3153165	59.71
Non Promoter's Holding		
Institutional Investors		
Mutual Funds and UTI	1200	0.02
Banks, Financial Institutions, Insurance Companies	800	0.02
FIIS	2600	0.05
Sub Total	4600	0.09
Others		
Private Corporate Bodies	228385	4.32
Indian Public	1788949	33.87
NRIs/OCBs	95649	1.89
Sub Total	2123335	40.21
Grand Total	5281100	100.00

Financial performance

For financial details, please refer to Auditors report starting on page no. 97.



Stock Market Data

The details of the share prices on the Bombay Stock Exchange Limited during last 6 months are as follows:

Month	High (Rs.)	Date of High	Volume on date of High	Low (Rs.)	Date of Low	Volume on date of Low	Total Volume in the Month	Average Price in the Month*
September, 2005	75.90	01/09/05	61,401	51.05	30/09/05	24,502	6,17,732	63.475
October, 2005	56.35	04/10/05	26,935	40.70	28/10/05	1,301	1,92,945	48.525
November, 2005	52.30	21/11/05	55,138	42.85	02/11/05	1,350	2,89,304	47.575
December, 2005	66.95	08/12/05	1,79,688	52.00	26/12/05	5,525	7,11,456	59.475
January, 2006	56.30	03/01/06	10,955	47.15	27/01/06	6,707	1,24,828	51.725
February, 2006	48.05	16/02/06	9,420	41.60	28/02/06	5,181	1,02,755	44.825

*Average calculated as mean of closing high and low prices.

(Source: Bombay Stock Exchange Limited, official website: www.bseindia.com)

2) MEDIAID INC

Constitution: Mediaid is a company limited by shares and incorporated in the State of California in the United States of America.

Date of Incorporation: May 24, 2002

Board of Directors as on November 30, 2005

Shital J Patel	Director
Harsikaben A Desai	Director

Nature of activity: Selling and Distribution of health care products in the US, Europe and Middle and the Far East.

The equity shares of Mediaid are not listed on any Stock Exchange.

The shareholding pattern of the Mediaid, as on December 31, 2005, is as follows:

Name of Shareholder	No. of Shares	% Percentage
Opto Circuits (India) Limited	10,00,000 of US \$ 1 each	100

Financial Performance

For financial details, please refer to Auditors report starting on page no.112.

3) Altron Industries Private Limited

Constitution: Altron is a company limited by shares.

Date of Incorporation: March 10, 1994

Altron was registered as a 100% EOU with the Cochin Special Economic Zone with effect from March 22, 2005 vide LOP No. PER: 451/1994/EOA/577/94. However, Altron has now exited the EOU Scheme and has been granted in-principle approval on December 12, 2005 vide No. 1/1/95:EOU:CSEZ/2952.

Board of Directors as on December 31, 2005

Mr. Manje Gowda	Director
Mrs. Alamelu Bhaskar	Director

Nature of activity: The company is in the business of manufacturing electronic components and sub-assemblies.

The equity shares of Altron are not listed on any stock exchange.



The shareholding pattern of the company, as on December 15, 2005, is as follows:

Name of Shareholder	No. of shares Held
Opto Circuits (India) Limited	7019
Mr. Manje Gowda	1

Financial Performance:

For financial details, please refer to Auditors report starting on page no.106.

Shareholders Agreements

There are no shareholders agreements entered into by us with any of our shareholders.

Other Agreements

Acquisition of Altron Industries Private Limited

We have acquired 100% stake in Altron vide a share purchase agreement dated July 11, 2004. The authorized share capital of Altron was Rs.100,00,000/- comprising 1,00,000 equity shares of Rs. 100/- each and the issued, subscribed and paid up capital was Rs. 7,02,000/- consisting of 7,020 equity shares of Rs. 100/- each. The issued, subscribed and paid up capital was held by a Mr. Manje Gowda and his wife H.S. Sudha which we acquired at a rate of Rs.740.70 per share.

As a condition of the acquisition, Altron is required to carry on the business operations in accordance with accepted businesses principles. However, OCI has the right to induct additional directors as well as borrow funds as may be required.

Further, OCI has relieved the sellers of all personal and performance guarantees given by them, and has agreed to indemnify them against any claim that may arise against such guarantees after the acquisition.

4) EuroCor GmbH

Memorandum of Understanding with EuroCor GmbH

We have entered into a memorandum of understanding (“**MoU**”) dated December 8, 2005 with Dr. Michael Stefan Orlowski, acting in his capacity as the sole managing director of EuroCor GmbH and also in his capacity as the sole managing director of MSO GmbH Michael Orlowski.

EuroCor’s share capital amounts to EUR 40,850.00 and is held by MSO GmbH Michael Orlowski (EUR 25,000.00), Medtechnica HT having its seat at Israel (EUR 10,000.00), E&J Enterprises LLC having its seat at New York (EUR 5,000.00) and Equitech Ltd. having its seat at Israel (EUR 850.00).

Under the terms of the MoU, Michael Orlowski has agreed to transfer his shareholding in EuroCor, as represented by the holding of MSO GmbH Michael Orlowski, along with the shareholding of Medtechnica HT, E&J Enterprises LLC and Equitech Ltd, which he shall acquire. The total consideration being paid in two tranches, EuroCor the first being is EUR 3,417,608.00 and the second, EUR 500,000.00. The first tranche is payable in two installments of EUR 2,089,876.00 and EUR 1,327,732.00 by January 7, 2006.

EuroCor shall also transfer to OCI patents, trademarks, assets, customer contracts, equipment, lease hold rights etc.

Further, if EuroCor achieves a turnover of EUR 10 Million by February, 07 OCI will have to pay 60% of the turnover that exceed above EUR 10 million. The amount so payable will be restricted to EUR 3 million.

Thereafter should the company achieve a turnover exceeding EUR 20 million for a 12 month period ended February 2008, OCI will have to pay 60% of the turnover that exceed above EUR 20 million. The amount so payable will be restricted to EUR 3 million.

EuroCor is obligated to repay loans availed by it under two loan agreements to a certain Mr. Jens Jurs Wehntalerstr in Switzerland amounting to EUR 760,000.00 (including interest) and the proceeds from the first tranche payable by Opto Circuits shall be utilized to repay the loan, against a notarized debt acknowledgement, releasing EuroCor and Michael Orlowski from any claim.



EuroCor has two (2) subsidiaries, EuroCor SAS having its seat at France and EuroCor Polska Sp.z.o.o having its seat in Poland.

For Financial performance of Eurocor, please refer to Auditors report starting on page no.126.

Shareholders Agreements

There are no shareholders agreements entered into by us with any of our shareholders.

Material Contracts

Agreement entered with Customers and Vendors

We have not executed written agreements with our customers and vendors and operate on a purchase order system save and except a written and executed agreement with Measurement Specialties Inc. which was valid till June 18, 2005, and which has yet to be renewed. Other than the list of customers and vendors provided below, we have a working relationship with various other suppliers on a purchase order system and the names of a few key suppliers have been listed after the schedule herein below

S.No.	Company	Products	Agreement
a	Advanced Micronic Devices Ltd., India	Pulse Oximeters, SpO2 Sensors, Digital Thermometers	Distributor of Medaid products in India
b	Astrum Technologies (S) Pte Ltd., Singapore	Pulse Oximeters, SpO2 Sensors, Sensor Assemblies	Astrum is a distributor for Medaid product in SE Asian markets
c	Careline Inc., USA	Digital Thermometers	Gets its requirements of Digital Thermometers manufactured at OCI.
d	Estill Medical Technologies, USA	Blood & IV Fluid Warmers	Gets the Blood & IV Fluid warmers manufactured at OCI
e	IT Dr Gambert, Germany	SpO2 Sensors	Gets its requirements of SpO2 products manufactured at OCI
f	Lifestream Technologies, USA	Cholesterol Monitors	Gets its requirements of Cholesterol Monitors manufactured at OCI
g	Maxtec Inc., USA	SpO2 Sensors	Gets its requirements of SpO2 products manufactured at OCI
h	Medaid Inc., USA	Pulse Oximeters, SpO2 Sensors, Digital Thermometers	Gets its requirements of products manufactured at OCI & markets it through its distributors.
i	Measurement Specialties Inc., USA	SpO2 Sensors, Sensor Assemblies	Gets its requirements of SpO2 products manufactured at OCI
j	Nuova, Germany	SpO2 Sensors	Gets its requirements of SpO2 products manufactured at OCI
k	Opto Systems (S) Pte Ltd., Singapore	Pulse Oximeters, SpO2 Sensors	Distributor for Medaid products in SE Asian markets
L	PlusMed Ltd., Turkey	Pulse Oximeters, SpO2 Sensors	Distributor for Medaid products in Turkey

Key Suppliers:

1. LHI Technology (Schenzhen) Co Ltd for supply of Nelcorr Disposable Cable.
2. QPL Limited, Hong Kong for supply of Leadframe Emitter and Detector.
3. REI Electronics Private Limited, India for supply of Mother Board, Modem Board etc.
4. Seiwoo Polymer Technologies Pte Limited, Singapore for supply of Disposable Emitter Housing

Financial Partners:

We have no financial partners.



5. OUR MANAGEMENT

Our Board of Directors comprises of the following members:

Name, residential address, designation, & occupation	Age	Appointment in the Company and the date of expiration of the current term of office	Other Directorships
Mr. Vinod Ramnani (S/o) Mr. Parasram Ramnani Chairman & Managing Director (Promoter Director) Address: 16/17/18, SY61/1, Kasavana Halli, Varthur Hobli, Bangalore Occupation: Business	49 Years	08.06.1992. Re-appointed for a period of 5 Years w.e.f. July 21, 2005.	Advanced Micronic Devices Limited Chairman & Managing Director
Mrs. Usha Ramnani (W/o) Mr. Vinod Ramnani Executive Director (Promoter Director) Address: 16/17/18, SY61/1, Kasavana Halli, Varthur Hobli, Bangalore Occupation: Business	48 Years	08.06.1992 Re-appointed for a period of 5 Years w.e.f. June 1, 2005.	Advanced Micronic Devices Limited Director
Mr. Jayesh C Patel (S/o) Mr. Chandrakant Patel Non Executive Director (Promoter Director) Address: 7302 SPR UC, E Circle Lamama 7303, C A Occupation: Business	44 Years	03.04.2000 Liable to retire by rotation.	Nil
Mr. Thomas Dietiker S/o Mr. Max Dietiker Non Executive Director (Promoter Director) 3848 DE L Amobl, No. Suiten 0304 Torram, California 90503 USA Occupation : Business	46 Years	03.04.2000 Liable to retire by rotation.	Nil
Dr. Suleman Adam Merchant S/o Mr. Adam Merchant Non Executive Director (Independent Director) Address: D-2/21 Kinara Narayan, Pujarinagar, Worli Mumbai-400 018 Occupation: Professional	50 Years	20.08.2001 Liable to retire by rotation.	Advanced Micronic Devices Limited Director
Dr. Anvay Mulay S/o Mr. Vinayak Mulay Non Executive Director (Independent Director) Address: 43, Kshanti Bharat Kunj No. 2, Erandawane Pune- 411 038 Occupation: Consultant Cardiac Surgeon	45 Years	31.12.2005 Liable to retire by rotation.	Advanced Micronic Devices Limited Director



Mr. Rajkumar Raisinghani S/o: Mr. Tulsidas Non Executive Director (Independent Director) Address: Shanti Villa Bk No. 673 Room No. 4, Hospital Area Ulhasnagar- 421 003 Occupation: Business	53 years	31.12.2005 Liable to retire by rotation.	Nil
Mr. V Balasubramaniam S/o: Late T. Visvanathan Non Executive Director (Independent Director) Address: F-1, First Floor Subiksha Mira Apartments 33, East Abiramapuram 3rd Street Mylapore, Chennai- 600 004 Occupation: Professional	48 Years	31.12.2005 Liable to retire by rotation.	Biz Pro Solutions Private Limited Bridgepoint Solutions Private Limited Advanced Micronic Devices Limited Director

BRIEF PROFILE OF THE BOARD OF DIRECTORS OTHER THAN PROMOTER DIRECTORS

Dr. Suleman Merchant, aged about 50 years, is a Doctor by profession. A prominent radiologist, Dr. Suleman Merchant is the Chairman of the Department of Radiology at Sion Hospital in Mumbai. A well-known member of the national and international medical fraternity, Dr. Merchant brings to the table his vast experience and medical expertise.

Mr. Raj Kumar Raisinghani, aged about 53 years, with a diploma in Electrical Engineering, is an Industrialist. He has his own manufacturing unit, where he manufactures Electrical goods since 25 years. He was working in a large manufacturing unit in Mumbai, prior to venturing out into his business.

Mr. V Balasubramaniam, aged about 48 years, with over 25 years of work experience in International markets Bala Subramaniam has successfully started and managed a software company. He is an MBA from Symbiosis Institute of Business Management, Pune & is a member of CPA & FCMA. Opto Circuits benefits from his Operational & Resource Management skills.

Dr. Anvay Mulay, aged about 45 years, is a Cardio Vascular Thoracic surgeon (MCh), from Mumbai University. He is contributing to this specialized field since 12 years. Currently he runs his own private clinic & is affiliated to hospitals like: Dinnath Hospital, Dindayal Hospital & Ruby Hospital. Besides, he has also worked in the US & UK, before he settled in India. He brings to the table his vast medical acumen

Details of borrowing powers:

The Board of Directors, vide a resolution pursuant to section 293(1)(d) of the Companies Act, 1956 passed at the Extra General Meeting of the Company held on November 15, 2005 had approved and delegated powers to the Board for borrowing up to a sum of Rs. 500 crores apart from temporary loans obtained or to be obtained from Company's bankers in the ordinary course of business not withstanding that it is over and above the aggregate of the paid-up share capital and free reserves.

Compensation paid to managing director/whole-time directors

The remuneration for Mr. Vinod Ramnani & Mrs. Usha Ramnani has been revised in the Extra Ordinary General Meeting held on July 21, 2005. The details are as given below:

Terms of appointment of the Chairman and Managing Director:

Mr. Vinod Ramnani was Re- appointed as Chairman and Managing Director of the Company for a period of five years from 01/06/2005 on the terms and conditions which inter-alia include:

- A. (i) **SALARY:** Rs. 3,00,000 per month with annual increment of 15% of the last drawn salary before such increment.
- (ii) Performance linked bonus/commission on profits.



Not exceeding 3 % of the net profits of the Company, in any financial year of the Company as the Board may determine from time to time.

At the discretion of the Board, the payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on annual basis.

B. PERQUISITES/BENEFITS

(i) Residential Accommodation

Rent free accommodation for occupation by self and family. Where such rent free accommodation is leased/licensed/tenanted by the Company, the rent paid by the Company for such accommodation shall not exceed 60% of the salary set out in A (i) above.

In lieu of rent-free accommodation, the Company shall pay to the Managing Director, House Rent Allowance up to 50% of the Salary set out at A (i) above.

(ii) Contribution to Pension/Provident Fund/Gratuity Funds.

The Managing Director shall be eligible for Provident Fund, Pension and Gratuity as per rules applicable to the managerial employees.

This would include contribution to Provident Fund and Superannuation fund or Annuity Fund up to 27% of the salary per annum and contribution to gratuity fund up to 8.33% of the salary per annum or any other limit as may be laid down or prescribed under the Income Tax Act 1961, for this purpose.

(iii) Other Perquisites

Gas, electricity, water, furnishings at residence, medical and personal accident insurance, leave travel allowance/concession for self and family, club fees and other allowances and benefits as per the Rules of the Company, the monetary value of which shall not exceed Rs. 1.50 lacs per annum.

(iv) However, the following perquisites/benefits shall not be included in applying the ceiling of Rs. 1.50 lakhs stipulated in B (iii) above.

Company car with driver (owned/leased) for official duties and telephone at residence including payment for local calls and long distance official calls.

Entertainment expenses incurred in connection with the business of the company

- C. Unless otherwise stipulated, for the purpose of this resolution, the perquisites shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.
- D. The total remuneration and perquisites /benefits contemplated as per Clauses A and B above, including contribution towards Provident Fund, Superannuation Fund, annuity Fund, Gratuity Fund (including any unfunded retirement benefits as per rules of the Company), payable to the Managing Director of the Company shall not exceed 5%, of the profits of the Company calculated in accordance with Section 198 and Section 309 and other applicable Provisions, if any of the Companies Act 1956.
- E. In the absence or inadequacy of profits in any financial year, the remuneration payable to a Managing Director by way of salary and perquisites shall not exceed the maximum limits prescribed under Schedule XIII of the Companies Act, 1956.
- F. In the event of any re-enactment or remodification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, this Ordinary Resolution shall continue to remain in force and the reference to various provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

Terms of appointment of Executive Director

Mrs. Usha Ramnani was re-appointed as Executive Director of the Company for a period of 5 years effective from June 1, 2005 on the following terms and conditions.

- A (i) **SALARY:** Rs. 3,00,000 per month with annual increment of 15% of the last drawn salary before such increment.
- (ii) Performance linked bonus/commission on profits.



Not exceeding 3 % of the net profits of the Company, in any financial year of the Company as the Board may determine from time to time.

At the discretion of the Board, the payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on annual basis.

B. PERQUISITES/BENEFITS

(i) Residential Accommodation

Rent free accommodation for occupation by self and family. Where such rent free accommodation is leased/licensed/tenanted by the Company, the rent paid by the Company for such accommodation shall not exceed 60% of the salary set out in A (i) above.

In lieu of rent-free accommodation, the Company shall pay to the Executive Director, House Rent Allowance up to 50% of the Salary set out at A (i) above.

(ii) Contribution to Pension/Provident Fund/Gratuity Funds.

The Executive Director shall be eligible for Provident Fund, Pension and Gratuity as per rules applicable to the managerial employees.

This would include contribution to Provident Fund and Superannuation fund or Annuity Fund up to 27% of the salary per annum and contribution to gratuity fund up to 8.33% of the salary per annum or any other limit as may be laid down or prescribed under the Income Tax Act 1961, for this purpose.

(iii) Other Perquisites

Gas, electricity, water, furnishings at residence, medical and personal accident insurance, leave travel allowance/concession for self and family, club fees and other allowances and benefits as per the Rules of the Company, the monetary value of which shall not exceed Rs. 1.50 lakhs per annum.

(iv) However, the following perquisites/benefits shall not be included in applying the ceiling of Rs. 1.50 lakhs stipulated in B (iii) above.

Company car with driver (owned/leased) for official duties and telephone at residence including payment for local calls and long distance official calls.

Entertainment expenses incurred in connection with the business of the company

- C. Unless otherwise stipulated, for the purpose of this resolution, the perquisites shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.
- D. The total remuneration and perquisites /benefits contemplated as per Clauses A and B above, including contribution towards Provident Fund, Superannuation Fund, annuity Fund, Gratuity Fund (including any unfunded retirement benefits as per rules of the Company), payable to the Executive Director of the Company shall not exceed 5%, of the profits of the Company calculated in accordance with Section 198 and Section 309 and other applicable Provisions, if any of the Companies Act 1956.
- E. In the absence or inadequacy of profits in any financial year, the remuneration payable to Executive Director by way of salary and perquisites shall not exceed the maximum limits prescribed under Schedule XIII of the Companies Act, 1956.
- F. In the event of any re-enactment or remodification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, this Ordinary Resolution shall continue to remain in force and the reference to various provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

None of the other directors of the company other than mentioned above are drawing any salary.

Corporate Governance

We have established a tradition of best practices in corporate governance. We have complied with the requirements of the applicable regulations, including the listing agreement with Stock Exchanges and the SEBI Guidelines, in respect of corporate governance, including constitution of the Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the



Board's supervisory role from the executive management and constitution of Board Committees, majority of them comprising of independent directors and chaired by an independent director to oversee critical areas.

We have a broad based Board of Directors constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas. Our management provides the Board of Directors detailed reports on its performance on a quarterly basis.

Our philosophy

We continue to emphasize on our philosophy of achieving corporate goals through good corporate governance practices. Belief is that such a philosophy enables to serve our stakeholders - customers, vendors and shareholders - better, and enhance value through greater transparency, accountability and integrity. We believe in the principles of responsibility and commitment, which ensure a better relationship with shareholders, customers, the government, lenders and the community at large.

Our reliance and belief in corporate governance principles are based on the commitment to enrich ourselves with the best management practices and to fulfill our vision with the attainment of the highest levels of fidelity, accountability and transparency.

We believe in adopting the best corporate governance practices, based on the following principles in order to maintain transparency, accountability and ethics :

- Recognition of the respective roles and responsibilities of Board and the management;
- Independent verification and assured integrity of financial reporting;
- Protection of shareholders' right and priority for investor relations; and
- Timely and accurate disclosure on all material matters concerning operations and performance of the Company.

Details of existing Committees are as under:

(i) Audit Committee

a. Brief description of Terms of reference

As per the provisions of clause 49, of the listing agreement, the audit committee was reconstituted by the board of directors in its meeting held on dated December 31, 2005. The committee comprises 3 members, Dr. Anvay Mulay and Dr. Suleman Adam Merchant and Mr. V Balasubramaniam (Non-Executive and Independent Directors). Mr. V Balasubramaniam is the chairman of the committee.

The purposes for which the committee was constituted and the general business transacted by the committee was as follows:

- a) Review of the quarterly, half-yearly and annual financial statements.
- b) Regular review of and taking follow-up action on the reports of the internal auditors.
- c) Finalising the internal audit programme for the year.
- d) Planning of internal audit programme for the future.
- e) Review of key accounting matters and developments.
- f) Other matters as directed by the Board.

(ii) Remuneration Committee

a. Brief description of Terms of reference

The Company has a Remuneration Committee formed pursuant to the requirement of Schedule XIII of the Companies Act, 1956 for approving minimum remuneration to the Executive Directors in the event of absence or inadequacy of profits in any year. This Remuneration Committee, while approving minimum remuneration under Schedule XIII, takes into account the financial position of the Company, trends in industries, Director's qualifications, experience, past performance, past



remuneration, etc. The Committee considers the above matters and determines the minimum remuneration so as to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders, subject to the overall ceiling fixed by the Schedule.

The remuneration committee of the board was constituted by the Board of Directors in its meeting dated December 31, 2005, comprising 3 members, Mr. V Balasubramaniam, Dr. Suleman Adam Merchant and Mr. Raj Kumar Singhani. Mr. V Balasubramaniam is the Chairman of the Committee.

The purposes for which the committee has been formed

a) To determine and recommend to the Board of Directors the remuneration package of the Managing Director and the Whole-time Directors.

b) To approve in the event of loss or inadequate profits in any year the minimum remuneration payable to the Managing Director and the Whole-time Directors within the limits and subject to the parameters as prescribed in Schedule XIII of the Companies Act, 1956.

(iii) **Shareholders / Investors Grievances Committee**

a. **Brief description of Terms of reference**

Share transfer committee was reconstituted by the Board of Directors at its meeting held on December 31, 2005, comprising 3 members, Dr. Suleman Adam Merchant, Dr. Anvay Mulay (both of whom are independent and non-executive directors) and Mrs. Usha Ramnani. Dr. Suleman Adam Merchant as its chairman.

The Committee was constituted to approve the transfer of shares of the Company, and in particular have the powers to:

a) Approves issue of duplicate certificates and oversees and reviews matters connected with the transfer of securities.

b) Looks into shareholders complaints like transfer of shares, non-receipts of balance sheet, non-receipt of declared dividends, etc.

c) Oversees the performance of the registrars and transfer agents, and recommended measures for overall improvement in the quality of investor services.

d) Affix or authorize fixation of the common seal of the Company to the share certificates.

The Committee is also authorized to take on record all disclosures made in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Draft Code of the Company formulated under these Regulations.

The board has designated Mr. Bodapati Bhaskar as compliance officer. The total no. of complaints received and replied to, to the satisfaction of the shareholders during the financial year 2004-05 were No complaints were outstanding as on December 31, 2005.

Shares held by the Directors.

Name	No. of Shares held
Mr. Vinod Ramnani	46,61,566
Mrs. Usha Ramnani	11,24,556
Mr. Jayesh C Patel	16,08,312
Mr. Thomas Dietiker	21,46,158
Dr. Suleman Adam Merchant	64,000
Dr. Anvay Mulay	Nil
Mr. Rajkumar Raisinghani	Nil
Mr. V Balasubramaniam	4000



Interest of Directors and Promoters:

All the Directors may be deemed to be interested to the extent of remuneration and/or sitting fees payable to them for attending the meeting of the Board or Committee thereof apart from reimbursement of traveling/incidental expenses, if any, as per the Articles of Association of the Company.

The Managing Director/Directors/Promoters of the Company shall be deemed to be interested to the extent of shares held by them and/or their friends and relatives and which may be allotted to them out of the present Issue, and are also deemed to be interested to the extent of remuneration and perquisites being drawn by them from the Company.

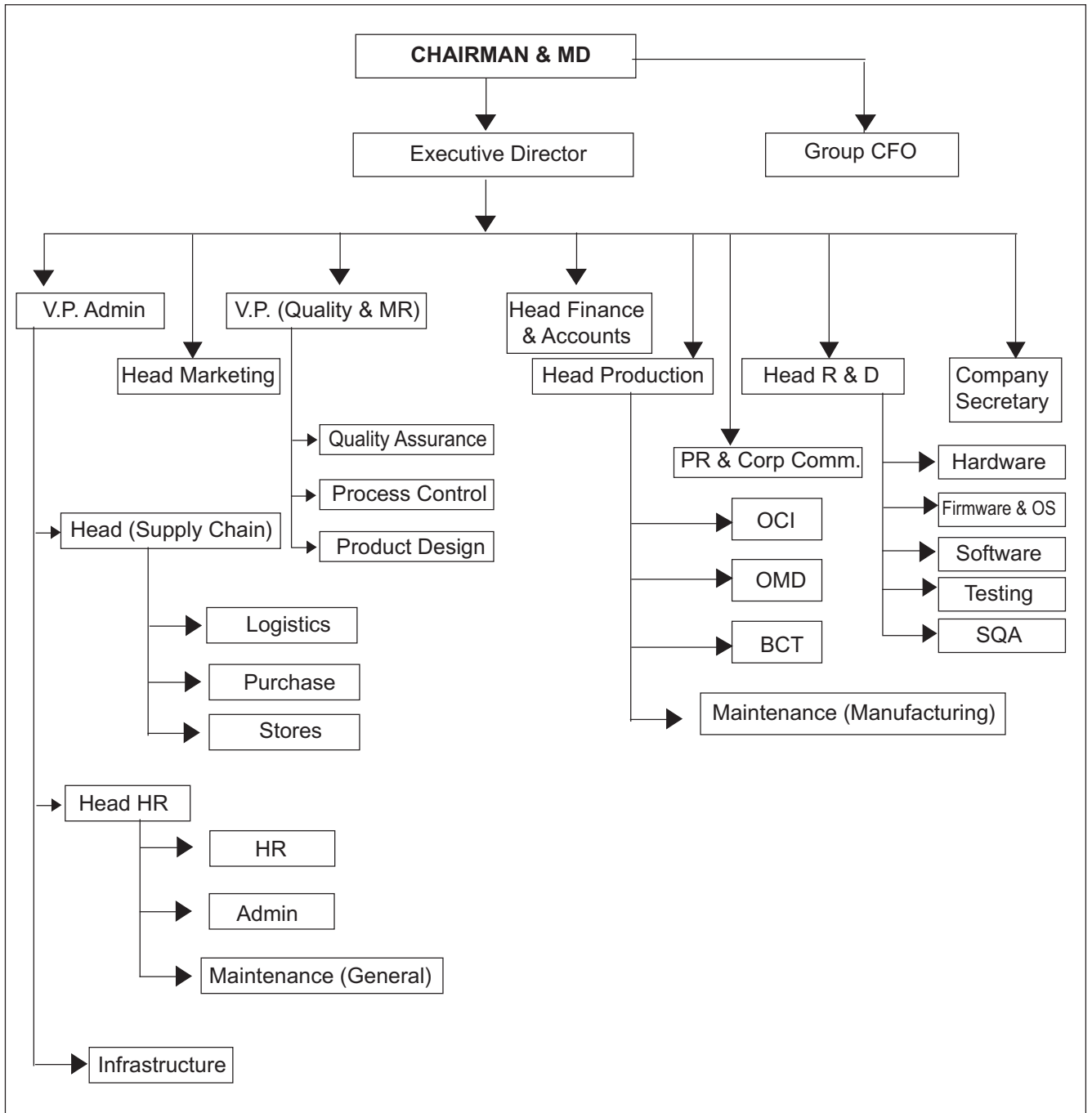
Except as stated otherwise in this Prospectus, the Company has not entered into any contract, agreements or arrangement except their service contracts with the company during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Changes in the Directors

There are no changes in the Board of Directors of the Company in the last three years other than the resignation of Mr. Mahesh C Patel due to personal reasons and induction of Dr. Anvay Mulay, Mr. V Balasubramaniam and Mr. Raj Kumar Rai Singhani as Additional Directors in compliance with corporate governance clause with effect from December 31, 2005.



ORGANISATION STRUCTURE





Brief profile of the Key Managerial personnel is as under:

SL NO	Name	Age	Qualification	Designation	Experience	Date of Joining	Details of Previous Employment
1	Mr B Bhaskar	45 yrs	BCom, ACA	Group Chief Financial Officer	20 years	15.10.2003	Seven Hill Business Solutions
2	Mrs. Rose Chintamani	55 yrs	ACS and LLB	Company Secretary	30 years	01.08.2001	Advanced Micronic Devices Limited
3	Dr. Manje Gowda	52 yrs	PG in Engineering and Management Doctorate in Management Sciences	Vice President (Administration)	25 years	11.02.2004	General Manager K.S.F.C.
4	Mr. S Jayanth	42 Yrs	B.E.	General Manager (Production)	18 years	16.12.1996	Production Manager Usha (India) Limited, New Delhi.
5	Mr. M Srinivas	46 Yrs	MBA (Finance)	General Manager (Finance)	20 years	01.09.1992	Executive Accounts PSI Data System
6	Mr. Umanath Rai	51 Yrs	PG in Material Management	General Manager (Purchase)	25 years	04.11.2005	Addl General Manager MM & TR India Satcom Limited, Hyderabad, Vice President.
7	Mr. U H Ramakrishna	37 Yrs	B.E	Sr Manager (Maintenance & Engineering)	14 Years	10.04.2001	Manager Maintenance Team Asia Semi Conductors
8	Mr. M V Nagaraj	50 Yrs	B. Com, Diploma in Industrial Relation and Personnel Mgmt	Manager HR	26 years	12.06.1999	Manager Personnel P & J Commutation Pvt Ltd

Mr. Bhaskar B. - Group CFO

A Chartered Accountant with over two decades of experience, Mr. Bhaskar oversees the financial planning and execution for the Opto group. He brings to the table his expertise in setting up and managing large project implementations in India and overseas.



Dr. Manje Gowda - Vice President — Administration

A Post-graduate in Engineering as well as in Management with a Doctorate in Management Sciences from the Indian Institute of Science, Dr Manje Gowda has two and a half decades of experience in the industrial sector and project management. He oversees the administration of all functions at the company.

Mrs. Rose Chintamani - Company Secretary

A qualified Company Secretary with an additional degree of law, Mrs. Chintamani has over two and half decades of experience and oversees the legal and company law related matters of the company.

Mr. Jayanth S - Head, Manufacturing

A Mechanical Engineer, Mr.Jayanth has over a decade and a half of professional experience in Project Management, Organizational and Operations skills. He is in-charge of production, products development, maintenance of equipments and utilities.

Mr. M Srinivas - Head, Finance

He possesses Post-graduate management degree in Finance. He has over two decades of experience in finance and accounts and is heading our finance and accounts function.

Mr. Umanath Rai - GM, Materials

A postgraduate Engineer with specialization in Materials Management, Mr.Rai has more than two decades of experience working with large-scale industries. He handles the Materials Management function of the company.

Mr. Ramakrishna U.H -Senior Manager, Monitoring Division

An Electronics and Communications Engineer, Mr.Ramakrishna looks after the manufacturing segment of the Company's monitor division. He was sent to USA by the company for a three month training stint that equipped him to set up the manufacturing line & design centre for Opto's acquisitions.

Mr. M. V. Nagaraj- Manager, Personnel & HR

With a degree in Commerce, Personnel Management & Industrial Relations, Nagaraj's work experience spans over two and half decades. He leads the HR functions of the company.

- The persons mentioned above are in the employment of the Company as permanent employees.
- None of the key personnel mentioned above are related to the Promoters/Directors of the Company.
- No director or member of Senior Management Team has been selected pursuant to any arrangement/ understanding with major shareholders/ customers/ suppliers.

Compensation paid to key managerial personnel for the financial year 2004-05:

Sl.No.	Name	Compensation paid (Rs.)
1.	Mr. Bhaskar B.	7,92,000
2.	Dr. Manje Gowda	6,01,320
3.	Mrs. Rose Chintamani	96,000
4.	Mr. Jayanth S	3,87,360
5.	Mr. M Srinivas	5,86,080
6.	Mr. Umanath Rai	6,71,700
7.	Mr. Ramakrishna U.H	4,21,320
8.	Mr. M. V. Nagaraj	2,87,940



Shareholding of Key Managerial Personnel as on 31.12.2005

Name	No.of shares
Dr.Manje Gowda	37,500
Mr.S.Jayanath	3,000
Mr.M.Srinivas	3000
Mr.M.V.Nagaraj	500

Bonus or profit sharing plan for the Key Managerial Personnel

No portion of the compensation was paid pursuant to a bonus or profit sharing plan.

Changes in key managerial personnel during the preceding three years

No changes in the key managerial personnel during the last 3 years other than the following:

Name of Employee	Date of Appointment/ Resignation	Designation	Reason for Change
Mr. Bodapati Bhaskar	15th Oct' 03 Appointment	Group Chief Financial Officer	To meet business needs.
Dr. Manje Gowda	1st Nov' 04 Appointment	Vice President-Administration	To meet business needs.
Mr. Ramprasad N	1st Nov' 05 Resignation	Vice President - Quality Control	Personal reasons

Disclosure regarding the Employee Stock Option Plan

There is no employee stock option plan as on date in the Company.

Payment/benefit to the officers of the company.

There is no payment or benefit to be given to the Officers of the Company other than the Salary.

6. PROMOTERS



Mr. Vinod Ramnani Mr. Vinod Ramnani, aged about 49 years, is a BE in Mechanical Engineering from Manipal Engineering College, Manipal, Karnataka. Till 1983, he was heading the Bangalore branch of New Standard Engineering, Bombay. As Branch Manager, Mr. Vinod Ramnani was overseeing marketing, customer service and administration functions of the company in the State of Karnataka.

During the year 1983, he moved to Los Angeles, USA and joined United Detectors Technology, LA, as Plant Manager. During his association with the company he was looking after manufacturing, R&D and product developmental functions of the unit. During the year 1987, Mr. Vinod Ramnani joined Opto Sensors (S) Pte. Ltd., Singapore, as General Manager and established the manufacturing & marketing facilities for the company.

During the year 1990, Mr. Vinod Ramnani along with Mr. Thomas Dietiker and others established Elekon Industries Pte Ltd., at Singapore to manufacture Optoelectronic products. However, with the increasing operational costs, labour costs and other input costs in Singapore, Mr. Vinod Ramnani along with others established Opto Circuits India (P) Limited, in 1992.

As CMD of the Company, Mr. Vinod Ramnani has been the driving force behind the sustained growth of the Company.

Voter ID	NA
Driving License No.	17982/00
PAN No.	AANPR1062Q
Passport No.	701515666 US Embassy, Singapore
Bank Account No.	Citi Bank N.A, Electronic City, Bangalore. Account No. 5069454803

Mrs. Usha Ramnani



Mrs. Usha Ramanani, aged about 48 years, is an M.Com graduate and has worked with United India Insurance Company. Since 1992 she is looking after the administration and personnel functions of the Company.

Voter ID	NA
Driving License No.	3196/96
PAN No.	AANPR1067M
Passport No.	034954335, Pass Port Agency Los Angeles
Bank Account No.	Syndicate Bank no. 04562010009508



Mr.Thomas Dietiker



Mr.Thomas Dietiker, aged 47 years, is a US citizen holding a BS Degree in Electronic Engineering from the Technical Institute of Wintherthur, Switzerland. Mr. Thomas Dietiker worked with United Detectors Technology, USA, as Engineering Manager from 1983 to 1987. Subsequently, he joined Opto Sensors, USA as Vice President -Engineering and worked till 1990 before co-founding Elekon Industries Pte Ltd., at Singapore. He resigned from Elekon Industries Pte Ltd as director in June 2004. During his tenure at Opto Sensors he was responsible for the implementation of new engineering designs and product marketing plans for a wide range of opto-electronic products.

Mr. Dietiker has extensive experience in business development, product marketing, engineering of opto-electronic products and a wide range of related electronic assemblies. Since inception of the Company, Mr.Dietiker has been responsible for successful execution of business strategy of targeted marketing and sole-source product development.

Voter ID	NA
Driving License No.	NA
PAN No.	NA
Passport No.	103413536
Bank Account No.	Citibank NA, Electronic City, Bangalore Account No. 5907350802

Mr. Jayesh C Patel



Mr. C Jayesh Patel, aged about 44 years, is also a US citizen and holds AS Degree in Electronic Engineering from the National Institute of Technology, Anaheim California. Mr. Jayesh Patel worked with United Detectors Technology, USA, from 1984 to 1987. Subsequently, he joined Opto Sensors , USA At Opto Sensors, Mr.Patel has spearheaded such developments as miniaturized optical encoders, touch screen panels for the Aerospace Industry, various designs of optoelectronic components, medical sensors and turnkey products.

Mr.Patel has been instrumental in the product design and conception of a multitude of opto-electronic products for the company and thus has brought in over 12 years of engineering and R&D experience to the Company's product line.

Since his tenure at the company now spans over 10 years, he has been the leading force behind the rapid technological innovations at Elekon and has allowed the company to penetrate various markets and key OEM accounts. The R&D, product design and implementation phases at Elekon are overseen and managed by Mr. Patel and his talent and engineering know how has helped to establish the company as a leader and 'sole source' for many key medical products as well as for Optoelectronic solutions for users worldwide.

Voter ID :	NA
Driving License No. :	NA
PAN No	AABPP8199G
Pass Port No	036158247
Bank Account No.	Bank of India, Mumbai.SB- 43518

We confirm that the PAN, Bank Account No. and Passport No, of the Promoters have been submitted to the BSE & NSE at the time of filing of the Draft RHP.



Other than what has been disclosed under the section “Legal and Other Information” appearing on page no. 140 of this Prospectus:-

- a. there are no pending litigations/disputes/overdues/default to the financial institutions/Banks and instances of non-payment of statutory dues by the promoters and the companies/firms promoted by the Company.
- b. there are no pending litigations, disputes, defaults etc., in respect of companies to which the promoters were associated in the past but are no longer associated.
- c. there are no litigations against the promoters or directors involving violation of statutory regulations or a criminal case. There are no pending proceedings initiated for economic offences against the Directors, the promoters, companies and firms promoted by the promoters.
- d. they have no outstanding litigations, disputes pertaining to matters likely to effect operations and finances of the Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, 1956.

Common pursuits:

There are no common pursuits between the company and its subsidiaries.

Payment or benefit to promoters of the company

No amount or benefit has been paid or given to the Company’s Promoters since the incorporation of the Company nor is intended to be paid or given to any promoter of the Company except their normal remuneration and /or reimbursement for services as Directors of the Company or otherwise in accordance with Law.

Related party transactions.

Please refer to “Related Party Disclosures” as mentioned under Annexure XVI of the Auditors report given on page no. 95 in this Prospectus.

Currency of presentation and Exchange rates

In this Prospectus all reference to ‘Rupees’ or ‘Rs’ are legal currency of India and reference to ‘\$’ or ‘Dollar’ are legal currency of United States of America.

This Prospectus contains translation of some US Dollars into Rupee amount which should not be construed as a representation that those Rupee or US Dollar amounts could have been, or could be, converted into Indian Rupees/ US Dollars, as the case may be, at any particular rate, the rates stated below, or at all. Except as otherwise stated in this Prospectus all translations from Indian Rupees to US Dollars contained in this Prospectus have been based on the rate given by the Reserve Bank of India.

The following table sets forth, for each period indicated, information concerning the number of rupees for which one US Dollar could be exchanged at the rate given by the Reserve Bank of India.

In this Prospectus, US Dollar amount have been translated into Rupees for each period and presented solely to comply with the requirements of the Clause 6.9.7.1 of the SEBI Guidelines. Investors are advised not to rely on such translated amount.

(in Rs.)

Particulars	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Half yearly ended September 30, 2005
Period end	47.71	43.85	43.63	43.87



7. Dividend policy

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The dividends declared by our Company during the last five fiscal have been presented below.

Particulars	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
Face value of Equity shares	10/-	10/-	10/-	10/-	10/-
Dividend (Rs. in lakhs)	625.53	412.45	341.17	298.66	286.53
Dividend %	35	30	30	30	30
Dividend per Equity Share (Rs.)	3.50	3.00	3.00	3.00	3.00

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. Future dividends will depend upon our revenues, profits, cash flows, financial condition, capital requirements and other factors.



SECTION V- FINANCIAL STATEMENTS

1. Financial Information

AUDITORS' REPORT

The Board of Directors
Opto Circuits (India) Limited,
Plot No.83, Electronic City, Hosur Road,
Bangalore- 560100.

- a) We have examined the annexed financial information of Opto Circuits (India) Ltd. for the five financial years from financial year ended March 31, 2001 to financial year ended March 31, 2005 and for six months period from April 1, 2005 to September 30, 2005 being the last date to which the accounts of the Company have been made up and audited. The Financial information is based on the accounts audited by us for the above-mentioned period. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the issue').
- b) In accordance with the requirements of:
- (i) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act');
 - (ii) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments and
 - (iii) Our terms of reference with the Company dated November 24, 2005 requesting us to carry out work in connection with the Offer Document as aforesaid.

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report:

- i. The restated profits/losses of the Company for the above-mentioned period after making the adjustment for prior period items in the relevant years are as set out in Annexure I to this report. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the accounting policies and Notes thereon appearing in Annexure IV to this report.
- ii. The restated assets and liabilities of the Company as at March 31, 2001, 2002, 2003, 2004 and 2005 and September 30, 2005, after making the adjustment for prior period items in the relevant years are as set out in Annexure II to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Accounting Policies and Notes thereon appearing in Annexure IV to this report.
- iii. Statement of Cash Flow enclosed as Annexure III to this report.
- iv. Statement of secured loans outstanding as at above-mentioned years enclosed as per Annexure V & security of loan outstanding as at 30.09.2005 is given in Annexure VI itself.
- v. There is no change in accounting policies in the concerned years.
- vi. Accounting Ratios as appearing in Annexure VII to this Report;
- vii. Capitalization statements as at September 30,2005 and March 31, 2005 as appearing in Annexure VIII to this report;
- viii. Unsecured Loans outstanding as at 30.09.05 and 31.03.05 (including that from related parties), as appearing in Annexure IX;
- ix. Statement of tax shelters as appearing in Annexure X to this report;



-
- x. For details of contingent liability as at 30.09.05 and 31.03.05 as per note no. 1 of Notes to Accounts enclosed as per Annexure No. IV.
 - xi. Age wise detail of sundry debtors for above-mentioned period is given as per Annexure XI.
 - xii. Break-up of loans & advances for above mentioned period is given as per Annexure XII.
 - xiii. Statement of investments at the end of above mention period is enclosed as per Annexure XIII.
 - xiv. Detail of transaction with the related parties (Related parties with in the meaning of AS 18 issued by ICAI) enclosed as per Annexure XIV.
 - xv. Statement of Other Income enclosed as Annexure XV to this report.
 - xvi. The statement of dividends and conversion rate of foreign currency is enclosed as Annexure XVI and Annexure XVII respectively.
 - xvii. We confirm that all that all notes to accounts and significant accounting policies have been incorporated in the accounts of the company.

In our opinion the financial information of the Company as stated above read with significant accounting policies attached in Annexure IV to this report, after making adjustments/restatements and regroupings as Considered Appropriate, subject to not providing for Gratuity liability as per Note No. 2 in the Notes to Accounts and has been Prepared in Accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

This report is intended solely for your information and for inclusion in the Offer document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For ANAND SHENOY & CO,
Chartered Accountants,

G.C. SOMADAS

PARTNER

M. No. 18636.

PLACE: BANGALORE.

DATED 10th April, 2006



STATEMENT OF RESTATED PROFIT AND LOSS - Opto Circuits (India) Limited

(After Adjusting Prior Period Items in the Relevant Year)

(Rs. lakhs)

Period ended on		31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05	
A	Income							
	Sales:							
	Of Products manufactured by the Company	2857.18	3101.56	3807.90	5852.40	7914.30	4840.16	
	Of products traded by the Company	-	-	-	-	-	-	
	Other Income	14.90	22.70	32.07	32.19	32.28	63.62	
	Increase/Decrease in Work in Progress and finished goods	(64.09]	71.70	24.59	4.50	(109.02)	41.25	
	Total Income	2807.99	3195.96	3864.56	5889.09	7837.56	4945.03	
B	Expenditure							
	Raw materials & goods consumed	1770.73	1960.52	2339.80	3570.33	4640.04	2945.85	
	Other Manufacturing expenses	51.57	73.46	121.29	143.52	229.16	142.14	
	Staff Costs	75.65	100.40	133.97	185.85	228.97	134.11	
	Administrative & Other Expenses	89.90	126.63	169.46	237.56	282.19	206.12	
	Selling & distribution expenses	13.34	22.99	75.00	167.86	198.75	92.35	
	Finance Expenses	121.50	177.68	177.23	195.98	184.76	94.64	
	Miscellaneous expenditure written off	-	-	-	-	-	-	
	Total expenditure	2122.69	2461.68	3016.75	4501.10	5763.87	3615.21	
		Net Profit Before Tax, Depreciation and Prior Period Items	685.30	734.28	847.81	1387.99	2073.69	1329.82
		Depreciation	47.42	55.57	69.75	94.51	128.83	61.39
		Net Profit before tax and Prior Period Items	637.88	678.71	778.06	1293.48	1,944.86	1268.43
		Provision for taxation	10.00	10.00	35.00	0.14	25.00	1.68
	Previous years-adjustment	-	-	-	-	-	-	
	Net Profit	627.88	668.71	743.06	1293.34	1919.86	1266.75	

Note: Provision for tax is not recalculated due to prior period adjustment in the relevant year as above.



Annexure -II

STATEMENT OF RESTATED ASSETS AND LIABILITIES - Opto Circuits (India) Limited
(After Adjusting Prior Period Items in the Relevant Year)

(Rs. lakhs)

As at	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
A. Assets						
Fixed Assets- gross block	1057.08	1199.29	1637.70	2251.00	2441.34	2475.05
Less: Depreciation	203.33	258.90	320.44	414.94	506.11	532.93
Net Block	853.75	940.39	1317.26	1836.06	1,935.23	1942.12
Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Net Block after adjustment for Revaluation Reserve	853.75	940.39	1317.26	1836.06	1,935.23	1942.12
B. Investments	0.18	523.29	572.80	980.83	980.83	1032.83
C. Current assets, loans and advances						
Inventories	767.60	1021.54	1141.18	1589.88	2042.09	1884.62
Receivable	1506.77	1634.00	1712.04	2731.29	3142.90	5986.61
Cash and bank balances	557.43	38.56	527.06	65.42	230.21	215.90
Other current assets	-	-	-	-	-	-
Loans and advances	181.65	303.27	980.79	280.74	589.33	310.50
Total - A	3013.45	2997.37	4361.07	4667.33	6004.53	8397.63
Current liabilities and provisions						
Sundry liability	491.74	331.10	479.02	709.85	1271.02	1815.70
Provisions	323.94	297.08	416.75	474.56	728.87	112.56
TOTAL - B	815.68	628.18	895.77	1184.41	1999.89	1928.26
Net Current Assets (A-B)	2197.77	2369.19	3465.30	3482.92	4004.64	6469.37
Total Assets	3051.70	3832.87	5355.36	6299.81	6,920.70	9,444.32
D. Liabilities and provisions						
Loan funds						
Working Capital Loans	655.28	791.70	1303.70	1605.62	1086.47	2173.52
Secured loans	166.10	380.34	831.45	508.58	378.67	531.74
Unsecured loans	14.88	14.21	-	65.10	125.38	142.13
TOTAL Liabilities	836.26	1186.25	2135.15	2179.30	1590.52	2847.39
Deferred Tax Liability	-	-	-	-	-	-
E. Net worth	2215.44	2646.62	3220.21	4120.51	5330.18	6596.93
Represented by:						
Shareholders funds						
Share capital	984.72	995.53	1142.28	1374.79	1787.22	2680.83
Share Application Money pending allotment	-	-	-	-	-	-
Share premium account	795.27	840.72	910.82	751.11	338.67	-
Reserves and Surplus	435.45	810.37	1167.11	1994.61	3204.29	3916.10
Less: Revaluation Reserve	-	-	-	-	-	-
Reserves (Net of Revaluation Reserve)	435.45	810.37	1167.11	1994.61	3204.29	3916.10
Less: Miscellaneous Expenditure not written off	-	-	-	-	-	-
Total	2215.44	2646.62	3220.21	4120.51	5330.18	6596.93



Annexure - III - Opto Circuits (India) Limited

STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENTS

		For the Period Ended					
		(Rs. lakhs)					
		31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
A	Cash flow from operating activities						
	Net (loss)/profit before tax but after exceptional/extraordinary items	636.07	673.82	785.07	1305.20	1929.38	1271.84
	Adjustments for:-						
	Depreciation	47.42	55.57	69.75	94.51	128.83	61.39
	Interest Expenses	100.88	158.94	141.70	171.67	142.36	84.81
	Interest/Dividend Income	(14.89)	(13.14)	(32.07)	(32.19)	(32.28)	(33.50)
	Lease Rent-Finance Lease	-	-	-	-	-	-
	(Profit)/Loss on Sales of Fixed Assets Sold	-	-	10.71	-	(37.66)	(34.58)
	(Profit)/Loss on Sale of Investment Sold	-	-	-	-	-	-
	Miscellaneous Expenditure written off	-	-	-	-	-	-
	Deferred Revenue expenditure written off	-	-	-	-	-	-
	Provision for Bad & Doubtful Debts	-	-	-	-	-	-
	Provision for Gratuity & Leave Encashment	-	-	-	-	-	-
	Prior Period Expenses/(Income) Net	-	(6.69)	(10.15)	(2.58)	12.05	(3.41)
	Exceptional/Extraordinary items (Expenses)/Income	-	-	-	-	-	-
	Any other non cash Item	-	-	-	-	-	-
	Operating Profit before working capital changes	769.48	868.50	965.01	1536.61	2142.68	1346.55
	Adjustments for changes in working capital:						
	(Increase)/Decrease in Sundry Debtors	(874.91)	(127.23)	(78.04)	(1019.25)	(411.61)	(2843.71)
	(Increase)/Decrease in other Receivable	-	-	-	-	-	-
	Increase)/Decrease in Loans & Advances	(154.27)	(121.61)	(669.09)	680.12	(308.58)	278.82
	(Increase)/Decrease in Inventories	(168.40)	(253.94)	(119.64)	(448.68)	(452.22)	157.48
	Increase/(Decrease) in Trade and Other Payables	239.55	(168.93)	147.90	230.82	120.02	456.80
	Cash generated from operations	(188.55)	196.79	246.14	979.62	1090.29	(604.06)
	Taxes (Paid)/Received (Net of TDS)	-	(11.83)	(23.93)	(12.49)	-	(1.68)
	Prior Period(Expenses)/Income (Net)	-	-	-	-	(12.05)	3.41
	Extraordinary/Exceptional Item (Expenses)/Income	-	-	-	-	-	-
	Net Cash from Operating Activities	(188.55)	184.96	222.21	967.13	1078.24	(602.33)



		For the Period Ended					
		(Rs. lakhs)					
		31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
B	Cash flow from Investing						
	Activities						
	Purchase of fixed assets	(172.08)	(146.42)	(459.47)	(613.31)	(190.33)	(63.13)
	Proceeds from sale of fixed assets	0.32	4.20	2.15	0.00	1.29	101.09
	Capital Work in progress	-	-	-	-	-	(71.67)
	Proceeds from sale of Investments	-	-	-	-	-	-
	Purchase of Investments	-	-	-	-	-	-
	Deposit with bank	-	-	-	-	-	-
	Interest Received (Revenue)	14.89	10.83	0.54	0.66	0.75	1.97
	Dividend Received	-	2.31	31.53	31.53	31.53	31.53
	Amount paid on acquisition/ Investment in Subsidiaries	-	(523.11)	(49.51)	(408.03)	-	(52.00)
	Any other Items_	-	-	-	-	-	-
	Dividend Paid	-	-	-	-	-	-
	Net cash used in Investing activities	(156.87)	(652.19)	(474.76)	(989.15)	(156.76)	(52.21)
C	Cash flow from Financing Activities						
	Proceeds from fresh issue of Share Capital (Including Share Premium)	1019.84	56.26	216.85	72.79	0.00	0.00
	Advance against equity shares	-	-	-	-	-	-
	Net Proceeds from long term borrowings	-	349.97	660.93	65.08	500.00	178.74
	Net Proceeds from short terms borrowings	-	-	512.00	-	-	1103.80
	Proceeds from fixed deposits (NET)	-	-	-	-	-	-
	Proceeds from Cash Credits (NET)	(66.52)	-	(224.02)	(20.92)	(649.06)	(25.66)
	Interest Paid	(100.88)	(158.93)	(141.70)	(171.68)	(142.36)	(84.81)
	Dividend paid	-	(298.94)	(283.02)	(384.88)	(465.28)	(531.83)
	Interest Paid-Capitalized	-	-	-	-	-	-
	Net Cash used in financing Activities	852.44	(51.64)	741.04	(439.61)	(756.70)	640.24
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	507.02	(518.87)	488.49	(461.63)	164.78	(14.30)
	Cash and Cash Equivalents at the beginning of the year/period	50.41	557.43	38.56	527.05	65.42	230.20
	Cash and Cash Equivalents at the end of the year/period	557.43	38.56	527.05	65.42	230.20	215.90



ANNEXURE IV - Opto Circuits (India) Limited

Significant Accounting Policies

1) System of Accounting

The Financial statements have been prepared to comply in all material respects with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year.

2) Revenue Recognition

Revenue from sale of products are recognized on dispatch of goods to customers and are net of sales tax, discounts, rebates for price adjustments, rejections and shortage in transit.

3) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. Cost in prices includes purchase price, duties, levies and any other cost relating to the acquisition and installation of the assets. Interest and financing charges on borrowed funds, if any, used to finance the acquisition of fixed assets, until the date the assets are ready for use are capitalized and included in the cost of the asset.

4) Depreciation

Depreciation is provided on the straight 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.

5) Inventories

Valuation of inventories is at the lower of cost or market value as certified by the management.

6) Retirement benefits to employees

The company's liability towards retirement benefit in the form of provident fund is fully funded and charged to revenue expenditure. The company contributes to the employee provided fund maintained under the employees provident scheme run by the Central Government. The company will be accounting the Gratuity liability on cash basis. The company is accounting LTA benefits to employees on cash basis.

7) Investments

The investments are stated at cost.

8) Deferred Tax

Deferred Tax Assets & Liabilities are recognized for the estimated future tax consequences of temporary differences between the carrying value of the assets & liabilities and their respective tax bases. Deferred Tax Asset in the nature of unabsorbed depreciation and losses are recognized only if there is virtual certainty of realization. Other deferred tax assets are recognized if there is reasonable certainty of realization. The effect on Deferred Tax Asset & Liabilities of a change in rates is recognized in the income statement in the period of enactment of the change.

9) Foreign currency transactions

Foreign currency transaction recorded at the rates of exchange prevailing on the date of transaction. Foreign currency of assets & liabilities and realized gains and losses on foreign exchange transactions, other than those relating to fixed assets are recognized in the profit and loss account. Exchange difference arising on liabilities incurred for the purpose of acquiring fixed assets are adjusted in the carrying value of the respective fixed assets.

10) Provisions

Provision for income tax is provided by the company, after considering the exemption U/s 10B of the Income Tax Act.

11) Earnings per share

The basic earning per share is computed by dividing net profit after tax by the number of equity shares outstanding for the period. Diluted earnings per share have not been computed, as the company has not issued any Dilutive Potential Equity Shares.



NOTES FORMING PART OF ACCOUNTS- Opto Circuits (India) Limited

1. Contingent Liability:

The company has issued corporate guarantee in favour of State Bank of India against line of credit sanctioned to its subsidiary for Advanced Micronic Devices Limited for Rs.1841 lakhs (PY 1841 lakhs) and counter guarantee given to the Bankers for the Bank Guarantee issued for Rs. 250 lakhs.

2 The company's liability towards retirement benefit in the form of provident fund is charged to revenue expenditure. The company contributes to the employees PF scheme run by the Central Government. All other retirement benefits payable to employees are accounted for on payment and not provided for on accrual basis.

3. Auditors qualification:

For the year ended March 31, 2005 and half year ending September 30, 2005.

All other retirement benefits payable to employees are accounted for on payment basis and not provided for on accrual basis.

Deferred Tax Asset/Liability has not been recognized as there is a Deferred Tax Asset on the opening Timing difference of the depreciation charged on the Fixed Assets for the year ending March 31, 2002 and there is no virtual Certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized.

4. CIF value of Imports:

(Rs. lakhs)

	September 30, 2005	March 31, 2005
a. Components and Spares	60.83	118.33
b. Capital Goods	31.85	109.49
c. Raw material	2538.22	4957.65

5. Value of raw materials consumed:

	September 30, 2005		March 31, 2005	
	%	Rs. Lakhs	%	Rs. lakhs
a. Imported	97.00	2735.80	98.10	4465.32
b. Indigenous	3.00	84.70	1.90	86.50
Total	100.00	2820.50	100.00	4551.82

6. Stores and Spares consumed:

	September 30, 2005		March 31, 2005	
	%	Rs. lakhs	%	Rs. lakhs
a. Imported	80.68	48.27	80.27	70.81
b. Indigenous	19.32	11.55	19.73	17.40
Total	100.00	59.82	100.00	88.21

7. Income in foreign exchange (INR)

	September 30, 2005 Rs. lakhs	March 31, 2005 Rs. Lakhs
a. Sales	2011.43	6,906.22

8. Expenditure in foreign currency (INR)

	September 30, 2005 Rs. lakhs	March 31, 2005 Rs. Lakhs
a. Capital Equipment (CIF value)	30.37	302.01
b. Raw materials	1982.95	3710.97



9. Remuneration to Chairman, Managing Directors & Directors (INR) (Rs.lakhs)

	September 30, 2005	March 31, 2005
a. Salary	49.50	90.00

The above payments are as per the provisions of Schedule XIII of the Companies Act, 1956

10. Capacities & Production (Nos in lakhs)

Year ending	September 30, 2005	March 31, 2005
a. Production	18.98	45.65

Exempted from licensing provision in terms of Notification No.477(E) of 25.07.91.

11. Deferred Tax Asset/Liability has not been recognized as there is a Deferred Tax Asset on the opening timing difference for the year ending 31st march 2002 of the depreciation charged on the Fixed Assets and there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized.

12. Auditors Remuneration (Rs. lakhs)

	March 31, 2005
Statutory Audit fees	2.76
Tax Audit fees	0.99
Other Services	0.11

13. Liability for tax paid under protest Rs.4,22,130/- is disputed & contested in Appeal to Income Tax Tribunal for the prior years was not provided. However the Income tax Appeal is disposed in the company favour and liability is set aside. Hence no need to provide for the liability.

14. Segment wise reporting (Rs. lakhs)

- a. The company has mainly one business segment of Medical Electronic Products.
- b. The Company has geographical region wise segments of the customers is as shown below, region wise profitability cannot be ascertained.

Sales Revenue by Geographical segment (Rs. lakhs)

	September 30, 05	March 31, 05
U.S.A.	2817.86	4,670.05
SINGAPORE	1910.69	2,740.93
GERMANY	35.95	249.73
MEXICO	-	-
TURKEY	0.14	26.44
ENGLAND	28.11	44.14
NETHERLANDS	4.30	7.97
SPAIN	0.56	19.22
SOUTH AFRICA	1.15	0.77
UAE	7.88	1.22
DUBAI	0.25	0.54
ISREAL	5.31	3.96
JORDAN	0.55	-
DOMESTIC	27.42	149.33



- 1) Segments have been identified in accordance with Accounting Standard 17 "Segment reporting", considering the organization structure & the return/risk profiles of the businesses. The management information system recognizes & monitors these segments on a continuous basis.
- 2) Segment revenue includes sales & other income directly identifiable with the segment & allocated to it. Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments.

Annexure - V - Opto Circuits (India) Ltd

Details of Secured Loans

(Rs. lakhs)

Particulars of Loan	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
1 Term Loans						
Karnataka State Industrial Investment Development Corporation	64.15	259.03	106.65	-	-	-
Karnataka State Finance Corporation	72.05	-	247.72	-	-	-
ICICI Bank	0.00	-	-	82.71	65.92	56.94
State Bank of India	-	-	400.00	355.60	266.80	445.54
Sub Total	136.20	259.03	754.37	438.31	332.72	502.48
2 Working Capital Loans						
ICICI Bank	461.81	41.77	-	-	-	-
State Bank of Travancore	193.47	188.04	186.65	268.98	7.90	531.21
State Bank of India	-	603.67	1117.05	1122.13	1078.56	1642.31
Exim Bank Limited	-	-	-	209.14	-	-
United Bank of India	-	-	-	5.37	-	-
Sub Total	655.28	833.48	1303.70	1605.62	1086.46	2173.52
3 Hire Purchase						
AVCO Financial Services	29.90	72.20	31.82	-	-	-
APEEJAY Financial group	-	7.33	8.56	5.05	1.20	0.56
ICICI Bank	-	-	23.49	8.22	1.37	0.35
HDFC Bank Limited	-	-	13.21	57.00	43.39	28.35
Sub Total	29.90	79.53	77.08	70.27	45.96	29.26
Total Secured Loan	821.38	1172.04	2135.15	2114.20	1465.14	2705.26

Note: The company has availed a term loan of Rs. 1000 Lakhs and enhanced its packing credit facility by Rs 300 lakhs from State Bank of Travancore vide its letter dated February 14th 2006, which has been utilized for repayment of Adhoc facility availed from State Bank of India.



Annexure - VI- Opto Circuits (India) Limited
Details of Secured Loans outstanding as on September 30, 2005

Particulars of Loan	Bank	Nature of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest P.A.(%)	Repayment of Terms	Securities Offered
Term Loan	State Bank of India	FCNRB	\$ 4.00	245.54	5.65	180 days from date of disbursal rollover the facility on the terms & conditions as may be stipulated by the Bank	Pari passu charge on Assets of the company
	State Bank of India	Corporate Loan	600.00	200.00	12.75	35.16 lakhs *16 equal Installments & 34 lakhs *2 equal Installments	Pari passu charge on Assets of the company
	ICICI Bank Limited	Housing Finance	94.38	56.94	8.75	1.95 lakhs * 60 equal Installments	Equitable mortgage of Apartment Property
Working Capital Facility	State Bank of India	Packing credit	1500.00	1293.12	7.1	Primary Hypothecation of stock , Raw materials, stock-in Process, Finished Goods, Consumables, Receivables. Secondary Second Pari -passu charge on Fixed Assets.	
	State Bank of Travancore	Packing credit	400.00	395.82	7.1		
	State Bank of India	Cash credit	100.00	247.83	12.25		
	State Bank of Travancore	Current A/C	0.00	35.39	0.00		
	State Bank of India	Standby line Of credit	288.00	101.36	8.10		
	State Bank of Travancore	Standby line Of credit	116.00	100.00	8.10		
	Total		2404.00	2173.52			
Hire Purchase Loans	Apjee Finance	Vehicle loan	3.50	0.56	12.25	0.11 lakhs* 36 equal Installments	Hire purchase Charge on Vehicle
	ICICI BANK	Vehicle loan	3.95	0.35	6.25	0.17 lakhs* 23 equal Installments	With H.P lien note In RC book
	HDFC BANK	Vehicle loan	30.00	8.13	6.90	0.92 lakhs * 36 equal Installments	
	HDFC BANK	Vehicle loan	15.00	0.49	11.00	0.49 * 36 equal Installments	
	HDFC BANK	Vehicle loan	10.00	4.18	6.90	0.31 lakhs* 36 equal Installments	
	HDFC BANK	Vehicle loan	10.00	2.13	5.61	0.31 lakhs* 35 equal Installments	
	HDFC BANK	Vehicle loan	10.00	4.17	5.61	0.31 lakhs * 35 equal Installments	
	HDFC BANK	Vehicle loan	10.00	7.39	7.66	0.31 lakhs * 36 equal Installments	
	HDFC BANK	Vehicle loan	2.48	1.85	7.66	0.08 lakhs* 36 equal Installments	
	Total		94.93	29.25			

* There is no re-schedulement, prepayment, penalty, default etc of any of the above loans



Annexure - VII - Opto Circuits (India) Limited

STATEMENT ON ACCOUNTING RATIOS

	FY ended 31.03.01	FY ended 31.03.02	FY ended 31.03.03	FY ended 31.03.04	FY ended 31.03.05	Half year ended 30.09.05
Weighted average number of equity shares of Rs. 10/-each						
i) Number of shares at the beginning of the year	27,14,800	1,04,39,540	1,04,39,540	1,13,72,284	1,37,47,841	1,78,72,193
ii) Number of shares at the end of the year	1,04,39,540	1,04,39,540	1,13,72,284	1,37,47,841	1,78,72,193	26,808,290
iii) Weighted average number of Equity Shares	1,04,39,540	1,13,72,284	1,37,47,841	1,78,72,193	2,68,08,290	2,68,08,290
iv) Share Application Money	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
v) Weighted average number of Equity Shares (Diluted)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Profit after tax available for equity shareholders	626.07	663.82	750.07	1305.06	1904.39	1270.16*
Basic Earning per Share (EPS) (Rs)	5.99	5.84	5.45	7.30	7.10	4.73*
Dilutive Earning per Share (EPS) (Rs)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Return on Net worth (%)	28.28	25.19	23.31	31.60	35.75	19.25*
Net Asset Value per share (Rs)	21.20	25.24	28.28	30.04	29.80	24.62

* 1 - Return on Networth and Profit for 6 months have not been annualised.

2 - Formulae.

The Ratios have been computed as below:-

Earning per share (EPS) is calculated after adjusting for the Bonus shares issued, vide resolution passed at the extraordinary general meetings with retrospective effect as provided in Accounting Standard (AS-20) - Earning per share.

EPS: Basic:	$\frac{\text{Net profit attributable to Equity Shareholders}}{\text{Weighted Average No of Equity Share Outstanding during the year}}$
Diluted:	$\frac{\text{Net profit attributable to Equity Shareholders}}{\text{Weighted Average no. of Diluted Equity Share Outstanding during the year}}$
Return On Networth (%):	$\frac{\text{Net Profit After Tax}}{\text{Net Worth at the end of the year}}$
Net Asset Value per Share (Rs.):	$\frac{\text{Net Worth at the end of the year}}{\text{Equity Share outstanding during the year}}$

**Opto Circuits (I) Ltd Annexure - VIII****CAPITALIZATION STATEMENT****(Rs. lakhs)**

		Pre issue as at 30.09.2005	Pre issue as at 31.03.2005	Adjusted for Present Issue
Debt				
Short Term Debt *		2315.65	1211.84	1855.25 **
Long Term Debt ***	(A)	531.74	378.68	1528.96 **
Total Debt		2847.39	1590.52	3384.21 **
Shareholders' Funds				
Share Capital		2680.83	1787.22	3080.83
Reserves and Surplus		3916.10	3539.55	13610.10
Less:- Misc. Expenditures to the extent not written off				
Total Shareholders Funds	(B)	6596.93	5326.77	16690.93
Long Term Debt/Total Shareholders Fund	(A/B)	0.080	0.071	0.092

* As informed by the management, short-term debts are debts repayable within one year.

** As on 31st December, 2005.

*** Long Term debts adjusted for Present Issue Includes the Amount of proposed Term Loan of Rs-NIL

Annexure-IX - Opto Circuits (India) Ltd**STATEMENT OF UNSECURED LOANS****(Rs. lakhs)**

NAME	30-09-2005	31-03-2005
Mr. Vinod Ramnani	70.35	87.49
Mrs. Usha Ramnani	01.38	17.49
Mr. Mahesh Patel	20.40	20.40
Mr. Thomas Dietikar	50.00	00.00
TOTAL	142.13	125.38

Note: All unsecured loans are interest free short term loans from directors as on 30/9/05.

Loan amount is not payable on demand but at the discretion of the company.


Annexure - X - Opto Circuits (India) Limited
STATEMENT OF TAX SHELTERS
(Rs. Lakhs)

	2000-01	2001-02	2002-03	2003-04	2004-05
Net profit as per profit and loss account(A)	636.07	667.13	774.91	1302.62	1941.44
Tax at Normal Rate	251.57	238.17	284.78	467.31	710.42
Tax Rate (B)	39.55	35.70	36.75	35.87	36.59
Adjustments:					
Permanent Differences					
Under Section. 80HHC	63.63	58.36	20.82	0.00	0.00
Under Section 10B	483.53	523.79	486.09	1127.99	1725.25
Total permanent Differences C	547.16	582.16	506.91	1127.99	1725.25
Timing Differences					
Difference between Tax Depreciation and Book Depreciation	58.33	55.09	161.29	141.18	126.55
Provision for Gratuity	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Total Timing Differences D	58.33	55.09	161.29	141.18	126.55
Net Adjustments C+D=E	605.49	637.25	668.20	1269.17	1851.80
Tax savings thereon E*B	239.47	227.50	245.56	455.32	677.57
Less: Disallowances U/s. 43B (G)	Nil	Nil	Nil	Nil	Nil
Taxable Profit as per MAT/ Income Tax returns	30.80	29.89	75.36	18.33	58.11
Tax as per Income tax Returns	12.18	10.67	27.70	6.58	21.26

Annexure - XI- Opto Circuits (India) Limited
STATEMENT OF DEBTORS
(Rs. Lakhs)

	For the Year Ended					
	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Debts Outstanding Over Six Months			(Unsecured)			
Considered Goods	17.90	9.15	-	-	-	2637.88
Considered Doubtful	-	-	-	-	-	-
Others	1488.87	1624.85	1712.04	2731.29	3142.90	3348.73
Total	1506.77	1634	1712.04	2731.29	3142.90	5986.61
The above include the following receivable from Promoters/ Promoters group or those related to promoters:*						
From AMDL, Subsidiary of the Company	-	-	42.93	8.48	38.59	31.21
From Mediaid Inc USA	-	-	185.31	745.05	855.49	2379.28
* Parties as identified by the company & relied upon by us.						



List of Top 10 Sundry Debtors as on 30.09.2005 (Rs. lakhs)

Medi Aid. Inc-USA	2379.28
Opto Systems-Singapore	1445.73
Astrum Technologies-Singapore	1210.23
MSI Industries, USA	504.68
Faichney Medical Company-USA	201.70
Caraline Inc. USA	92.68
Life stream Technologies-USA	67.81
Envitech Wismar, Germany	28.26
Asmuth GmbH-Germany	1.64
Maxtec Inc-USA	1.62

Annexure - XII - Opto Circuits (India) Limited

STATEMENT OF LOANS AND ADVANCES GIVEN

(Rs. lakhs)

	For the Year Ended					
	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Unsecured, Considered Good						
Advances/ Deposit Recoverable in Cash Or in Kind or for Value to be Received	102.85	190.41	976.95	276.42	576.58	305.29
Advance Income Tax/ Cenvat	-	-	-	-	-	-
Others	78.80	112.85	3.84	4.32	12.74	5.21
Total	181.65	303.26	980.79	280.74	589.32	310.50
The above include the following receivable for Promoters/ Promoters group or those related to promoters:*						
For Subsidiary	85.00	93.98	216.97	53.43	17.50	70.12
Total	85.00	93.98	216.97	53.43	17.50	70.12

(Rs. lakhs)

BREAK-UP OF LOANS AND ADVANCES AS ON	30.09.2005
AVK Contractors Co. Ltd. -Taiwan	0.23
Astrex Newyark	2.27
Bar Hill International-Taiwan	4.98
Cherng weei Tech Corp-Taiwan	2.08
Cyber Tech Systems	0.01
Customs Tooling	18.24
Schurter Eletronics-Vadodara	2.94
Excel Point Systems-Singapore	0.71
FDI Project Mgmt&Services	0.53
Gemplus Technologies	1.82
Heatcon Sensors Pvt. Ltd.	0.08



Integral Proses	1.24
J.S.Digi Tech Inc-Korea	7.62
MornsunGuanghou Science & tech	0.03
Thunglink Intl Holding Co. Ltd.	0.94
P&E Micro Computer Systems.	0.33
Rayex Electronics Co	0.07
Opto Tech Corporation-Raw Material	3.14
QED Packers	0.04
S M Tools	0.03
Skynet Electronic Co Ltd.	0.11
Xiamen Oculer Otics-Raw Materials	0.20
Synair-Raw Material	0.11
Tochigiya co ltd Japan	1.08
Top Pecific Honkong Ltd.	0.07
Trident Automobile Pvt Ltd.	1.28
Union Industries Co LTD-Korea	0.13
Volvoline Cummins	0.19
Vansonic Enterprises Ltd.	0.23
Yangchun Mingzhi	0.09
Advances to subsidiary	
Towards supplies & services	69.99
Other advances	
Aircon Systems	6.73
R N Tronics	21.09
Altron Industries	28.61
C B Consultants	0.10
J L Informatics	0.62
Maharaja cold storage	0.01
Pranav securities	10.00
V R thermo Devices	16.59
Vishnu tooling	0.06
VAT Receivables	6.67
Opto System-Advance	57.98
Tax Deducted at Source on Fixed Deposits	0.55
Advances to Suppliers for Capital Goods	
Icarus Design Pvt Ltd	1.00
Palco laboratories	32.17
Staff Advance	
Srikanth K V	0.16
Manivanna	0.06
Murtuza	0.32



Satish Rao	0.99
Subramani	0.05
Vinod	0.21
Vinayak Murty	0.35
Others	0.02
Deposits	
K E B Deposits	1.37
Joint Working Group Deposits	0.22
M S I L Deposits	0.43
Telephone Deposits	0.72
Cylinder Deposits	0.20
Rent Deposits	
M.S.Yassen	0.21
I.R.Enterprises	1.00
Mega Imaging Systems	0.50
Sri Vijaya Kumar Reddy	0.56
Inter Corporate Deposits	
AMD L	0.14
TOTAL	310.50

Annexure - XIII - Opto Circuits (India) Limited

STATEMENT OF INVESTMENTS

(Rs. lakhs)

	For the Year Ended					
	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
(Long Term - Other than Trade)						
UnQuoted (At Cost)						
Indira Vikas Patra	0.01	0.01	0.01	0.01	0.01	0.01
Krishna Bhagya Jalanigam Ltd	0.15	0.15	0.15	0.15	0.15	0.15
National Savings Certificate	0.02	0.02	0.02	0.02	0.02	0.02
Investment in Subsidiary Company						
Unquoted - at cost- Fully Paid						
Medi Aid Inc.,	-	-	48.01	456.04	456.04	456.04
Investment in Subsidiary Company						
Unquoted - at cost- Fully Paid						
Altron Industries pvt ltd	-	-	-	-	-	52.00
Investment in Subsidiary Company						
Quoted - at cost- Fully Paid Advanced						
Micronic Devices Limited (31,53,165						
Equity shares of Rs. 10/- fully paid up)	-	523.11	524.61	524.61	524.61	524.61
Total	0.18	523.29	572.80	980.83	980.83	1032.83
Market Value of Quoted Investments	-	283.78	283.78	434.82	854.82	1637.5



ANNEXURE - XIV - Opto Circuits (India) Limited

Related Party Information: -

List of Related parties with whom transactions have taken place and Relationship

Name of Related Party	Relationship
Thomas Dietiker	Individuals Control or Significant influence over the company
Elekon Industries Inc., USA	Enterprises over which individuals mentioned above are able to exercise significant influence. Ceased to be a related party since June 2004.
Advanced Micronic Devices Limited, Bangalore.	Subsidiary of Opto Circuits (India) Limited
Altron Industries Pvt. Ltd., Bangalore	Subsidiary of Opto Circuits (India) Limited
Medi Aid Inc., USA	Subsidiary of Opto Circuits (India) Limited

Nature of Transactions	Elekon Industries Inc		Rs. lakhs
	31.03.02	31.03.03	31.03.04
Receivable	884.08	874.38	1020.47
Payables	208.14	56.62	051.37
Sales and Services	2114.98	1534	2019
Purchases	1578.94	807.5	1277
Sale of Capital Goods	4.2	-	-

No Transaction with the above party for the year 31/03/05 and period ended 30/09/05

Name of related party	Relationship
Vinod Ramnani	Key Management Personnel
Usha Ramnani	Key Management Personnel

Remuneration to Key Management Personnel.

(Rs. lakhs)

Name of /related party	31/3/2002	31/03/2003	31/3/2004	31/3/2005	30/9/2005**
Mr. Vinod Ramnani	25.25	22.95	34.20	45.00	24.75
Mrs. Usha Ramnani	25.25	22.95	34.20	45.00	24.75

** For a period of six months only.

Subsidiary Company Advanced Micronics Devices Limited, Bangalore.

(Rs. lakhs)

Nature of Transaction	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Loans					
Given During the year	100	179	51.50	276.00	65.00
Given - ICD out -standing	-	179	51.50	10.14	64.69
Balance					
Receivable	-	42.93	8.48	38.59	31.21
Payables	-	14.38	22.80	0.39	-
Sales and Services	-	4.97	256.92	179.14	29.65
Purchases	-	15.24	499.73	688.24	47.92
Sale of Capital Goods	-	41.6	-	-	-
Interest - ICD	2.49	-	-	-	-



Nature of Transaction	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Guarantee issued to the banker	1282	1282	1282	1282	1841
Subsidiary Company MediAid inc., USA					Rs. lakhs
Nature of Transaction		31.03.03	31.03.04	31.03.05	30.09.05
Balance					
Receivable		185.31	745.05	855.49	2379.28
Payables		-	2.99	35.50	103.24
Sales and Services		185.31	1304.58	1236.69	1468.27
Purchases		44.47	815.85	965.09	313.14

Subsidiary Company Altron Industries Pvt. Limited. Bangalore. (Rs.lakhs)

Nature of Transaction	ICD Given	Receivables	Purchases
As on 30.09.2005	28.61	7.01	7.21

Annexure - XV - Opto Circuits (India) Limited

Statement Of Other Income (Rs. lakhs)

For the Year Ended	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Interest Received	14.89	10.83	0.54	0.34	0.64	1.97
Discount Received	-	0.41	-	-	-	-
Dividend Received	-	2.32	31.53	31.53	31.53	31.53
Difference in exchange	-	9.14	-	-	-	30.11
Miscellaneous Income	-	-	-	0.31	0.11	-
Total	14.89	22.70	32.07	32.18	32.28	63.61

Annexure XVI - Opto Circuits (India) Limited

Statement of Dividends

The dividends declared by the Company during the last five fiscal have been presented below.

Particulars	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
Face value of Equity shares	10/-	10/-	10/-	10/-	10/-
Dividend (Rs. in lakhs)	625.53	412.45	341.17	298.66	286.53
Dividend %	35	30	30	30	30
Dividend per Equity Share (Rs.)	3.50	3.00	3.00	3.00	3.00

Annexure XVII - Opto Circuits (India) Limited

Statement of Conversion Rates of Foreign currency to Indian Rupees.

US Dollar amount have been translated into Rupees for each period and presented solely to comply with the requirements of the Clause 6.9.7.1 of the SEBI Guidelines.

Particulars	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Half yearly ended September 30, 2005
Period end	47.71	43.85	43.63	43.87



AUDITORS' REPORT

The Board of Directors

Opto Circuits (India) Ltd,

Plot No.83, Electronic City, Hosur Road,
Bangalore south-560100.

- a) We have examined the annexed financial information of Advanced Micronic Devices Ltd., Bangalore, for four financial year ended March 31, 2002 to financial year ended March 31, 2005 and for the period ending September 30, 2005 being the last date to which the accounts of the Company have been made up and audited. The same is prepared on the basis of financial statements of Advanced Micronic Devices Ltd, which is audited by us. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the issue').
- b) In accordance with the requirements of:
- Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act')
 - The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments and
 - Our terms of reference with the Company dated November 24, 2005 requesting us to carry out work in connection with the Offer Document as aforesaid.

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report:

- The restated profit/ losses of Advanced Micronic Devices Ltd. (the subsidiary of the Company as at 30.09.05) for the above-mentioned period are as set out in Annexure I, in Indian Rupees These profits/ losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure IV to this Report.
- The restated Assets & Liabilities of Advanced Micronic Devices Ltd. (the subsidiary of the Company as at 30.09.05) for the above-mentioned period are as set out in Annexure II in Indian Rupees. These Assets & Liabilities have been arrived at after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure IV to this Report.
- The restated Cash Flow Statement of Advanced Micronic Devices Ltd. (the subsidiary of the Company as at 30.09.05) for the above-mentioned period are as set out in Annexure III in Indian Rupees.

In our opinion the financial information of the Company as stated above read with significant Accounting policies attached in Annexure IV to this report, after making adjustments/restatements and regroupings as considered appropriate, subject to non provision of Gratuity liability Note No.3 in Notes to Accounts and has been prepared in accordance with Part II of schedule II of the Act and the SEBI guidelines

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For ANAND SHENOY & CO.,
Chartered Accountants,

G.C.SOMA DAS
PARTNER
M. No. 18636

PLACE: BANGALORE
DATED: 10th April, 2006


Annexure - I (Advanced Micronic Devices Limited)
STATEMENT OF RESTATED PROFIT AND LOSS
(Rs. lakhs)

Period ended on		31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
A	Income					
	Sales:					
	Of Products manufactured by the Company	-	-	-	-	-
	Of products traded by the Company	2549.72	3070.62	4443.74	5445.28	2446.25
	Other Income	31.00	38.18	55.82	35.57	334.94
	Increase/Decrease in Work in progress and finished goods	-	-	-	-	-
	Total Income	2580.72	3108.8	4499.56	5480.85	2781.19
B	Expenditure					
	Raw materials & goods consumed	1779.40	1987.10	3104.74	4082.80	1796.18
	Staff Costs	380.67	428.28	528.41	481.22	221.52
	Administrative & Other Expenses	268.27	403.95	539.48	493.36	249.09
	Selling & distribution expenses	52.04	71.61	99.75	117.00	50.42
	Finance Expenses	19.90	80.67	93.38	146.86	97.10
	Miscellaneous expenditure written off	-	-	-	-	-
	Total expenditure	2500.28	2971.61	4365.76	5321.24	2414.31
	Net Profit Before Tax, Depreciation and Prior Period Items	80.44	137.19	133.8	159.61	366.88
	Depreciation	21.69	28.14	31.28	39.41	19.76
	Net Profit before tax and Prior Period Items	58.75	109.05	102.52	120.2	347.12
	Provision for taxation	15.00	41.31	37.76	42.65	20.52
	Tax Paid/Provisions Written back for the previous years	-	-	-	-	-
	Net Profit	43.75	67.74	64.76	77.55	326.6
	Prior year adjustments	10.81	1.13	(4.92)	(6.07)	-
	Balances carried to balance sheet	54.56	68.87	59.84	71.48	326.6



Annexure - II

STATEMENT OF RESTATED ASSETS AND LIABILITIES (Advanced Micronic Devices Limited)

(Rs. lakhs)

As at	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
A. Assets					
Fixed Assets- gross block	662.93	864.25	934.06	974.17	855.43
Less: Depreciation	123.31	125.43	150.71	185.01	153.06
Net Block	539.62	738.82	783.35	789.16	702.37
Less: Revaluation Reserve	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	539.62	738.82	783.35	789.16	702.37
B. Investments	71.10	71.1	28.21	28.5	28.5
C. Current assets, loans and advances					
Inventories	462.58	697.88	1087.33	1634.84	1950.74
Receivable	641.19	1096.72	1339.66	1954.95	1883.96
Cash and bank balances	527.61	521.43	706.03	752.95	729.26
Other current assets	-	-	-	-	-
Loans and advances	181.18	339.42	259.76	343.14	389.01
Total - A	1812.56	2655.45	3392.78	4685.88	4952.97
Current liabilities and provisions					
Sundry liability	678.46	825.50	1306.02	2087.78	2123.79
Provisions	67.81	86.83	92.13	120.02	94.5
TOTAL - B	746.27	912.33	1398.15	2207.80	2218.29
Net Current Assets (A-B)	1066.29	1743.12	1994.63	2478.08	2734.68
Total Assets	1677.01	2553.04	2806.19	3295.74	3465.55
D. Liabilities and provisions					
Loan funds					
Working Capital Loans	230.24	893.34	1254.92	1892.34	1750.47
Secured loans	6.22	16.62	23.05	16.45	11.53
Unsecured loans	-	179.00	51.50	10.14	0.14
TOTAL Liabilities	236.46	1088.96	1329.47	1918.93	1762.14
Deferred Tax Liability	-	14.06	26.27	36.87	36.87
E. Net worth	1440.55	1450.02	1450.45	1339.94	1666.54
Represented by:					
Shareholders funds					
Share capital	528.11	528.11	528.11	528.11	528.11
Share Application Money pending allotment	-	-	-	-	-
Share premium account	775.54	775.54	775.54	775.54	775.54
Reserves and Surplus	137.44	146.73	146.98	156.28	482.88
Less: Revaluation Reserve	-	-	-	-	-
Reserves (Net of Revaluation Reserve)	137.44	146.73	146.98	156.28	482.88
Less: Miscellaneous Expenditure not written off	0.54	0.36	0.18	119.99	119.99
Total	1440.55	1450.02	1450.45	1339.94	1666.54


ANNEXURE III (Advanced Micronic Devices Limited)
STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENTS
(Rs. Lakhs)

		For the Period Ended				
		31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
A	Cash flow from operating activities					
	Net (loss)/profit before tax but after exceptional/extraordinary items	69.56	110.18	97.6	114.13	347.12
	Adjustments for: -					
	Depreciation	21.69	28.14	31.28	39.41	19.75
	Interest Expenses	2.75	80.67	93.37	146.85	97.1
	Interest Income	(30.6)	(37.16)	(31.38)	(29.3)	(18.49)
	Other income(D)	(0.40)	(0.29)	(0.48)	(0.50)	(0.39)
	(Profit)/Loss on Sales of Fixed Assets Sold	2.10	-	(0.66)	1.96	(315.71)
	(Profit)/Loss on Sale of Investment Sold	-	1.69	-	-	-
	Miscellaneous Expenditure written off	10.69	30.2	-	(15.53)	-
	Deferred Revenue expenditure written off	-	-	-	-	-
	Provision for Bad & Doubtful Debts	-	-	-	-	-
	Provision for Gratuity & Leave Encashment	-	-	-	-	-
	Provision for Tax	-	-	-	-	-
	Prior Period Expenses/(Income) Net	(10.81)	(1.13)	-	6.07	-
	Other Provisions	-	-	-	-	-
	Exceptional/Extraordinary items (Expenses)/Income	-	-	-	-	-
	Dividend paid	-	-	-	-	-
	Operating Profit before working capital changes	64.98	212.3	189.73	263.09	129.38
	Adjustments for changes in working Capital:					
	(Increase)/Decrease in Sundry Debtors	146.72	(455.52)	(242.94)	(615.29)	70.99
	(Increase)/Decrease in other Receivable (Loan and advance)	27.51	(126.07)	79.66	(83.37)	(45.87)
	(Increase)/Decrease in Inventories	(129.85)	(235.3)	(389.45)	(547.51)	(315.89)
	Increase/(Decrease) in Trade and Other Payables	22.25	147.03	480.52	820.25	10.48
	Cash generated from operations	131.61	(457.56)	117.52	(162.83)	(150.91)
	Taxes (Paid)/Received (Net of TDS)	(17.45)	(46.04)	11.74	(32.05)	(20.52)
	Prior Period(Expenses/Income (Net)	-	-	-	-	-
	Extraordinary/Exceptional Item (Expenses)/Income	-	-	-	(6.07)	-
	Net Cash from Operating Activities	114.16	(503.6)	129.26	(200.95)	(171.43)


ANNEXURE III - ADVANCED MICRONIC DEVICES LIMITED

B Cash flow from Investing Activities					
Purchase of fixed assets	(212.06)	(259.51)	(317.57)	(51.64)	(17.25)
Proceeds from sale of fixed assets	0.74	0.46	248.42	9.58	400.00
Product developnt					
Expenses	-	-	-	(119.99)	-
Proceeds from sale of Investments	-	-	-	-	-
Purchase of Investments	-	-	-	(0.29)	-
Deposit with bank	-	-	-	-	-
Interest Received (Revenue)	30.60	37.16	31.38	29.3	18.49
Dividend Received	0.40	0.29	0.48	0.50	0.39
Amount paid on acquisition/ Investment in Subsidiaries	-	-	-	-	-
Any other Items	-	-	-	-	-
Net cash used in Investing activities	(180.32)	(221.6)	(37.29)	(132.54)	401.63
C Cash flow from Financing Activities					
Proceeds from fresh issue of Share Capital (Including Share Premium)	-	-	-	-	-
Advance against equity shares	-	-	-	-	-
Net Proceeds from long term borrowings	-	78.9	173.48	589.46	(156.78)
Net Proceeds from short terms borrowings	228.52	773.59	67.01	-	-
Proceeds from fixed deposits (NET)	-	-	-	-	-
Proceeds from Cash Credits (NET)	-	-	-	-	-
Dividend Paid	(26.40)	(52.81)	(52.81)	(52.81)	-
Interest Paid	(2.75)	(80.67)	(93.37)	146.86	(97.10)
Income tax paid	-	-	(6.77)	(9.28)	-
Net Cash used in financing Activities	199.37	719.01	87.54	380.41	(253.88)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	133.21	(6.19)	184.60	46.92	(23.68)
Cash and Cash Equivalents at the beginning of the year/period	394.41	527.62	521.43	706.03	752.95
Cash and Cash Equivalents at the end of the year/period	527.62	521.43	706.03	752.95	729.27



Annexure-IV (Advanced Micronic Devices Limited)

Significant Accounting Policies

a) **Basis of preparation of financial statements**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year.

b) **Fixed assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises purchase price, duties, levies, and any other costs relating to the acquisition and installation of the assets. Interest and financing charges on borrowed funds, if any, used to finance the acquisition of fixed assets, until the date the assets are ready for use are capitalized and included in the cost of the asset.

c) **Accounting Systems**

The accounts of the company are prepared on historical cost convention, accrual basis, on a going concern concept except income recognition on inter corporate deposits & retirement benefits.

d) **Depreciation**

The Company provides depreciation on straight-line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956, on pro-rata basis.

e) **Inventories**

Inventories are stated at the lower of cost and net realisable value.

f) **Foreign Currencies**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Foreign currency assets and liabilities are translated into rupees at the exchange rates prevailing on the balance sheet date. Exchange differences in translation of foreign currency assets and liabilities and realised gains and losses on foreign exchange transactions, other than those relating to fixed assets, are recognised in the profit and loss account.

g) **Retirement benefits to employees**

The company's liability towards retirement benefits in the form of provident fund is fully funded & charged to revenue. The company contributes to the employee's provident fund maintained under EPF scheme run by the central government. Payments on account of gratuity and leave salary are accounted on cash basis.

h) **Income Tax**

Deferred Tax Assets & Liabilities are recognized for the estimated future tax consequences of temporary differences between the carrying value of the assets & liabilities and their respective tax bases. Deferred Tax Asset in the nature of unabsorbed depreciation and losses are recognized only if there is virtual certainty of realization.

i) **Statutory Levies & Taxes**

The Company follows mercantile system of accounting with respect to transactions in the normal course of business. However, with respect to the effect of the outcome of tax assessments, appeals & proceedings, the company records the same on determination or completion & disposal.

j) **Earnings Per Share**

The basic earning per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per share have not been computed, as the company not has issued any Dilutive Potential Equity Shares.

k) **Investments**

Current investments are valued at lower of cost or fair market value. Long term investments are stated at cost less permanent diminution, if any, in value.



Annexure-IV (Advanced Micronic Devices Limited)

Notes forming parts of accounts

1. (Rs. lakhs)

	30.09.05	31.03.05
Contingent liabilities		
Letter of Credits	278.64	381.06
Bank Guarantees	267.68	169.58
	546.32	550.64

Liability for tax paid under protest Rs.46,17,663/- is disputed & contested in appeal to Income-Tax Tribunal, for the prior years is not provided & will be accounted after completion of Income Tax proceedings.

2. Auditor's Remuneration as on 31.03.05

	Rs.
Statutory Audit Fees	1,65,300
Tax Audit Fees	55,100
Other Services	50,000
	2,70,400

3. Qualification in Auditor's Report

For the Financial year 2004-2005 and half year ending September 30, 2005

- a) Retirement benefits like terminal allowances, leave encashment, gratuity liabilities etc, payable to employees are accounted for on cash basis.

4. Details of Cost of Sales/Service

(Rs. lakhs)

		30.9.05	31.3.05
Healthcare			
a	Healthcare Devices	1,010.34	2,216.94
b	Cardiac Care Equipment	152.78	340.59
Information Technology			
a	Systems & Service	116.12	740.12
b	Software Products	310.82	336.86
Total		1,590.06	3,634.50

5. Particulars of Sales

(Rs. lakhs)

		30.9.05	31.3.05
Healthcare			
A	Healthcare Devices	1,554.37	3,410.67
B	Cardiac Care Equipment	235.05	523.99
Information Technology			
a	Systems & Service	178.65	1,027.94
b	Software Products	478.18	518.24
Total		2,446.25	5,480.84



6. Value of Raw Materials Consumed

	%	30.09.05	%	31.03.05
a Indigenous	25.06	432.07	24.14	932.89
b Imported	74.94	1,291.93	75.86	2,931.38
Total	100.00	1,724.00	100.00	3,864.27

7 Earnings in Foreign currency

a Commission	45.75	97.89
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8 Expenditure in foreign currency

	30.09.05	31.03.05
a Foreign Travel	7.50	23.94
b Materials (CIF Value)	856.28	2,594.74
c Capital Equipments (CIF Value)	17.25	26.83
d Certification charges	0.61	11.68

9 Capacities & Production

a Licensed Capacity	NA	NA
b Installed Capacity	NA	NA
c Production	NA	NA

10. Remuneration to Chairman, Managing Directors & Directors

	30.09.05	31.03.05
a Salary	1,580,000	3,112,000
b Contribution to Provident fund	122,400	226,800

The above payments are as per the provisions of Schedule XIII of the Companies Act, 1956

- 11 The company has an on going programme of periodic reconciliation of sundry debtors, sundry creditors, and loans & advances given/taken & provisions wherever necessary have been made
- 12 Deferred Tax liability as at March 31, 2005 represents the tax effect of temporary differences substantially on account of differences in the written down value of fixed assets on account of differing depreciation methods/ rates & other timing differences, arising during the accounting year. Accumulated net Deferred Tax Liability arising out of timing differences of the earlier years has not been recognised.

	31.03.05 (In Rs.)
Deferred Tax liability as at 31.03.2005 comprises of,	10,60,000
Timing difference on Account of depreciation	-
Deferred Tax Liability	-
Other timing differences - Deferred tax assets	-
Net Deferred tax liability	10,60,000

- 13 Net effect of Foreign Exchange rate difference included in the net profit for the period ended on March 31, 2005 is Rs.4.21 lakhs
- 14 List of related parties where control exists.

Enterprises owing directly or indirectly, an interest in the voting power of the company that gives control or significant influence over the company.

1. Opto Circuits India Ltd



15 Related Party transactions

During the year, the following transactions were carried out with the related party in the ordinary course of business.

(Rs. lakhs)

Nature of Transaction	31.03.05	30.09.05
Loans		
Taken During the year	276.00	65.00
Outstanding - ICD	10.14	64.69
Balance		
Payable	38.59	31.21
Receivable	0.39	-
Purchases	179.14	29.65
Sales & Services.	688.24	47.92
Guarantee issued to the banker by Opto.	1282.00	1841.00

16 Segment-wise reporting

(Rs. lakhs)

Segment Revenue	30.09.05	31.03.05
(Net sales incl. Excise duty)		
a Healthcare	1,789.42	3,934.66
b Information Technology	656.83	1,546.18
Total Segment Revenue	2,446.25	5,480.84
Segment Results		
(Profit before Interest & Tax)		
a Healthcare	139.82	233.50
b Information Technology	35.69	160.33
Total Segment Profits	175.51	393.83
Less : Interest	97.10	146.85
Less : Unallocable Expenditure	47.00	126.79
(Net of allocable income)		
Total Profit before Tax	31.41	120.19

ANNEXURE IV - Advanced Micronic Devices Limited

Notes forming parts of accounts

- 1 Segments have been identified in accordance with Accounting Standard 17 "Segment Reporting", considering the organization structure & the return/risk profiles of the business. The Management Information system recognizes & monitors these segments on a continuous basis.
 - 2 Segment revenue includes sales & other income directly identifiable with the segment & allocable to it.
 - 3 Other unallocable expenditure includes expenses incurred on common services provided to segments & corporate expenses
 - 4 Reporting on geographical segment wise is not applicable since the geographical segment revenue is less than 10% of the total revenue.
 - 5 Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, however efforts will be made to identify assets segment wise in future
17. Previous year figures have been regrouped & reclassified to correspond with the current year's classification.
 18. An amount of Rs.119.99 lakhs treated as product development expenditure for the development of electronic data capture machines to be charged off over the period of 5 years.
 19. Other Income for the period ended 30-09-2005 aggregating to an amount of Rs. 334.94 lakhs consists of the following
 - a) Income from Sale of property at Jayanagar, Bangalore. Rs. 315.71 lakhs.
 - b) Fixed Deposit interest. Rs. 19.23 lakhs



AUDITOR'S REPORT

The Board of Directors

Opto Circuits (INDIA) Ltd,

Plot No.83, Electronic City, Hosur Road, Bangalore - 560100.

a) We have examined the annexed financial information of Altron Industries Pvt Ltd Bangalore, for financial year ended March 31, 2005 and for the period ending September 30, 2005 being the last date to which the accounts of the Company have been made up and audited. The same is prepared on the basis of financial statements of Altron Industries Pvt Ltd, which is audited by us. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the issue').

b) In accordance with the requirements of:

Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act')

The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments and

Our terms of reference with the Company dated November 24, 2005 requesting us to carry out work in connection with the Offer Document as aforesaid.

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report:

i The restated profit/ losses of Altron Industries Pvt Ltd. (the subsidiary of the Company as at 30.09.05) for the above-mentioned period are as set out in Annexure I, in Indian Rupees. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustments/ restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure III to this Report.

ii The restated Assets & Liabilities of Altron Industries Pvt Ltd. (the subsidiary of the Company as at 30.09.05) for the above-mentioned period are as set out in Annexure II in Indian Rupees. These Assets & Liabilities have been arrived at after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure III to this Report.

iii Statement of Cash flow enclosed as Annexure IV to this report.

In our opinion the financial information of the Company as stated above read with significant accounting policies attached in Annexure III to this report, after making adjustments/restatements and regroupings as considered appropriate, subject to non provision of Gratuity liability Note and, Deferred Tax Note, in Notes to Accounts and has been prepared in accordance with Part II of schedule III of the Act and the SEBI Guidelines

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For ANAND SHENOY & CO.,
Chartered Accountants,

G.C.SOMA DAS
PARTNER
M. No. 18636

PLACE: BANGALORE
DATED : 10th April, 2006

**ALTRON INDUSTRIES PRIVATE LIMITED****Annexure I****STATEMENT OF RESTATED PROFIT AND LOSS ACCOUNT****(Rs. lakhs)**

Period ended on	31.03.05	30.09.05
Income		
Sales:		
Sales	78.75	27.84
Other Income	1.90	0.02
Total Income	80.65	27.86
Expenditure		
Raw materials & goods consumed	11.64	4.53
Staff Costs	38.09	15.07
Administrative & Other Expenses	19.40	4.51
Selling & distribution expenses	0.03	0
Finance Expenses	0.66	0.05
Miscellaneous expenditure written off	3.26	
Total expenditure	73.08	24.16
Net Profit Before Tax, Depreciation and Prior Period Items	7.57	3.70
Depreciation	5.14	2.19
Net Profit Before Tax, and Prior Period Items	2.43	1.51
Provision for taxation	0.17	-
Tax Paid/Provisions Written back for the previous years	-	-
Net Profit After Tax & before prior Period Items	2.26	1.51
Prior Period Items	0.08	0
Balance carried to Balance sheet	2.34	1.51

ALTRON INDUSTRIES PRIVATE LIMITED**Annexure II****STATEMENT OF RESTATED ASSETS AND LIABILITIES****(Rs. lakhs)**

As at	31.03.05	30.09.05
A. Assets		
Fixed Assets- gross block	108.26	108.26
Less: Depreciation	36.48	38.67
Net Block	71.78	69.59
Less: Revaluation Reserve		
Net Block after adjustment for Revaluation Reserve	71.78	69.59
B. Investments	0.00	0.00



As at		31.03.05	30.09.05
C.	Current assets, loans and advances		
	Inventories	21.47	21.47
	Receivable	22.35	23.54
	Cash and bank balances	13.25	7.15
	Other current assets		
	Loans and advances	47.29	47.06
	Total - A	104.36	99.22
	Current liabilities and provisions		
	Sundry liability	71.51	64.11
	Provisions	0.17	0.17
	TOTAL - B	71.68	64.28
	Net Current Assets (A-B)	32.68	34.94
	Total Assets	104.46	104.53
D.	Liabilities and provisions		
	Loan funds		
	Working Capital Loans	-	-
	Secured loans	2.80	1.55
	Unsecured loans	25.92	25.73
	TOTAL	28.72	27.28
	Deferred Tax Liability	0.00	0.00
E.	Net worth	75.74	77.25
	Represented by:		
	Shareholders funds		
	Share capital	7.02	7.02
	Share application Money Pending Allotment	0.00	0.00
	Reserves and surplus	68.72	70.23
	Less: Revaluation Reserve	-	-
	Reserves (Net of Revaluation Reserve)	68.72	70.23
	Less: miscellaneous expenditure not written off	-	-
	Total	75.74	77.25

ALTRON INDUSTRIES PRIVATE LIMITED

Annexure - III

Significant accounting policies

System of Accounting

Financial Statements are based on historical cost concept on the basis of 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 recorded net of discounts, rebates for price adjustment, rejections and shortage in transit, taxes and duties.



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

Depreciation

Depreciation is provided on Written Down Value 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.

Inventories

Valuation of Inventories is at the lower of cost or market value as certified by the Managing Director.

Investment

The Investment is stated at cost.

Deferred Tax

The Company as a prudent business policy does not foresee any provision of deferred tax liability or deferred tax asset and hence no treatment is provided for deferred tax liability asset in the account

Notes on Accounts:-

1. Capacity & Production: Licenced Capacity Installed Capacity Production (Only Job work executed)	31/03/2005 -30/09/2005 NA 20 lakhs units Nil
2. Expenditure & Income in foreign Currency Foreign Exchange inflow Foreign Exchange outflow	Nil Nil
3. CIF Value of Imports Raw materials Consumables	Nil Nil
4. Raw materials Imported Indigineous Total Consumables Imported Indigenious (as on 31.03.2005) (as on 30.09.2005)	Nil Nil Nil Nil Rs.1.22 lakhs Rs.0.14 lakhs

6. Previous year figures have been regrouped and recasted wherever necessary. The company is generally regular in making the payments to the Authorities of Employees State Insurance & Provident Fund.

7. Retirement Benefits Employees:

The company's liability towards retirement benefit in the form of Provident Fund is fully funded and charged to revenue expenditure.

No provision has been made towards the liability of gratuity and same will be accounted as and when paid.

Product Development Expenses not W/O to the extent of Rs. 3,26,390/- since the commercial sales and production of the product is not yet commenced.

**ALTRON INDUSTRIES PRIVATE LIMITED - ANNEXURE-IV****STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENTS****(Rs. lakhs)**

	31.03.05	30.09.05
Cash flow from operating activities		
Net (loss)/profit before tax but after exceptional/extraordinary items	2.51	1.51
Adjustments for:-		
Depreciation	5.14	2.19
Interest Expenses	0.62	-
Interest Income	(0.24)	-
Dividend received	(0.01)	(0.01)
(Profit)/Loss on Sales of Fixed Assets Sold	(1.21)	-
(Profit)/Loss on Sale of Investment Sold	-	-
Miscellaneous Expenditure written off	-	-
Deferred Revenue expenditure written off	-	-
Provision for Bad & Doubtful Debts	-	-
Provision for Gratuity & Leave Encashment	-	-
Provision for Tax	(0.17)	-
Prior Period Expenses/(Income) Net	(0.09)	-
Other Provisions	-	-
Exceptional/Extraordinary items (Expenses)/Income	-	-
Dividend paid	-	-
Operating Profit before working capital changes	6.55	3.69
Adjustments for changes in working capital:		
(Increase)/Decrease in Sundry Debtors	4.83	(1.19)
(Increase)/Decrease in other Receivable (Loan and advance)	26.27	0.23
(Increase)/Decrease in Inventories	(21.47)	-
Increase/(Decrease) in Trade and Other Payables	20.97	(7.40)
Cash generated from operations	37.15	(4.67)
Taxes (Paid)/Received (Net of TDS)	0.19	-
Prior Period(Expenses/Income (Net)	0.09	-
Extraordinary/Exceptional Item (Expenses)/Income	-	-
Net Cash from Operating Activities	37.43	(4.67)
Cash flow from investing Activities		
Purchase of fixed assets	(40.03)	-
Proceeds from sale of fixed assets	3.00	-
Capital Work in progress	-	-
Product development expenses	-	-



Proceeds from sale of Investments	-	-
Purchase of Investments	-	-
Deposit with bank	-	-
Interest Received (Revenue)	0.24	-
Dividend Received	0.01	0.01
Amount paid on acquisition/Investment in Subsidiaries	-	-
Any other Items	-	-
Net cash used in Investing activities	(36.78)	0.01
Cash flow from Financing Activities		
proceeds from issue of share capital	-	-
Advance against equity shares	-	-
Net Proceeds from long term borrowings	(3.93)	(1.25)
Net Proceeds from short terms borrowings	(2.55)	(0.20)
Proceeds from fixed deposits (NET)	-	-
Proceeds from Cash Credits (NET)	-	-
Dividend Paid	-	-
Interest Paid	(0.62)	-
Income tax paid	(0.19)	-
Net Cash used in financing Activities	(7.29)	(1.45)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(6.64)	(6.11)
Cash and Cash Equivalents at the beginning of the year/period	19.89	13.25
Cash and Cash Equivalents at the end of the year/period	13.25	7.14



AUDITORS' REPORT

The Board of Directors

Opto Circuits (INDIA) Ltd,
Plot No.83, electronic City, Hosur Road,
Bangalore -560100.

a) We have examined the annexed financial information of Medi Aid inc, USA for three financial years from the financial year ended March 31, 2003 to financial year ended March 31, 2005 and for the period ending September 30, 2005 being the last date to which the accounts of Medi Aid inc, have been made up and Audited by us. The same is prepared on the basis of the financial statements of Medi Aid inc (A California Corporation incorporated under the California Corporation Code) for the financial year ended March 31, 2003 to Financial year ended March 31, 2005 and for the period ended September 30,2005, duly certified by the Authorised officer of the Corporation that the statements were prepared without Audit from the Books and Records of the Corporation [as per the requirements of California Corporation Code Section 1501(a)]. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the issue').

b) In accordance with the requirements of:

Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act')

The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments and

Our terms of reference with the Company dated November 24, 2005 requesting us to carry out work in connection with the Offer Document as aforesaid.

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report:

- i. The restated profit/ losses of Medi Aid Inc. (A 100% subsidiary of the Company as at 30.09.05) for the above-mentioned period are as set out in Annexure I in USD, the converted figures in Indian Rupees for the respective year are set out in Annexure III. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure V to this report.
- ii The restated Assets & Liabilities of Medi Aid inc. (A 100% subsidiary of the Company as at 30.09.05) for the above-mentioned period are as set out in Annexure II in USD, the converted figures in Indian Rupees for the respective year are set out in Annexure IV. These Assets & Liabilities have been arrived at after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure V to this report.

In our opinion the financial information of the Company as stated above read with significant accounting policies attached in Annexure V to this report, after making adjustments/restatements and regroupings as considered appropriate and has been prepared in accordance with Part II of schedule II of the Act and the SEBI guidelines.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For ANAND SHENOY & CO.,
Chartered Accountants,

G.C.SOMA DAS
PARTNER
M. No. 18636

PLACE: BANGALORE
DATED : 10th April, 2006



Mediaid Inc., ANNEXURE - I

Statement of Restated Profit and Loss Account

(In USD)

	2002-03	2003-04	2004-05	2005-06
Income:				
Sales:				
Sales	372729	3972866	4568167	2010504
Other Income				
Inc/(Dec) in Work in Progress & Finished Goods				
Total Income:	372729	3972866	4568167	2010504
Expenditure:				
Raw Materials & Goods Consumed	185906	2788148	3473355	1395110
Other Manufacturing Expenses	51798	37511	82120	7453
Staff Costs	77202	561766	423880	244178
Administrative & Other Expenses	146268	434677	448064	247466
Selling & Distribution Expenses	17911	145374	101657	52582
Finance Expenses	506	10066	11916	6441
Miscellaneous Expenditure written off	-	-	-	-
Total Expenditure:	479591	3977542	4540992	1953230
Net Profit before Tax	(106862)	(4676)	27175	57274
Depreciation & Prior Period Items:				
Depreciation	369	3831	23099	58560
Net Profit after Depreciation before Prior period items	(107231)	(8507)	4076	(1286)
Provision for Taxation				
Tax paid/Provision written back for the previous years				
Net Profit after Tax & before prior period items	(107231)	(8507)	4076	(1286)
Balance carried forward to Balance Sheet	(107231)	(8507)	4076	(1286)

Mediaid Inc., ANNEXURE-II

Statement of Restated Assets & Liabilities

(In USD)

	As At	31.03.03	31.3.04	31.3.05	30.9.05
A.	Assets:				
	Fixed Assets - Gross Block	7388	23792	341175	345261
	Less : Depreciation	369	4200	27298	85858
	Net Block	7019	19592	313877	259403
	Less : Revaluation Reserves				
	Net Block after adjustment of Revaluation Reserves	7019	19592	313877	259403
B.	Investments	-	-	35059	64159
C.	Current Assets, Loans & Advances:				
	Inventories	410430	1808603	1879133	4282175
	Receivables	333980	357670	484245	1087560



	As At	31.03.03	31.3.04	31.3.05	30.9.05
	Cash & Bank Balances	35663	180068	88462	23349
	Other Current Assets	-	-	-	-
	Loans & Advances	6885	694244	191708	195425
	Total - A	786958	3040585	2643548	5588509
	Current Liabilities & Provisions:				
	Sundry Liabilities	801208	2137223	2070217	4994024
	Provisions	-	-	-	-
	Total - B	801208	2137223	2070217	4994024
	Net Current Assets (A-B)	(14250)	903362	573331	594485
	Total Assets	(7231)	922954	922267	918047
D.	Liabilities & Provisions:				
	-Loan Funds				
	Working Capital Loans	0	0	0	0
	Secured Loans	0	0	0	0
	Unsecured Loans	0	38692	33929	30994
	Total:	0	38692	33929	30994
	Deferred Tax Liability				
E.	Net Worth	(7231)	884262	888338	887053
	Represented by:				
	Share Capital	100000	1000000	1000000	1000000
	Share Application pending money pending allotment	0	0	0	0
	Share Premium Account	0	0	0	0
	Reserves & Surplus	107231	115738	111662	112947
	Less: Revaluation Reserves	0	0	0	0
	Less: Miscellaneous expenditure not written off	0	0	0	0
	Add: Capital Reserves & Adjustments	0	0	0	0
	Reserves (Net of Revaluation Reserves-Capital Reserves)	(107231)	(115738)	(111662)	(112947)
	Minority Interest				
	Total:	(7231)	884262	888338	887053

Mediaid, Inc. - Annexure - III

STATEMENT OF RESTATED PROFIT AND LOSS ACCOUNT

(Rs. lakhs)

Period ended on	31.03.03	31.03.04	31.03.05	30.09.05
Income				
Sales:				
Sales	177.83	1742.10	1993.09	882.00
Other Income	-	-	-	-
Total Income	177.83	1742.10	1993.09	882.00
Expenditure				
Raw materials & goods consumed	88.70	1222.60	1515.42	612.03
Other Mfg Expenses	24.71	16.45	35.83	3.27



Period ended on	31.03.03	31.03.04	31.03.05	30.09.05
Staff Costs	36.83	246.33	184.94	107.12
Administrative & Other Expenses	69.78	190.61	195.49	108.56
Selling & distribution expenses	8.55	63.75	44.35	23.07
Finance Expenses	0.24	4.41	5.20	2.82
Miscellaneous expenditure written off	-	-	-	-
Total expenditure	228.81	1744.15	1981.23	856.87
Net Profit Before Tax, Depreciation and Prior Period Items	(50.98)	(2.05)	11.86	25.13
Depreciation	(0.18)	(1.68)	(10.08)	(25.69)
Net Profit Before Tax, and Prior Period Items	(51.16)	(3.73)	1.78	(0.56)
Provision for taxation	-	-	-	-
Tax Paid/Provisions Written back for the previous years	-	-	-	-
Net Profit After Tax & before prior Period Items	(51.16)	(3.73)	1.78	(0.56)
Prior Period Items	-	-	-	-
Balance carried to Balance sheet	(51.16)	(3.73)	1.78	(0.56)

MEDIAID INC

Annexure - IV STATEMENT OF RESTATED ASSETS AND LIABILITIES

(Rs. lakhs)

As at	31.03.03	31.03.04	31.03.05	30.09.05
A. Assets				
Fixed Assets- gross block	3.524	10.433	148.854	151.466
Less: Depreciation	0.176	1.842	11.910	37.666
Net Block	3.348	8.591	136.944	113.800
Less: Revaluation Reserve	-	-	-	-
Net Block after adjustment for Revaluation Reserve	3.348	8.591	136.944	113.800
B. Investments	-	-	15.296	28.146
C. Current assets, loans and advances				
Inventories	195.816	793.073	819.866	1878.591
Receivable	159.342	156.838	211.276	477.112
Cash and bank balances	17.015	78.959	38.596	10.243
Other current assets				
Loans and advances	3.285	304.426	83.642	85.733
Total - A	375.458	1333.296	1153.380	2451.679
Current liabilities and provisions				
Sundry liability	382.256	937.172	903.235	2190.879
Provisions				
TOTAL - B	382.256	937.172	903.235	2190.879
Net Current Assets (A-B)	(6.798)	396.124	250.145	260.800
Total Assets	(3.450)	404.715	402.385	402.746



As at		31.03.03	31.03.04	31.03.05	30.09.05
D.	Liabilities and provisions				
	Loan funds				
	Working Capital Loans	-	-	-	-
	Secured loans	-	-	-	-
	Unsecured loans	-	16.966	14.803	13.597
	TOTAL	-	16.966	14.803	13.597
	Deferred Tax Liability	-	-	-	-
E.	Net worth	(3.450)	387.749	387.582	389.149
	Represented by: Shareholders Funds				
	Share capital	47.710	438.500	436.300	438.700
	Share application Money Pending Allotment				
	Reserves and surplus	(51.160)	(50.751)	(48.718)	(49.551)
	Less: Revaluation Reserve	-	-	-	-
	Reserves (Net of Revaluation Reserve)	(51.160)	(50.751)	(48.718)	(49.551)
	Less: miscellaneous expenditure not written off	-	-	-	-
	Total	(3.450)	387.749	387.582	389.149

Mediaid, Inc - Annexure - V

STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENTS

(Rs. lakhs)

		31.03.03	31.03.04	31.03.05	30.09.05
A	Cash flow from operating activities				
	Net (loss)/profit before tax but after exceptional/ extraordinary items	(51.16)	(3.73)	1.78	(0.56)
	Adjustments for:-				
	Depreciation	0.18	1.68	10.08	25.69
	Interest Expenses	-	-	-	-
	Interest/Dividend Income	-	-	-	-
	Lease Rent-Finance Lease	-	-	-	-
	(Profit)/Loss on Sales of Fixed Assets Sold	-	-	-	-
	(Profit)/Loss on Sale of Investment Sold	-	-	-	-
	Miscellaneous Expenditure written off	-	-	-	-
	Deferred Revenue expenditure written off	-	-	-	-
	Provision for Bad & Doubtful Debts	-	-	-	-
	Provision for Gratuity & Leave Encashment	-	-	-	-
	Prior Period Expenses/(Income) Net	-	-	-	-
	Exceptional/Extraordinary items (Expenses)/Income	-	(1.42)	(0.41)	0.21
	Any other non cash Item	-	-	-	-
	Operating Profit before working capital changes	(50.98)	(3.47)	11.45	25.34



	31.03.03	31.03.04	31.03.05	30.09.05
Adjustments for changes in working capital:				
(Increase)/Decrease in Sundry Debtors	(159.34)	(10.39)	(55.22)	(264.67)
(Increase)/Decrease in Loans & Advances	(3.28)	(301.41)	219.26	(1.63)
(Increase)/Decrease in other Receivable Loans & Advances	-	-	-	-
(Increase)/Decrease in Inventories	(195.82)	(613.10)	(30.77)	(1054.22)
Increase/(Decrease) in Trade and Other Payables	382.25	602.85	(31.31)	1281.38
Cash generated from operations	(27.17)	(325.52)	113.41	(13.80)
Taxes (Paid)/Received (Net of TDS)	-	-	-	-
Prior Period(Expenses)/Income (Net)	-	-	-	-
Extraordinary/Exceptional Item (Expenses)/Income	-	-	-	-
Net Cash from Operating Activities	(27.17)	(325.52)	113.41	(13.80)
B Cash flow from Investing Activities				
Purchase of fixed assets	(3.52)	(7.19)	(138.47)	(1.79)
Proceeds from sale of fixed assets	-	-	-	-
Capital Work in progress	-	-	-	-
Proceeds from sale of Investments	-	-	-	-
Purchase of Investments	-	-	(15.30)	(12.77)
Deposit with bank	-	-	-	-
Interest Received (Revenue)	-	-	-	-
Dividend Received	-	-	-	-
Amount paid on acquisition/Investment in Subsidiaries	-	-	-	-
Dividend Paid	-	-	-	-
Any other Items_	-	-	-	-
Net cash used in Investing activities	(3.52)	(7.19)	(153.77)	(14.56)
C Cash flow from Financing Activities				
Proceeds from fresh issue of Share Capital (Including Share Premium)	47.71	394.65	-	-
Advance against equity shares	-	-	-	-
Net Proceeds from long term borrowings	-	-	-	-
Net Proceeds from short terms borrowings	-	-	-	-
Proceeds from fixed deposits (NET)	-	-	-	-
Proceeds from Cash Credits (NET)	-	-	-	-
Interest Paid	-	-	-	-
Interest Paid-Capitalised	-	-	-	-
Net Cash used in financing Activities	47.71	394.65	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	17.02	61.94	(40.36)	(28.36)
Cash and Cash Equivalents at the beginning of the year/period	-	17.02	78.96	38.60
Cash and Cash Equivalents at the end of the year/period	17.02	78.96	38.60	10.24



MEDIAID INC**Annexure - VI****SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS****A Basis for preparation of financial statements:**

Mediaid Inc is a corporation incorporated under the General Corporation Law of State of California, USA. The Accounting Standards are not mandatorily applicable and the Accounts are not statutorily required to be audited as it is not a Listed Corporation.

The Financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year.

B Revenue Recognition:

Revenue from sale of products are recognized on dispatch of goods to customers and are net of tax, discounts, rebated for price adjustments, rejections and shortage in transit.

C Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment losses. Cost include purchase price, duties, levies and any other cost relating to the acquisition and installation of the assets. Interest and financing charges on borrowed funds, if any, used to finance the acquisition of fixed assets, until the date the assets are ready for use are capitalized and included in the cost of the asset.

D Depreciation

Depreciation is provided as per the Accounting Policy prevailing in USA.

E Inventories:

Inventories are valued at the lower of cost or net realisable value.

F Investments

The Investments are stated at cost.

G. Statement of Conversion Rates of Foreign currency to Indian Rupees.

US Dollar amount have been translated into Rupees for each period and presented solely to comply with the requirements of the Clause 6.9.7.1 of the SEBI Guidelines.

Particulars	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Half yearly ended September 30, 2005
Period end	47.71	43.85	43.63	43.87



AUDITOR'S REPORT

The Board of Directors
Opto Circuits (INDIA) Ltd,
Plot No. 83, Electronic City, Hosur Road
Bangalore South - 560100

- a) We have examined the annexed Consolidated financial information of Opto Circuits (India) Ltd and Altron Industries Pvt Ltd, Advanced Micronic Devices Ltd. and Medi Aid Inc (USA) its subsidiary companies collectively referred to as " the Group", for the Four years from financial year ended March 31, 2002 to financial year ended March 31, 2005 and for the period ended September 30,2005 being the last date to which the accounts of the Company have been made up and audited. The information is based on the accounts of Opto Circuits (India) Ltd, Altron Industries Pvt Ltd, Advanced Micronic Devices Ltd, audited by us, for the above-mentioned period and the financial statements of Medi Aid inc (A California Corporation incorporated under the California Corporation Code) for the financial year ended March 31, 2003 to Financial year ended March 31, 2005 and for the period ended September 30,2005, duly certified by the Authorised officer of the Corporation that the statements were prepared with out Audit from the Books and Records the Corporation[as per the requirements of California Corporation Code Section 1501(a)]. The profit or losses of Eurocor GmBh, for each of the financial years ending on 31st December 2004 and also the Assests/ liabilities of Eurocor GmBh, have not been included while stating the consolidation of the subsidiary company account with the holding company account, since Euro Cor GmBh has been acquired only on January 7 2006, the date from which it becomes the subsidiary company. However the profit or loss account, statement of assets and liabilities have been furnished seperately."

These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the issue').

- b) In accordance with the requirements of:
- (i) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act');
 - (ii) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments and
 - (iii) Our terms of reference with the Company dated November 24, 2005 requesting us to carry out work in connection with the Offer Document as aforesaid.

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report:

- i. The restated profit/ losses of the group for the respective years are set out in Annexure I. These profits/ losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure IV to this report.
- ii. The restated Assets & Liabilities of the Group for the respective years are set out in Annexure II. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and subject to the significant accounting policies and Notes thereon appearing in Annexure IV to this report.
- iii. The restated Cash Flow Statement of the Group for the above-mentioned years are as set out in Annexure III.
- Iv The statement on accounting ratios as set out in Annexure V to this report.



We report that the summarised restated consolidated financial statements have been prepared by the company's management in accordance with the requirements of the Accounting Standards (AS) 21 - Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

In our opinion the financial information of the Company as stated above read with significant Accounting policies attached in Annexure IV to this report, after making adjustments/restatements and regroupings as considered appropriate and has been prepared in accordance with Part II of schedule II of the Act and the SEBI guidelines.

This report is intended solely for your information and for inclusion in the Offer document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For ANAND SHENOY & CO,
Chartered Accountants,

G.C. SOMADAS
PARTNER
M. No. 18636.

PLACE: BANGALORE.

DATED : **10th April, 2006**



Opto Circuits (India) Limited (GROUP CONSOLIDATED) ANNEXURE I

Statement of Restated Profit and Loss Account

(Rs. lakhs)

	31-03-02	31-03-03	31-03-04	31-03-05	30-09-05
Income:					
Sales:					
Sales	5651.28	6806.35	9161.16	12283.51	6330.06
Other Income	53.70	70.24	88.01	67.85	398.58
Inc/(Dec) in Work in Progress & Finished Goods	71.70	24.59	4.50	(109.02)	41.25
Total Income:	5776.68	6901.18	9253.67	12242.34	6769.89
Expenditure:					
Raw Materials & Goods Consumed	3739.92	4165.60	5020.58	7169.10	3492.40
Other Manufacturing Expenses	73.46	146.00	159.97	264.99	142.46
Staff Costs	481.07	599.08	960.60	895.14	477.82
Administrative & Other Expenses	406.47	646.32	958.50	974.45	568.28
Selling & Distribution Expenses	75.03	155.16	331.37	360.10	165.84
Finance Expenses	197.58	258.14	293.77	336.82	194.61
Miscellaneous Expenditure written off	-	-	-	-	-
Total Expenditure:	4973.53	5970.30	7724.79	10000.60	5041.41
Net Profit before Tax	803.15	930.88	1528.88	2241.74	1728.48
Depreciation & Prior Period Items:					
Depreciation	77.27	98.07	127.47	178.32	109.13
Net Profit after Depreciation before Prior period items	725.88	832.81	1401.41	2063.42	1619.35
Provision for Taxation	25.00	76.31	37.90	67.65	22.20
Tax paid/Provision written back for the previous years	-	-	-	-	-
Net Profit after Tax & before prior period items	700.88	756.50	1363.51	1995.77	1597.15
Prior period items	17.50	11.28	(2.34)	(18.12)	3.41
Unrealised Profit	-	(39.85)	(176.46)	(201.11)	(492.38)
Share of Profit - Minority Interest	21.98)	(27.75)	(24.10)	(28.80)	(131.59)
Balance carried forward to Balance Sheet	696.40	700.18	1160.61	1747.74	976.59



Opto Circuits (India) Limited (GROUP CONSOLIDATED) ANNEXURE II

Statement of Restated Assets & Liabilities

(Rs. Lakhs)

	31-03-02	31-03-03	31-03-04	31-03-05	30-09-05
A. Assets:					
Fixed Assets - Gross Block	1862.22	2505.47	3195.49	3564.36	3590.21
Less : Depreciation	382.21	446.05	567.49	703.03	762.33
Net Block	1480.01	2059.42	2628.00	2861.33	2827.88
Less : Revaluation Reserves	-	-	-	-	-
Net Block after adjustment of Revaluation Reserves	1480.01	2059.42	2628.00	2861.33	2827.88
B. Investments	71.94	71.28	28.39	43.98	56.82
C. Current Assets, Loans & Advances:					
Inventories	1484.12	1995.03	3293.82	4295.69	5243.04
Receivables	2275.19	2763.45	3396.97	4418.13	6710.99
Cash & Bank Balances	566.17	1065.50	850.41	1021.75	962.55
Other Current Assets	-	-	-	-	47.06
Loans & Advances	483.79	1106.53	793.43	729.97	691.95
Total - A	4809.27	6930.51	8334.63	10465.54	13655.59
Current Liabilities & Provisions:					
Sundry Liabilities	1009.56	1444.16	2122.22	3084.90	4438.01
Provisions	376.46	506.71	557.54	852.30	207.23
Total - B	1386.02	1950.87	2679.76	3937.20	4645.24
Net Current Assets (A-B)	3423.25	4979.64	5654.87	6528.34	9010.35
Total Assets	4975.20	7110.34	8311.26	9433.65	11895.05
D. Liabilities & Provisions:					
-Loan Funds					
Working Capital Loans	1021.94	2197.04	2860.54	2978.81	3925.54
Secured Loans	386.56	848.07	531.63	395.12	569.00
Unsecured Loans	14.21	-	82.07	150.32	155.86
Total:	1422.71	3045.11	3474.24	3524.25	4650.40
Deferred Tax Liability	-	14.06	26.27	36.87	36.87
E. Net Worth	3552.49	4051.17	4810.75	5872.53	7207.78
Represented by:					
Share Capital	995.53	1142.28	1374.79	1787.22	2680.83
Share Application pending money pending allotment	-	-	-	-	-
Share Premium Account	840.72	1014.20	751.11	338.67	-
Reserves & Surplus	798.80	1020.75	1776.55	2999.77	3426.66
Less: Revaluation Reserves	-	-	-	-	-
Less: Miscellaneous expenditure not written off	-	-	-	-	-
Add: Capital Reserves & Adjustments	337.04	289.73	323.91	207.01	428.84
Reserves (Net of Revaluation Reserves-Capital Reserves)	1135.84	1310.48	2100.46	3206.78	3855.50
Minority Interest	580.40	584.21	584.39	539.86	671.45
Total:	3552.49	4051.17	4810.75	5872.53	7207.78



Opto Circuits (India) Limited. Group Consolidated.

ANNEXURE III.

Cash Flow Statement.

(Rs. lakhs)

	31.3.02	31.3.03	31.3.04	31.3.05	30.9.05
Net (loss)/profit before tax but after exceptional/ extraordinary items	743.38	844.09	1399.07	2045.29	1619.91
Adjustments for:-					
Depreciation	77.27	98.07	127.47	178.32	109.02
Interest Expenses	161.68	222.37	265.04	289.21	181.91
Interest Income	(43.74)	(69.23)	(63.57)	(61.58)	(51.99)
Other income(D)	(0.40)	(0.29)	(0.48)	(0.50)	(0.40)
(Profit)/Loss on Sales of Fixed Assets Sold	2.10	10.71	(0.66)	(35.70)	(350.29)
(Profit)/Loss on Sale of Investment Sold	-	1.69	-	-	-
Miscellaneous Expenditure written off	10.69	30.20	5.09	(15.53)	-
Deferred Revenue expenditure written off	-	-	-	-	-
Provision for Bad & Doubtful Debts	-	-	-	-	-
Provision for Gratuity & Leave Encashment	-	-	-	-	-
Provision for Tax	-	-	-	-	-
Prior Period Expenses/(Income) Net	(17.50)	(11.28)	(2.58)	18.12	(3.41)
Other Provisions	-	-	-	-	-
Exceptional/Extraordinary items (Expenses)/Income	(13.27)	(67.60)	(201.98)	(230.32)	(623.76)
Dividend paid	-	-	-	-	-
Operating Profit before working capital changes	920.21	1058.73	1527.40	2187.31	880.99
Adjustments for changes in working capital:					
(Increase)/Decrease in Sundry Debtors	146.72	(692.90)	(253.33)	(1082.12)	(3038.58)
(Increase)/Decrease in other Receivable (Loan and advance)	(221.33)	(798.44)	(560.88)	(172.69)	231.55
(Increase)/Decrease in Inventories	(383.79)	(510.91)	(1274.77)	(829.39)	(720.25)
Increase/(Decrease) in Trade and Other Payables	(133.41)	704.93	1338.29	937.76	1872.85
Cash generated from operations	328.40	(238.59)	776.71	1040.87	(773.44)
Taxes (Paid)/Received (Net of TDS)	(29.28)	(69.97)	(0.75)	(32.05)	(22.20)
Prior Period(Expenses/Income (Net)	-	-	-	(18.12)	3.41
Extraordinary/Exceptional Item (Expenses)/Income	-	-	-	-	-
A Net Cash from Operating Activities	299.12	(308.56)	775.96	990.70	(792.23)
Cash flow from Investing Activities					
Purchase of fixed assets	(358.48)	(722.50)	(938.07)	(380.44)	(82.17)
Proceeds from sale of fixed assets	4.94	2.61	248.42	10.87	501.09
Product development expenses capital work in progress	-	-	-	(119.99)	-
Proceeds from sale of Investments	-	-	-	-	(71.67)
Purchase of Investments	-	-	-	(15.59)	(12.77)
Deposit with bank	-	-	-	-	-



	31.3.02	31.3.03	31.3.04	31.3.05	30.9.05
Interest Received (Revenue)	41.43	37.70	32.04	30.05	20.46
Dividend Received	2.71	31.82	32.01	32.03	31.93
Amount paid on acquisition/Investment in Subsidiaries	(523.11)	(49.51)	(408.03)	-	(52.00)
Dividend paid	-	-	-	-	-
Any other Items	-	-	-	-	-
B Net cash used in Investing activities	(832.51)	(699.88)	(1033.63)	443.07)	334.87
Cash flow from Financing Activities					
Proceeds from fresh issue of Share Capital (Including Share Premium)	56.26	264.56	467.44	-	-
Advance against equity shares	-	-	-	-	-
Net Proceeds from long term borrowings	349.97	739.83	238.56	1089.46	20.71
Net Proceeds from short terms borrowings	228.52	1285.59	67.01	-	1103.60
Proceeds from fixed deposits (NET)	-	-	-	-	-
Proceeds from Cash Credits (NET)	-	(224.02)	(20.92)	(649.06)	(25.66)
Dividend paid	(325.34)	(335.83)	(437.69)	(518.09)	(531.83)
Interest paid	(161.68)	(222.37)	(265.05)	(289.22)	(181.91)
Income tax paid	-	-	(6.77)	(9.38)	-
C Net Cash used in financing Activities	147.73	1507.76	42.58	(376.29)	384.91
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	(385.66)	499.32	(215.09)	171.34	(72.45)
opening cash and cash equivalent	951.84	566.18	1065.50	850.41	1035.22
closing cash and cash equivalent	566.18	1065.50	850.41	1021.75	962.77

Annexure-IV

1. Significant Accounting Policies:

Basis of Consolidation:

The Consolidated Financial Statements relate to Opto Circuits (India) Ltd. and its Subsidiary companies, Advanced Micronic Devices Ltd, Mediaid inc, and Altron Industries Pvt Ltd..

The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditures after fully eliminating the intra-group balances and intra-group transactions resulting in unrealised profit or loss.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

The difference between the cost of investment in the subsidiary and the share of net assets at the time of acquisition of shares in the subsidiary is identified in the financial statements as Good will and Capital Reserve, as the case may be.

The inventory of stock held by group company has been restated by adopting the valuation of sales price less the appropriate profit margin. The unrealized profit arising out of such restatement is adjusted in the accounts.

The subsidiaries considered in the consolidated financial statements are:

	Country of Incorporation	% Voting Power Held
Advanced Micronic devices Ltd.	Indian	59.71%
Mediaid inc.	USA	100%
Altron Industries Pvt Ltd.	Indian	100%

**(B) Changes in accounting polices in the last three years.**

There is no change in the accounting polices of the companies during the last five years.

NOTES FORMING PART OF ACCOUNTS**1. Contingent Liability:**

The company has issued corporate guarantee in favour of State Bank of India against line of credit sanctioned to its subsidiary for Advanced Micronic Devices Limited for Rs.1841 lakhs (PY 1841 lakhs) and counter guarantee given to the Bankers for the Bank Guarantee issued for Rs. 250 lakhs.

2 The Company's liability towards retirement benefit in the form of provident fund is charged to revenue expenditure. The company contributes to the employees' PF scheme run by the Central Government. All other retirement benefits payable to employees are accounted for on payment and not provided for on accrual basis.

3. Auditors qualification:

For the year ending 2004-05/Half year ending September 30, 2005.

All other retirement benefits payable to employees are accounted for on payment

And not provided for on accrual basis.

Deferred Tax Asset/Liability has not been recognized as there is a Deferred Tax Asset on the opening Timing difference of the depreciation charged on the Fixed Assets for the year ending March 31, 2002 and there is no virtual Certainty Supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized.

OPTO CIRCUITS (INDIA) LIMITED, GROUP CONSOLIDATED.**STATEMENT ON ACCOUNTING RATIOS**

	For the Year Ended 31.03.2003	For the Year Ended 31.03.2004	For the Year Ended 31.03.2005	For the Year Ended 30.09.2005
Weighted average number of equity shares of Rs. 10/-each				
i) Number of shares at the beginning of the year	1,04,39,540	1,13,72,284	1,37,47,841	1,78,72,193
ii) Number of shares at the end of the year	1,13,72,284	1,37,47,841	1,78,72,193	2,68,08,290
iii) Weighted average number of Equity Shares	1,37,47,841	1,78,72,193	2,68,08,290	2,68,08,290
iv) Share Application Money	N.A.	N.A.	N.A	N.A.
v) Weighted average number of Equity Shares (Diluted)	N.A.	N.A.	N.A	N.A.
Net Profit after tax available for equity shareholders	700.18	1160.61	1747.74	976.59
Basic Earning per Share (EPS) (Rs)	5.09	6.49	6.52	3.64/7.28*
Net Worth	4051.17	4810.75	5872.53	7207.73
Return on net worth (%)	17.28	24.12	29.76	13.55/27.10*
Net Asset Value per share (Rs)	29.47	26.92	21.91	26.89



AUDITORS' REPORT

The Board of Directors
Opto Circuits (INDIA) Ltd,
Plot No.83, electronic City, Hosur Road,
Bangalore -560100.

a) We have examined the annexed financial information of EuroCor GmBh for five financial years from the financial year ended 31st December 2000 to financial year ended 31st December 2004 and for the period ending August 31, 2005 being the last date to which the accounts of EuroCor GmBh, have been made up, and duly audited by the Tax Auditors, are restated by us. The same is prepared on the basis of the financial statements of EuroCor GmBh (A German Company) for the above referred period, duly certified by the Authorised officer of the Corporation that the statements were prepared which was subject to the Tax Audit from the Books and Records of the Company. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the issue').

b) In accordance with the requirements of:

Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act')

The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments and

Our terms of reference with the Company dated November 24, 2005 requesting us to carry out work in connection with the Offer Document as aforesaid.

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report:

- i. The restated profit/ losses of EuroCor GmBh. (A 100% subsidiary of the Company as at 28th February 2006) for the above-mentioned period are as set out in Annexure I in Euros, the converted figures in Indian Rupees for the respective year are set out in Annexure III. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate. .
- ii The restated Assets & Liabilities of EuroCor GmBh. (A 100% subsidiary of the Company as at 28th February 2006) for the above-mentioned period are as set out in Annexure II in Euros, the converted figures in Indian Rupees for the respective year are set out in Annexure IV. These Assets & Liabilities have been arrived at after making such adjustments/restatements and regrouping as in our opinion are appropriate.

In our opinion the financial information of the Company as stated above after making adjustments/restatements and regroupings as considered appropriate and has been prepared in accordance with Part II of schedule II of the Act and the SEBI guidelines.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For ANAND SHENOY & CO.,
Chartered Accountants,

G.C.SOMA DAS
PARTNER
M. No. 18636

PLACE: BANGALORE
DATED : 10th April, 2006



Eurocor, GMBH, Germany

Annexure - I

Statement of Restated Profit and Loss Account

(In EUROS)

Particulars	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
Income:						
Sales:						
Sales	3,219,322	2,279,047	3,409,711	2,332,196	2,377,874	1,622,000
Other Income	249,958	289,338	839,539	61,082	719,138	9,000
Inc/(Dec) in Work in Progress & Finished Goods	(280,923)	-	-	-	-	-
Total Income:	3,188,357	2,568,385	4,249,250	2,393,278	3,097,012	1,631,000
Expenditure:						
Raw Materials & Goods Consumed	1,344,397	1,912,879	1,843,847	1,355,776	1,382,502	930,000
Other Manufacturing Expenses	593,813	1,874,307	1,106,071	1,263,749	968,944	72,000
Staff Costs	238,287	275,805	308,309	326,259	273,857	234,000
Administrative & Other Expenses	1,121,980	410	966,115	36,978	542	394,000
Selling & Distribution Expenses	-	-	-	-	-	-
Finance Expenses	1,241	946	397	36,609	59,456	34,000
Miscellaneous Expenditure written off	-	-	-	-	-	-
Total Expenditure:	3,299,718	4,064,347	4,224,739	3,019,371	2,685,301	1,664,000
Net Profit before Tax	(111,361)	(1,495,962)	24,511	(626,093)	411,711	(33,000)
Depreciation & Prior Period Items:						
Depreciation	20,776	18,413	21,803	180,366	182,602	107,000
Net Profit after Depreciation before Prior period items	(132,137)	(1,514,375)	2,708	(806,459)	229,109	(140,000)
Provision for Taxation	-	-	-	-	-	-
Tax paid/Provision written back for the previous years	-	-	-	-	-	-
Net Profit after Tax & before prior period items	(132,137)	(1,514,375)	2,708	(806,459)	229,109	(140,000)
Prior period items	-	-	-	-	-	-
Prior year excess income revised.	-	-	1	-	-	-
Share of Profit - Minority Interest	-	-	-	-	-	-
Balance carried forward to Balance Sheet	(132,137)	(1,514,375)	2,709	(806,459)	229,109	(140,000)



Eurocor, GMBH, Germany

Annexure - II

Statement of Restated Assets & Liabilities

(In EUROS)

	Dec-00	Dec-01	Dec-02	Dec-03	ec-04	Period ended Aug 05
A. Assets:						
Fixed Assets - Gross Block	108,508	98,635	696,543	753,670	706,406	707,000
Less : Depreciation	32,348	34,953	50,116	230,074	381,964	489,000
Net Block	76,160	63,682	646,427	523,596	324,442	218,000
Less : Revaluation Reserves						
Net Block after adjustment of Revaluation Reserves	76,160	63,682	646,427	523,596	324,442	218,000
B. Investments	-	712,239	450,314	450,314	740,916	740,000
C. Current Assets, Loans & Advances:						
Inventories	375,746	216,823	207,244	443,913	398,148	357,000
Receivables	1,160,731	262,127	276,792	386,176	208,798	1,100,000
Cash & Bank Balances	2,027,985	165,768	219,457	31,661	94,164	52,000
Other Current Assets	526,459	220,460	266,704	503,109	468,898	187,000
Loans & Advances	-	-	-	-	-	-
Total - A	4,090,921	865,178	970,197	1,364,859	1,170,008	1,696,000
Current Liabilities & Provisions:						
Sundry Liabilities	1,178,377	897,384	1,474,675	1,944,902	1,724,867	1,636,000
Provisions	54,290	-	-	-	-	200,000
Total - B	1,232,667	897,384	1,474,675	1,944,902	1,724,867	1,836,000
Net Current Assets (A-B)	2,858,254	(32,206)	(504,478)	(580,043)	(554,859)	(140,000)
Total Assets	2,934,414	743,715	592,263	393,867	510,499	818,000
D. Liabilities & Provisions:						
Loan Funds						
Working Capital Loans	-	-	-	-	-	-
Secured Loans	48,215	-	-	608,064	495,586	943,000
Unsecured Loans	-	-	-	-	-	-
Total:	48,215	-	-	608,064	495,586	943,000
Deferred Tax Liability	-	-	-	-	-	-
E. Net Worth	2,886,199	743,715	592,263	(214,197)	14,913	(125,000)
Represented by:						
Share Capital	48,896	40,850	40,850	40,850	40,850	41,000
Share Application pending money pending allotment	-	-	-	-	-	-
Share Premium Account	-	-	-	-	-	-
Reserves & Surplus	2,886,199	702,865	551,413	(255,046)	(25,937)	(166,000)
Less: Revaluation Reserves	-	-	-	-	-	-
Less: Miscellaneous expenditure not written off	48,896	-	-	-	-	-
Add: Capital Reserves & Adjustments	-	-	-	-	-	-
Reserves (Net of Revaluation Reserves-Capital Reserves)	2,837,303	702,865	551,413	(255,047)	(25,937)	(166,000)
Total:	2,886,199	743,715	592,263	(214,197)	14,913	(125,000)



STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENTS

(in Euros)

	Dec-01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
A Cash flow from operating activities					
Net (loss)/profit before tax but after exceptional /extraordinary items	(1,514,375)	2,708	(806,459)	229,109	(140,000)
Adjustments for:-					
Depreciation	18,413	21,803	180,366	182,602	107,000
Interest Expenses	946	397	36,609	59,456	34,000
Interest/Dividend Income	(289,338)	(839,539)	(61,082)	(719,138)	(9,000)
Lease Rent-Finance Lease	-	-	-	-	-
(Profit)/Loss on Sales of Fixed Assets Sold	-	-	-	-	-
(Profit)/Loss on Sale of Investment Sold	-	-	-	-	-
Miscellaneous Expenditure written off	-	-	-	-	-
Deferred Revenue expenditure written off	-	-	-	-	-
Provision for Bad & Doubtful Debts	-	-	-	-	-
Provision for Gratuity & Leave Encashment	-	-	-	-	-
Prior Period Expenses/(Income) Net	-	-	-	-	-
Exceptional/Extraordinary items (Expenses)/Income	-	-	-	-	-
Any other non cash Item	-	-	-	-	-
Operating Profit before working capital changes	(1,784,354)	(814,631)	(650,566)	(247,971)	(8,000)
Adjustments for changes in working capital:					
(Increase)/Decrease in Sundry Debtors	898,604	(14,665)	(109,384)	177,378	(891,202)
(Increase)/Decrease in other Receivable Loans&Adv	305,999	(46,244)	(236,405)	34,211	281,898
(Increase)/Decrease in Inventories	158,923	9,579	(236,670)	45,766	41,148
Increase/(Decrease) in Trade and Other Payables	(335,283)	577,291	470,227	(220,035)	111,133
Cash generated from operations	(756,111)	(288,670)	(762,798)	(210,651)	(465,023)
Taxes (Paid)/Received (Net of TDS)	-	-	-	-	-
Prior Period(Expenses)/Income (Net)	-	-	-	-	-
Extraordinary/Exceptional Item (Expenses)/Income	-	-	-	-	-
Net Cash from Operating Activities	(756,111)	(288,670)	(762,798)	(210,651)	(465,023)
B Cash flow from Investing Activities					
Purchase of fixed assets	(5,935)	(604,548)	(57,535)	16,552	(558)
Proceeds from sale of fixed assets	-	-	-	-	-
Capital Work in progress	-	-	-	-	-
Proceeds from sale of Investments	-	261,925	-	-	916
Purchase of Investments	(712,239)	-	-	(290,602)	-
Deposit with bank	-	-	-	-	-
Interest Received (Revenue)	289,338	839,539	61,082	719,138	9,000
Dividend Received	-	-	-	-	-
Amount paid on acquisition/Investment in Subsidiaries	-	-	-	-	-



	Dec-01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
Any other Items_	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Net cash used in Investing activities	(428,836)	496,916	3,547	445,088	9,358
C Cash flow from Financing Activities					
Proceeds from fresh issue of Share Capital (Including Share Premium)	(628,109)	(154,160)	-	-	87
Advance against equity shares	-	-	-	-	-
Net Proceeds from long term borrowings	-	-	608,064	(112,478)	447,414
Net Proceeds from short terms borrowings	(48,215)	-	-	-	-
Proceeds from fixed deposits (NET)	-	-	-	-	-
Proceeds from Cash Credits (NET)	-	-	-	-	-
Interest Paid	(946)	(397)	(36,609)	(59,456)	(34,000)
Interest Paid-Capitalised	-	-	-	-	-
Net Cash used in financing Activities	(677,270)	(154,557)	571,455	(171,934)	413,501
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	(1,862,217)	53,689	(187,796)	62,503	(42,164)
Cash and Cash Equivalents at the beginning of the year/period	2,027,985	165,768	219,457	31,661	94,164
Cash and Cash Equivalents at the end of the year/period	165,768	219,457	31,661	94,164	52,000

Eurocor, GMBH, Germany

Annexure - IV

Statement of Restated Profit and Loss Account

(Rs. Lakhs)

	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
Income:						
Sales:						
Sales	1,397.51	972.47	1,716.45	1,336.58	1,412.46	872.64
Other Income	108.51	123.46	422.62	35.01	427.17	4.84
Inc/(Dec) in Work in Progress & Finished Goods	(121.95)	-	-	-	-	-
Total Income:	1,384.07	1,095.93	2,139.07	1,371.59	1,839.63	877.48
Expenditure:						
Raw Materials & Goods Consumed	583.60	816.23	928.19	777.00	821.21	500.34
Other Manufacturing Expenses	257.77	799.77	556.80	724.25	575.55	38.74
Staff Costs	103.44	117.69	155.20	186.98	162.67	125.89
Administrative & Other Expenses	487.05	0.17	486.34	21.19	0.32	211.97
Selling & Distribution Expenses	-	-	-	-	-	-
Finance Expenses	0.54	0.40	0.20	20.98	35.32	18.29
Miscellaneous Expenditure written off	-	-	-	-	-	-
Total Expenditure:	1,432.41	1,734.26	2,126.73	1,730.40	1,595.07	895.23



	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
Net Profit before Tax	(48.34)	(638.33)	12.34	(358.81)	244.56	(17.75)
Depreciation & Prior Period Items:						
Depreciation	9.02	7.86	10.98	103.37	108.47	57.57
Net Profit after Depreciation before Prior period items	(57.36)	(646.18)	1.36	(462.18)	136.09	(75.32)
Provision for Taxation	-	-	-	-	-	-
Tax paid/Provision written back for the previous years	-	-	-	-	-	-
Net Profit after Tax & before prior period items	(57.36)	(646.18)	1.36	(462.18)	136.09	(75.32)
Prior period items	-	-	-	-	-	-
Unrealised Profit	-	-	0.00	-	-	-
Share of Profit - Minority Interest	-	-	-	-	-	-
Balance carried forward to Balance Sheet	(57.36)	(646.18)	1.36	(462.18)	136.09	(75.32)

Eurocor, GmbH, Germany

Annexure - V

Statement of Restated Assets & Liabilities

(Rs. lakhs)

	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
A. Assets:						
Fixed Assets - Gross Block	-	42.09	350.64	431.93	419.61	380.37
Less : Depreciation	-	14.91	25.23	131.86	226.89	263.08
Net Block	-	27.17	325.41	300.07	192.72	117.28
Less : Revaluation Reserves						
Net Block after adjustment of Revaluation Reserves	-	27.17	325.41	300.07	192.72	117.28
B. Investments	-	303.91	226.69	258.07	440.10	398.12
C. Current Assets, Loans & Advances:						
Inventories	-	92.52	104.33	254.41	236.50	192.07
Unrealised Profit Receivables	-	111.85	139.34	221.32	124.03	591.80
Cash & Bank Balances	-	70.73	110.47	18.14	55.93	27.98
Other Current Assets	-	94.07	134.26	288.33	278.53	100.61
Loans & Advances	-	-	-	-	-	-
Total - A	-	369.17	488.40	782.20	694.98	912.45
Current Liabilities & Provisions:						
Sundry Liabilities	-	382.91	742.35	1,114.62	1,024.57	880.17
Provisions	-	-	-	-	-	107.60
Total - B	-	382.91	742.35	1,114.62	1,024.57	987.77
Net Current Assets (A-B)	-	(13.74)	(253.95)	(332.42)	(329.59)	(75.32)
Total Assets	-	317.34	298.15	225.73	303.24	440.08
D. Liabilities & Provisions:						
-Loan Funds						
Working Capital Loans	-	-	-	-	-	-
Secured Loans	-	-	-	348.48	294.38	507.33
Unsecured Loans	-	-	-	-	-	-
Total:	-	-	-	348.48	294.38	507.33



	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
Deferred Tax Liability	-	-	-	-	-	-
E. Net Worth	-	317.34	298.15	(122.76)	8.86	(67.25)
Represented by:						
Share Capital	-	17.43	20.56	23.41	24.26	22.06
Share Application pending money pending allotment	-	-	-	-	-	-
Share Premium Account	-	-	-	-	-	-
Reserves & Surplus	-	299.91	277.58	(146.17)	(15.41)	(89.31)
Less: Revaluation Reserves	-	-	-	-	-	-
Less: Miscellaneous expenditure not written off	-	-	-	-	-	-
Add: Capital Reserves & Adjustments	-	-	-	-	-	-
Reserves (Net of Revaluation Reserves-Capital Reserves)	-	299.91	277.58	(146.17)	(15.41)	(89.31)
Total:	-	317.34	298.15	(122.76)	8.86	(67.25)

Eurocor, GMBH, Germany

Annexure - VI

STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENTS

(Rs. lakhs)

	31.03.01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
A Cash flow from operating activities					
Net (loss)/profit before tax but after exceptional/	(646.18)	1.36	(462.18)	136.09	(75.32)
Adjustments for:-	0.00				
Depreciation	7.86	10.98	103.37	108.47	57.57
Interest Expenses	0.40	0.20	20.98	35.32	18.29
Interest/Dividend Income	(123.46)	(422.62)	(35.01)	(427.17)	(4.84)
Lease Rent-Finance Lease	0.00	-	-	-	-
(Profit)/Loss on Sales of Fixed Assets Sold	0.00	-	-	-	-
(Profit)/Loss on Sale of Investment Sold	0.00	-	-	-	-
Miscellaneous Expenditure written off	0.00	-	-	-	-
Deferred Revenue expenditure written off	0.00	-	-	-	-
Provision for Bad & Doubtful Debts	0.00	-	-	-	-
Provision for Gratuity & Leave Encashment	0.00	-	-	-	-
Prior Period Expenses/(Income) Net	0.00	-	-	-	-
Exceptional/Extraordinary items (Expenses)/Income	0.00	12.71	15.30	0.66	(5.27)
Any other non cash Item	0.00	-	-	-	-
Operating Profit before working capital changes	-761.38	(397.38)	(357.54)	(146.63)	(9.57)
Adjustments for changes in working capital:					
(Increase)/Decrease in Sundry Debtors	383.43	(7.38)	(62.69)	105.36	(479.47)
(Increase)/Decrease in other Receivable Loans&Adv	130.57	(23.28)	(135.48)	20.32	151.66



	31.03.01	Dec-02	Dec-03	Dec-04	Period ended Aug 05
(Increase)/Decrease in Inventories	67.81	4.82	(135.64)	27.19	22.14
Increase/(Decrease) in Trade and Other Payables	(143.07)	290.61	269.49	(130.70)	59.79
Cash generated from operations	-322.63	(132.61)	(421.86)	(124.47)	(255.45)
Taxes (Paid)/Received (Net of TDS)	0.00	-	-	-	-
Prior Period(Expenses)/Income (Net)	0.00	-	-	-	-
Extraordinary/Exceptional Item (Expenses)/Income	0.00	-	-	-	-
Net Cash from Operating Activities	-322.63	(132.61)	(421.86)	(124.47)	(255.45)
B Cash flow from Investing Activities					
Purchase of fixed assets	(2.53)	(304.33)	(32.97)	9.83	(0.30)
Proceeds from sale of fixed assets	0.00	-	-	-	-
Capital Work in progress	0.00	-	-	-	-
Proceeds from sale of Investments	0.00	131.85	-	-	0.49
Purchase of Investments	(303.91)	-	-	(172.62)	-
Deposit with bank	0.00	-	-	-	-
Interest Received (Revenue)	123.46	422.62	35.01	427.17	4.84
Dividend Received	0.00	-	-	-	-
Amount paid on acquisition/Investment in Subsidiaries	0.00	-	-	-	-
Any other Items_	0.00	-	-	-	-
Dividend Paid	0.00	-	-	-	-
Net cash used in Investing activities	-182.98	250.15	2.03	264.38	5.03
C Cash flow from Financing Activities					
Proceeds from fresh issue of Share Capital (Including Share Premium)	(268.01)	(77.60)	-	-	0.05
Advance against equity shares	0.00	-	-	-	-
Net Proceeds from long term borrowings	0.00	-	348.48	(66.81)	240.71
Net Proceeds from short terms borrowings	(20.57)	-	-	-	-
Proceeds from fixed deposits (NET)	0.00	-	-	-	-
Proceeds from Cash Credits (NET)	0.00	-	-	-	-
Interest Paid	(0.40)	(0.20)	(20.98)	(35.32)	(18.29)
Interest Paid-Capitalised	0.00	-	-	-	-
Net Cash used in financing Activities	(288.99)	(77.80)	327.50	(102.13)	222.46
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	(794.61)	39.74	(92.33)	37.79	(27.95)
Cash and Cash Equivalents at the beginning of the year/period	865.34	70.73	110.47	18.14	55.93
Cash and Cash Equivalents at the end of the year/period	70.73	110.47	18.14	55.93	27.98



Eurocor, GMBH, Germany

Annexure - VII

Statement of Conversion Rates of Foreign currency to Indian Rupees.

EUROS amount have been translated into Rupees for each period and presented solely to comply with the requirements of the Clause 6.9.7.1 of the SEBI Guidelines.

Particulars	Year ended 31 December 2000	Year ended 31 December 2001	Year ended 31 December 2002	Year ended 31 December 2003	Year ended 31 December 2004	Period ended 31 August 2005
Rate in Rs.	43.41	42.67	50.34	57.31	59.40	53.80

2. Financial information of Group companies

There are no group Companies.

Common pursuits:

There are no group Companies or other Companies promoted by the Promoters, hence, not applicable.

Sick Companies/BIFR proceedings

None of the above companies have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up.

Disassociation of Promoters

Promoters have not disassociated from any of the Companies/firms during preceding three years.

Struck off from the Register of Registrar of Companies

None of the Group Companies have been struck off from the Register of the relevant Registrar of Companies.

3. Changes in accounting policies in the last three years.

There is no change in the accounting policies of the company during the last three years.

4. Management Discussion and Analysis of the Financial Conditions

Investors should read the following discussion of our financial condition and results of operations together with our audited and consolidated financial statements under Indian GAAP and the notes to those statements included in this Prospectus. The following discussion is based on our Company's audited financial statements and on information available from other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year.

Overview

We are engaged in the Design, Development, Manufacturing, marketing and Distribution of Medical Electronic devices and Medical monitoring products employing sensing and Detection techniques, from two manufacturing units in Bangalore, each of which has 100% EOU status. In the past thirteen years we established ourselves as a supplier of non-invasive OEM Optical sensors in the field of patient monitoring systems.

Our manufacturing facilities operate in Class 10000 environment with antistatic workstations wherever necessary and is completely powered by captive DG equipment for uninterrupted clean power. Further, our manufacturing facilities comprise state of the art facilities such as Disco Wafer Dicing, Die Attach, Component Forming, Wire Bonders, Transfer Molding and Re-flow Ovens. The same is backed by a comprehensive range of inspection and reliability testing equipment, such as Bond Pull, Shear Testers, Stereo Microscopes, IR Viewers and Spectrometers. We also have state of the art R & D facilities, which enables us to target the niche market through customized designing of the products to suit the requirements of customers.



Majority of our production is currently exported through our business associates and through direct sales. We will continue to grow our supplies to OE manufacturers worldwide, both through our business associates and by direct sales.

Our long-term objective is to establish ourselves as a leading provider of custom-designed, high-quality Optoelectronics products for OEMs in selected high-growth industries. Our primary focus is currently on supplying assemblies and sub-assemblies to the medical devices and computer peripherals industries.

Significant Developments subsequent to the Last Financial Year

The Directors of the Company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements as disclosed in the Prospectus and which materially and adversely affect or is likely to effect the trading or profitability of the Company, or the value of its assets or its ability to pay its liabilities within the next twelve months.

Key Factors influencing results of operations

The key factors influencing our results of operations, profitability and cash flow are listed below:

- Entry of other players or significant improvement in the functioning of existing players.
- Any change in Government rules and regulations relating to the industry.
- Changes in the regulations and technical specifications in other countries.
- Emergence of new competitive products and newer techniques.
- Withdrawing of Tax Benefits enjoyed under Sec 10B to 100% EOU.
- Depreciation of the Indian rupee in relation to US dollar, Euro or other Currencies.

Our Growth Path

The table below sets forth information regarding our income, expenditure and profits for the indicated period:

(Rs. lakhs)

Period ended on	31.03.2001	31.03.2002	%	31.03.2003	%	31.03.2004	%	31.03.2005	%
Income			Increase		Increase		Increase		Increase
Sales:									
Sales	2857.18	3101.56	9%	3807.90	23%	5852.40	54%	7914.30	35%
Other income Increase/ decrease In Work in progress And finished goods	14.90	22.70	52%	32.06	41%	32.19	0%	32.28	0%
Total Income	2807.99	3195.96	14%	3864.55	21%	5889.09	52%	7837.56	33%
Expenditure									
Raw materials & goods consumed Other manufacturing exp.	1770.73	1960.52	11%	2339.80	19%	3570.32	53%	4640.04	30%
Other manufacturing exp.	51.57	73.46	42%	121.29	65%	143.52	18%	229.16	60%
Staff Costs	75.65	100.40	33%	133.97	33%	185.86	39%	228.97	23%
Administrative & Other Expenses	89.90	126.63	41%	169.46	34%	237.56	40%	282.19	19%
Selling & distribution expenses	13.34	22.99	72%	75.00	226%	167.87	124%	198.75	18%



Period ended on	31.03.2001	31.03.2002	%	31.03.2003	%	31.03.2004	%	31.03.2005	
Finance Expenses	121.50	177.68	46%	177.23	0%	195.98	11%	184.76	-6%
Miscellaneous expenditure written off									
Total expenditure	2122.69	2461.68	16%	3016.75	23%	4501.11	49%	5763.87	28%
Net Profit Before Tax, Depreciation and Prior Period Items	685.30	734.28	7%	847.80	15%	1387.98	64%	2073.69	49%
Depreciation	47.42	55.58	17%	69.75	25%	94.51	35%	128.83	36%
Net Profit Before Tax, Depreciation and Prior Period Items	637.88	678.70	6%	778.05	15%	1293.47	66%	1944.86	50%
Provision for taxation	10.00	10.00	0%	35.00	250%	0.14	-100%	25.00	17757%
Tax Paid/Provisions Written back for the previous years						0.00		0.00	
Net Profit after tax	627.88	668.70	7%	743.05	11%	1293.33	74%	1919.86	48%

Comparison for FY 2001-2002 to 2002-2003

Manufacturing expenses

The manufacturing expenses has gone up from Rs.2134.38 lakhs to Rs.2595.06 lakhs, an increase of 21.58% over the previous year. However, there has been a corresponding increase in sales from Rs.3101.56 lakhs to Rs.3807.90 lakhs which attributes to an increase of 23%.

Administrative, Selling & other expenses

Administrative, Selling and other expenses has gone up from Rs.149.62 lakhs to Rs.244.46 lakhs, an increase of 63%. The increase mainly due to introduction of two new products i.e. Digital Thermometer and Monitors. When compared to the sales, the ratio has gone up from 5% to 7%.

Profit after Tax

Profit after Tax has increased from Rs.668.70 lakhs to Rs.743.05 lakhs in the year 2002-03 compared to the preceding financial year, an increase of 11%.

Bonus Shares & Dividend

Keeping in view with the companies philosophy of sharing its wealth with shareholders, the company recommended Bonus shares on the fully paid shares in the ratio of 2 shares for every 10 shares held in the company. The company also declared 30% dividend for the year ended 31st March 2003 on the Equity Share Capital of the Company.

Financial Expenses

Financial expenses have come down as in comparison to the total income to the extent of 1% compared to the previous year.

Comparison for FY 2002-03 to 2003-04

Opto is engaged in the design, development and manufacturing of devices that are employing light to sense and detect, medical monitoring products and the distribution thereof. In the past ten years the company has established itself as a leading supplier of noninvasive OEM medical sensors in the field of patient monitoring, and allow OEM customers to implement patient monitoring systems for a multitude of vital parameters. The companies have steadily expanded both sales volume and market size and are today supplying over 85% of all OEM's in the patient Monitoring field.

During end 2003 and 2004 several key patents owned by Tyco-Nelcore have expired paving the way for substantial increase in revenues for the Opto group.



With over 20 years experience of our promoters in optical sensor technology and key components of SpO2 sensors, we have created our mark in OEM SpO2 sensing products since 1993.

Sales

Sales has increased from Rs.3807.90 lakhs to Rs.5852.40 lakhs in the year 2003-04 compared to the preceding Financial year, an increase of 53.69% due increase in sale of new range of Palco Monitors & Digital Thermometer in addition to its existing SpO2 sensors.

Manufacturing expenses

The manufacturing expenses has gone up from Rs.2595.06 lakhs to Rs.3899.97 lakhs, an increase of 50.28 % over the previous year. However, there has been a corresponding increase in sales from Rs. 3807.90 lakhs to Rs.5852.40 lakhs which attributes to an increase of 53.69 %.

When compared to manufacturing cost as a percentage of sale, we noticed that a percentage of manufacturing cost to sales has come down from 68.15 % to 66.64 %.

Administrative & Selling Expenses

Administrative & Selling Expenses has increased from Rs.244.46 lakhs to Rs.405.43 lakhs an increase of 66%. This is mainly due to launching and distribution of Pulse oximeter and Thermometers in the US Market and also establishing our presence in the Far East.

When the same is compared with the sales the percentage change remains the same.

Profit after Tax

Profit after Tax has increased from Rs. 743.05 lakhs to 1293.33 lakhs in the year 2003-04 compared to the preceding financial year an increase of 74%. With the introduction all the range of new products from the acquisitions concluded during the previous year

Bonus Shares & Dividend

Keeping in view with the companies' philosophy of sharing its wealth with shares holders, the company recommended Bonus shares on the fully paid shares in the ratio of 3 shares for every 10 shares held in the company. The company also declared 30% dividend for the year ended 31st March 2004 on the Equity share capital of the Company.

Financial Expenses

Financial expenses have come down as in comparison to the total income to the extent of 2% compared to the previous year.

Comparison for FY 2003-04 to 2004-05

Opto is engaged in the Design, Development, Manufacturing, Marketing and Distribution of Medical electronic devices and medical electronic devices and medical products employing sensing and detection techniques. In the past thirteen years the company has established itself as a leading supplier of noninvasive OEM Optical sensors in the field of Patient monitoring systems.

Our Subsidiary, Mediaid Inc has received US FDA approval for its Nellcor compatible SpO2 sensors. It has also added two new products for its patient monitoring range.

Sales

Sales has increased from Rs.5852.40 lakhs to Rs.7914.30 lakhs in the year 2004-05 compared to the preceding Financial year an increase of 35.23%.keeping in line with the market growth rate.

Manufacturing expenses

The manufacturing expenses has gone up from Rs.3899.70 lakhs to Rs.5098.18 lakhs, an increase of 30.73 % over the previous year.

When compared to manufacturing cost as a percentage of sale, we noticed that a percentage of manufacturing cost to sales has come down from 66.63 % to 64.41 %..

Administrative & Selling Expenses

Administrative & Selling Expenses has increased from Rs.405.43 lakhs to Rs.480.94 % lakhs an increase of 19 %. However when the same is compared with the sales the percentage change remains the same.

Profit after Tax

Profit after Tax has increased from Rs. 1293.33 lakhs to Rs.1919.86 lakhs in the year 2004-05 compared to the preceding financial year an increase of 48%.due do the over heads being absorbed on a larger volume of sales



Bonus Shares & Dividend

Keeping in view with the companies philosophy of sharing its wealth with shares holders, the company recommended Bonus shares on the fully paid shares in the ratio of 5 shares for every 10 shares held in the company. The company also declared 35% dividend for the year ended 31st March 2005 on the Equity share capital of the Company.

Financial Expenses

Financial expenses have come down as in comparison to the total income to the extent of 2% in spite of the increase in business compared to the previous year of 3%.

Comparison of FY 2004-05 to 2005-06 (upto 30/09/2005)

Manufacturing expenses

The manufacturing expense has gone up from Rs.5098.18 lakhs to Rs.6444.2*lakhs, an increase of 26.41% over the previous year. There has been a corresponding increase of sales from Rs.7914.30 lakhs to Rs.9680.32* lakhs, which attributes to an increase of 22.3%.

Administrative, selling & other expenses

Administrative, selling & other expense has gone up from Rs.480.94 lakhs to Rs.596.94* lakhs, an increase of 24.11% over the previous year.

Profit before tax

Profit before tax has increased from Rs.1919.86 lakhs to Rs.2536.86* lakhs, an increase of 32.13% over the previous year.

Financial expenses

Financial expense has gone up from Rs.184.76 lakhs to Rs.189.289* lakhs, an increase of 2.45% over the previous year

* annualized

Factors affecting our Business

High level of inventories and receivables

We have adopted two pronged approach in selling and marketing of our products.

1. Original Equipment Manufacture
2. Direct sales through subsidiaries and distributors

We maintain our operation through OEM in Europe and USA. We book the sales in our books of accounts at the time of transfer of products to OEMs. OEMs further carry out the sales to institutional buyers and distributors on forecasted demand for coming months. Since these dispatches are in bulk, we typically ship the consignment to our OEMs in Europe and USA. This consignment usually takes about 1 month to reach with OEMs.

We also carry our operations through our subsidiaries. We book the sales to our subsidiary i.e. Mediaid Inc (USA). Mediaid Inc further sells to retail channels. All the requirements for Mediaid Inc are facilitated through sea shipment.

We operate in business where average collection period for receivables are high. Our collection period from customers based in Europe and US are 120 days. However, we have not incurred any bad debts in past 5 years.

We also import raw material like chips, cables and tapes from Far East and USA. Due to our typical business requirement, we maintain raw material stock for 1 month in inventory excluding raw material purchased and in transit.

As a result of the typical nature of this business, we carry high inventories in our business comprising of goods in transit, stock with us, stock with Mediaid Inc. We also have high receivables standing in our books due to high collection period from our customers.

Unrealised profit of Rs.(492.38) lakhs as on September 30, 2005 represent unrealized profit margin on stocks lying with subsidiaries.

● Unusual or infrequent events or transaction;

There are no unusual or infrequent events or transactions that have significantly affected the business of our company.

● Significant economic changes that materially affected or (are likely to effect income from continuing operations);



Of recent, the Government of India has announced various schemes to encourage export and thus enhance foreign exchange earnings. From the fiscal year 1999-2000 in respect of electronic hardware units operating under 100% EOU Scheme, minimum net foreign exchange performance (NFEP) stipulation has been waived. As exports have been recognized as a thrust area for economic development of the country, the Company does not foresee any changes in the economic policies that would adversely affect the operations and profitability of the Company.

- **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

The Adverse effect will be from exchange rate impact, which may have impact on sales. However it will not have impact on profitability since natural edging covers it.

- **Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known;**

Not Applicable

- **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

The Company has been periodically introducing new products that have been contributing significantly for the growth in sales turnover which is also supplemented by increased volume in the off take of products by the existing customers.

- **Total turnover of each major industry segment in which the company operated**

We operate only one major industrial segment (Health Care) for which the turnover for the last three years is as follows.

Sales Revenue by Geographical Segment.

(Rs. Lakhs)

Name of the Country	2003	2004	2005
USA	2177.41	4229.53	4670.05
Singapore	1315.20	1221.56	2740.93
Germany	260.31	195.38	249.73
Mexico	Nil	5.09	Nil
Turkey	16.76	50.13	26.44
England	Nil	Nil	44.14
Netherlands	Nil	4.94	7.97
Spain	Nil	59.59	19.22
South Africa	Nil	Nil	0.77
UAE	Nil	Nil	1.22
Dubai	Nil	Nil	0.54
Israel	Nil	Nil	3.96
Domestic	10.82	86.18	149.33
Total	3807.90	5852.40	7914.30

- **Status of any publicly announced new products or business segment;**

Our company proposes to add a new product line i.e Medical Stents for European and Far East Markets. These Medical Stents will be manufactured by our subsidiary Eurocor GmbH, Germany.

- **The extent to which business is seasonal;**

There is no seasonality of business in the activities of the Company.

- **Any significant dependence on a single or few suppliers or customers;**

We market our products to OEM's and through direct sales and are not dependent on a single customer. For raw materials we are not dependent on any single supplier.

- **Competitive conditions.**

Please refer to Section titled "Business Overview" on page no. 49 of this Prospectus.



SECTION VI - LEGAL AND OTHER INFORMATION

1. OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, potential disputes, labour disputes, bargains and demands, investigations, Central / State Government claims or inquires proceedings or tax liabilities, overdue to banks/financial institutions, defaults against banks/financial institutions, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (l) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company or its subsidiaries or its Group Companies or its promoters or its directors and no defaults of non-payment of statutory dues against the Company including under the excise, customs, sales tax, income tax and service tax and no disciplinary action has been taken by SEBI or any stock exchanges against the Company save and except the following.

Contingent liabilities not provided: (As on September 30, 2005)

Particulars	(Rs. Lakhs)
Credit guarantee	1841
Bank guarantee	250
Total	2091

1. Litigation involving Criminal Offences: Nil
2. Litigation/Disputes involving Securities Related Offences, including penalties imposed by SEBI or any other securities market regulator in India or abroad: Nil
3. Litigation involving Statutory and other offences, including penalties imposed by any regulatory authority in India or abroad (Present or past): Nil
4. Litigation involving Civil and Economic Offences: Nil
5. Litigation in relation to labour laws, and employee related cases: Nil
6. Litigation involving revenue authorities (customs/excise/sales tax/income tax/service tax):
The company filed an appeal before the Income Tax Appellate Tribunal for the assessment year 1995-1996. The Tribunal allowed the appeal filed by the Company vide order dated August 26, 2005. The revenue authority has not preferred appeal against the order of Tribunal and may prefer an appeal within limitation period.
7. Litigation involving customers/suppliers/agents : Nil.
8. Litigation in the nature of winding up petitions/ liquidation/ bankruptcy / closure filed by / against the company: Nil
9. Other Litigation: Nil

Non payment of statutory dues or dues to Banks / Institutions: Nil

Overdue interest/ principal as on current date: Nil

There have been no defaults and there are no overdues in respect of bonds, debentures and fixed deposits (placed through public or private placement) and arrears in respect of cumulative preference shares or any other liabilities as on current date.

Further, there are no litigations/disputes/penalties or any proceedings known to be contemplated by government authorities.

No disciplinary action/investigation has been taken by the Securities and Exchange Board of India (SEBI)/Stock Exchanges against the Company, its Directors, Promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of Sec 370 (1B) of the Companies Act, 1956.

The Company, promoters, directors or any of the Company's Associates or Group companies or other ventures of the promoters and companies with which the directors of Opto Circuits (India) Limited are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI and no penalty has been imposed at any time by any of the regulators in India or abroad.



No penalties were ever imposed by SEBI or any other regulatory body in India or abroad.

Other than those mentioned above, there is no litigation against Opto Circuits (India) Limited.

The Company does not owe sum exceeding Rs. 1 lac outstanding for more than 30 days to small scale undertakings. However, the company owes sum exceeding Rs.1 lac outstanding for more than 30 days to the following creditors:

Creditors for Purchases

Anvet Asia PTE Ltd.BCT-R.E.I. Electronics Private Ltd
Elekon- MSI (USA)
Estill Medical Technologies
Faichney Medical Company
LHI Technology Shenzhen Co. Ltd.
Maxtec Inc, USA
Mediaid Inc, USA
Opto Systems (S) PTE Ltd
Sei Woo Polymer Technologies.

Creditors for Capital Goods

Astrum Technologies
Jasco Builders
Alps Developers
Mediaid Inc, USA

There are no litigations against any other company whose outcome could have materially adverse effect on the position of Opto Circuits (India) Limited including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956) etc.

Litigation against Promoters:

Other than what has been disclosed above there are no pending litigations in which the promoters are involved. Further, no defaults were made to the financial institutions/ banks, non-payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares by the promoters and the companies/ firms promoted by the promoters.

Further, there are no cases of pending litigations, defaults, etc. in respect of companies/ firms/ ventures with which the promoters were associated in the past but are no longer associated.

Further, there are no litigations against the promoter involving violation of statutory regulations or alleging criminal offence.

There are no Pending proceedings initiated for economic offences against the promoters, companies and firms promoted by the promoters

There are no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/ civil offences (including the past cases, if found guilty). Further, no disciplinary action was taken by the SEBI/ stock exchanges against the promoters and their other business ventures (irrespective of the fact whether they are companies under the same management with the issuer company as per section 370 (1B) of the Companies Act, 1956).

Litigation against Directors: There are no pending litigations against the directors involving violation of statutory regulations or alleging criminal offence.

There are no pending proceedings initiated for economic offences against the directors.

There are no past cases in which penalties were imposed by the concerned authorities on the issuer company or its directors.

There are no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/ civil offences (including the past cases, if found guilty), any disciplinary action taken by the SEBI / stock exchanges against the issuer company or its Directors: Nil



Litigation against Group Company/ Associate Concerns: Nil

The promoters, their relatives (as per Companies Act, 1956), issuer, group companies, associate companies are not detained as willful defaulters by RBI/ government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Material developments since the last balance sheet

There are no material developments which have occurred since the date of the last financial statements disclosed (i.e. March 31, 2005) in this Prospectus, the Board of Directors are not aware of any circumstances that materially or adversely affect or are likely to affect the profitability of the Company or the value of their consolidated assets or their liability to pay their material liabilities within the next 12 months other than as disclosed in the Prospectus.

2. GOVERNMENT APPROVALS/ LICENSING ARRANGEMENTS**Investment Approvals**

There is no investment approval required for investment in the Company from FIPB/RBI or any other authority.

Government approvals

In view of the indicative list of approvals mentioned below, we are permitted to undertake all the present or proposed activities and no further major approvals are required from any Government authority / statutory body to continue these activities. However, we may need to take additional approvals time to time, which may be required to be taken in the normal course of the business.

The Company does not require any Industrial License pursuant to the current Industrial Policy of the Government of India. The Company has received all necessary permissions and approvals from Government and various Government agencies for proceeding with the expansion project except for approvals proposed to be obtained from various authorities for construction & acquisition of Land for setting up of R&D facility.

We are not required to disclose the details of capacities and production vide Notification No. 477E of 25/07/1991

Technical Approvals

Opto Circuits (India) Limited does not require any technical approval.

Approvals for the Business

We require various approvals and registrations to carry on our business in India and overseas. The approvals and registrations that we have received are detailed below:

The Company has received the following licenses / approvals:

- 1 Certificate from the Chief Inspectorate of Factories and Boilers dated 29.01.1997 vide License No. MIB/9836 for operating a factory which has been renewed till 31.12.2007.
- 2 License for Private Bonded Warehouse under Customs Act, 1962 dated 23.03.2000 vide License No.34/2000 which is valid till 12.03.2010.
- 3 The Company is registered as a 100% EOU with the Cochin Special Economic Zone and was granted the approval for setting up the 100% EOU on 14.03.2000 vide Permission No.16/08/2000/PER/EOU/KR/CEPZ/1383. This permission has been renewed on 09.03.2005 for a further period of 5 years. Previously the Unit has obtained registration as a 100% EOU for another Unit vide permission No. 216/92/E.O. 233(92)/Misc Auto on 1.05.1992, however the unit has exited from the EOU scheme and the Cochin Special Economic Zone has granted approval vide letter dated 7.12.2005.
- 4 In Bond Manufacturing Sanction Order under Customs Act, 1962 dated 23.03.2000 vide License No. 34/2000 which is valid till 12.03.2010.
- 5 Certificate of IE Code dated 21.03.2000 and IEC No. allotted is 3999001097.
- 6 Renewal of Registration cum Membership Certificate dated 19.7.2005 vide registration No. 89/CSEZ/EOU/2005 with Export Promotion Council till 31.03.2010.
- 7 Permission for DTA Sales dated 1.07.2005.



- 8 Green Card No.665 dated 29.03.2005 which is valid till 26.03.2008.
- 9 Provisional VAT registration certificate dated 24.03.2003 and TIN No. 29120048252 has been allotted.
- 10 Letter dated 23.6.92 from RBI for allotment of Code No. L0-000048 for principal export of commodities.
- 11 We have been allotted PAN AAACO2165P.
- 12 We have been allotted TAN BLRO00176B.
- 13 Contract Labour Registration dated 3.12.1999 vide No. ALCB-3/CLAP-53/99-2000 which has been renewed till 2.12.2006.
- 14 Employees Provident Fund Registration vide Code No. KN/BN/18952.
- 15 Employee's State Insurance Registration vide Code No. 53/11237/90.
- 16 We have been allotted identification number BGWAZ20030098 by the RBI vide letter dated 3.04.2003 for incorporating a wholly owned subsidiary in US i.e. Mediaid Inc.
- 17 Consent order under Section 21 of the Air (prevention & control of Pollution) Act, 1981 dated 19.10.2005 which is valid till 31.12.2005 (No. 180/KSPCB/BNG-SR1/EO/DEO/AEO-2/INR NO 118758/R.NO.08632/APC/2005-06/14431).
- 18 Consent order under Section 25/26 of the Water (prevention & control of Pollution) Act, 1974 dated 19.10.2005 which is valid till 31.12.2005 (No. 201/KSPCB/BNG-SR1/EO/DEO/AEO-2/INR NO 118758/R.NO.08632/WPC/2005-06/14430).
- 19 Approval from the RBI dated 30.01.2003 vide reference number EC.BG.IMDI No. HD/10.28.01/2002-03 for acquisition of business unit of Palco Labs Inc in US and remittance of US \$ 1106000.
- 20 ISO 9001:2000 certification on 21.11.1995 vide No.SQ/ISO 9001/051 and the same is valid till 14.12.2006.
- 21 2 Star Export House status vide letter dated 19.09.2005 and provided registration No.002316 and the same is valid till 31.03.2009.

It must be specifically understood that in giving the above approvals, the Central / State Government or RBI does not take any responsibility for financial soundness or correctness of the statements made by the Company.

The following approvals are to be renewed

1. Consent Order under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 dated 19.10.2005 which is valid till 31.12.2005.
2. Consent Order under Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 dated 19.10.2005 which is valid till 31.12.2005.

Except as mentioned above, no further approvals are required for the purpose of existing and proposed business.



SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue of equity shares has been authorized vide a resolution passed by the Board of Directors at its meeting held on September 16, 2005 and a Special Resolution passed by the shareholders at the Extra Ordinary General Meeting of the Company held on November 15, 2005.

PROHIBITION BY SEBI

Our Company, our directors or any of our associates or group companies and companies, wherein our directors are associated as directors or promoters have not been prohibited from accessing the capital markets under any direction or order passed by SEBI. None of the bodies corporate / natural person in control of the bodies corporate forming part of the promoter group has been restrained from accessing capital markets or restrained from buying, selling or dealing in securities under any direction or order passed by SEBI or any other Authorities

ELIGIBILITY FOR THE ISSUE

We satisfy the eligibility norms for a listed company issuing securities in terms of Clause 2.3 of the DIP Guidelines as described below:

The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., Issue through Issue document + firm allotment + promoters' contribution through the Issue document) does not exceed five times its pre-issue net worth as per the last available audited accounts, either at the time of filing the prospectus with SEBI or at the time of opening of the issue.

- a) Networth (Excluding revaluation reserves) of OPTO CIRCUITS (INDIA) LIMITED as at September 30, 2005 is Rs. 6596 lakhs.
- b) Proposed Issue of 40,00,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 270/- aggregating Rs.10,800 lakhs.
- c) No other issue of Equity Shares have been made in the financial year 2005-06.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI GUIDELINES FOR DISCLOSURES AND INVESTOR PROTECTION IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED HAS FURNISHED TO THE SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 18, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

- I. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**



II. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

- a THE DRAFT RED HERRING PROSPECTUS FORWARDED TO THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE.
 - d WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.
- ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, BANGALORE, KARNATAKA, IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.
 - WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

THE FILING OF DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS (MERCHANT BANKERS) ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

GENERAL DISCLAIMER

Investors may note that BRLMs and the Company accept no responsibility for statements made otherwise in this Prospectus or in the advertisements or any other material issued by or at the instance of the Company or the Book Running Lead Managers and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLMs and us and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by the Book Running Lead Managers and the Issuer to the members at large and no selective or additional information would be available for a section of members in any manner whatsoever.

We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

We certify that written consent from promoters has been obtained for inclusion of their securities as part of promoters contribution subject to lock-in and the securities proposed to form part of the promoters contribution subject to lock-in, will not be disposed/sold/ transferred by the promoters during the period starting from the date of filing the prospectus with SEBI till the date of commencement of lock-in period as stated in the prospectus.

JURISDICTION

This offer is made in India to persons resident in India (including Indian nationals resident in India who are majors,



Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), Trusts (registered under Societies Registration Act, 1860, or any other Trust law and are authorized under their constitution to hold and invest in shares) and to NRIs and FIIs as defined under the Indian Laws. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself about and to observe any such restrictions. Any disputes arising out of this Issue will be subject to the jurisdiction of courts in Bangalore only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted to the SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Investors may please note that Central Government/RBI does not take any responsibility for the financial soundness or correctness of the statements disclosed in this Prospectus.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE (NSE)

As required, a copy of the Red Herring Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter No. NSE/LIST/20144-3 dated February 3, 2006 granted permission to the Company. to use the Exchange's name in the Red Herring Prospectus as one of the Stock Exchanges on which the Company's securities are proposed to be listed. The Exchange has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by NSE; nor does not in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoter, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE)

As required, a copy of the Draft Red Herring Prospectus has been submitted to the Bombay Stock Exchange Limited. Bombay Stock Exchange Limited, Mumbai ("the Exchange") has given vide its letter No. DCS/Smd/sm/2005 dated February 1, 2006 permission to this Company to use the Exchange's name in the Red Herring Prospectus as one of the Stock Exchange on which the Company's securities are proposed to be listed. The Exchange has scrutinised the Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring prospectus; or
- (ii) Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- (iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company

And it should not for any reason be deemed or construed that the Red Herring prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or



in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

UNDERTAKING FROM PROMOTERS AND DIRECTORS

We accept full responsibility for the accuracy for the information given in the Prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which makes any statement in the Prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. The issuer further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this offer or for the price at which the equity shares are offered or for the correctness of the statement made or opinions expressed in this prospectus. The promoters/directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to mis-statement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed / withheld and/or amounts to a mis-statement/ mis-representation, the promoters/directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

FILING

A copy of this Prospectus has been filed with the Corporate Finance Department of SEBI at Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai 400 021. A copy of the Red Herring Prospectus, incorporating SEBI comments, along with the documents required to be filed under 60B of the Companies Act, will be delivered for registration to the Registrar of Companies, Karnataka ("RoC"). A copy of the Prospectus being filed under Section 60 of the Companies Act for registration with RoC.

LISTING

Existing equity shares of the Company are listed on BSE and NSE. The Equity Shares proposed to be issued through this Prospectus shall be listed on BSE and NSE. Applications have been made to Bombay Stock Exchange Limited (Designated Stock Exchange) and National Stock Exchange of India Limited for permission to deal in and for an official quotation of the Equity Shares of the Company.

In case, the permission for listing of the equity shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act, 1956.

The Company with the assistance of the Book Running Lead Managers shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation of basis of allotment for the Issue.

CONSENTS

Consents in writing of the Directors, the Company Secretary and Compliance Officer, the Auditors, Legal Advisors, Bankers to the Company, BRLMs to the Issue, Syndicate Members and Registrars to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC. The Company will obtain and duly file consents of the Escrow Collection Bank and the Bankers to the Issue, prior to filing the Prospectus for registration with the RoC.

M/s. Anand Shenoy & Co., Chartered Accountants and Statutory Auditors of the Company, have given their written consent to the inclusion of their report including Financial Information and the tax benefits accruing to the Company and its members, in the form and context in which it appears in this Prospectus and such consent and report have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.



EXPERT OPINION

Save as stated elsewhere in this Prospectus, the Company has not obtained any expert opinion.

EXPENSES OF THE ISSUE

The expenses of the Issue payable by us inclusive of brokerage, fees payable to the Book Running Lead Managers to the Issue, Registrar to the Issue, Legal Advisors, stamp duty, printing, publication, advertising and distribution expenses, bank charges, listing fees and other miscellaneous expenses will not exceed Rs. 706 lakhs and will be met out of the proceeds of the present issue.

DETAILS OF FEES PAYABLE (Rs. in lakhs)

Particulars	Amount	% of total issue expenses	% of total issue size
Book Running Lead Manager(s)	194.40	27.54	1.80
Registrars	10.00	1.42	0.09
Legal Advisor	13.00	1.84	0.12
Bankers to the Issue			
Total	217.40	30.79	2.01

FEES PAYABLE TO BRLMs

The total fees payable to the Book Running Lead Managers including brokerage and selling commission for the Issue will be as per the letter of appointment dated 24th November 2005 with Karvy Investor Services Limited and SBI Capital Markets Limited respectively, a copy of which is available for inspection at the registered office of the Company.

FEES PAYABLE TO THE REGISTRARS TO THE ISSUE

The fees payable to the Registrars to the Issue will be as per the letter of appointment dated 24th November 2005 issued by the Company, a copy of which is available for inspection at our Registered office.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post or speed post or under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for the Issue is as set out in the Syndicate Agreement amongst the Company, the BRLMs and Syndicate Members. The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue Price and amount underwritten in the manner mentioned in the Prospectus.

PREVIOUS PUBLIC OR RIGHTS ISSUES

Public Issue of 27,02,000 Equity Shares of Rs.10/- each for cash at a premium of Rs.40/- per share aggregating Rs.1351 lakhs were allotted to public.

Opening Date	September 29, 2000
Closing Date	October 6, 2000
Date of Allotment	November 4, 2000
Date of Refunds	No refunds were given
Date of Listing on Stock Exchanges	BSE- December 18, 2000 NSE- August 8, 2003

PREVIOUS ISSUE OF SHARES OTHERWISE THAN FOR CASH

Our Company has not made any previous issues of shares otherwise than for cash, except as stated in the section titled "Capital Structure" beginning on page no. 14 of the Prospectus.



COMMISSION OR BROKERAGE ON PREVIOUS ISSUES

The Company has paid an underwriting commission of 2% to the underwriters on the issue price and brokerage at the rate of 1.5% of the issue price of the equity shares offered in terms of the Prospectus and allotted against the applications bearing the stamp of the member of any recognized Stock Exchange, for their Initial Public Offer made in September 2000.

PARTICULARS IN REGARD TO THE COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1)(B) OF THE COMPANIES ACT, 1956, WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

Neither the Company nor any of the other listed ventures under the same management have made any capital issues during the last three years.

Promise Vis a vis Performance

At the time of going public, we had envisaged Project Cost of Rs. 1550 lakhs to be funded consisting of (a) to finance the cost of completion of additional building at the existing site (b) to finance the cost of enhancing the infrastructural facility of the Company (c) to set up marketing office in London, UK (d) to repay high cost debt (e) to augment the long term working capital requirement of the Company and (f) to meet the expenses of the issue.

However, the money raised from the public was Rs. 1,373.93 lakhs, resulting in a deficit of Rs.176.07 lakhs. Accordingly we have cut down the Project Cost to Rs. 1393.75 by reducing the spent on Building by Rs. 23.72 lakhs and establishment of overseas marketing office by Rs.142.01 lakhs. The final difference of Rs. 19.82 lakhs was met out of our internal accruals.

(Rs. lakhs)

Sl. No.	Particulars	Cost as per Prospectus	Expected date of completion	Actual cost incurred	Date of completion	Variation
1.	Cost of Completion of additional factory building	50.00	October 2000	26.28	Feb 2001	23.72
	Cost of acquisition of plant and 'machinery / equipments	550.00	Oct 2000 to Nov 2000	599.43	Oct 2000 to Nov 2002	(49.43)
Sl. No.	Particulars	Cost as per Prospectus	Expected date of completion	Actual cost incurred	Date of completion	Variation
	Setting-up of overseas marketing Office	200.00	Dec 2000	57.99	Nov 2001	142.01
	Repayment of high cost debt	290.00	Nov 2000	290.00	Dec 2000	Nil
	Long term working capital requirements	350.00	Dec 2000	317.00	Oct 2000	33.00
	Issue Expenses	110.00	Jan 2001	103.05	Mar 2001	6.95
	Total	1550.00		1393.75		156.25

Advanced Micronic Devices Limited(AMDL)

AMDL has not made any public issues of equity Shares during the last 5 years.

OUTSTANDING DEBENTURES OR BOND ISSUES OR PREFERENCE SHARES

Our Company has no outstanding debentures or bond issues.



STOCK MARKET DATA

The details of the share prices on the Bombay Stock Exchange Limited during the last 3 years are as follows:

Years	High (Rs.)	Date of High	Volume on date of High	Low (Rs.)	Date of Low	Volume on date of Low	Average of High & Low Market Prices * (Rs.)
2003	79.50	01.09.03	167518	29.35	17.04.03	39137	54.425
2004	163.55	18.11.04	98906	36.40	17.05.04	73618	99.975
2005	276.45	11.08.05	40021	138.55	24.03.05	18175	207.50

*Average calculated as mean of high and low of the closing prices.

(Source: Bombay Stock Exchange Limited, official website: www.bseindia.com)

The details of the share prices on the Bombay Stock Exchange Limited during last 6 months are as follows:

Month	High (Rs.)	Date of High	Volume date on of High	Low (Rs.)	Date of Low	Volume on date of Low	Total Volume in the Month	Average Price in the Month*
September, 2005	235.70	19.09.05	1,35,265	194.55	23.09.05	72,549	22,28,567	215.125
October, 2005	224.40	04.10.05	5,25,513	190.40	28.10.05	52,079	7,68,689	207.40
November, 2005	222.90	30.11.05	1,29,378	199.80	02.11.05	21,169	11,61,985	211.35
December, 2005	262.95	29.12.05	23,971	218.75	08.12.05	12,837	10,88,596	240.85
January, 2006	293.20	31.01.06	2,24,324	251.95	05.01.06	11,157	7,59,780	272.575
February, 2006	290.90	02.02.06	67,413	270.10	24.02.06	8,369	8,52,940	280.50

*Average calculated as mean of closing high and low prices.

(Source: Bombay Stock Exchange Limited, official website: www.bseindia.com)

The details of High, low and volume on Bombay Stock Exchange Limited, for the last 6 months are as follows:-

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares traded
1 September 2005	204.90	218.00	202.05	204.50	66805
2 September 2005	206.90	211.90	204.50	207.20	26442
5 September 2005	209.50	219.70	200.05	216.55	42210
6 September 2005	219.00	234.00	217.00	222.90	82798
8 September 2005	225.50	226.00	216.10	218.25	46059
9 September 2005	224.70	234.00	222.05	227.15	116091
12 September 2005	233.35	237.00	229.00	231.05	78530
13 September 2005	233.00	234.50	227.50	228.80	30003
14 September 2005	231.00	237.00	220.00	222.15	46003
15 September 2005	224.50	226.75	214.00	220.30	153829



Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares traded
16 September 2005	224.90	231.00	224.00	225.75	88017
19 September 2005	227.50	241.00	227.50	235.70	135265
20 September 2005	232.05	235.00	223.05	224.25	53695
21 September 2005	225.80	225.80	200.00	217.40	54588
22 September 2005	208.00	217.90	191.50	196.10	105857
23 September 2005	192.00	208.95	185.05	194.55	72549
26 September 2005	193.00	213.95	193.00	208.25	59384
27 September 2005	214.00	222.80	208.50	214.50	115556
28 September 2005	212.05	229.70	211.05	225.70	191352
29 September 2005	230.00	239.90	225.00	226.95	524534
30 September 2005	228.85	231.90	213.50	218.30	139000
3 October 2005	220.45	227.90	218.00	223.60	62281
4 October 2005	226.50	230.00	223.45	224.40	52513
5 October 2005	223.60	225.65	215.00	215.90	37077
6 October 2005	212.50	222.70	208.05	220.85	44965
7 October 2005	221.00	224.90	216.15	217.80	25207
10 October 2005	220.90	225.90	218.15	222.35	32619
11 October 2005	226.00	229.80	219.00	224.25	40172
13 October 2005	223.00	224.10	216.15	218.30	11460
14 October 2005	220.90	220.90	206.00	209.55	26682
17 October 2005	211.90	212.40	202.50	210.50	61321
18 October 2005	210.00	216.10	209.00	210.40	18149
19 October 2005	205.00	210.90	195.00	196.65	92591
20 October 2005	197.00	208.00	194.15	196.65	67280
21 October 2005	195.05	200.00	195.05	198.80	22810
24 October 2005	200.90	200.90	197.00	198.30	10444
25 October 2005	199.90	199.90	196.05	197.05	6728
26 October 2005	196.10	197.95	192.50	194.05	11791
27 October 2005	197.00	203.00	190.05	193.45	62640
28 October 2005	193.95	202.00	187.60	190.40	52079
31 October 2005	192.75	198.00	191.50	196.40	29880



Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares traded
1 November 2005	198.00	203.90	198.00	201.60	16657
2 November 2005	203.00	203.00	198.30	199.80	21169
7 November 2005	202.00	206.50	198.05	202.15	29829
8 November 2005	202.25	213.10	202.00	208.40	61295
9 November 2005	207.00	209.00	202.15	203.00	17661
10 November 2005	203.00	205.30	203.00	204.60	7087
11 November 2005	207.65	207.65	202.65	203.25	23815
14 November 2005	205.90	210.40	205.20	207.05	32348
16 November 2005	209.90	222.50	208.90	217.85	132989
17 November 2005	222.70	222.70	213.10	214.15	72090
18 November 2005	215.90	219.45	214.50	215.45	49739
21 November 2005	215.00	216.90	209.55	210.60	13495
22 November 2005	208.95	218.90	207.50	209.15	124608
23 November 2005	209.95	211.90	208.50	209.00	26938
24 November 2005	211.00	216.90	210.00	212.50	142463
25 November 2005	214.00	214.50	208.15	208.95	30442
26 November 2005	210.10	211.85	207.50	209.05	11543
28 November 2005	211.00	217.50	211.00	214.20	52714
29 November 2005	214.00	219.00	211.00	216.45	49349
30 November 2005	217.05	227.90	217.05	222.90	129378
1 December 2005	226.85	229.00	225.00	228.10	116376
2 December 2005	229.95	232.50	226.15	227.90	50043
5 December 2005	225.50	227.90	224.50	225.10	37507
6 December 2005	225.50	225.50	221.30	221.90	9088
7 December 2005	222.00	224.50	220.55	221.20	6460
8 December 2005	221.00	221.90	218.00	218.75	12837
9 December 2005	220.45	228.00	220.45	225.00	35812
12 December 2005	228.95	237.40	227.65	230.60	194341
13 December 2005	231.80	238.90	226.00	237.85	122656
14 December 2005	238.40	252.00	238.40	249.70	147660
15 December 2005	251.15	254.00	240.00	241.20	43003
16 December 2005	242.00	242.00	233.00	237.35	27052
19 December 2005	237.00	246.90	237.00	239.20	39524
20 December 2005	240.95	244.10	238.50	243.25	30353
21 December 2005	243.80	247.35	242.15	243.70	26615
22 December 2005	243.00	251.90	243.00	250.00	34193
23 December 2005	248.35	260.00	248.35	252.10	76884
26 December 2005	252.00	257.25	249.80	253.65	90102
27 December 2005	255.50	256.00	250.00	255.50	24606
28 December 2005	256.20	262.00	254.00	260.60	29530
29 December 2005	260.00	265.00	260.00	262.95	23971
30 December 2005	261.00	264.70	256.25	257.70	26359



Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares traded
2 January 2006	260.00	263.75	258.10	259.35	13622
3 January 2006	259.00	259.90	253.20	254.60	15902
4 January 2006	254.55	257.85	251.10	254.20	13968
5 January 2006	254.90	255.00	251.00	251.95	11157
6 January 2006	251.00	268.00	248.80	262.90	36366
9 January 2006	266.00	274.00	264.05	266.55	45444
10 January 2006	267.10	267.10	256.00	261.80	14414
12 January 2006	261.95	267.50	258.15	260.05	14930
13 January 2006	263.00	265.10	260.05	262.85	15286
16 January 2006	262.45	273.90	258.05	262.60	35153
17 January 2006	265.00	269.00	260.05	260.75	13446
18 January 2006	265.75	265.75	255.15	257.20	8998
19 January 2006	264.00	264.00	258.00	258.75	8788
20 January 2006	256.05	262.00	256.05	257.45	4440
23 January 2006	257.00	258.00	253.00	254.30	3341
24 January 2006	255.50	263.90	255.50	261.40	27925
25 January 2006	262.50	265.80	255.15	256.75	15578
27 January 2006	262.00	263.75	251.10	253.20	12465
30 January 2006	258.50	278.95	253.05	272.40	224233
31 January 2006	277.30	294.95	275.95	293.20	224324
1 February	294.70	297.30	280.00	281.45	110479
2 February	287.90	295.00	283.40	290.90	67413
3 February	291.90	293.65	284.20	286.30	37238
6 February	287.90	292.95	286.00	289.65	30218
7 February	290.00	301.00	288.00	290.85	44267
8 February	290.10	294.80	287.15	293.15	19056
10 February	287.00	294.85	285.00	286.90	9368
13 February	287.90	292.90	286.65	288.50	31037
14 February	288.50	293.00	285.00	286.40	9748
15 February	288.00	290.50	284.10	287.05	113511
16 February	288.00	288.10	280.25	282.45	19562
17 February	282.50	282.50	276.00	277.30	15437
20 February	280.00	285.00	272.50	279.70	260188
21 February	279.00	280.00	275.00	276.20	23465
22 February	275.05	281.00	274.90	278.60	21906
23 February	277.00	280.90	273.05	275.05	8215
24 February	274.00	276.90	269.30	270.10	8369
27 February	269.00	276.00	263.00	272.60	16904
28 February	274.85	274.90	267.00	272.25	6559



The details of the share prices on The National Stock Exchange of India Ltd, Mumbai during the last 3 years are as follows:

Years	High (Rs.)	Date of High	Volume on date of High	Low (Rs.)	Date of Low	Volume on date of Low	Average of High & Low Market Prices *(Rs.)
2003**	80.35	01.09.03	1,77,426	63.10	27.11.03	44,400	71.725
2004	164.75	18.11.04	3,15,541	35.70	17.05.04	59,728	100.225
2005	275.75	11.08.05	74,836	135.85	23.03.05	1,82,360	205.80

*Average calculated as mean of high and low of the closing prices.

** The Company's shares were listed on NSE in the month of August 2003.

(Source: The National Stock Exchange of India Ltd, Mumbai official website: www.nseindia.com)

The details of the share prices on The National stock Exchange of India Ltd, Mumbai during last 6 months are as follows:

Month	High (Rs.)	Date of High	Volume on date of High	Low (Rs.)	Date of Low	Volume on date of Low	Total Volume in the Month	Average Price in the Month*
September, 2005	235.45	19.09.05	2,92,667	194.55	23.09.05	3,71,024	46,71,970	215.00
October, 2005	225.25	04.10.05	1,41,505	190.05	28.10.05	2,42,167	22,76,142	207.65
November, 2005	222.50	30.11.05	3,32,954	200.60	02.11.05	31,663	25,42,004	211.55
December, 2005	262.00	29.12.05	41,904	218.25	08.12.05	31,436	24,39,784	240.12
January, 2006	292.55	31.01.06	3,87,467	251.05	05.01.06	21,322	13,35,015	271.80
February, 2006	291.05	08.02.06	48,751	270.10	24.02.06	22,965	8,94,445	280.575

*Average calculated as mean of closing high and low prices.

(Source: The National Stock Exchange of India Ltd, Mumbai official website: www.nseindia.com)

The details of High, low and volume on The National Stock Exchange of India, Mumbai for the last 6 months are as follows:-

Date	Open	High	Low	Close	No of shares traded
1-September-05	205	216.25	203	204.85	179189
2-September-05	208.8	211	205.3	206.15	79407
5-September-05	208.5	221	206	218	119392
6-September-05	218.5	234.8	216.1	224.05	191524
8-September-05	220.2	226.7	216	218.35	95315
9-September-05	224.4	251	220.1	227.1	250340
12-September-05	240	250	230.1	231.6	221151
13-September-05	232	235	228	229.25	102043
14-September-05	232	237.95	220	222.35	156213
15-September-05	224	226.7	214.15	219.2	341132
16-September-05	230	245	224	226.4	234629
19-September-05	230.3	239.9	227.35	235.45	292667



Date	Open	High	Low	Close	No of shares traded
20-September-05	235.45	235.45	220	223.6	139638
21-September-05	229	229	201.1	216.35	163445
22-September-05	212.3	218	193.15	196.95	175943
23-September-05	200	210	184.5	194.55	371024
26-September-05	198.3	215	196.2	209.7	180256
27-September-05	213	221	208.2	212.65	146161
28-September-05	205.3	229.5	200	224.7	281771
29-September-05	226.45	238.9	224.15	226.45	708507
30-September-05	229.25	232.4	214	219.55	242223
3-October-05	221.8	227	218.05	223.75	125766
4-October-05	226.5	230	223.3	225.25	141505
5-October-05	224.7	225.1	212.55	216.9	82342
6-October-05	212	222.9	210	220.65	91880
7-October-05	220.9	224.1	216.5	218.35	66080
10-October-05	219.3	226.1	218.6	223.45	80312
11-October-05	224	229.5	219	224.55	90444
13-October-05	224	225	209.1	218.6	37430
14-October-05	219.9	220.75	206	209.75	46291
17-October-05	209	212	203	209.8	113935
18-October-05	211.7	216	209	209.9	196829
19-October-05	198.1	209.9	195.7	197.2	168552
20-October-05	199.7	208.9	195	196.95	144308
21-October-05	198.4	200	196	199.05	43437
24-October-05	201	201.8	197	197.7	27560
25-October-05	200.7	200.7	196.65	197.4	16870
26-October-05	198	198	192.8	194.05	33045
27-October-05	196.7	202.25	191	194.15	132363
28-October-05	197.9	205	188.05	190.05	242167
31-October-05	193	200	190	197.8	395026



Date	Open	High	Low	Close	No of shares traded
1-November-05	199.5	205.9	199.4	203.25	54744
2-November-05	203.9	203.9	195.5	200.6	31663
7-November-05	201.9	206.5	197.25	201.7	68879
8-November-05	203.9	213.75	202.15	206.35	134510
9-November-05	205	209.5	200.5	202.8	42549
10-November-05	204.7	205	203.1	204.3	17604
11-November-05	205	207	203.15	204.1	24782
14-November-05	205.5	210.9	205	207.45	76654
16-November-05	209.9	223	208	217.95	328162
17-November-05	220.7	221.75	213.1	214.5	102797
18-November-05	214.5	220	213.5	215.05	150685
21-November-05	216.5	217.2	209.2	211.65	146662
22-November-05	214	219.05	207.6	208.4	308397
23-November-05	210.9	212.75	208.05	209.45	73582
24-November-05	212.4	216.8	210.05	211.75	296081
25-November-05	212.9	213.85	209	209.85	74871
26-November-05	211.5	211.5	208.05	209.3	29552
28-November-05	211.2	217	211	214.15	92975
29-November-05	215	219	211.1	217	153901
30-November-05	218	227	217.8	222.5	332954
1-December-05	225.3	229.25	225	228.2	230570
2-December-05	231	231.5	227.25	228.2	126780
5-December-05	227	227.85	224	224.75	91179
6-December-05	223.1	225.5	221.5	222.2	19503
7-December-05	220.5	224.9	220.1	221.95	32717
8-December-05	223.4	223.4	217.25	218.25	31436
9-December-05	220	227.5	220	225.1	77404
12-December-05	228.85	236.5	227.05	228.5	359392
13-December-05	232.9	239	226	237.8	280804
14-December-05	241	252	238	250.1	317356
15-December-05	251.5	253	230.1	240.6	90528
16-December-05	235	242.45	233	237.15	60843
19-December-05	238.1	245.9	237.5	238.5	71245
20-December-05	240.75	244.85	238	242.65	50537
21-December-05	247	248	242	244.05	55546
22-December-05	243.35	250.1	243.35	249.75	87064
23-December-05	249.7	259.95	246	252.1	168606
26-December-05	250.5	257	249	253.3	89048
27-December-05	252	256	251	255.2	47806
28-December-05	256	261.5	253	260.05	63479
29-December-05	261.5	264.9	260	262	41904
30-December-05	262	264.9	257.2	258.35	46037



Date	Open	High	Low	Close	No of shares traded
2-January-06	258.35	264	256.05	257.75	22669
3-January-06	260.75	260.75	253.5	254.8	24712
4-January-06	258.9	258.9	252	253.85	30963
5-January-06	254.5	255.9	250	251.05	21322
6-January-06	251.05	265	248.05	260.9	75579
9-January-06	264.8	274.5	262.25	263.95	107007
10-January-06	268	268	260	261.95	23194
12-January-06	267	267.5	252	260.65	34816
13-January-06	263.2	264.8	260.8	262.7	36366
16-January-06	264	273.9	260.5	262.85	66047
17-January-06	265.7	269.95	259	260.2	29869
18-January-06	262.8	264.8	242.3	256.95	16377
19-January-06	257.05	262	254	260.2	14622
20-January-06	261	262.95	256	257.4	7660
23-January-06	255.25	259.85	252.2	253.7	16835
24-January-06	259.6	262	255.5	261.2	37392
25-January-06	262.5	265	257.85	259	19383
27-January-06	264.5	264.5	250.25	254.55	21140
30-January-06	258	278	255	273.9	341595
31-January-06	276	294	275	292.55	387467
1-February-06	295	297	280	282	138725
2-February-06	283.1	294.5	280.15	290.1	97405
3-February-06	291.65	294.95	284.5	285.65	84430
6-February-06	289.8	293.9	285	288.25	41550
7-February-06	293.5	301	288	289.2	67697
8-February-06	290	295	288	291.05	48751
10-February-06	286	293.75	285	285.9	29985
13-February-06	280	292.9	280	288.85	39398
14-February-06	292	292	285.9	287.55	18772
15-February-06	288.75	293.85	284.5	286.2	19031
16-February-06	286.5	287.1	282	282.7	22737
17-February-06	285.05	285.05	274.3	277.45	45000
20-February-06	277	285	270	278.05	62232
21-February-06	279	283	275.2	277.4	32839
22-February-06	278.9	281.9	275.05	279.65	25761
23-February-06	279.5	281.5	273	273.95	19829
24-February-06	274	276.9	269.25	270.1	22965
27-February-06	272.8	275.9	267.05	271.3	28529
28-February-06	276	276	266	272.05	48809



The closing share price on September 16, 2005 on the Bombay Stock Exchange Limited and The National Stock Exchange India Ltd, being the first day of trading after the Board Meeting approving the Public Issue was

BSE	Rs. 225.75
NSE	Rs. 226.40

The Promoters/Directors have not directly or indirectly financed any transaction in the securities of the Company during the preceding 6 months, except personal transactions mentioned elsewhere in the document.

Weekend prices for last four weeks on Bombay Stock Exchange Limited, is as follows:

Date	Price per share (Rs.)
24.02.2006	261.40
03.03.2006	278.25
10.03.2006	299.60
17.03.2006	285.95

Weekend prices for last four weeks on The National Stock Exchange of India Ltd, is as follows:

Date	Price per share (Rs.)
24.02.2006	261.20
03.03.2006	278.60
10.03.2006	299.95
17.03.2006	286.85

DISCLOSURE ON INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, Karvy Computershare Private Ltd and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of allotment, demat credit and refund orders to enable investors to approach the Registrar to the Issue for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

There are no complaints and/or grievances from the investors which are pending. All the complaints and/or grievances have been satisfactorily replied.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Bodapati Bhaskar as the Compliance Officer and he may be contacted in case of any pre issue or post-issue related problems. He can be contacted at : Plot No. 83, Electronics city, Hosur Road, Bangalore - 560 100. Tel. No: +91-80-28521040/41/42, Fax No: +91-80-28521094.

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS AND REASONS THEREOF

There have been no changes in the auditors of the Company during the past three years



CAPITALISATION OF RESERVES OR PROFITS DURING THE LAST FIVE YEARS

The company issued bonus shares by capitalization of free reserves in the following ratio vide respective board resolution passed on the following dates

Sr. No.	No. of Shares	Bonus Share to each Equity Share held	Date of Board Resolution
1	48,86,640	10:18	24/05/2000
2	10,33,844	1:10	05/02/2003
3	22,74,457	2:10	20/11/2003
4	41,24,352	3:10	12/11/2004
5	89,36,097	5:10	25/08/2005

REVALUATION OF ASSETS DURING THE LAST FIVE YEARS

The Company has not revalued its assets during the last five years.

Servicing Behavior

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



SECTION VIII - ISSUE INFORMATION

1. TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and the Articles of Association, the terms of this Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RBI, and/or other authorities, as in force on the date of the Issue and to the extent applicable.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue of equity shares has been authorized vide a resolution passed by the Board of Directors at its meeting held on September 16, 2005 and a Special Resolution passed by the shareholders at the Extra Ordinary General Meeting of the Company held on November 15, 2005.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, the Memorandum and the Articles of Association of the Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Company, including rights in respect of dividends.

Mode of payment of Dividend

We shall pay the dividend to our shareholders as per the provisions of section 205C and other applicable provisions of the Companies Act, 1956.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10/- each are being offered at a price of Rs. 270/- per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosures and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to, among other things, voting rights, dividend, forfeiture and lien, transfer and transmission see the section titled "Main Provisions of the Articles of Association" on page no.188 of this Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum allotment of 25 Equity Shares.

Nomination Facility to the Investor.

In the nature of the rights specified in Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being



a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any Person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the Person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of the Company or at the Registrar and Transfer Agents of the Company.

In the nature of the rights stated in Section 109B of the Companies Act, any Person who becomes a nominee in the manner stated above, shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company.

Nominations registered with the respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“the Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain Persons in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the net offer to public to the extent of the amount payable on application, including devolvement on Underwriters, if any, within 60 days from the Bid Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company become liable to pay the amount (i.e., 60 days from the Bid Closing Date), the Company shall pay interest prescribed under Section 73 of the Companies Act.

If the number of allottees in the proposed issue is less than 1000 allottees, the Company shall forthwith refund the entire subscription amount received.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Bangalore, India.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots.

Subscription by Non-Residents/NRI/FIIs/Foreign Venture Capital Fund/ Multilateral and Bilateral Development Financial Institutions

There is no reservation for any Non-Residents, NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such Non-Residents, NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation.

As per RBI regulations, OCBs cannot participate in the Issue.



Application in Issue

Equity Shares being issued through this Prospectus can be applied for in the dematerialized form only.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date, without assigning any reason thereof.

2. ISSUE STRUCTURE

The present Issue of 40,00,000 Equity Shares Rs. 10 each, at a price of Rs. 270/- for cash aggregating Rs.10,800 is being made through the 100% Book Building Process.

Particulars	Eligible Employees	Existing Retail Shareholders	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto 4,00,000 Equity Shares	Upto 4,00,000 Equity Shares	Up to 16,00,000 Equity Shares or Issue less allocation to Non Institutional Bidders and Retail Individual Bidders.	Minimum of 4,80,000 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 11,20,000 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	Upto 10% of the issue size**	Upto 10% of size of the issue**	Upto 50% of Issue or Issue less allocation to Non- Institutional Bidders and Retail Individual Bidders. However, upto 5% of the QIB portion shall be available for allocation proportionately to Mutual Funds only.	Minimum 15% of Issue or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Minimum 35% of Issue or Issue less allocation to QIB Bidders and Non Institutional Bidders.
Basis of Allocation if respective category is over subscribed	Proportionate	Proportionate	Proportionate as follows: (a) Equity Shares shall be allotted on a proportionate basis to Mutual Funds in the Mutual Funds portion. (b) Equity Shares shall be allotted on a proportionate basis to all QIBs including MutualFunds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	25 Equity Shares and in multiples of 25 Equity Shares thereafter.	25 Equity Shares and in multiples of 25 Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 25 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 25 Equity Shares thereafter.	25 Equity Shares and in multiples of 25 Equity Shares thereafter.



Particulars	Eligible Employees	Existing Retail Shareholders	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Not exceeding the size of the Issue	Such number of Equity Shares such that the bid amount does not exceed Rs. 2,00,000.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 1,00,000.
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ***	Eligible employees being permanent employees or directors of the Company (or its subsidiaries), who are Indian Nationals based in India and are physically present in India on the date of submission of bid cum application form. In addition such persons should be employees or directors during the period commencing from the date of filing of Red Herring Prospectus with RoC upto to the bid/issue closing date. Promoter Directors are not eligible to be treated as eligible employees.	Existing Retail Shareholders as on 10th March 2006	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs.250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.
Terms of Payment	Margin Amount applicable to Eligible employees at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin amount applicable to Existing Shareholders at the time of submission of Bid cum Application form to the syndicate members.	QIB margin amount shall be payable at the time of submission of bid/application form to the Syndicate Members.	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Member.
Margin Amount	Full bid amount on Bidding	Full bid amount on Bidding	10% of the bid amount.	Full Bid Amount on Bidding	Full Bid Amount on Bidding



* Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spillover from any other portions at the discretion of our Company, in consultation with the BRLMs.

** An undersubscription for Equity Shares, if any, reserved for Employees and Existing Retail Shareholders would be included in the Net Issue to the public and first be distributed equally between the Retail Portion and the Non-Institutional Portion in accordance with the description in section titled “Statutory and other Information - Basis of Allotment” on page 182. In the event that the demand in either of the Retail Portion or the Non-Institutional Portion has been met, the Equity Shares shall be allocated to a category in which the demand has not been met. The remaining undersubscribed Equity Shares, if any, after allocation to the Retail Portion and the Non-Institutional Portion as stated above, shall be allocated to the QIB Portion in accordance with the description in section titled “Issue Information - Basis of Allotment” on page 182.

*** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the bid cum application form.

2. ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein up to 50% of the net Issue to the public shall be available for allocation to QIB Bidders on proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds. The remaining shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the issue price. Further not less than 35% of the net Issue to the public shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the net Issue to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price within price band.

Bidders are required to submit their Bids through the Syndicate. The Company would have a right to reject the Bids only on technical grounds.

Investors should note that allotment to all successful Bidders will only be in the dematerialised form. Bidders will not have the option of getting allotment in physical form. The Equity Shares, on allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Illustration of Book Building and Price Discovery Process (Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs.31 to Rs 38 per share, issue size of 7000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 shares at Rs.38 per share while another has bid for 1,500 shares at Rs.37 per share. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	38	500	30.33
1000	37	1500	40.44
2500	35	4000	180.56
3000	33	7000	300.34
4000	31	11000	450.65

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs.33 in the above example. The issuer, in consultation with the BRLMs, will finalise the issue price at or below such cut off price i.e., at or below Rs.33. All bids at or above this issue price and cutoff bids are valid bids and are considered for allocation in respective category.



Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public including resident QIBs, Non Institutional Bidders and Retail Individual Bidders	White
NRIs and FIIs	Blue
Eligible Employees	Pink
Existing Retail Shareholders	Specified Pre-printed forms to be mailed to them

Who can Bid?

- Indian nationals resident in India who are majors, in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
- Indian Mutual Funds registered with SEBI;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission, as applicable);
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;
- NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions; and
- Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.



Bidders are advised to ensure that any single bid from them does not exceed the investment limits are maximum number of equity shares that can be held by them under the relevant regulations or statutory guidelines.

Note: BRLMs shall not be entitled to subscribe to this issue in any manner except towards fulfilling their underwriting obligation.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.
- No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits have to be adhered to by the mutual funds for investment in the equity shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Under the SEBI Guidelines 5% of the QIB portion has been specifically reserved for Mutual Funds.

Application by NRIs

Bid cum application forms have been made available for NRIs at the Registered Office of the Company.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category. All instruments accompanying bids shall be payable in Mumbai only.

Application by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 3,08,08,290 Equity Shares of Rs.10/- each) Equity Shares. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 44% of the total issued capital of our Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption.

Bids by NRI's or FII's on repatriation basis.

Bids and revision to Bids must be made:

- On the Bid cum Application Form or Revision Form, as applicable, (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid Amount of up to less than Rs. 100,000 would be considered under the Retail Individual Bidders Portion for the purpose of allocation and Bids for a Bid Amount of more than or equal to Rs. 100,000 would be considered under Non Institutional Bidder Portion for the purpose of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 25 Equity Shares thereafter so that the Bid Amount exceeds Rs. 100,000; for further details, please refer to the sub-section titled "Maximum and Minimum Bid Size" on page no. 167 of this Prospectus.



- In the names of individuals or in the names of FII's or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB's.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid cum Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of our Company's paid-up capital. The aggregate holdings of venture capital funds and foreign venture capital Investors registered with SEBI could, however, be up to 100% of our Company's paid-up equity capital.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes if applicable laws or regulations, which may happen after the date of the Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

- For Retail Individual Bidders:** The Bid must be for a minimum of 25 Equity Shares and in multiples of 25 Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs.1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision of the Bid or revision of the Price Band or on exercise of cut-off option, the Bid would be considered for allocation under the Non Institutional Bidders portion. The cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 25 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue to the public. However, the maximum Bid by a QIB Bidder should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid Closing Date/Issue Closing Date.

In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 1,00,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'cut-off'. A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.

For Bidders in the Employee Reservation Portion: The Bid by Eligible Employees must be for a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter. The maximum Bid in this portion cannot exceed 4,00,000 Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs. 100,000 may bid at "Cut-off".

For Bidders in the existing Retail Shareholder Reservation Portion: The bid must be for a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter. The maximum Bid in this portion cannot exceed Rs.2,00,000 . Bidders in the Existing Retail Shareholders Reservation Portion applying for a maximum Bid in any of the Bidding options not exceeding Rs. 1,00,000 may bid at cut-off-price.



Information for the Bidders

- (a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date/ Issue Opening Date.
- (b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares according to the terms of the Red Herring Prospectus and applicable law) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
- (d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms which do not bear the stamp of the members of the Syndicate will be rejected.
- (e) Investors who are interested in subscribing for the Company's Equity Shares should approach the BRLMs or syndicate Members or their authorized agent(s) to register their Bid.
- (f) The Price Band shall be advertised at least one day prior to the Bid Opening Date/Issue Opening Date.

Method and Process of Bidding

- (a) The Company and the BRLMs shall declare the Bid Opening Date/Issue Opening Date, Bid Closing Date/ Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and a regional language newspaper circulated at the place where the registered office of the Company is situated. This advertisement shall be in the format and contain the disclosures specified in Part A of Schedule XX-A of the SEBI Guidelines as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005. The BRLMs and Syndicate Member shall accept Bids from the Bidders during the issue Period in accordance with the terms of the Syndicate Agreement.
- (b) Investors who are interested in subscribing for our Company's Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.
- (c) The Bidding Period shall be a minimum of at least three working days and not exceed seven working days. In case the price band is revised, the revised price band and Bidding Period will be published in two widely circulated newspapers (one each in English and Hindi) and a regional language newspaper circulated at the place where the registered office of the Company is situated and the Bidding period will be extended for the further period of three days, subject to the total Bidding period not exceeding 10 working days. During the bidding period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the bids.
- (d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details see the section titled "Issue Procedure-Bids at Different Price Levels" on page 169 of this Prospectus) within the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- (e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure-Build up of the Book and Revision of Bids" on page no. 172 of this Prospectus.
- (f) The BRLMs and Syndicate Member will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.



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- (g) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.
- (h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the section titled "Issue Procedure-Terms of Payment and Payment into the Escrow Accounts" on page no. 170 of this Prospectus.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. 240/- to Rs. 270/- per Equity Share of Rs. 10 each, Rs. 240/- being the Floor Price and Rs. 270/- being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1 (one).
2. In accordance with SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
3. In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English & Hindi) and a regional language newspaper, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.
4. Our Company, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders, Employees and Existing Retail Shareholders applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may Bid at cut-off price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non-Institutional Bidders and such Bids from QIB Bidders and Non Institutional Bidders shall be rejected.
6. Retail Individual Bidders or eligible employees or Existing Retail Shareholders who bid at the Cut-off Price agree that they shall purchase the Equity Shares at the issue price, as finally determined, which will be a price within the price band. Retail Individual Bidders bidding or eligible employees at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the respective Escrow Accounts. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders or eligible employees or Existing Retail Shareholders who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders or Eligible Employees or Existing Retail Shareholders, who Bid at Cut off Price, shall receive the refund of the excess amounts from the respective Escrow Accounts/ refund account(s).
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders or eligible employees or Existing Retail Shareholders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs.1,00,000 if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.1,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to the revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders or eligible employees or Existing Retail Shareholders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Escrow Accounts/refund account(s).



9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 25 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs.7,000.

Option to Subscribe

Equity Shares being issued through this Prospectus can be applied for in the dematerialized form only. Bidders **will not have** the option of getting Allotment in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Escrow Mechanism

Our Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the respective Escrow Account. The Escrow Collection Bank(s) will act in terms of this Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the monies from the Escrow Accounts to the Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Accounts/refund account(s) as per the terms of the Escrow Agreement and this Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

In case of Non-Institutional Bidder and Retail Individual Bidders, each Bidder shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details see the section titled "Issue Procedure-Payment Instructions" on page no. 179 of this Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Issue Account shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and not later than 15 days from the Bid Closing Date/Issue Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of bidders i.e. QIBs, Non-Institutional Bidders, Retail Individual Bidders, Employees and Existing Retail Shareholders would be required to pay their applicable margin amount at the time of submission of the bid cum application form. The margin amount payable by each category of bidders is mentioned under the section titled, "Issue procedure" on page No. 179 of this Prospectus. Where the margin amount applicable to the bidder is less than 100% of the bid price, any difference between the amount payable by the bidder for equity shares allocated/allotted at the issue price and the margin amount paid at the time of Bidding, shall be payable by the Bidder not later than the Pay-in-Date which shall be minimum period of 2 days from the date of communication of the allocation list to the Members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the bid cum application form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid Closing Date/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.



Electronic Registration of Bids

- (a) The Syndicate Member will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and its authorised agents during the Bidding Period/Issue Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently download the off-line data file into the on-line facilities for book building on an half hourly basis. On the Bid Closing Date/ Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of NSE and BSE will be downloaded on an half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of the consolidated demand and price would be made available at the bidding centers and the websites of the Stock Exchanges during the Bidding Period/Issue Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
- Name of the investor (Investors should ensure that the name given in the Bid cum Application form is exactly the same as the name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form).
 - Investor Category - Individual, Corporate, FII, NRI or mutual fund, etc.;
 - Numbers of Equity Shares Bid for;
 - Bid price;
 - Bid cum Application Form number;
 - Whether payment is made upon submission of Bid cum Application Form; and
 - Depository Participant identification no. and client identification no. of the demat account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, the members of the Syndicate also have the right to accept the Bid or reject it without assigning any reason. In case of Bids under the Non-Institutional Portion, Bids under the Retail Portion , Bids under Employee Reservation Portion and Bids under Existing Retail Shareholders Portion would not be rejected except on the technical grounds listed in this Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or the BRLMs are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.
- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.



Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the Syndicate Member shall be electronically transmitted to the NSE or BSE mainframe on an on-line basis. Data would be uploaded on a regular basis.
- (b) The Price Band can be revised during the Bidding Period, in which case the Bidding period shall be extended further for a period of three days, subject to the total Bidding Period not exceeding ten working days. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (c) Any revision in the Price Band will be widely disseminated by informing the stock exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper and also indicating the change on the relevant websites and the terminals of the members of the Syndicate.
- (d) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (e) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (f) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (g) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (h) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Prospectus. In case of QIB Bidders, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.
- (i) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (j) In case of discrepancy of data between NSE or BSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid Closing Date/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss pricing strategy with the company.
- (b) The Company, in consultation with the BRLMs, shall finalise the "Issue Price", the number of Equity Shares to be Allotted in each portion and the allocation to successful QIB Bidders. The allocation will be decided based inter alia, on the quality of the Bidder, and the size, price and time of the Bid.
- (c) The allocation for QIB Bidders for up to 50% of the net Issue (including 5% specifically reserved for Mutual Funds) would be on proportionate basis in consultation with the Designated Stock Exchange subject to valid bids being received at or above the Issue Price, in the manner as described in the Section titled "Basis of Allotment - for QIB Bidders" on page no. 182 of this Prospectus. The allocation to Non-Institutional Bidders not less than 15% and Retail Individual Bidders not less than 35% each of the net Issue, respectively, would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.



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- (d) Allocation to QIBs, Non Residents, FIIs and NRIs applying on repatriation basis will be subject to the terms and conditions stipulated by RBI while granting permission for allotment of Equity Shares to them.
 - (e) Under subscription, if any, in any category, other than QIB category, would be allowed to be met with spill over from any other categories at our discretion in consultation with the BRLMs. Any under subscription in equity shares reserved for allocation to eligible employees and Existing Retail Shareholders would be treated as a part of the net offer to the public and allocated in accordance with the basis of allotment described in the section titled "Basis of Allotment" on page no. 182 of this Prospectus.
 - (f) The BRLMs, in consultation with the Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
 - (g) The Company reserves the right to cancel the Issue any time after the Bid Opening Date/Issue Opening Date without assigning any reasons whatsoever.
 - (h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid Closing Date/ Issue Closing Date.
 - (i) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and ROC Filing

- (a) The Company, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with the RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the prospectus with the ROC

We will file a copy of the prospectus with the Registrar of Companies, Bangalore, Karnataka at E Wing, Second Floor, Kendriya Sadan, Koramangala, Bangalore - 560 034 in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956.

Advertisement regarding Issue Price and Prospectus

The company will issue a statutory advertisement after the filing of the Prospectus with the ROC in two widely circulated newspapers (one each in English and Hindi and one Regional newspaper). This advertisement, in addition to the information (in the format and contain the disclosures specified in Part A of Schedule XX-A of the SEBI Guidelines), that has to be set out in the statutory advertisement shall indicate the issue price along with a table showing the number of Equity Shares, Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note (CAN)

- (a) The BRLMs or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue.
- (b) The BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire bid amount into the Escrow Accounts at the time of bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Period specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.



Designated Date and Allotment of Equity Shares

- a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date/ Issue Closing Date. After the funds are transferred from the Escrow Accounts to the issue account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account Allotment of the Equity Shares to the allottees within two working days of the date of Allotment.
- b) All allottees will receive credit for the Equity Shares directly in their depository account. Equity Shares will be offered only in the dematerialized form to the allottees. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.
- c) After the funds are transferred from the Escrow Account to the Public issue account on the Designated Date, we would allot the Equity Shares to the allottees. Our Company would ensure the allotment of Equity Shares within 15 days of Bid / Issue Closing Date and give instructions to credit to the allottees' within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
- d) Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour), or Employee Bid cum Application form (Pink in colour) or Existing Retail Shareholder Bid cum Application Form (Specified pre-printed form which shall be mailed to them) as the case may be;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialized form only;
- Ensure that the name given in the Bid cum Application form is exactly the same as the Name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
- Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- Ensure that you have been given a TRS for all your Bid options;
- Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000 or more and attach a copy of the PAN Card and also submit a photocopy of the PAN card(s) or a communication from the Income Tax authority indicating allotment of PAN along with the application for the purpose of verification of the number, with the Bid cum Application Form. In case you do not have a PAN, ensure that you provide a declaration in Form 60 prescribed under the I.T. Act along with the application ; and
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
- Ensure that the Bid-Cum-Application Form number is mentioned on the reverse of the Cheque/Demand Draft.

Don'ts:

- Do not Bid for lower than the minimum Bid size;
- Do not Bid/ revise Bid price to less than the lower end of the price band or higher than the higher end of the Price Band;



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- Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
 - Do not pay the Bid Amount in cash;
 - Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
 - Do not Bid at Cut-off Price (for QIB Bidders, Non-Institutional Bidders, Eligible Employees and Existing Retail Shareholders for whom the Bid amount exceeds Rs. 1,00,000);
 - Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable Regulations;
 - Do not submit Bid accompanied with Stockinvest.
 - Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs and applying on repatriation basis and pink colour for eligible employees and the specified pre-printed form for existing Retail Shareholders which shall be mailed to them).
- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- The Bids from the Retail Individual Bidders must be for a minimum of 25 Equity Shares and in multiples of 25 thereafter subject to a maximum Bid Amount of Rs. 1,00,000.
- For Non-institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 25 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- For Employees, the Bid must be for a minimum of 25 Equity Shares and shall be in the multiples of 25 Equity Shares thereafter. The maximum bid amount in this portion cannot exceed 4,00,000 equity shares.
- For Existing Retail Shareholders, the bid must be for a minimum of 25 Equity Shares and shall be in the multiples of 25 Equity Shares thereafter. The maximum bid amount in this portion cannot exceed Rs.2,00,000.
- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by employees

1. Bids by Eligible Employees shall be made only in the prescribed Bid cum Application Form or Revision Form, (i.e., pink colour form).
2. Eligible Employees should mention their Employee ID at the relevant place in the Bid cum Application Form.
3. Only Eligible Employees, who are Indian Nationals based in India and are physically present in India on the date of submission of the Bid-cum-Application Form and such person is an employee or Director during the period commencing from the date of filing of the Red Herring Prospectus with the RoC upto the Bid/Issue Closing Date would be eligible to apply in this Issue under the Employee Reservation portion on a competitive basis.



4. The sole/first Bidder should be an Eligible Employee. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.
5. Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allotment under this category.
6. Eligible Employees who apply or bid for securities of or for a value of not more than Rs. 1,00,000 in any of the bidding options can apply at Cut-Off. Eligible Employees should ensure that such Bids (whether at Cut-Off or not) should not exceed Rs.1,00,000, failing which such Bids may be rejected.
7. The maximum Bid in this category should not exceed 4,00,000 Equity Shares.
8. If the aggregate demand in this category is less than or equal to 4,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any under-subscription in Equity Shares reserved for Eligible Employees would be treated as part of the Net Offer to the Public and allotment shall be in accordance with the basis of allotment described in the section titled "Basis of Allotment" on page 182 of this Red Herring Prospectus.
9. If the aggregate demand in this category is greater than 4,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to a minimum of 25 Equity Shares. For the method of proportionate basis of allotment, refer to section titled "Basis of Allotment" on page 182 of this Prospectus.
10. Bidding at Cut-off is allowed only for Eligible Employees whose Bid amount is less than or equal to Rs.1,00,000.

Bids by Existing Retail Shareholders

For the sake of clarity, the term "Existing Retail Shareholders" shall mean the natural persons who are holders of Equity Shares of the Company as of 10th March 2006 and who hold Equity Shares worth upto Rs. 1,00,000 determined on the basis of closing price of the Equity Shares in the BSE on the previous day.

- (a) Bids by Existing Retail Shareholders shall be made only in the prescribed Bid cum Application Form or Revision Form, which shall be mailed to them.
- (b) Existing Retail Shareholders should mention their Registered Folio Number/DP and Client ID number at the relevant place in the Bid cum Application Form.
- (c) The sole/First Bidder should be an Existing Retail Shareholder. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.
- (d) Only Existing Retail Shareholders of the Company as on 10th March, 2006 would be eligible to apply in this Issue under reservation for Existing Retail Shareholders on a competitive basis.
- (e) Existing Retail Shareholders will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allotment under the Existing Retail Shareholders Reservation Portion.
- (f) The maximum Bid in this category can be for Rs.2,00,000 .
- (g) If the aggregate demand in this category is less than or equal to 4,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Existing Retail Shareholders to the extent of their demand. Any undersubscription in the Existing Retail Shareholders Reservation Portion would be included in the Net Issue to the public and first be distributed equally between the Retail Portion and the Non-Institutional Portion in accordance with the description in section titled "Statutory and other Information - Basis of Allotment" on page 182. In the event that the demand in either of the Retail Portion or the Non-Institutional Portion has been met, the Equity Shares shall be allocated to the portion in which the demand has not been met. The remaining undersubscribed Equity Shares, if any, after allocation to the Bidders in the Retail Portion and the Non-Institutional Portion as aforesaid, shall be allocated to the QIB Portion in accordance with the description in section titled "Statutory and other Information - Basis of Allocation" on page 182.
- (h) If the aggregate demand in this category is greater than 4,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to a minimum of 25 Equity Shares. For the



method of proportionate basis of allocation, refer to section titled “Statutory and other Information - Basis of Allotment” on page 182.

- (i) Bidding at Cut-off Price is allowed only for Existing Retail Shareholders whose Bid Amount is less than or equal to Rs. 1,00,000.

Bidder’s Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant- Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. **These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant.** Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same.

Bidder’s Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant- Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (“Demographic Details”). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of bank particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid cum Application Form, Bidder would have deemed to authorise the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserve the right to accept or



reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

The Company , in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/ allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI on a repatriation basis

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- Individual NRI bidders can obtain the Bid cum Application Forms from the Registered Office of the Company at Plot No. 83, Electronics City, Hosur Road, Bangalore - 560 100 or Registrar to the Issue or BRLMs whose addresses are printed on the cover page of this prospectus.
- NRI bidders may please note that only such bids as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for resident Indians.

Bids by NRIs and FIIs on a repatriation basis

Bids and revision to Bids must be made:

- On the Bid cum Application Form or the Revision Form, as applicable (blue in color), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single name or joint names (not more than three).
- By FIIs for a minimum of such number of Equity Shares and in multiples of 25 thereafter that the Bid Amount exceeds Rs.1,00,000. For further details see section titled "Issue Procedure-Maximum and Minimum Bid Size" on page 167 of this Prospectus.
- In the names of individuals, or in the names of FIIs, or in the names of foreign venture capital funds, multilateral and bilateral development financial institutions, but not in the names of minors, firms or partnerships, foreign nationals (including NRIs) or their nominees, foreign venture capital investors.
- Refunds, dividends and other distributions, if any, will be payable in Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Rupee drafts purchased abroad, such payments in Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency. It is to be distinctly understood that there is no reservation for NRIs and FIIs. All NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.



There is no reservation for non-residents, NRIs, FIIs and foreign venture capital funds and all non-residents, NRI, FII and foreign venture capital fund applicants will be treated on the same basis with other categories for the purpose of allocation.

Payment Instructions

The Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

(a) Payment into Escrow Account

- The Bidders for whom the applicable Margin Amount is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
- In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.
- The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident QIB Bidders: **“Escrow Account - Opto Public Issue -R- QIB”**
 - In case of Non Resident QIB Bidders: **“Escrow Account - Opto Public Issue -NR- QIB”**
 - In case of Resident Non-Institutional and Retail Individual Bidders: **“Escrow Account - Opto Public Issue - R - Non-QIB”**
 - In case of Non Resident Non-Institutional and Retail Individual Bidders: **“Escrow Account - Opto Public Issue - NR- Non-QIB”**
 - In case of existing Retail Shareholders: **“Escrow Account - Opto Public Issue - Existing Retail Shareholders”**
 - In case of employees : **“Escrow Account - Opto - Public Issue Employees”**
- In case of bids by NRIs applying on a repatriation basis, the payments must be made through Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in the NRE Accounts or the Foreign Currency Non-Resident Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of the Non Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to the NRE Account or the Foreign Currency Non-Resident Account.

In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

- Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Accounts.
- The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
- On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account with the Banker to the Issue.
- On the Designated Date and no later than 15 days from the Bid Closing Date/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders



Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No.DBOD No.FSC BC 42/27.47.00/2003-04 dated November 05, 2003, the option to use the Stock Invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through Stock Invest would not be accepted in this issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Each member of the Syndicate may, at its sole discretion, waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form provided however that for QIB Bidders the Syndicate Member shall collect the QIB margin and deposit the same in specified Escrow Account.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. Bids made by eligible employees both under employee reservation portion as well as in the net offer to the public shall not be treated as multiple bids.

Bids made by Existing Retail Shareholders both under Existing Retail Shareholders Reservation portion as well as in the Net Issue shall not be treated as multiple Bids.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portion.

Permanent Account Number or PAN

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b)



Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.

Our Company's right to reject Bids

In case of QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders, Employees and Existing Retail Shareholders who Bid, our Company and BRLMs have a right to reject Bids on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

- Bidders are advised to note that Bids are liable to be rejected on among others on the following technical grounds:
- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
- Age of First Bidder not given;
- In case of partnership firms, shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply;
- Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
- PAN photocopy/ PAN Communication/ Form 60/Form 61 declaration not given if Bid is for Rs. 50,000 or more;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bank account details for refund are not given;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders.
- Bids for number of Equity Shares, which are not in multiples of 25;
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and /or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMS or the Syndicate Member;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not submitted by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- Bids accompanied by Stock Invest;
- Bids under employee reservation portion for more than 4,00,000 equity shares ;
- Bids under Existing Retail Shareholders Reservation portion for the amount greater than Rs.2,00,000.
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure-Bids at Different Price Levels" at page 169 of this Prospectus;



-
- Bids by OCBs; and
 - Bids by US Persons other than “qualified institutional buyers” as defined in Rule 144A under the Securities Act.

Basis of Allotment.

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allotment to Non-Institutional Bidders and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this portion is less than or equal to 25 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 25 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 25 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 25 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The QIB portion shall be available for allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - a) In the first instance allocation to Mutual Funds for upto 5% of the QIB portion shall be determined as follows:
 1. In the event that Mutual Fund bids exceed 5% of the QIB portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the QIB portion.
 2. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB portion, then all Mutual Funds shall get full allotment to the extent of valid bids received above the issue price.
 3. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below.
 - b) In the second instance, allocation to all QIBs shall be determined as follows:
 1. In the event that the oversubscription in the QIB portion, all QIB Bidders who have submitted Bids above the issue price be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion.
 2. Mutual Funds, who have received allocation as per (a) above for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis alongwith other QIB Bidders.



3. Under subscription below 5% of the QIB portion, if any, from Mutual Funds would be included for allocation to the remaining QIB Bidders on a proportionate basis.

D. For Employee Reservation Portion

Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 4,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 4,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 25 Equity Shares. For the method of proportionate basis of allocation, refer below.

E. For Existing Retail Shareholders

Bids received from the Existing Retail Shareholders at or above the issue price shall be grouped together to determine the total demand in this portion. Allotment to all Existing Retail Shareholders who bid successfully will be made at the issue price.

If the aggregate demand in this portion is less than or equal to 4,00,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Existing Retail Shareholders to the extent of their demand.

If the aggregate demand in this portion is greater than 4,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to a minimum of 25 Equity Shares. For the method of proportionate basis of allocation, please refer below.

An undersubscription for equity shares, if any, reserved for employees and existing retail shareholders would be included in the net issue to the public and first be distributed equally between the retail portion and the Non-Institutional Portion. In the event that the demand in either of the Retail Portion or the Non-Institutional Portion has been met, the Equity Shares shall be allocated to the portion in which the demand has not been met. The remaining undersubscribed Equity Shares, if any, after allocation to the Bidders in the Retail Portion and the Non-Institutional Portion as aforesaid, shall be allocated to the QIB Portion.

Method of proportionate basis of allocation in the QIBs, Retail and Non-Institutional Portions

Bidders will be categorized according to the number of Equity Shares applied for by them.

- (a) The total number of Equity Shares to be allotted to each portion as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that portion (number of Bidders in the portion multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, being the total number of Equity Shares applied for by each Bidder in that portion multiplied by the inverse of the over-subscription ratio.
- (c) If the proportionate allotment to a Bidder is a number that is more than 25 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- (d) In all Bids where the proportionate allotment is less than 25 Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of 25 Equity Shares; and
 - The successful Bidders out of the total Bidders for a portion shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that portion is equal to the number of Equity Shares calculated in accordance with (b) above;
- (e) If the Equity Shares allocated on a proportionate basis to any portion are more than the Equity Shares allotted to the Bidders in that portion, the remaining Equity Shares available for allotment shall be first adjusted against any other portion, where the Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that portion. The balance Equity Shares, if any, remaining after such adjustment will be added to the portion comprising Bidders applying for minimum number of Equity Shares.



The Executive Director /Managing Director of the Designated Stock Exchange along with the Book Running Lead Managers and the Registrars to the issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI Guidelines.

Procedure and time schedule for allotment and issue of certificates

The company reserves, at their absolute and uncontrolled discretion and without assigning any reason thereof, the right to accept or reject any Bid in whole or in part. In case a Bid is rejected in full, the whole of the Bid Amount will be refunded to the Bidder within 15 days of the Bid/Issue Closing Date. In case a Bid is rejected in part, the excess Bid Amount will be refunded to the Bidder within 15 days of the Bid/Issue Closing Date. The Company will ensure the allotment of the Equity Shares within 15 days from the Bid/Issue Closing Date. The Company shall pay interest at the rate of 15% per annum (for any delay beyond the periods as mentioned above), if allotment is not made, refund orders are not dispatched and /or dematerialized credits are not made to investors within two working days from the date of allotment.

Dispatch of Refund Orders

We shall ensure dispatch of refund orders of value over Rs. 1500/-, other than Refund by ECS and share certificates by registered post only and adequate funds for the purpose shall be made available to the Registrar to the Issue by us.

Letter of Allotment or Refund Orders

We shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. We shall dispatch refund orders, if any, of value up to Rs. 1,500/-, by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500/-, if any, by registered post only at the sole or First Bidder's sole risk and adequate funds for the purpose shall be made available to the Registrar by us.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of the finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;

We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No.F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges and as further modified by SEBI's clarification XXI dated October 27, 1997, with respect to the SEBI DIP Guidelines.

- Complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;
- The funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Company;
- Refund orders or allotment advice to the NRIs or FIIs or multilateral or bilateral development financial institutions, foreign venture capital investors registered with SEBI shall be dispatched within the specified time;
- No further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Bid moneys are refunded on account of non-listing, under-subscription, etc.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow



Collection Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Mode of making refunds

The Company shall make refunds to applicants using the following modes:

- a) in case of applicants residing in Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Gauhati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram any of the centres specified by SEBI, the refunds shall be credited to the bank accounts of the applicants through electronic transfer of funds by using electronic clearance service (ECS) Direct Credit, Real Time Gross Settlement or National Electronic Funds Transfer (NEFT), as is for the time being permitted by the Reserve Bank of India.
- b) In case of other applicants - by dispatch of refund orders by registered post, where the value is Rs.1,500/- or more or under certificate of posting in other cases, (subject however to postal rules) and
- c) In case of any category of applicants specified by SEBI - crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by SEBI from time to time.

Despatch of refund orders

The Company shall make refunds to applicants in case of oversubscription using the following modes:

- a) In case of applicants residing in any of the centres specified by SEBI, the refund shall be credited to the bank accounts of applicants through electronic transfer of funds by using Electronic Clearing Service (ECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as is for the time being permitted by the Reserve Bank of India.
- b) In case of other applicants - by dispatch of refund orders by registered post, where the value is Rs.1,500/- or more or under certificate of posting in other cases, (subject however to postal rules) and
- c) In case of any category of applicants specified by SEBI - crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by SEBI from time to time.

Equity Shares in Dematerialised Form with NSDL or CDSL

The allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- A tripartite agreement dated September 13, 2000 with NSDL, OPTO CIRCUITS (INDIA) LIMITED and Karvy, Registrar to the Issue; and
- A tripartite agreement dated August 1, 2000 with CDSL, OPTO CIRCUITS (INDIA) LIMITED and Karvy, Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- Non-transferable allotment advice or refund orders will be directly sent to the Bidders by the Registrar.



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- If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
 - The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
 - It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
 - The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”***

Undertaking by our Company

The Company undertakes :

- that the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allocation;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading “Modes of Making Refunds” on page no. 185 of the Prospectus shall be made available to the Registrar to the Issue by the Registrar to the Issue by the Issuer;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving the details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund.
- that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue Proceeds

The Board of Directors of our Company certifies that:

- all monies received out of the Issue to the public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;



- details of all monies utilised out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any, shall be disclosed under the appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested;

The Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchanges.

Disposal of Applications and Applications Money and Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

The Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of date of finalisation of allotment of Equity Shares. The Company shall dispatch refund orders, if any, of value up to Rs. 1,500/-, "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post only at the sole or First Bidder's sole risk and adequate funds for the purpose shall be made available to the Registrar by the Company.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalisation of the basis of allotment.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, the Company further undertake that:

- Allotment shall be made only in dematerialised form within 15 days of the Bid Closing Date/Issue Closing Date;
- dispatch of refund orders shall be made within 15 days of the Bid Closing Date/Issue Closing Date; and
- to pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the telecom sector is permitted up to 100% under the automatic route. By way of Circular No. 53 dated December 17, 2003, RBI has permitted FII's to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. Non-resident Bidders are not required to make separate applications seeking permission from the FIPB or RBI.

The above information is given for the benefit of the Bidders and neither the Company nor the BRLMs are liable for any changes in the regulations after the date of this Prospectus.



SECTION IX DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

CAPITAL

3. The Share capital of the company shall be as set out in clause V of the Memorandum of Association.

SHARES

4. a) The shares shall be under the control of the directors who at their discretion may allot the shares either at par or at a premium or refuse to allot any shares or allot less than the number applied for to such persons for such valuable consideration and at such times as they may determine subject to the regulations.
- b) Save as herein otherwise provided the company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognize any equitable, contingent, future or partial interest, in the nature of a trust or otherwise in, or any other right in respect of such shares on the part of any other persons.
5. Debentures/Debenture stock or loan/ loan stock or other securities conferring the right to allotment or conversion into shares or the option of right to call for allotment of shares shall not be issued except with the sanction of the company in General Meeting.
6. a) Every share certificate that shall be issued by the company shall be under the seal of the company, which shall be affixed in the presence of and under the signature of the two directors and the secretary or such other person appointed by the Board for the purpose.
- b) The share certificates shall be issued in market lots and, where share certificates are issued in either more or less than market lots, sub-division or consolidation of share certificates into market lots shall be done free of charge.

7. DEMATERIALISATION OF SECURITIES

- a) Definitions:

For the purpose of this Articles:

- i) Beneficial owner: Means a person or persons whose name is recorded as such with a depository.
- ii) "SEBI" means Securities & Exchange Board of India.
- iii) Depository: Means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to Act, as a depository under the Securities & Exchange Board of India Act, 1992.
- iv) Security means such security as may be specified by SEBI from time to time.

- b) Dematerialisation of securities:

Notwithstanding any thing contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialisation form pursuant to the Depositories Act, 1996.

- c) Options for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive Security certificates to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the



manner provided by the Depositories Act, 1996 and the Company, shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the detail of allotment of the security.

d) Securities in depositories to be in fungible form:

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.

e) Rights of depositories and beneficial owners:

i) Notwithstanding anything to the contrary contained in the Act, or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer or ownership of security on behalf of the beneficial owner.

ii) Save as otherwise provided in (i) above the Depository as the registered owner of the securities shall not have any holding rights or any other rights in respect of the securities held by it.

iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

f) Services of documents:

Notwithstanding anything in the Act, or these articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

g) Transfer of securities:

Nothing contained in Section 108 of the Act, or these articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

h) Allotment of securities dealt with in a depository:

Notwithstanding anything in the Act, or these articles, where securities are dealt with by a depository, the Company shall intimate the details thereof the depository immediately on allotment of such securities.

i) Distinctive numbers of Securities held in a depository:

Nothing contained in the Act, or these articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

j) Register and index of beneficial owners:

The Registrar and Index of beneficial owners maintained by a depository under the Depository Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for purposes of these Articles.

ALTERATION OF CAPITAL

8. The company may, from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount, as may be specified in the resolution. The company may by ordinary resolution.

(a) Consolidate and divide all or any part of its share capital into shares of larger amount than the existing shares;

(b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum subject nevertheless to the provisions of the Act;

(c) Cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person.



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9. The Company may subject to section 100 to 103 of the Companies Act, 1956, by special resolution reduce by any manner authorized by law:
- (a) Its share capital;
 - (b) Any capital redemption reserve account;
 - (c) Any share premium account.

CALLS

10. The board may from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board.
11. The board may from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the members, whom by reason of their residing at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension as a matter of right.
12. If a member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof till the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this article shall render it compulsory for the Board to demand or recover any interest from any such member.
13. A call may be revoked at the discretion of the Board.
14. Any member willing to advance, may pay all or any part of the money due upon shares held by him beyond the sums actually called for, and upon the money so paid in advance or remitted thereto as from time to time exceeds the amount of calls may carry interest but shall not entitle the member thereof to dividend or to the participation in profits on the uncalled amount nor shall he be entitled to any voting rights in respect of the same until such amount would (but for such payment) become presently payable.

DIVIDENDS

Division of profits

15. The profits of the Company, subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid upon the shares held by them respectively. Provided always that any capital paid up or credited as paid up on a share during the period in respect of which a dividend is declared shall, unless the terms of issue otherwise provide, only entitle the holder of such shares to an apportioned amount of such Dividend proportionate to the capital from time to time paid up during such period on such share.

Capital paid up in advance at interest not to earn dividend

16. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

17. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share.

The Company in general Meeting may declare a dividend

18. The Company in General meeting may, subject to the provisions of Section 205 of the Act, declare a dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Act, may fix the time for payment. When a dividend has been so declared, subject to the provisions of Section 207 of the Act, either the dividend shall be paid or the warrant in respect thereof shall be posted within 42 days of the date of the declaration to the shareholders entitled to the payment of the same.



Powers of General Meeting to limit dividend

19. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or other wise than in accordance with the provisions of Section 205, 205A, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim dividend

20. Subject to the provisions of the Act, the Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Right to dividend etc. pending registration of transfer

21. Wherein an instrument of transfer of shares of the Company has been delivered to the Company for the registration and the transfer of such shares has not been registered by the Company, it shall comply with the provisions of Section 206A of the Act in respect of the dividend right, shares and bonus shares in relation to such shares.

No member to receive dividend whilst indebted to the company and company's right of reimbursement there out.

22. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his shares, whilst any money may be due or owing from him to the Company in respect of such shares or otherwise howsoever either alone or jointly with any other persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

Right to dividend pending registration of transfer

23. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividends how paid

24. Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the Registered address of the member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery, thereof by any other means.

Unpaid dividend remitted

25. The Company shall duly comply with the provisions of Section 205-A of the Act in respect of a dividend declared by it but which has not been paid or the warrant in respect thereof has not been posted within forty-two days from the day of the declaration to any shareholders entitled to the payment of the Dividend. Where the Company has declared a dividend but which has not been paid or the dividend warrant is in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of "Opto Circuits (India) Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to Unpaid Dividend account of the Company in pursuance of section 205A of the Act, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the fund established under sub-section (1) of section 205C.

Dividend and Call together

26. Any General Meeting declaring a dividend may on the recommendation of the Directors makes a call on the members for such amounts as the meeting fixes, but so that the call to each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so warranted between the Company and the members be set off against the call.



FORFEITURE, SURRENDER, LIEN

If call or instalment not paid notice may be given

27. If any member fails to pay the whole or any part of any call instalment or any money due in respect of any shares either by way or principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or installment or any part thereof or other money as aforesaid remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (Legal or otherwise) that may have been incurred by the company by reason of such non-payment).

Terms of notice

28. The Notice shall name a day (not being less than 14 days from the date of the notice) on or before which and the place or places at which such call, instalment or such part thereof and such other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the company) at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

Shares to be forfeited in default of payment

29. If the requirements of any such notice as aforesaid shall not be complied with, any of the shares in respect of which notice has been given may, at any time thereafter but before payment of all calls or instalments interest and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Entry of forfeiture in register of members

30. When any shares shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to the forfeiture but notice of forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.

Forfeited Shares to be property of the Company and may be sold etc.

31. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off upon such terms and in such manner as the Board shall think fit.

Directors may annul forfeiture:

32. The Directors may, at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

Shareholders still liable to pay money owing at the times of forfeiture and interest

33. Any person whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rates the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

Effect of forfeiture

34. The forfeiture of a share shall involve the extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company in respect of the shares forfeited and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved.



Surrender of shares

35. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

Company's lien on shares

36. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien on such shares registered in the name of each member, whether solely or jointly with others and upon the proceeds of sale thereof for all money called or payable at a fixed time in respect of such shares and whether held solely or jointly with any other person and whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article No. 33 is to have full effect. Any such lien shall extend to all dividend(s) and bonus (es) from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Director may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

As to enforcement of lien by sale.

37. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, or other legal representatives as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate(s) in lieu thereof to the purchaser or purchasers concerned.

Application of proceeds of sale

38. The net proceeds of any such sale, after payment of the costs of such sale, shall be applied towards the satisfaction of such debts, liabilities or engagements of such member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such member or the person (if any) entitled by transmission to the shares so sold.

Title of purchaser and allottee of forfeited shares or shares sold in exercise of lien.

40. Upon any sale after forfeiture or for enforcing a lien in the exercise of the power herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share and he shall not be bound to sell to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

Cancellation of Share certificates in respect of forfeited shares

41. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, on demand by the Company, have been previously surrendered to it by the defaulting member stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue new certificates in respect of the said shares to the person or persons entitled thereto.

MODIFICATION OF RIGHTS

Rights attached to any class of shares may be varied



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42. If at any time the share capital is divided into different classes, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of the class) may, object to the provision of sections 106 and 107 of the Act, be modified, commuted, affected, brogated or varied (whether or not the company is being wound up) with the consent in writing of the holders of not less than three-fourth of the issued shares of that class, or with meeting of the holders of that class of shares and all the provisions herein after contained as to General Meeting shall mutatis-mutandis apply to every such meeting.

UNDERWRITING AND BROKERAGE COMMISSION FOR PLACING SHARES, DEBENTURES ETC.,

43. The Company may, subject to the provision of Section 76 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing, whether absolutely or conditionally, for any shares in or debentures of the company as per the rate prescribed in the Act, if any. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The company may also on any issue of shares or debentures pay such brokerage as may be lawful.

TRANSFER AND TRANSMISSION OF SHARES

Form of Transfer

44. The instrument of transfer of any shares shall be in writing and all the provisions of section 108 of the Act and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registrations. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

INSTRUMENTS OF TRANSFER TO BE EXECUTED BY THE TRANSFEROR AND TRANSFEREE

45. Every such instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Transfer not to be registered except on production of instrument of transfer

46. The company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the company within the prescribed period along with the certificate relating to the shares, or if no such share certificate relating to the shares is in existence along with the letter of allotment of the shares. Provided that, on an application in writing made to the Company by the applicant bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the company may register the transfer on such terms as to indemnify as the Board may think fit provided any power of the Company to register as shareholder any person to whom the right to any share in the Company has been transmitted by operation of law.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

47. Subject to the provision of section 111 of the Act, the Directors may at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares desired to be transferred whilst any money in respect of shares desired to be transferred remain unpaid and such refusal shall be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated herein above. The registration of the transfer shall be conclusive evidence of the approval by the Directors of the transferee.



(b) The Company may refuse the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground namely:

- that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the company or;
- that the registration of such transfer has not been complied with;
- that the transfer of the security is in contravention of any law;
- that the transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest or in the interest of the Company or to the public interest;
- that the transfer of the security is prohibited by any other court, tribunal or other authority under any law for the time being in force

The transfer of shares, in whatever lot, would not be permitted though there could be no objection to the Company refusing to split a share certificate into several scrip's of small denominations or to consider a proposal for transfer of share certificate to several parties, involving such splitting/transfer appears to be unreasonable or without a genuine need.

Except as above, the company would not refuse transfer in violation of the Stock Exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

NOTICE OF REFUSAL TO BE GIVEN TO TRANSFEROR AND TRANSFEREE.

48. If the Company refuses to register the transfer of any share transmission of any right therein the Company shall, within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of transmission as the case may be, and thereupon the provision of section 111 of the Act, or any statutory modification thereof for the time being in force shall apply.

TRANSFER BY LEGAL REPRESENTATIVE

49. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member be valid as if he had been a member at the time of the execution of the instrument of transfer.

CUSTODY OF INSTRUMENT OF TRANSFER

50. The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. The Directors may cause to be destroyed all transfer deeds lying with the company for a period of ten years or more.

CLOSURE OF TRANSFER BOOKS

51. The Directors shall have power, on giving not less than seven days previous notice by advertisement as required by section 154 of the Act, to close the transfer books of the Company, the Register of Members or the Register of Debentures holders at such time or times and for such period(s) of time(s) not exceeding 30 days at a time, as to them may seem fit.

TITLE OF SHARES OF DECEASED HOLDER

52. The executor or administrators or a holder of a succession certificate in respect of the estate of a deceased member, not being one or two or more joint holders shall be the only persons recognized by the Company as having any title to the shares registered in the name of such deceased member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained probate or letters of Administration as the case may be, from a duly constituted court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or letters of Administration or Succession Certificate and register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased member, as member.



TRANSMISSION ARTICLE

53. Subject to the provisions contained in Article 52 hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of probate or Letter of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he purports to act under this Article or of his title to the shares as the Board thinks sufficient may, with the consent of Board (which it shall not be under any obligation to give), be registered as member in respect of such shares, or may, subject to the regulations as to transfer herein before contained, transfer such shares. This Article is herein referred to as transmission Article.

REFUSAL TO REGISTER IN CASE OF TRANSMISSION

54. Subject to the provision of the Act and these Articles the Directors shall have the same right to refuse to register any such transmission until the same be so verified or until or unless as indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient.

PERSONS ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS MEMBER.

55. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive any dividends or other moneys payable in respect of the shares.

NO FEE ON TRANSFER OR TRANSMISSION

56. No fee shall be charged for transfer and transmission of shares or for the registration of any power of attorney, probate, letter of administration or any other similar documents. No fee shall also be charged for issue of new share certificates in replacement of those which are old, decrepit, worn-out or where the cages on the reverse of the share certificates for recording transfers have been fully utilised.

COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

57. The company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right title or interest to or in such shares notwithstanding that the Company may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 187-C of the Act, the Company shall not be bound or required to be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but attend to any such notice and give effect thereto, if the Directors so think fit.

REGISTER OF TRANSFER

58. The Company shall keep a book called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer, transmission of any share in the Company.

NOMINATION FACILITY TO SHAREHOLDERS I DEBENTUREHOLDERS:

59. Option of the Nominee

- (a) Every-shareholder or debenture holder of the company, may at any time nominate a person when his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
- (b) Where the shares/debentures of the Company are held by more than one person jointly, joint holders may nominate a person to whom all the rights in the shares or debentures as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, where a right to vest the shares or debentures, the nominee shall,



on the death of the shareholders or debenture holders, joint holder becoming entitled to all the rights in such shares or debenture or as the case may be, all the joint holders in relation to such shares or debentures, to the exclusion of all other; persons, unless the nomination is varied or cancelled in the manner, as may be prescribed under the Act.

- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to the nomination to appoint any person to become entitled to shares in or debentures of the Company in manner prescribed under the Act, in the event of his death, during the minority.

60. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either.

- a) To register himself as holder of the share of debenture, as the case may be or
- b) (i) to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder as the case may be, could have made
- (ii) If the nominee elects to be registered as holder of the shares or debentures, himself as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elected and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.
- (iii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were to be registered holder of the shares or debentures, provided that he shall not be registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the company

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures and if the notice is not with in ninety days, the board may thereafter withhold payment of all the dividends, bonuses or other dues in respect o the shares or debentures until the requirements of the notice have been complied with.

EMPLOYEE STOCK OPTION

61. The Directors are hereby authorized to issue Equity shares or Debentures (whether or not convertible into equity shares) for offer and allotment to such of the officers, employees and workers of the company as the Directors may select or the trustees of such trust as may be set up for the benefit of the Officers, Employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and of the Securities and Exchange Board of India, the Directors may impose the condition that the shares in or debentures of the company so allotted shall not be transferable for a specified period.

BUY BACK OF SHARES

62. The company shall have p subject to and in accordance with all other applicable provisions of the Companies Act, 1956 to acquire/purchase any of its fully paid shares on such terms and conditions and upto such limits as may be prescribed by the law from time to time and may he; or determined by the Board from time to time and may make payment out of free Reserves and Surplus and/or Securities Premium Account and/or proceeds of any shares or other specified securities or be, such other funds as may be prescribed by the law in respect of such acquisition/purchase.

BORROWING POWERS

63. Subject to the provision of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion, by a resolution passed at a meeting of the Board and not by circular Resolution, to accept deposits from members either in advance of calls or other wise and generally raise or borrow from members either in advance of calls or other wise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the company provided that the total amount borrowed at any time together with the moneys already borrowed by the company from banks and/or financial institutions (apart from temporary loans obtained from the Company's



bankers in the ordinary course of business) shall not, without the consent of the Company General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose.

Such consent shall be obtained by an ordinary resolution, which shall provide for the total amount up to which, moneys may be borrowed by the Board. The expression "Temporary loans" in this Articles means loan repayable on demand or within six months from the date of the loans such as short term loans, cash credit arrangements, discounting of bills and the issue of other short-term loans of reasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.

Conditions on which moneys may be borrowed

64. Subject to the provisions of the Act and these Articles, the Director may, by a resolution passed at a meeting of the Board and not by circular resolution raise or secure the payment of such sum in such manner and upon such issue of bonds, perpetual or redeemable debentures or debentures-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

SHARE WARRANTS:

Issue of Share Warrants

65. The company may issue share warrants subject to, and in accordance with, the provisions of sections 114 and 115; and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on an application in writing signed by the registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time requires, to issue a share warrant.
66. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.
- (b) Not more than one person shall be recognized as depositor of the share warrant.
- (c) The company shall, on two days' written notice, return the deposited share warrant to the depositor.
- (d) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at the meeting of the company, or be entitled to receive any notices from the company.
- (e) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.
- (f) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

DIRECTORS

Number of Directors

67. Subject to the provision of Section 252 of the Act, the number of Directors shall not be less than three, and unless otherwise determined by the Company in General Meeting not more than twelve.

Nominee Director

68. The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the



Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and reappoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such financial Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation.

Debenture Director

69. Any trust deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders, of the debentures or debenture-stock of some person to be Director of the Company and may empower such trustee or holders of debenture or debenture-stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the “ Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provision of the Act, be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Appointment of Alternate Directors

70. The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter called ‘the Original Director’) during his absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to receive notice of meetings of the Directors and to attend and vote thereat accordingly.

Casual Vacancy

71. Subject to the provisions of Section 262(2), 284(6) and other applicable provision (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determine by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred.

Appointment of Additional Directors

72. Subject to the provisions of section 260, 284(6) and other applicable provisions (if any) of the Act, the Director shall have power at any time to appoint a person(s) as Additional Director. Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company, but shall be eligible for re-election at that meeting as a Director, provided that the number of Directors and the Additional Director together shall not exceed the maximum strength fixed by the Article 67 hereof.

Qualifications of Directors

73. A Director of the Company shall not be bound to hold any qualification shares.

Directors may act notwithstanding vacancy

74. The continuing Directors may act notwithstanding any vacancy in their body but subject to the provisions of the Act, if the number falls below the minimum number fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for summoning a General Meeting of the Company.

When office of Director to become vacant

75. (a) Subject to the provisions of Section 283(2) of the Act, the office of a Director shall become vacant if:
1. He is found to be of unsound mind by a Court of competent jurisdiction, or
 2. He applies to be adjudicated an insolvent or



3. He is adjudged an insolvent; or
 4. He fails to pay any call made on him in respect of shares of the company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure.
 5. He holds any office or place of profit under the Company or any subsidiary thereof in contravention of section 314 of the Act; or
 6. He absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board of Directors; or
 7. He becomes disqualified by an order of the Court under Section 203 of the Act; or
 8. He is removed in pursuance of Section 284 of the Act; or
 9. He (whether he himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director accepts a loan, or any guarantee or security for a loan, from the company in contravention of Section 295 of the Act; or
 10. He acts in contravention of section 299 of the Act and by virtue of such contravention shall have been deemed under the Act to have vacated office, or
 11. He is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
 12. He, having been appointed a Director by virtue of his holding any office or other employment in the Company ceases to hold such office or other employment in the Company.
- b) Subject to the provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

Directors may contract with Company

76. Subject to the provisions of the Act and these Articles no director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as Vendor, purchaser, agent, broker, underwriter of shares and debentures of the company or otherwise, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such holding of that office, or of the fiduciary relationship thereby established, but it is hereby declared that nature of his interest must be disclosed by him as required by the Act and these Articles.

Register of contracts in which Directors are interested

77. (a) The company shall keep one or more Registers in accordance with section 301 of the Act in which shall be entered separately particulars of all contracts or arrangements to which section 297 or section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:
1. The date of the contract or arrangements
 2. The names of the parties hereto
 3. The principle terms and conditions thereof;
 4. In the case of a contract to which section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of section 299 of the Act applies, the date on which it was placed before the Board;
 5. The names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral



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- (b) Particulars of every such contract or arrangement to which section 297 of the Act, or as the case may be, subsection (2) of section 299 of the Act applies, shall be entered in the relevant Registers as aforesaid;
1. In the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangements is approved.
 2. In the case of any other contract or arrangement within seven days of the receipt at the Registered Office of the Company of the particulars of such other contracts or arrangements or within thirty days of the date of such other contract or arrangement whichever is later. And the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting;
- (c) The Register aforesaid shall also specify, in relation to each director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section(3) of section 299 of the Act.
- (d) Nothing in the foregoing sub-articles (a) (b) and (c) shall apply to any contract or arrangement for the sale, purchase or supply of any goods and materials or the cost of such services does not exceed one thousand rupees in the aggregate in any year.
- (e) The registers as aforesaid shall be kept at the Registered office of the Company and they shall be open to inspection at such time and extracts may be taken from any of them and copies thereof may be required by any member of the Company to the same extent in the same manner and on payment of the same fees as in case of the Register of Members.

Directors may be Directors of companies promoted by the company

78. A Director of the Company may be or may become a Director of any company promoted by the Company or in which it may be interested as a Vendor, member or otherwise and subject to the provisions of the Act and these Articles, no such Director shall be accountable for any benefits received as a Director or member of such Company.

Meeting of Directors

79. The Directors may meet together as a Board from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board, which had been called in compliance with the terms herein, mentioned could not be held for want of quorum.

When meetings to be convened and notice thereof

80. A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Notice of every meeting of the Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India and to every other Director as provided in Section 286 of the Act.

Quorum

81. Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act, the quorum for the meeting of the Board of Directors shall be one third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time, and any fraction contained that one- third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such meeting. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.



Adjournment of meeting for want of quorum

82. If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned until such date and at such time and place as the Chairman may appoint and in default of such appointment to the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place or to such day, time and place as the Directors may determine.

Appointment of Chairman and Vice-Chairman

83. The Board shall elect one of its members to be the Chairman of the Board and also elect one of its members to be Vice-Chairman of the board and the Board shall determine the period for which each of them is to hold such office.

Who to preside at meeting of the Board

84. All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of the Directors the Chairman be not present at the time appointed for holding the same, then in that case, the Vice-Chairman if present, shall be the Chairman of such meeting, and if the Vice-Chairman be not present, then in that case, the Directors shall choose one of their number then present to preside at the meeting.

Questions at Board meeting how decided (casting vote)

85. Questions arising at any meeting of the Board shall be decided by the majority of votes, and in case of equality of votes, the Chairman of the meeting, whether the Chairman appointed by virtue of these Articles or the Director presiding at such meeting shall have second or casting vote.

Directors may appoint committees

86. Subject to the provisions of Section 292 of the Act, the Directors may delegate any of their powers to committee consisting of such member or members of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes, but every committee so formed shall, in the exercise of the powers so delegated to strictly conform to any regulations that may from time to time be imposed on it by the Directors.

All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by board in terms of these Articles and may pay the same.

Meetings of committees how to be convened

87. The meetings and proceedings of any such committee consisting of two or more Directors shall be governed by the provisions herein contained in respect of the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Minutes of proceedings of Board of Directors and Committees to be kept

88. The Company shall cause minutes of the meeting of the Board of Directors and of Committees of the board to be duly entered in a book(s) provided for the purpose in accordance with the relevant provisions of Section 193 of the Act.

General Powers of Directors

89. (a) Subject to the provisions of Section 292, 293, 293A and all other applicable provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise, and do. Provided, that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the Memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting.



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- (b) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

Certain Powers of the Board

90. Without prejudice to the other powers conferred by these Articles it is hereby declared that the directors shall have following powers that is to say power:

To pay preliminary or any promotional costs and charges

- (a) To pay all costs, charges and expenses preliminary and incidental to the promotion establishment and registration of the company

To pay Commission and interest

- (b) To pay and charge to the capital of the Company any commission or interest lawfully payable thereabout under the provisions of section 76 and 208 respectively of the Act.

To acquire property

- (c) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price of consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

To pay for property in cash, debentures or otherwise

- (d) At their discretion and subject to the provisions of the Act to pay for any property or rights required, by, or services rendered to the Company, either wholly or partly in cash, or in shares, bonds, of the Company, and any such shares may be issued either as fully paid up or with such amount credited as bonds, debentures, debenture stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled or not so charged.

To insure properties of the company

- (e) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of insurance effected in pursuance of this power.

To open accounts with banks

- (f) To open accounts with any bank or bankers or with any Company or firm and to pay money into and draw money from any such account from time to time as the Directors may think fit.

To secure contracts by mortgage etc.

- (g) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.

To attach conditions as to transfer of any shares

- (h) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, such conditions as to the transfer thereof as they think fit.

To accept surrender of shares

- (i) To accept from any member, on such terms and conditions as may be agreed, a surrender of his shares or stock or any part thereof, so far as may be permissible by law.



To appoint trustees

- (j) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

To bring and defend suits and legal proceedings

- (k) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise, concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or of any claims or demands by or against the company.

To refer to arbitration

- (l) To refer any claims or demand by or against the company or any dispute or difference to arbitration and observe, perform and execute any awards made thereon.

To act in insolvency matters

- (m) To act on behalf of the Company in all matters relating to bankrupts and insolvent.

To give receipts

- (n) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

To authorise acceptance

- (o) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purposes.

To invest money

- (p) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such securities and other investments (not being shares of the Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments provided that save as permitted by Section 49 of the Act all investments shall be made and held by the Company in its own name.

To execute Mortgage

- (q) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and such other powers, convenience, provisions and agreements as shall be agreed.
- (r) To distribute by way of bonus amongst the staff of the Company a part of the profits of the Company and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the Working expenses of the Company.

Sharing profits

- (s) Subject to the provisions of the Act, to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company

To provide for welfare of employees and to subscribed to charitable and other funds

- (t) To provide for the welfare of employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, widows, and families and the dependants of such persons, by building or contributing to the



building of houses, dwelling or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payment or by creating and from time to time subscription or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals, and dispensaries, medical and other attendance's and other forms of assistance, welfare or relief as the Directors shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other institutions object or purposes or for any exhibition.

To create depreciation and other funds.

- (u) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to create a Depreciation Fund, Insurance Fund, General Reserve, Reserve Fund, Sinking Fund or any special or other fund or funds or accounts or accounts to meet contingencies, or to pay Redeemable Preference Shares, debentures or debenture stock or special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes (including the purposes referred to in the last two preceding sub-articles) as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the Act and these Articles) as the directors may think fit and from time to time to deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund appropriated out of the net profits in the business of the Company or in the purchase in repayment of Redeemable Preference Shares, debentures or debenture stock and that without being bound to keep the same separately from the other assets and without being bound to pay or allow interests, on the same with power however to the Director at their discretion to apply or allow interests, on the same with power however to the Directors at their discretion to pay allow to the credit of such fund interest at the rate as the Directors may think proper.

To appoint employees

- (v) Subject to the provisions of the Act, to appoint and at their discretion remove or suspend managers, secretaries, officer, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances as they may think fit, and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit without prejudice to the general powers conferred by these Articles.

To comply with local laws

- (w) To comply with the requirements of any local law which the Company is not bound to comply with but which in their opinion it shall be in the interests of the Company necessary or expedient to comply with.

Local Board

- (x) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any Local Board, or any managers or agents and to fix their remuneration.



Delegation

- (y) Subject to the provisions of Section 292 of the Act and Article 94 from time to time and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretion's for the time being vested in the Board of Directors and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein or the Article may be made on such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any persons so appointed and may annul or vary any such delegation.

Power of attorney

- (z) At any time and from time to time by power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion's (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the powers which may be exercised only by the Board of Directors, at a meeting of the Board under the Act or these Articles or by the Company in General Meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the member or any of the member of any local Board, established as aforesaid, or in favour of any Company, or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any body of persons whether nominated directly or indirectly by the Board of Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board of Directors may think fit, and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them.

To delegate

- (aa) Subject to the provisions of the Act and these Articles, to delegate the powers, authorities and discretion's vested in the Directors or any person, firm, company, or fluctuating body of persons as aforesaid.

To enter into contracts etc.

- (bb) Subject to the provisions of the Act and these Articles, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

Meeting of Members

91. Annual General meeting and any other general meeting of the Company may be convened subject to Section 166 and Section 210 of the act by giving not less than 21 days notice in writing. Subject to the provisions of section 171(2) a meeting may be convened after giving a shorter notice.
92. Five members entitled to vote and present in person shall be a quorum in the General Meeting. No business shall be transacted at any General Meeting unless the quorum of the members present at the time when the meeting proceeds to business.

Chairman of the meeting

93. The chairman of the Board of Directors or in his absence one of the Directors chosen by the Directors present shall preside as chairman at every General Meeting of the Company. If no Directors is present or if the Director present is not willing to act as Chairman, the members present shall choose one of the members to the chairman.



Voting

94. On a show of hands, every member present in person shall have one vote. On a poll every member shall have one vote in respect of one share held by him.
95. At any General Meeting a resolution put to vote at the meeting shall be decided on show of hands unless the poll is (before or on the declaration of result of the show of hands) demanded by a member or members present in person or by proxy and holding shares in the company which confer a power to vote on the resolution not being less than 1/10th of the total voting power in respect of the resolution or on which an aggregate sum of not less than Rs.50000/- has been paid up. The demand for poll may be withdrawn at any time by the person who made the demand.
96. In the case of an equality of votes whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
97. Votes may be given either personally or by proxy. No member shall be entitled to be present or to vote either personally or otherwise at any General Meeting or upon a poll or to be reckoned in a quorum unless all calls or other sums presently payable by him in respect of the shares in the company have been paid 21 days prior to the date of General Meeting.
98. The instrument appointing a proxy shall be in the form prescribed by the Act or a form as near thereto as circumstances admit and shall be signed by the appointer or his attorney duly authorised in writing or under its common seal if the appointer is a Corporation. The instrument shall be deposited at the Registered Office of the company not less than 48 hours before the time for holding of the General Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

RESERVES AND CAPITALISATION

Reserves

99. The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as a reserve which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit.

Capitalisation

100. (a) Any general Meeting may resolve that any amounts standing to the credit of the share Premium Account, the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any General Reserve, or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend) be capitalised.
 - (1) By the issue and distribution as fully paid up shares of the Company; or
 - (2) By crediting shares of the Company, which may have been issued to any shareholder are not fully paid up with the whole or any part of the remaining unpaid thereon. Provided that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to member (as herein provided) as fully paid bonus shares
- (b) For the purpose of giving effect to any such capitalisation the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- (c) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the company are fully paid and others are partly paid only such capitalisation may be affected by the distribution of



further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares, the sum so applied on the payment of such further shares and in the extinguishments or diminution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.

- (d) When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled, as aforesaid and such appointment shall be effective.

MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR

Power to appoint Managing Director and whole time Director

101. Subject to the provisions of Section 197A, 198, 267, 268, 269, 309, 310, 311, 314, 316 and 317 and other applicable provisions of the Act or these Articles, the Directors may from time to time appoint a Managing Director or Whole-time Directors of the Company on such terms and conditions as may be decided by the Board or the Shareholders or any statutory authorities. The Managing Director or the Whole-time Director will be eligible to exercise such powers as may be delegated by the Board or Shareholders. Payment of remuneration to the Whole time Directors shall be subject to the provisions of Section 198, 309, 310, 311 and Schedule XIII of the Companies Act, 1956.

RECONSTRUCTION / WINDING UP

Reconstruction

102. On any sale of the undertaking of the Company the Board or Liquidator on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the liquidator (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributors of the Company and for the valuation of such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under section 494 of the Act as are incapable of being waived or excluded by these Articles.

Distribution of Assets

103. If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to rights of the holders of shares issued upon special terms and conditions.

Winding up and Distribution of assets in specie or kind

104. (a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, sanction of a special resolution but subject to the rights attached to any preference shares capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Contributories or any of them, as the liquidators, with the like sanction shall think fit.
- (b) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded



altogether or in part but in case any such division shall be determined, any contributory who would be prejudiced thereby shall have right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

- (c) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing, intimate to the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

Right of shareholders in case of the sale

105. A Special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may, subject to the provisions of the Act, in like manner as aforesaid determined that any shares or other consideration receivable by the liquidator be distributed amongst the members other wise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

INDEMNITY AND RESPONSIBILITY

Directors and others right to indemnity

106. (a) Subject to the provisions of Section 201 of the Act every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustee (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, managing Director, Manager, Secretary or other officer or employee and the trustees (if any) for the Company may incur or become liable to by reason of any contract entered in to or any act, deed or thing done by him as such Director, officer, employee or trustees or in any way in the discharge of his duties.
- (b) Subject as a) aforesaid every Director, Managing Director, manager, Secretary or other Officer or Employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is given to him by the Court.

Directors and others not responsible for acts of others

107. Subject to the provisions of section 201 of the Act no Director, the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects or defaults of any Director or officer or for joining in any omission or other act for conformity or for any loss or expenses suffered by the Company through insufficiency or deficiency, of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part.

SECURITY CLAUSE

108. (a) Every director, manager, auditor, trustee, member of a committee, officer, servant agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with individuals and in relation thereto, and shall by such declaration pledge himself not to reveal the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the company and which in the opinion of the Director or the Managing Director it will be inexpedient in the interest of the members of the Company to communicate it to the public.



SECTION X - OTHER INFORMATION

1. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts(not being contracts entered in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by our company. These contracts, copies of which have been attached to the copy of this Prospectus, delivered to the Registrar of Companies, Bangalore, Karnataka for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of our company situated at No. 83, Electronics City, Hosur Road, Bangalore - 560 100 between 11:00 am. to 5:00 p.m. on any working day from the date of the Prospectus until the bid / issue closing date.

Material Contracts

1. Memorandum of Understanding and interse allocation of responsibilities between the Book Running Lead Managers dated 16th January, 2006 & supplementary Memorandum of Understanding dated 7th March, 2006 entered into with Karvy Investor Services Limited and SBI Capital Markets Limited to act as the Book Running Lead Managers for the proposed public issue.
2. Memorandum of Understanding dated 31st December 2005 entered into with Karvy Computershare Private Limited, to act as the Registrar to the Issue.
3. Letters dated 24th November, 2005 from our Company appointing Karvy Investor Services Limited and 16th November, 2005 appointing SBI Capital Markets Limited as the Book Running Lead Managers.
4. Letter dated 24th November, 2005 appointing Karvy Computershare Private Limited as the Registrars to the Issue.
5. Escrow Agreement dated 20th March, 2006 amongst us, Escrow Collecting Banks, Syndicate Members, Registrar to the Issue and BRLMs.
6. Syndicate Agreement dated 20th March, 2006 amongst BRLMs, Syndicate Members and our Company.
7. Underwriting Agreement dated 10th April, 2006 between BRLMs, Registrar and our Company.
8. Copies of quotations obtained for capital equipment.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our Certificate of incorporation dated 8th June, 1992.
3. Fresh Certificate of incorporation consequent upon change of name from "Opto Circuits (India) Private Limited" to "Opto Circuits (India) Limited" dated 10th July, 2000.
4. Resolution passed by the Board of Directors of our Company on 16th September 2005 and by the shareholders of our Company at the Extra Ordinary General Meeting held on 15th November 2005 pursuant to Section 81(1A) of the Companies Act, 1956.
5. Copies of Annual reports of our Company for the years ended March 31, 2001, 2002, 2003, 2004 and 2005 and 6 months ended September 30, 2005.
6. Copy of the tax benefit report dated December 20, 2005 from our Statutory Auditors, M/s. Anand Shenoy & Co.
7. Report of our statutory Auditors M/s. Anand Shenoy & Co. dated 10th April, 2006 for consolidated and unconsolidated financial statements mentioned in the Prospectus.
8. Copies of annual reports of the subsidiaries, M/s. Advanced Micronics Devices Ltd, Altron Industries Private Limited and Mediaid Inc.
9. Consents of Auditors, Bankers to the Company, BRLMs, Syndicate Members, Legal Advisor to the Issue, Directors, Company Secretary, Registrars, Bankers to the Issue, Compliance Officer as referred to, in their respective capacities.



10. Power of Attorney executed by our Directors in favour of Mr. Vinod Ramnani, Chairman and Managing Director for signing and making necessary changes in the Red Herring Prospectus and Prospectus
11. Copies of the Service Agreement entered into with the Chairman & Managing Director and Executive Director.
12. Legal Advisor's due diligence report dated 19th January 2006.
13. Resolution of the Meeting of the Board of Directors held on 31st December 2005 for the constitution of Remuneratoin Committee and Reconstitution of Audit Committee and Investor Grievance Committee. .
14. Tripartite agreement between the NSDL, our Company and Karvy Computershare Private Limited dated 13th September 2000.
15. Tripartite agreement between the CDSL, our Company and Karvy Computershare Private Limited dated 1st August 2000.
16. Due Diligence Certificate dated 18th January 2006 to SEBI from Karvy Investor Services Limited.
17. Resolution of the Members of our Company passed at the Annual General Meeting held on 21st July, 2005 appointing M/s. Anand Shenoy & Co., Chartered Accountants, Bangalore, as Statutory Auditors.
18. Copies of the forms along with the relevant resolutions regarding increase in the Authorised Share Capital.
19. Copies of letters dated 19th November 2004 and 19th January 2005 & 14th February, 2006 received from State Bank of India and State Bank of Travancore respectively sanctioning term loan and credit facilities.
20. Copy of the Board Resolution dated 16th January 2006, 20th March, 2006 and April 10, 2006 approving the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.
21. Relevant extracts on Industry Information.
22. Copies of various Government approvals obtained by our Company.
23. Statutory Auditors certificate dated 2nd March 2006 regarding sources and deployment of funds as on 28th February, 2006.
24. Legal Advisor certificate dated 18th January 2006 regarding litigation.
25. Copy of ISO Certification 9001: 2000.
26. Copy of MOU dated 8th December 2005 entered into with Eurocor GmbH for acquisition of their business.
27. Copy of the Share Purchase Agreement dated 11th August 2004 entered into with Mr. Manje Gowda and Ms. H S Sudha for acquisition of holding in Altron Industries Private Limited
28. Copies of no objection certificates for proposed Follow on Public Offer dated 19th December 2005 received from State Bank of India and State Bank of Travancore respectively.
29. Copy of Asset Purchase Agreement dated 14th December 2002 entered into with Palco Labs Inc (now Mediaid Inc.) for acquisition of their business.
30. Copy of Share Purchase Agreement dated 9th May 2001 with Promoter Group of Advanced Micronic Devices Limited for acquisition of Advanced Micronic Devices Limited.
31. Copy of Sale & Transfer Deed and confirmation Agreement for acquisition of thermometer division from Hindustan Lever Limited dated June 06, 2002 and 20th June, 2002.
32. Copy of Supply Agreement with Measurement Specialities Inc dated 18th June 2004.
33. Inprinciple approvals dated 1st February 2006 and 3rd February 2006 from BSE and NSE respectively.
34. SEBI observation letter no. CFD/DIL/NB/JAK/61352/2006 dated 27th February 2006.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the applicable laws.



2. DECLARATION

We, the Directors of the Company, hereby declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be.

UNDERTAKING

We, the Directors of Opto Circuits (India) Limited declare and confirm that no information/ material likely to have a bearing on the decision of the investors in respect of the equity shares offered in terms of this Prospectus has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / mis-representation and in the event of it transpiring at any point of time till allotment/refund, as the case may be, that any information/ material has been suppressed/ withheld and/or amounts to mis-statement / mis-representation, we undertake to refund the entire application monies to all the subscribers within seven days thereafter, without prejudice to the provisions of Section 63 of the Act.

Since the date of last financial statement disclosed in this Prospectus, there have been no circumstances that materially and adversely affects or is likely to affect the profitability of the Company or the value of its assets or its ability to pay off its liabilities within a period of next 12 months.

The Company accepts no responsibility for statements made otherwise than in the Prospectus or in the advertisements or any other materials issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

The Directors and Chief Financial Officer of the Company certify that all the disclosures made in this Prospectus are true and correct.

SIGNED BY :

Mr. Vinod Ramnani, Chairman & Managing Director

Mrs. Usha Ramnani, Executive Director

Mr. Jayesh C Patel, Director

Mr. Thomas Dietiker, Director

Dr. Suleman Adam Merchant, Director

Dr. Anvay Mulay, Additional Director

Mr. Rajkumar Raisinghani, Additional Director

Mr. V Balasubramaniam, Additional Director

Mr. Bodapati Bhaskar, Chief Financial Officer

Place: Bangalore

Date : 10th April, 2006