



India's No. 1 Manufacturers of Plastic Ophthalmic Lenses

21st
Annual Report
2007 - 2008



(100% EOU)

TECHTRAN POLYLENSES LIMITED

(An ISO 9001:2000 Certified Company)

BOARD OF DIRECTORS

M.S.RAM
K.V.RAO

- CHAIRMAN upto 30-06-2007
- CHAIRMAN w.e.f.01-07-2007 &
MANAGING DIRECTOR
- IDBI NOMINEE

G.S.SRINIVASAN
M.V.RAGHAVA RAO
C.K.RAO
V. VENKATESWARLU
Dr. PRADEEP SWARUP
K.KRISHNADEV RAO

- EXECUTIVE DIRECTOR

**CHIEF FINANCIAL OFFICER &
CORPORATE SECRETARY**
P.SHYAMSUNDER RAO

BANKS/FINANCIAL INSTITUTIONS
EXPORT-IMPORT BANK OF INDIA
INDUSTRIAL DEVELOPMENT
BANK OF INDIA LTD.
IFCI LTD.

AUDITORS

M/S. M. ANANDAM & CO.
Chartered Accountants
Secunderabad

REGISTERED OFFICE

S-7, T.I.E IDA, BALANAGAR
BEHIND ANDHRA BANK
BALANAGA BRANCH, BALANAGAR
HYDERABAD 500 037 (A.P), INDIA

FACTORY

BONTHAPALLY VILLAGE
ZINNARAM MANDAL
MEDAK DISTRICT, A.P

Annual General Meeting

On Friday, 26th September, 2008

At 10.00 A.M

at

Sri Sagi Ramakrishnam Raju

Community Hall

Madhura Nagar

Hyderabad-500 038.

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on 26th September.2008 at 10.00 AM at SRI SAGI RAMAKRISHNAM RAJU COMMUNITY HALL, MADHURA NAGAR, HYDERABAD to transact the following Business :

ORDINARY BUSINESS

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2008 together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. M.V.Raghava Rao, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr.Pradeep Swarup, who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit to pass the following Resolution with or without modifications as an Ordinary Resolution.

“RESOLVED THAT M/s. M. Anandam & Co, Chartered Accountants, Secunderabad be and are hereby reappointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following as a SPECIAL RESOLUTION.

“RESOLVED that, pursuant to Section 163 of the Companies Act, 1956, approval of the Company be and is hereby accorded to keep the register of members, index of members, returns and copies of certificates and documents, at the office of M/s.CIL Securities Limited, the Company’s Registrars and share transfer agents.”

6. To consider and, if thought fit, to pass with or without modifications the following resolution as an ORDINARY RESOLUTION.

“RESOLVED THAT in modification to the resolution passed by the members of the company at the 17th Annual General Meeting held on 25th August, 2004 and pursuant to the provision of Section 198, 269, 309, 310 schedule XIII and other enabling provisions of the Companies Act 1956, the remuneration of Mr.K.V.Rao, Chairman & Managing Director of the company be increased from the present remuneration of Rs.85,000/- per month to Rs.1,60,000/- per month plus perquisites w.e. from 1st April, 2008 to till the completion of his current term of service i.e. upto 30.06.2009 on the term and condition set out below as approved by the Remuneration Committee at its meeting held on 30th June, 2008.

EMOLUMENTS

SALARY

The company shall pay to the Managing Director in consideration of the performance of the duties a salary of Rs.1,60,000/- (Rupees One Lakh Sixty Thousand only) with a slab increase of Rs.10,000/- per year.

COMMISSION

Such remuneration by way of commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956, ("the Act") and subject to a maximum of 5% of the net profits including salary and perquisites.

PERQUISITES : CATEGORY "A"

- a. **HOUSING:** Free furnished residential accommodation, subject to a ceiling of 50% of salary.
The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 subject, however, to a ceiling of 10% (Ten Percent) of salary.
- b. **REIMBURSEMENT OF MEDICAL EXPENSES:** For self and family subject to a ceiling of Rs.20,000/- in a year or such other higher reimbursement as approved by Board under special circumstances.
- c. **LEAVE TRAVEL CONCESSION:** For self and family once a year anywhere in India or shall be eligible for overseas travel in lieu of domestic travel once in two years.
- d. **CLUB FEES:** Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
- e. **PERSONAL ACCIDENT:** Premium not to exceed Rs.4,000/- per annum.
For the purpose of this Category, "Family" shall mean the spouse, dependent children and dependent parents.

CATEGORY "B"

- a. **COMPANY'S CONTRIBUTION TO PROVIDENT FUND:** As per the Company's Rules.
- b. **COMPANY'S CONTRIBUTION TO SUPERANNUATION SCHEME:** The Company's contribution to the pension fund shall not together with the Company's contribution to the Provident Fund exceed 27% (Twenty Seven Percent) of salary as laid down in the Income Tax Rules, 1962.
- c. **LEAVE:** One month leave with salary for every 11 months of service which may be accumulated to a maximum of 3 months with a right to encash the leave.
- d. **GRATUITY:** The Gratuity shall not exceed one month's salary for each completed year of service without any ceiling.

CATEGORY "C"

Use of Company Car and Driver on Company's business, such use will not be considered as a perquisite. Personal use of the company car will be billed to Mr.K.V.Rao.

Use of residential telephone on Company's business, such use will not be considered as a perquisite. Charges for personal long distance calls will be borne by Mr.K.V.Rao. The monetary value of the perquisites will be restricted to an amount equal to the annual salary or Rs.4,50,000/- per annum, whichever is less.

MINIMUM REMUNERATION

Notwithstanding anything herein, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr.K.V.Rao by way of salary and perquisites and allowances as specified above.

The terms and conditions of the appointment of Mr.K.V.Rao as stated above can be altered and varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified in Schedule XIII of the Act, or any amendments made thereto.”

7. To consider and, if thought fit, to pass with or without modifications the following resolution as an ORDINARY RESOLUTION.

“RESOLVED THAT in modification to the resolution passed by the members of the company at the 18th Annual General Meeting held on 27th July, 2005 and pursuant to the provision of Section 198, 269, 309, 310 schedule XIII and other enabling provisions of the Companies Act 1956, the remuneration of Mr.K.Krishnadev Rao, Executive Director of the company be increased from the present remuneration of Rs.80,000/- per month to Rs.1,50,000/- per month plus perquisites w.e. from 1st April, 2008 to till the completion of his current term of service i.e. upto 05.10.2010 on the term and condition set out below as approved by the Remuneration Committee at its meeting held on 30th June, 2008.

EMOLUMENTS**SALARY**

The company shall pay to the Executive Director in consideration of the performance of the duties a salary of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) with a slab increase of Rs.10,000/- per year..

COMMISSION

Such remuneration by way of commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956, (“the Act”) and subject to a maximum of 5% of the net profits including salary and perquisites.

PERQUISITES : CATEGORY “A”

a. HOUSING: Free furnished residential accommodation, subject to a ceiling of 50% of salary.

The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 subject, however, to a ceiling of 10% (Ten Percent of salary).

b. REIMBURSEMENT OF MEDICAL EXPENSES: For self and family subject to a ceiling of Rs.20,000/- in a year or such other higher reimbursement as approved by Board under special circumstances.

c. LEAVE TRAVEL CONCESSION: For self and family once a year anywhere in India or shall be eligible for overseas travel in lieu of domestic travel once in two years.

- d. CLUB FEES: Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
- e. PERSONAL ACCIDENT: Premium not to exceed Rs.4,000/- per annum.
For the purpose of this Category, "Family" shall mean the spouse, dependent children and dependent parents.

CATEGORY "B"

- a. COMPANY'S CONTRIBUTION TO PROVIDENT FUND: As per the Company's Rules.
- b. COMPANY'S CONTRIBUTION TO SUPERANNUATION SCHEME: The Company's contribution to the pension fund shall not together with the Company's contribution to the Provident Fund exceed 27% (Twenty Seven Percent) of salary as laid down in the Income Tax Rules, 1962.
- c. LEAVE: One month leave with salary for every 11 months of service which may be accumulated to a maximum of 3 months with a right to encash the leave.
- d. GRATUITY: The Gratuity shall not exceed one month's salary for each completed year of service without any ceiling.

CATEGORY "C"

Use of Company Car and Driver on Company's business, such use will not be considered as a perquisite. Personal use of the company car will be billed to Mr.K.Krishnadev Rao.

Use of residential telephone on Company's business, such use will not be considered as a perquisite. Charges for personal long distance calls will be borne by Mr.K.Krishnadev Rao.

The monetary value of the perquisites will be restricted to an amount equal to the annual salary or Rs.4,50,000/- per annum, whichever is less.

MINIMUM REMUNERATION

Notwithstanding anything herein, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr.K.Krishnadev Rao by way of salary and perquisites and allowances as specified above.

The terms and conditions of the appointment of Mr.K.Krishnadev Rao as stated above can be altered and varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified in Schedule XIII of the Act, or any amendments made thereto."

Place: Hyderabad
Date : 30.07.2008

By order of the Board
P.SHYAMSUNDER RAO
Chief Financial Officer &
Corporate Secretary

NOTES

1. A member, entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies duly stamped and signed must be deposited with the Company's Registered Office at S-7, T.I.E, IDA Balanagar, Behind Andhra Bank, Balanagar Branch, Hyderabad – 500 037 not less than 48 hours before the time fixed for the meeting.
2. The Share Transfer Books and Register of Members of the company will remain closed during the period from 24.09.2008 to 26.09.2008 (both days inclusive).
3. The members [physical form] are requested to notify change of address, if any, to the Company's Share Registrars, M/s. CIL Securities Ltd., 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad – 500 001 quoting their Registered Folio Number. In respect of dematerialized(electronic) share accounts, members are requested to notify change of address, if any, to their respective Depository Participants. In case the mailing address mentioned on address slip of this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
4. Depository System.
The Company, consequent to introduction of the Depository System (DS) has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members as such have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.
Currently the trading in shares of the Company is permitted only in dematerialized form. The Depository System (DS) eliminates several problems associated with the scrip-based system of trading/delivery such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates etc. DS also offers several advantages like exemption from stamp duty, elimination of concept of market lot, reduction in transaction costs, improved liquidity etc.
5. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. Shareholders holding shares in physical form may obtain the Nomination Form – 2B prescribed by the Government from M/s.CIL Securities Limited or the Share Department of the Company.
6. The members are requested to bring their copy of Annual Report with them for the Annual General Meeting. Shareholders may also please note that no gifts would be distributed at the meeting.
7. Members/Proxies are requested to bring the attendance slip sent herewith, duly filled and signed for attending the meeting.
8. Details, under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the Annual General Meeting, is separately annexed hereto for the items of ordinary business.

Details of Mr. M.V.Raghava Rao and Dr.Pradeep Swarup as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

ITEM NO.2: Mr. M.V.Raghava Rao is a retired senior Government Officer (retired as Deputy Chief Executive Officer, Khadi & Village Industries Commission) and held several senior and prestigious positions with the Government. Born on 25.06.1933, he is distinguished with three Postgraduate Degrees in Economics, Public Administration and History, Law and a Ph.D in Public Administration. He was a State Director of KVIC for Andhra Pradesh and Orissa, Director - Hill & Border, Weaker Sections & Co-operation, Integrated Development Programme, Director – Spl.Programme & Co-operation, Director–Training, Director– Legal, & Legal Recovery, Director – Estates, Secretary-Services Board, Secretary of a Govt. of India High Power Committee etc. He has also authored and co-authored Articles & Other Publications. He was Management Consultant and the President of A.P.Sahakar Bharati, Hyderabad and APEC Bank. He had rich experience in Government and Industry in the last several years and has been a member of the Board of Directors of your Company for the last 15 years, initially as an alternate Director and later as Director. He holds 500 shares in the company.

ITEM NO.3: Dr.Pradeep Swarup is a well known Ophthalmologist and is Medical Director and Chief Surgeon at Swarup Eye Centre, Hyderabad. Born on 04th February, 1950, he did his B.Sc., and M.B.B.S from Osmania University, Hyderabad, M.D. from All India Institute of Medical Sciences, New Delhi and FCGP, Hyderabad. He has presented several papers at various State and National conferences. He is also actively involved with Andhra Pradesh State Ophthalmic Society as a member, Editor of News Letter as also Chairman of Scientific Committee. He was a consultant surgeon at the Lions Club of Hyderabad Sadhuram Eye Hospital (LCHSEH) and also Chairman, Board of Directors of LCHSEH. He is also involved in other social work. He is a member of American Medical Society of Vienna, and All India Ophthalmological Society. His areas of specialization include Anterior Segment of Eye, Cataract Surgery, Squint etc. He has been an active member of your Board, initially as an alternate director (for 6 (six) years) and as a regular Director from Sept, 1997 onwards. He is also a Director of Zarish Properties Pvt. Ltd. He holds Nil shares in the company.

ITEM NO.5: In terms of Section 163 of the Companies Act, 1956, the Company is required to maintain the register of members, index of members, returns and copies of certificates at the Registered Office of the Company. However, Section 163 provides that these documents can be kept in any other place within the city, town or village in which the Registered Office of the Company is situated, provided that the same is approved by the members at the general meeting by way of special resolution. In the circumstances, the Board of Directors deem fit to obtain member's approval under Section 163 of the Companies Act, 1956.

None of the Directors of the Company are in any way interested or concerned in the resolution. The Board accordingly recommends the resolution as set out in Item 5 of the Notice for approval of the members.

Explanatory statements as required under Section 173(2) of the Companies Act, 1956

ITEM NO.6: Mr.K.V.Rao was appointed as Managing Director by the Members for a period of 5 years, from 01.07.2004 to 30.06.2009 at a remuneration of Rs.70,000/- Rs.5,000/- - Rs.90,000/-. His remuneration package is way below the market packages of Chief Executive and Managing Directors. He is underpaid and the revision is proposed to enhance the remuneration and do justification for his efforts and contribution w.e.f. 01.04.2008. As the members are aware Mr.K.V.Rao has been the Managing Director of the company from 14.03.1990 and has been shaping the vision of your company as Promoter Director from inception. The present stature of the company and its position in the Global Markets as a supplier of quality lenses is mainly due to untiring efforts, initiative, vision and dynamism of Mr.K.V.Rao.

Born on 20.11.1940, Mr.K.V.Rao did his B.Sc (Engg), from Benaras Hindu University, India, M.S., from Virginia Polytechnic & State University, U.S.A and is a licensed Professional Engineer (P.E) of several states in U.S.A, Member of American Institute of Mining, Metallurgical and Petroleum Engineers, Member of National Society of Professional Engineers, U.S.A., Member of ASTM Standards Committee etc. He has also undergone graduate level courses in Managerial Accounting, Financial Management, Organizational Behavioral Theory, Investment Management etc., in addition to several short term courses and involvement in technical research. He has published several technical papers in Mining Engineering and did pioneering and innovative work in coal bed methane degasification, fine coal refuse slurry disposal and large mine shaft drilling etc., His studies and investigations have led to reduce severe accidents and fatalities due to coal mine bumps in Southern West Virginia. Some of his mine designs and layouts are show piece operations in Pennsylvania and West Virginia. He was Project Manager for multi-million dollar green field mine projects. Mr.Rao has relocated himself to India, giving up a senior management position and successful career in the U.S.Industry. During the tenure with LTV Steel company (second largest U.S.Steel maker) from 1978 to 1990, he worked as Chief Mining Engineer, Manager of Raw Materials Engineering, Coal Division Engineer, Works Engineer etc. He was Director of Engineering of Lykes Resources, Inc. from 1975 to 1978. He was Mining Engineer – Gary Coal Division, W.Va. of United States Steel Corporation from 1970 to 1975. He also worked as Safety Officer and Asst.Mine Manager of Singareni Collieries, A.P.India from 1964 to 1970 before moving to United States of America.

Mr.K.V.Rao is also a Director of (i) Techtran Ophthalmics Pvt Ltd., (ii) Techtran Agro Industries Ltd., and (iii) Priyadarshini Spinning Mills Ltd., (alternate).

MEMORANDUM OF INTEREST : None of the other Directors of the Company are in any way, concerned or interested in the said appointment. The Board of Directors at its meeting held on 30th June, 2008 approved the same and recommended to the General body for their approval.

ITEM NO.7: Mr.K.Krishnadev Rao was appointed as Executive Director by the Members for a period of 5 years, from 06.10.2005 to 05.10.2010 on pay and remuneration as approved at the Annual General Meeting held on 27th July, 2005. (scale of pay of Rs.70,000 – Rs.5000/- Rs.90,000 plus other emoluments etc.). The Executive Director's remuneration is substantially below the market remuneration for similar Executives. His salary is also need to be enhanced along with the Managing

Director. The proposed remuneration will be effective from 01.04.2008. As the members are aware Mr.K.Krishnadev Rao has been the Executive Director of the company from 06.10.1990 and has been a vital part of shaping the vision of the company as a Promoter Director from inception. The present stature and position of the company in India and abroad as a producer and supplier of quality lenses is also significantly due to untiring efforts, vision and dynamism of Mr.K.Krishnadev Rao.

Born on 02.09.1946, Mr.K.Krishnadev Rao did his B.Sc., in Maths and Chemistry from Osmania University, Hyderabad, Diploma in Automobile Engineering from General Motors Training Institute, Detroit, U.S.A and M.B.A., in Marketing from Wheeling College, West Virginia, U.S.A. He was General Manager (leasing) (1983-1988) with M/s.Downtown Motors, Pittsburg, U.S.A, in-charge of over US\$16 million annual operations. He was Assistant Service Manager, Customer Relations Manager and Product Manager earlier. Customer satisfaction index improved from 75% to 93% in two years time during his tenure. He has also won awards like Employee of the Year, Product Manager of the Year and 5 Star Excellence Award during his tenure. Mr.K.Krishnadev Rao relocated himself to India, giving up a successful career and Senior Management position in the US trade.

Mr.K.Krishnadev Rao is also a Director of (i) Techtran Ophthalmics Pvt Ltd., (ii) Techtran Agro Industries Ltd., and (iii) Normak Fashions Pvt Ltd.

MEMORANDUM OF INEREST: None of the other Directors of the company are in any way concerned or interested in the said resolution.

The Board of Directors at its meeting held on 30th June, 2008 approved the same and recommended to the General body for its approval.

Place: Hyderabad
Date : 30.07.2008

By order of the Board
P.SHYAMSUNDER RAO
Chief Financial Officer &
Corporate Secretary

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY

I, K.V.Rao, Chief Executive Officer & Managing Director and P.Shyamsunder Rao, Chief Financial Officer of Techtran Polylenses Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the Balance Sheet and Profit and Loss Account (consolidated and unconsolidated) and all its schedules and Notes on Accounts, as well as the Cash Flow Statements and the Directors' Report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact/nature or omit to state a material fact that is necessary to make such statements, in the light of the circumstances under which such statements were made ;
3. Based on our knowledge and information, the financial statements, and other information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations;
4. The company's other certifying officers and we are responsible for establishing and maintaining disclosure controls and procedures for the company and we have evaluated and ensured the effectiveness of the company's disclosure, controls and procedures, for the period for which this report relates;
5. We have disclosed, based on our evaluation, wherever applicable, to the company's auditors and the Audit Committee of the company's Board of Directors (and persons performing the equivalent functions):
 - a) any significant deficiencies in the design and/or operation of internal controls, or any material weaknesses in internal controls observed from time to time.
 - b) any instances of significant fraud, that involves management or other employees who have a significant role in the company's internal controls; and
 - c) whether or not there were significant changes in internal control and/or of accounting policies during the year.
6. We affirm that we have not denied any personnel, access to the Audit Committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices.
7. We further declare that all Board Members and Senior Managerial Personnel of Techtran Polylenses Ltd., have affirmed compliance with the Code of Conduct for the current year.

Place: Hyderabad
Date : 30.07.2008

P.SHYAMSUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V.RAO
Managing Director

DIRECTORS' REPORT

To

THE MEMBERS,

Your Directors present herewith the Annual Report along with the Audited Accounts of the company for the year ended 31st March, 2008.

1.0 FINANCIAL RESULTS :

The high lights of the operating results for the year are as follows:

	CURRENT YEAR	PREVIOUS YEAR
	<i>Rs.in Millions</i>	
SALES		
Export Sales	162.85	224.97
Domestic Sales	82.02	92.99
	244.87	317.96
Other Income	2.83	3.95
Profit before Interest and Depreciation	58.24	102.44
Less : A] Interest & Financial Charges	13.14	26.78
B] Depreciation & other	20.25	19.61
Write-Offs	33.39	46.39
Net Profit / (Loss) for the year	24.85	56.05
Provision for Taxes :	3.97	12.05
Profit after Tax	20.88	44.00
Provision for Dividend & Dividend Tax	—	9.63

2.0 FINANCIAL CONDITION AND RESULTS OF OPERATION

Management Discussion and Analysis of Financial Condition and Results of Operation of the Company for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in the Annual Report (Annexure-1)

The Board of Directors and Management review the progress of company at regular intervals, as required.

3.0 SUBSIDIARY COMPANY

Techtran Ophthalmics Private Limited is the only subsidiary of your company and a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and the Auditors' Report thereof are attached to the Balance Sheet of the Company. Further, pursuant to Accounting Standard, AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements enclosed, include the financial information of the subsidiary.

4.0 FIXED DEPOSITS

Your company has not accepted any Fixed Deposits from the Shareholders / Public under Section 58A of the Companies Act, 1956, during the year under review.

5.0 DIVIDENDS

Your Directors are unable to recommend dividend in view of low profits and these profits will be utilized for augmenting working capital requirements and for planned capital expenditure.

5.1 Annual General meeting

Register of Members and Share Transfer books will remain closed from 24th September, 2008 to 26th September, 2008 both days inclusive. The Annual General Meeting of the Company has been scheduled for 26th September, 2008.

5.2 Transfer to Reserve

We propose to transfer Rs.5 million to the general reserve. An amount of Rs.48.89 million is proposed to be retained in the Profit and Loss account.

6.0 DIRECTORS

Mr. M.V.Raghava Rao, and Dr.Pradeep Swarup Directors of your company retire by rotation and being eligible offer themselves for reappointment. Brief resume of the Directors, seeking appointment / re-appointment, nature of their expertise in specific functional areas and names of companies in which they hold the directorship and the membership/chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the notice and the section on Corporate Governance elsewhere in the Annual Report.

7.0 DIRECTORS RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- i] That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii] That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii] That the directors have ensured that proper and sufficient care is taken in the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv] That the annual accounts are prepared as an ongoing concern basis.

8.0 CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors are hereby forwarding the Consolidated Financial Statements which form part of the Annual Report and Accounts.

9.0 AUDITORS

M/s. M.Anandam & Co., Chartered Accountants, S P Road, Secunderabad, Auditors of your company retire at the conclusion of the Annual General Meeting and being eligible offer themselves for reappointment. Company has received letters from them to the effect that their appointments, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub section (3) of Section 226 of the Companies Act, 1956, for such appointment.

10.0 PERSONNEL

Information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 may be treated as 'NIL' as none of the employees come under that category. 96 employees of the company from various departments availed the Voluntary Retirement Scheme introduced by the Management & left the organization before March, 2008.

11.0 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

The statement giving the particulars with respect to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgoings as required under Section 217 (1)e of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is annexed hereto and forms part of the Report (Annexure-2).

12.0 CORPORATE GOVERNANCE

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report (Annexure-3).

13.0 DEMATERIALISATION OF SHARES

Your Company's equity shares have been under compulsory dematerialized trading for quite some time and is registered under code ISIN 1NE 020C01016. Shareholders may contact the Registrars for Dematerialisation, namely, CIL Securities Ltd., Regd Office:214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500 001, Telephone Nos.040-23203155/040-23202465, email: advisors@cilsecurities.com / cilsec@hotmail.com for further details, if any.

14.0 LISTING

Your company's shares are originally listed on Stock Exchanges at Hyderabad and Mumbai and your company is regular in payment of listing fees. Your company has applied for delisting of its shares from Hyderabad Stock Exchange. SEBI has withdrawn the permanent recognition granted to the Hyderabad Stock Exchange Ltd. with effect from 29th August, 2007 in terms of 5(2) of the Securities Contracts (Regulation) Act 1956 (SCRA).

15.0 ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Employees, Staff and Officers of your company for their hard work, dedication and commitment.

Your Directors gratefully acknowledge the valuable support, guidance and assistance provided by the Financial Institutions, viz., IDBI, IFCI & Exim Bank.

Your Directors also express their gratitude to the Shareholders of the company for the confidence reposed in the management.

for and on behalf of the Board

Place : Hyderabad

Date : 30.07.2008

K.V.RAO

Chairman & Managing Director

ANNEXURE - 1**MANAGEMENT DISCUSSION & ANALYSIS**

Your company is engaged in the Manufacture & Sale of Hard Resin (Plastic) Ophthalmic Lenses. These lenses are mainly exported overseas and also sold in Domestic Market.

REVIEW OF OPERATIONS :

Your company has produced 2.50 million lenses during the year and sold 2.72 million lenses as compared to a production of 3.89 million lenses and sales of 3.95 million lenses in 2006-2007.

The Export Turnover has gone down by Rs.62.2 million and Domestic Sales have gone down by Rs.10.97 million over the last year. The net sales have gone down by about 23% over the previous year.

The net profitability of the company has also decreased proportionately in view of lower sales as compared to the previous year. Due to fierce unfair competition from China and Erosion of price realization, your company is forced to discontinue the loss making Finish Single Vision w.e.f 1st September, 2007. This has resulted in downsizing the company operations to include man power reduction and other measures aiming to increase the productivity. However the effective man power reduction through VRS did not take affect until the end of the year, 2007-2008. Restructuring rescheduling and reorganizing of resources has taken longer time than anticipated. Since the gearing down of operations, never results in proportional expense reduction, the year under review ended with poor results.

Your company's entitlement of 0.5 MW captive power from Andhra Pradesh Gas Power Corporation Limited has not resulted in much power savings during the year, since there was a major breakdown at AP GAS POWER and no production & supply of power for almost 10 months.

While the manufacturing costs and wages are escalating year after year, your management is trying to re-engineer certain manufacturing processes in order to contain the costs. Your management is trying to improve the sales of value added, niche products while focusing specially on photocromatics and progressives lenses.

PRODUCTS

Your company continues to develop new value added products in order to change the product mix towards a stronger, more profitable position and in this direction has already introduced value added products such as Hard Multi Coated, 'VARTEK' Progressives, Sunsensor Photochromatic lenses, Tinted lenses, Short-corr progressive lenses and "Compu-lenses" for reducing eye strain to computer users and "NOUV" lenses for filtering harmful UV rays completely to normal, clear spectacle lens users. The company is also concentrating on improving 1st quality yields to improve on profitability. The newly introduced Multicoated (ANTIREFLECTIVE)) line is helping to move up on value chain and better margins. The recent upgraded Rx prescription line is paying its dividends by expanding the domestic and overseas markets for the company.

LENSES MARKETS**DOMESTIC**

The domestic market sales have decreased during the year mainly because of Chinese dumping of inferior quality lenses at cheaper rates. During current year sales should improve with the commissioning of Multi-coating facility at the new office. The sales may improve further if more number of plastic surfacing laboratories come up in the country. Your company is operating four Surfacing Labs through its subsidiary for augmenting sales and the labs are performing satisfactorily. The company is planning on further labs at strategic locations to enhance plastic lens penetration in the domestic market.

EXPORTS

The Export Turnover has gone down by Rs.62.2 million during the year recording a 22.95% negative growth. Your company is trying to improve the product mix and expand into new markets. Such as Russia, Middle East and South America.

TECHTRAN OPHTHALMICS

Techtran Ophthalmics Private Limited is a fully owned subsidiary of Techtran Polylenses Limited and is mainly engaged in the business of surfacing of lenses. The surfacing laboratories are intended to help develop the market in different cities and also act as distribution centers for Company's products. The new Hard Coating and Multi Coating lines alongwith a higher capacity, precise surfacing equipment are commissioned at the new facility during January, 2008.

OPPORTUNITIES AND THREATS

The company is the largest producer of plastic lenses in India and has won Top Exporter Awards in its product class, year after year consistently from the Plastics Export Promotion Council and VSEZ (Visakhapatnam Special Economic Zone). The company is the only ISO 9002 certified, Ophthalmic lens manufacturing unit in the country, offering full range of lenses. The company has talent and experience to develop new products in house.

On the export front,

1. The company is entering into new territories with specific focus on value added Vartek Progressive and Sunsenors and
2. Plans to pursue Niche markets for value added and engineered products.

The backward integration (IPP production) and forward integration (surfacing laboratories) taken up by the company should help to reduce costs and expand domestic market respectively while improving margins.

The predominant market share of glass, above 90%, in India, would continue to decline and lose for plastic lenses as it happened in the developed World, like United States, Western Europe etc., where Plastic Lens enjoy a market share of 90% and mineral glass less than 10%. Out of a Billion population of India, it is estimated that at least 200 Million people have buying power as that of developed countries. The market potential of 200 Million people is approximately 50 Million pairs per year, which is a huge market.

Plastic Lenses acceptability / awareness is increasing day by day in India and it would be a good opportunity for growth in Domestic Market. The fast growing Indian

economy and strong consumer spending should offer good potential to the company's products.

The company's domestic sales are approximately 1.20 Million lenses per year out of its DTA entitlement. Several new surfacing laboratories are coming up to increase the demand for remunerative semi-finish and value added products of the company. The Company's prices are very competitive for these products and preferred over imports due to service and local availability. The company would focus and aggressively pursue this growing market and opportunity in India.

The company has introduced new and additional, branded lenses of Progressives including Short Corridor to increase the share of profitable Progressives in the product mix and also trying to market aggressively the remunerative Sunsesnors in the domestic and international markets. Also the company would introduce unbranded Photochromatic with competitive pricing to serve price sensitive domestic market exclusively.

The company continues to expand the new, branded products such as "COMPU LENS" to relieve eye strain to computer users and "NOUV" lens, which is clear and white, but protects 100% against UV Rays.

The new Hard & Multi Coating lines and an upgraded, modern central surfacing lab at its subsidiary should help to expand the Domestic and Export Rx markets.

The unhealthy competition from China is eroding product prices continuously, and the anti dumping duty of 7.5% imposed by Government of India has no impact on the flood of imports.

OUTLOOK

Barring unforeseen circumstances, your company is hopeful of emerging successful, strong downsized unit with healthy bottom line and maintain its top position in India while fully participating in the Growing, High Potential, Indian Plastic Lens Market.

FORWARD LOOKING STATEMENTS

This section contains certain forward looking statements, with words like "plans", "expects", "likely" or other words of similar meaning. The forward-looking statements are based on certain assumptions and expectations of future events and the company cannot guarantee that these assumptions and expectations are accurate or will be realized or assume any responsibility to publicly amend, modify, revise any of these on the basis of any future or subsequent events or information.

for and on behalf of the Board

Place : Hyderabad
Date : 30.07.2008

K.V.RAO
Chairman & Managing Director

ANNEXURE - 2

ANNEXURE TO THE DIRECTORS' REPORT UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

A] CONSERVATION OF ENERGY:

(a) Energy conservation measures taken.

The Company continues to implement various programs taken up in the previous years such as (1) power factor improvement (2) auto start of DG Set (3) solar hot water system and recycling of effluent water, etc. The company has installed Solar Hot Water Panels at the new subsidiary facility to meet the hot water requirements and reduce power consumption. Improvised and comfortable air cooling with water sprays, instead of power intensive air conditioning is installed at the new office building.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

The company does not propose at this time any additional investments for reduction of power consumption.

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Company has been saving considerable power and fuel costs with the measures as above, and is continuing its efforts further.

(d) Total energy consumption and energy consumption per unit of production:

Not applicable as per the list of Industries specified under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

B] TECHNOLOGY ABSORPTION

a] RESEARCH AND DEVELOPMENT

1. Specific areas in which R&D carried out by the company:

- Introduction of new Sunsenors and Sunsenor Plus monomer casting.
- Introduce broader range of Sunsenors products.
- Develop special bi-focal moulds.
- Install new automated Hard Coating plant to improve yields.
- Study and design in house balancing systems to increase plant capacity.
- Install modern multi coating system and produce premium quality products.

2. Benefits derived as a result of the above R&D

The efforts helped the company to remain in business on a competitive basis, with continuous improvement and climb up value chain.

3. Future plan of action

Continue the efforts on ongoing business/process upgradation and cost reduction programs.

b] TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

The Technologies imported from Italy and U.S.A have been fully absorbed and the company's production rate has exceeded the design criteria of the plant. The quality and yields of lenses are comparable to the World Leaders in the Industry. The Indian Technicians are fully trained in all operations. The company has developed several products such as Kryptop Bi-Focal, Lenticulars, Blended Kryptop, super thin flat curve

lenses, Finish Progressives, Cylindrical Finish Bi-Focals etc. The Hard Coating Plant was redesigned and modified to produce quality product. The polymerisation cycles are developed to reduce the pre-release and other process losses. Adoption of Sun sensors manufacturing process and IPP production etc., have been successful. Re-building and upgrading of the imported equipment is being done. The new multi coating know how is fully absorbed and producing premium quality products.

c] FOREIGN EXCHANGE EARNED AND USED

- (a) Activities relating to exports; Initiatives taken to increase exports; Development of new markets for products and services; and Exports plans; Company is a 100% EOU. Plastic Ophthalmic Lenses are sold in bulk in International Markets constituting about 66.5% of net turnover and the remaining in Domestic Markets. Small quantities are sold in our own brand 'VARTEK' (Progressives), SUN 'N' LITE etc New Brands and new products are being introduced for better value addition, as an ongoing process, from time to time. Strategic market tie-ups in Middle East, Africa and South America are being pursued.
- (b) The company has earned Rs.162.07 Millions (FOB Value) in Foreign Exchange and used Rs.81.17 Millions. This amount includes Foreign Exchange used for import of Raw Materials, Stores & Spares and payment for Foreign Travel, trade fairs etc.

Place : Hyderabad

Date : 30.07.2008

for and on behalf of the Board

K.V.RAO

Chairman & Managing Director

ANNEXURE -3**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2008****TECHTRAN POLYLENSES LIMITED'S PHILOSOPHY ON CODE OF GOVERNANCE****Techtran Polylenses Limited has over the years followed best practices of Corporate Governance by adhering to practices laid down by the Board of Directors.**

Techtran Polylenses management and employees, business objective is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. Techtran Polylenses Limited is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees, in addition to compliance with regulatory requirements.

BOARD OF DIRECTORS

The size and composition of Board of Directors is commensurate with the size and business of the company and more than 70% of Directors are non-executive, independent Directors.

Composition, Attendance at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Board Committees

Above information as on 31st March, 2008 or for the year 2007-2008, as applicable, is tabulated hereunder:

Name of Director Attended[a]	No. of Board Meetings 27.09.2007	Attendance at Previous AGM on	No. of outside Directorships held [b] in other Board	No. of Membership/ Chairmanship Independent Committees[c]	Executive/ Non Executive /
Mr.M.S.Ram Upto 30.06.2007	NIL	Not Present	7	1	Non Executive & Independent
Mr.G.S.Srinivasan (IDBI Nominee)	4	Not Present	1	1	Non Executive & Independent
Mr.M V Raghava Rao	4	Present	Nil	1	Non Executive & Independent
Mr.C K Rao	Nil	Not Present	1	—	Non Executive & Independent
Dr.Pradeep Swarup	3	Not Present	—	1	Non Executive & Independent
Mr. V. Venkateswarlu	4	Present	1	—	Non Executive & Independent
Mr.K Krishnadev Rao	2	Present	1	1	Executive
Mr.K.V.Rao	4	Present	1	1	Executive

- a] Attendance at the Board Meetings relevant to the period as Director of the Company.
- b] Directorship in companies registered under the Companies Act, 1956, excluding directorship in private companies and alternate directorship.
- c] Only covers membership/chairmanship of Audit Committee and shareholders/ Investors Grievance Committee.

Brief resume of Directors seeking appointment/re-appointment nature of their expertise and other details are furnished hereunder :

Mr.M.V.Raghava Rao is a retired senior Government Officer (retired as Deputy Chief Executive Officer, Khadi & Village Industries Commission) and held several senior and prestigious positions with the Government. Born on 25.06.1933, he is distinguished with three Postgraduate Degrees in Economics, Public Administration and History, Law and a Ph.D in Public Administration. He was a State Director of KVIC for Andhra Pradesh and Orissa, Director-Hill & Border, Weaker Sections & Co-operation, Integrated Development Programme, Director - Spl.Programme & Co-operation, Director–Training, Director–Legal, & Legal Recovery, Director – Estates, Secretary-Services Board, Secretary of a Govt. of India High Power Committee etc. He has also authored and co-authored Articles & Other Publications. He was Management Consultant and the President of A.P.Sahakar Bharati, Hyderabad and APEC Bank. He had rich experience in Government and Industry in the last several years and has been a member of the Board of Directors of your Company for the last 15 years, initially as an alternate Director and later as Director. He holds 500 shares in the company.

Dr.Pradeep Swarup is a well known Ophthalmologist and is Medical Director and Chief Surgeon at Swarup Eye Centre, Hyderabad. Born on 04th February, 1950, he did his B.Sc., and M.B.B.S from Osmania University, Hyderabad, M.D. from All India Institute of Medical Sciences, New Delhi and FCGP, Hyderabad. He has presented several papers at various State and National conferences. He is also actively involved with Andhra Pradesh State Ophthalmic Society as a member, Editor

of News Letter as also Chairman of Scientific Committee. He was a consultant surgeon at the Lions Club of Hyderabad Sadhuram Eye Hospital (LCHSEH) and also Chairman, Board of Directors of LCHSEH. He is also involved in other social work. He is a member of American Medical Society of Vienna, and All India Ophthalmological Society. His areas of specialization include Anterior Segment of Eye, Cataract Surgery, Squint etc. He has been an active member of your Board, initially as an alternate director (for 6 (six) years) and as a regular Director from Sept, 1997 onwards. He is also a Director of Zarish Properties Pvt. Ltd. He holds Nil shares in the company.

Your Board of Directors provide for independent verification of Financial information and integrity of company's financial reporting through Audit committee and Internal/ External Auditors. Timely and balanced disclosure is given high importance. Overall approach of the Board and the decision making process is explained herein :

(a) Non-executive Directors compensation & disclosures.

- (i) All compensation paid to non-executive directors shall be fixed by the Board of Directors and shall be approved by shareholders in general meeting. There are no stock options at present offered by the company.
- (ii) The considerations as regards compensation paid to an independent director and a non-executive director shall remain the same.

(b) Independent Directors & their responsibility.

Independent Directors shall periodically review legal compliance reports prepared by the company as well as steps taken by the company to cure any taint. In the event of any proceedings against an independent director in connection with the affairs of the company, defense shall not be permitted on the ground that the independent director was unaware of the responsibility.

(c) Board procedure.

The board meetings shall be held at least four times a year, with an endeavor to ensure a maximum time gap of four months between any two meetings. The minimum information to be made available to the Board and other procedures/criteria would be as laid down in Clause 49 of the Listing Agreement.

(d) Code of conduct

- (i) The Board has laid down the code of conduct for all the Board members and senior management of the company. This code of conduct is posted on the website of the company.
- (ii) All Board members and senior management personnel would affirm compliance with the code on an annual basis. The annual report of the company contains a declaration to this effect.

(e) Term of office of non-executive Directors would be as decided by the Board

(f) Whistle blower policy

Your company subscribes to an Internal Policy on access to Audit Committee as follows :

- (i) Personnel who observe an unethical or improper practice (not necessarily a violation of law) shall be able to approach the audit committee without necessarily informing their supervisors.
- (ii) Company would take measures to ensure that this right of access is communicated to all employees through means of internal circulars, etc. the employment and other personnel policies of the company shall contain provisions protecting "whistle blowers" from unfair termination and other unfair prejudicial employment practices.

- (iii) Company would annually affirm that it has not denied any personnel access to the audit committee of the company (in respect of matters involving alleged misconduct) and that it has provided protection to “whistle blowers” from unfair termination and other unfair or prejudicial employment practices.
- (g) Subsidiary company & Directorship etc.**
- (i) The composition of the Board of Directors of the subsidiary company shall be similar to the composition of the Board of Directors of holding company.
- (ii) At least one independent Director on the Board of Directors of the holding company would be a director on the Board of Directors of the subsidiary company.
- (iii) The Audit Committee of the holding company would also review the financial statements, in particular the investments made by the subsidiary company.
- (iv) The minutes of the Board meetings of the subsidiary company will be reviewed at the Board meeting of the holding company.
- (v) The Board report of the holding company would also state that they have reviewed the affairs of the subsidiary company also.
- (h) Board Disclosures, risk assessment etc., -Sound system of risk management & internal control**

The company has a policy which includes a review of the risk management systems both financial and non-financial. The company has set-up an effective Internal Audit System and independent External Auditors to review the effectiveness of risk Management System which is further reviewed by the Audit committee.

Board Meetings held during the year 2007-2008

During the year 2007-2008, 4 [Four] Board Meetings were held on 27.06.07, 31.07.07, 29.10.2007 and 31.01.2008.

BOARD COMMITTEES

Audit Committee

The qualified and independent Audit Committee comprises of Mr. M.V.Raghava Rao, Chairman, Mr.G.S.Srinivasan and Mr.V.Venkateswarlu all being Non-Executive Independent Directors. The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. The Audit Committee met 4 [Four] Times during the year 2007-2008. Mr.M.V.Raghava Rao, Mr.G.S.Srinivasan and Mr.V.Venkateswarlu attended all the four meetings held during the period.

Shareholders Committee

Shareholder/Investor Grievance Committee is headed by Dr.Pradeep Swarup a Non-Executive, Independent Director with Mr. K.V. Rao, Managing Director and Mr. K. Krishnadev Rao, Executive Director as members. Mr.P.Shyamsunder Rao, Chief Financial Officer & Corporate Secretary, is the Compliance Officer.

During the year 2007-2008, no complaints were received from shareholders and investors.

All valid requests for share transfer received during 2007-2008 have been acted upon by the Company and no such transfer is pending.

Remuneration Committee

Matters of remuneration of Managing /Executive Director are considered by the Remuneration Committee of the Board of Directors of the Company consisting of Mr.V.Venkateswarlu, Chairman, Mr.M.V.Raghava Rao, and Dr.Pradeep Swarup, all independent Directors. The terms of remuneration of Managing / Executive Director are approved by the shareholders at the Annual General Meeting. The compensation of Senior executives is reviewed and approved by Executive Director and Managing Director.

The remuneration policy of the Company is based on the need to attract good available talent.

REMUNERATION OF DIRECTORS FOR 2007-2008

Name of the Director	Sitting Fee Rs.	Salaries and Perquisites Rs.	Commission Rs.	Total Rs.
Shri M.S.Ram	Nil	—	Nil	Nil
Shir M V Raghava Rao	80,000	—	Nil	80,000
Shri C K Rao	Nil	—	Nil	Nil
Dr.Pradeep Swarup	30,000	—	Nil	30,000
Mr.G.S.Srinivasan	70,000	—	Nil	70,000
Mr. V. Venkateswarlu	80,000	—	Nil	80,000
Shri K Krishnadev Rao Executive Director	Nil	13,94,100	Nil	13,94,100
Shri K V Rao Managing Director	Nil	14,70,900	Nil	14,70,900

Commission is subject to adequate profits being earned. Performance criteria for the Managing / Executive Director takes into account the business plans and market conditions. The Company does not have any stock option scheme.

GENERAL BODY MEETINGS :

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2006-2007	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	27 th Sept, 2007	10.00 AM
2005-2006	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	26 th July, 2006	10.00 AM
2004-2005	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	27 th July, 2005	10.00 AM

There was no other General Body Meeting in the last three years and no resolution was put through postal ballot.

DISCLOSURES

During the year 2007-2008 the Company had no materially significant related party transaction which is considered to have potential conflict with the interests of the Company at large.

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

MEANS OF COMMUNICATION

The Quarterly, and Annual results are generally published by the Company in the Business Line/Economic Times/Business Standard/Financial Express and in Andhra Prabha / Andhra Jyothi, Hyderabad. The Quarterly reports are not sent to the addresses of shareholders. The Company’s website “techtranindia.com” is hosting all relevant financial information, released on or after 01.07.2004. Official news releases and presentations made to analysts are sent to the stock exchanges at Hyderabad and Mumbai, where shares of the Company are listed.

Management discussion and Analysis Report

[Within the limits set by the Company’s competitive position].

Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns of the company and discussion on financial performance with respect to the operational performance, has been covered in the Directors’ Report more specifically under the Annexure – 1, Management Discussion & Analysis. The company has concluded a 3 years Agreement with the recognized union of the company effective from September 2007 to August 2010. Manpower of the Company as on 31.03.2008 was 276.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and time : 26th September, 2008 at 10.00 A.M

Venue : Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad

Financial Calendar : 2008- 2009 (tentative)

Results for the quarter ending : June 30, 2008 - July, 2008
 Results for the quarter ending : September 30, 2008 - October, 2008
 Results for the quarter ending : December 31, 2008 - January, 2009
 Results for the year ending : March 31, 2009 - June, 2009

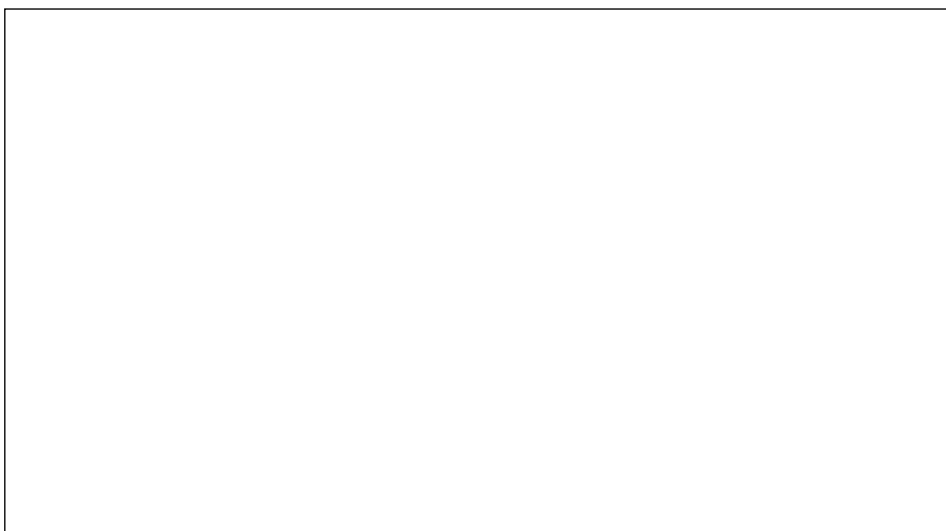
Date of Book Closure : 24th September, 2008 to 26th September, 2008, both days inclusive.

The company has not issued any ADRs/GDRs, Warrants or any convertible instruments.

Listing on Stock Exchanges and Stock Code

Shares of the Company are listed at the Hyderabad Stock Exchange (Stock Code 1028) and The Stock Exchange, Mumbai (Stock Code 523455)

Month	High (Rs)	Low (Rs)	Month	High (Rs)	Low (Rs)
April,2007	27.00	22.55	October,2007	25.80	20.00
May,2007	27.50	22.40	November,07	22.50	16.60
June,2007	30.75	22.00	December,07	30.80	19.00
July,2007	35.00	23.55	January,2008	33.40	16.20
August,2007	25.00	18.55	Febreuary,08	20.95	14.65
September,07	27.95	22.80	March,2008	16.50	10.00

Performance in comparison to BSE Sensex

The Company has appointed M/s. CIL Securities Ltd., Regd Office:214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad – 500 001 as its common agency (with effect from 31.01.2003) for share registry work for physical as well as dematerialized form. Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

Categories of Shareholding as on 31st March, 2008

Category	Number of Shares	Percent of total Shares
Promoters and Associates	3632061	33.11%
Foreign Institutional Investors	—	—
Public Financial Institutions	—	—
Mutual Funds	17300	0.16%
Nationalised banks and other banks	62100	0.57%
NRI's and OCB's	221258	2.02%
Others [includes holding of Corporate Bodies]	7037281	64.15%
	10970000	100.00%

Distribution of shareholding as on 31st March, 2008

No.of Shares	Number of shareholders	Number of Shares	Percent of total shares
1 to 250	11729	1309525	11.94%
251 to 500	1570	647287	5.90%
501 to 1000	763	658475	6.00%
1001 to 2000	381	594316	5.42%
2001 to 3000	124	318924	2.91%
3001 to 4000	56	200446	1.83%
4001 to 5000	62	293245	2.67%
5001 to 10000	106	775405	7.06%
10001 and above	113	6172377	56.27%
Total	14904	10970000	100.00%

Dematerialisation of shares and liquidity : 8262466 Equity shares of the Company have been dematerialized as on 31st March, 2008.

Plant Locations: The Company's plant is located at Bonthapally Village, Zinnaram Mandal, Medak Dist A.P.

Address for correspondence : Shares Department, S-7, T.I.E., IDA, Behind Andhra Bank, Balanagar Branch, Balanagar, Hyderabad - 500 037 and for share transfers and dematerialisation: CIL Securities Ltd., Regd Office:214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001, Telephone Nos. 040-23203155/040-23202465,

E-mail for Investors: hyd1_techtran@sancharnet.in and advisors@cilsecurities.com/
cilsec@hotmail.com

for and on behalf of the Board

Place : Hyderabad

Date : 30.07.2008

K.V.Rao

Chairman & Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Board of Directors,
Techtran Polylenes Limited,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Techtran Polylenes Limited for the year ended 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2008, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.ANANDAM & CO.,**
Chartered Accountants

Place: Secunderabad.
Date : 30.06.2008

M.R.VIKRAM
Partner
M.No.21012

AUDITORS' REPORT

To
The Members of
Techtran Polylenes Limited,
Hyderabad.

1. We have audited the attached Balance Sheet of **Techtran Polylenes Limited**, as at 31st March, 2008, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our Comments in the annexure referred to in paragraph 3 above, we report that;
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified from being appointed as a director of the Company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the State of Affairs of the company as at 31st March, 2008;
 - ii. in the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

Place: Secunderabad
Date : 30.06.2008

For M.Anandam & Co.,
Chartered Accountants
(M.R.VIKRAM)
Partner
M.No.21012

Annexure

Re: Techtran Polylenses Limited

Referred to in Paragraph 3 of our report of even date

- i.
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the company has a phased programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its business.
 - c. The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.
- ii.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has not entered into any contracts in which the directors are interested. Hence, there are no parties that are required to be listed in the register maintained under section 301 of the Act, accordingly, clauses (iii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. The Company has not accepted any deposits from the public. Hence the provisions under section 58A & 58AA of the Companies Act, 1956 are not applicable.
- vi. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- vii. The Central Government has not prescribed maintenance of cost records by the company under section 209(1)(d) of the Act.
- viii.
 - a. According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales tax, custom duty, excise duty, cess and other statutory dues as applicable with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears as at 31.03.08 for a period of more than six months from the date they became payable.

- ix. The company has no accumulated losses and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- x. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- xi. According to information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Accordingly the provisions of clause 4(xiii) if the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiii. In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanation given to us, no term loans have been raised by the Company during the year, accordingly clause (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. In our opinion and according to the information and explanation to us, and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- xvii. The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xviii. The Company has not issued any debentures during the year. Accordingly, clause (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xix. The Company has not raised any funds on public issue and hence disclosure on the end use of money raised by the public issue is not applicable to the Company.
- xx. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For M.Anandam & Co.,
Chartered Accountants,

(M.R.Vikram)
Partner
M.No.21012

Place: Secunderabad
Date : 30.06.2008

BALANCE SHEET AS AT 31ST MARCH 2008

Rupees in thousands

	Schedule	As at 31.03.2008	As at 31.03.2007
<u>SOURCES OF FUNDS:</u>			
A] Share Capital	I	10,97,00	10,97,00
B] Reserves and Surplus	II	9,38,90	9,36,34
C] Secured Loans	III	12,09,05	15,33,57
D] Unsecured Loans		75	3,75
E] Deferred Tax Liability		1,94,87	2,93,08
		<u>34,40,57</u>	<u>38,63,74</u>
<u>APPLICATION OF FUNDS:</u>			
A] Fixed Assets	IV		
Gross Block		41,13,50	37,06,07
Less: Depreciation		26,39,98	<u>24,38,94</u>
Capital Work in Progress		-	1,17,81
B] Investments	V	2,17,04	2,17,04
C] Current Assets,	VI		
Loans & Advances			
Inventories		5,59,94	5,42,45
Sundry Debtors		7,03,03	12,37,33
Cash & Bank Balances		1,40,69	2,87,43
Loans & Advances		7,71,21	<u>6,49,31</u>
		<u>21,74,87</u>	<u>27,16,52</u>
Less: Current Liabilities & Provisions	VII	4,24,86	4,54,76
Net Current Assets		<u>17,50,01</u>	<u>22,61,76</u>
		<u>34,40,57</u>	<u>38,63,74</u>
Accounting Policies & Notes on Accounts	XIII		
Schedules I to VII and XIII form an Integral Part of the Balance Sheet.			

As per our report of even date attached.

For and on behalf of the Board

For **M. ANANDAM & CO.**,
Chartered Accountants

K. KRISHNADEV RAO
Executive Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V. RAO
Chairman &
Managing Director

Place : Hyderabad
Date : 30.06.2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

Rupees in thousands

	Schedules	Year Ended 31.03.2008	Year Ended 31.03.2007
1 INCOME			
Sales - Export		16,28,48	22,49,67
Sales - Domestic		8,20,24	9,29,90
		<u>24,48,72</u>	<u>31,79,57</u>
Less: Excise Duty		21,55	26,81
Net Sales		24,27,17	31,52,76
Other Income	VIII	28,25	40,24
Increase/(Decrease) in stock	IX	33,57	(17,54)
		<u>24,88,99</u>	<u>31,75,46</u>
2 EXPENDITURE			
Raw Material Consumed		6,85,44	7,51,27
Manufacturing Expenses	X	93,056	10,77,73
Administrative & Selling Expenses	XI	2,90,55	3,22,06
Sub Total		<u>19,06,55</u>	<u>21,51,06</u>
Profit before Interest & Depreciation		5,82,44	10,24,40
Less: Interest & Financial Charges	XII	1,31,34	2,67,81
Profit/(Loss) before Depreciation		4,51,10	7,56,59
Less: Depreciation		2,02,51	1,96,11
Profit before Tax		2,48,59	5,60,48
Provision for Taxation			
- Current Tax		1,14,80	92,55
- Earliar Years Tax		20,54	-
- Deferred Tax		(98,21)	25,40
- Fringe Benefit Tax		2,66	2,54
Profit after Tax		2,08,80	4,39,99
Balance brought forward		5,36,34	6,45,28
Extraordinary Items		2,06,24	3,52,67
Profit available for appropriation		5,38,90	7,32,60
Provision for Dividend		-	82,28
Provision for Dividend Tax		-	13,98
General Reserve		50,00	1,00,00
Balance Carried to Balance Sheet		4,88,90	5,36,34
EPS - Basic & Diluted (on Rs.10 per Share)		1.90	4.01
Accounting Policies & Notes on Accounts	XIII		
Schedules VIII to XII and XIII form an Integral Part of the Profit and Loss Account.			

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants

M.R. VIKRAM
Partner
Membership No.21012

Place : Hyderabad
Date : 30.06.2008

For and on behalf of the Board

K. KRISHNADEV RAO
Executive Director

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V. RAO
Chairman &
Managing Director

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008
Rupees in thousands

	Year Ended 2007-08	Year Ended 2006-07
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,48,59	5,60,48
Adjustments for		
Depreciation	2,02,51	1,96,11
VRS amount paid for the year	(1,72,67)	
Excess Depreciation claimed written back	-	(15)
(Profit)/Loss on Sale of Asset	5,78	71
Interest Expense	1,16,60	1,42,18
Other Finance Charges	14,74	1,25,63
Interest on FDRs	(7,21)	(7,48)
	1,59,75	-
		4,57,00
Operating Profit Before Working capital Changes	4,08,34	10,17,48
Changes in Working Capital		
(Increase)/Decrease in Trade and other receivables	5,34,30	(95,26)
(Increase)/Decrease in Loan and Advances	(6,40)	(2,29,93)
(Increase)/Decrease in Inventories	(17,48)	88,58
Increase/(Decrease) in Creditors	(2,01,46)	(12,82)
Increase/(Decrease) in Provisions and Other Liabilities		38,26
Interest paid on working capital	(20,38)	(17,57)
Cash generated from operations	6,96,92	7,88,74
Taxes Paid	(1,15,50)	(73,04)
NET CASH FROM OPERATING ACTIVITIES (A)	5,81,42	7,15,70
CASH FLOW FROM INVESTING ACTIVITIES		
Investments		-
Purchase/Increase in Fixed Assets and Capital work in progress	(2,99,43)	(2,20,44)
Sale of Fixed Asset	2,56	32
Interest on FDRs	7,20	7,48
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(2,89,67)	(2,12,64)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital		-
Increase/(Decrease) in Short term borrowings	(4,057)	2,74,14
Increase/(Decrease) in Long term borrowings	(2,83,96)	(4,37,88)
Increase/(Decrease) in Unsecured Loans	(3,00)	(3,00)
Other Finance Charges	(14,74)	(1,25,63)
Interest paid on Term Loans	(96,22)	(1,24,61)
NET CASH FLOW FROM FINANCING ACTIVITIES - C	(4,38,49)	(4,16,98)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(1,46,74)	86,08
CASH AND CASH EQUIVALENTS AS AT 01-04-2007	2,87,43	2,01,35
CASH AND CASH EQUIVALENTS AS AT 31-03-2008	1,40,69	2,87,43

As per our report of even date attached.

 For **M. ANANDAM & CO.**,
Chartered Accountants

M.R. VIKRAM
Partner
Membership No.21012

 Place : Hyderabad
Date : 30.06.2008

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

For and on behalf of the Board

K. KRISHNADEV RAO
Executive Director

K.V. RAO
Chairman &
Managing Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS*Rupees in thousands*

	As at 31.03.2008	As at 31.03.2007
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SCHEDULE - I

SHARE CAPITAL:

Authorised Share Capital 1,40,00,000 Equity Shares of Rs.10/- each	14,00,00	14,00,00
Issued, Subscribed & Paidup Capital 1,09,70,000 Shares of Rs.10 each fully paidup	10,97,00	10,97,00

SCHEDULE - II

RESERVES AND SURPLUS

General Reserves		
Opening Balance	4,00,00	3,00,00
Additions	50,00	1,00,00
Closing Balance	4,50,00	4,00,00
Profit & Loss Account	4,88,90	5,36,34
	9,38,90	9,36,34

SCHEDULE - III

SECURED LOANS

Term Loans			
Zero Coupon Bonds	1,26,50	1,72,50	
Others	6,51,98	7,78,48	8,89,93
Working Capital Loan		4,30,57	4,71,14
		12,09,05	15,33,57

Rupees in thousands

Particulars	Gross Block				Depreciation			Net Block		
	As at 1.4.2007	Additions during the year	Deletions	As at 31.03.2008	Upto 31.03.2007	For the year	Deletions	Upto 31.03.2008	As at 31.03.2007	As at 31.03.2008
	Land	63,99	-	-	63,99	-	-	-	-	63,99
Buildings	2,75,23	2,74,57	-	5,49,80	1,25,07	11,44	-	1,36,51	1,50,16	4,13,29
Plant & Machinery	32,07,21	71,45	-	32,78,66	22,03,27	1,79,26	-	23,82,53	10,03,94	8,96,13
Furniture & Fixtures	55,29	90	-	56,19	40,60	3,53	-	44,13	14,69	12,06
Office Equipment	36,07	-	-	36,07	36,07	-	-	36,07	-	-
Transformer & Elect. Equip	-	59,41	7,71	51,70	-	2,23	48	1,75	-	49,95
Data Processing Equipment	19,87	2,59	-	22,46	19,06	1,01	-	20,07	81	2,39
Vehicles	48,41	8,32	2,10	54,63	14,87	5,03	98	18,92	33,54	35,71
Previous Year	37,06,07	4,17,24	9,81	41,13,50	24,38,94	2,02,50	1,46	26,39,98	12,67,13	14,73,52
	36,08,33	1,02,63	4,88	37,06,08	22,46,83	1,96,11	4,00	24,38,94	12,67,14	13,61,50
Capital Work in Progress	1,17,81	-	1,17,81	-	-	-	-	-	-	-
										1,17,81

Rupees in thousands

	As at 31.03.2008	As at 31.03.2007
SCHEDULE-V		
INVESTMENTS (UNQUOTED - NON TRADE) AT COST		
90000 Equity Shares of Rs.10/- each fully paid in Techtran Ophthalmics P Ltd (100% Subsidiary)	9,00	9,00
134000 Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd	2,08,04	2,08,04
	<u>2,17,04</u>	<u>2,17,04</u>
SCHEDULE -VI		
CURRENT ASSETS, LOANS & ADVANCES		
A] CURRENT ASSETS		
Inventories (As certified and Valued by Management)		
1] Stores & Spares	85,16	75,01
2] Moulds and other Tools	1,75,15	1,83,07
3] Stock in Trade		
Raw Material	1,06,61	1,18,55
Consumables	27,61	33,98
Finished Goods	1,47,75	1,21,22
Stock in Process	17,66	10,62
	<u>2,99,63</u>	<u>2,84,37</u>
	5,59,94	5,42,45
4] Sundry Debtors		
Un secured Considered Good		
More than Six Months	1,21,56	1,78,08
Less than six months		
Due from Subsidiary	50,52	69,26
Others	5,30,95	9,89,99
	<u>7,03,03</u>	<u>12,37,33</u>
5] Cash on Hand	81	2,70
Balance with Scheduled Banks		
a] In Current Account	1,25,38	1,20,58
b] In Deposit Account	14,50	1,64,15
	<u>1,39,88</u>	<u>2,84,73</u>
B] LOANS AND ADVANCES		
Deposits with Govt. Departments	5	5
Advances Recoverable in Cash or Kind	3,02,67	3,47,79
Advances to Subsidiary Company	4,68,49	3,01,47
	<u>7,71,21</u>	<u>6,49,31</u>
	21,74,87	27,16,52
SCHEDULE- VII		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
Liability to other than MSME Creditors	81,34	49,03
Liability to MSME Creditors	98	1,64
Other Liabilities	1,71,40	1,30,77
Provisions	1,71,14	4,04,09
	<u>3,42,54</u>	<u>2,73,32</u>
	4,24,86	4,54,76

Rupees in thousands

	Current Year 31.03.2008	Previous Year 31.03.2007
<u>SCHEDULE - VIII</u>		
OTHER INCOME		
Interest Received	7,21	7,48
Misc. Income	21,04	4,00
Exchange Fluctuation	-	28,76
	<u>28,25</u>	<u>40,24</u>
<u>SCHEDULE - IX</u>		
INCREASE / (DECREASE) IN STOCKS		
Opening Stock		
a] Work in Progress	10,62	11,38
b] Finished Goods	1,21,22	1,38,00
	<u>1,31,84</u>	<u>1,49,38</u>
Closing Stock		
a] Work in Progress	17,66	10,62
b] Finished Goods	1,47,75	1,21,22
	<u>1,65,41</u>	<u>1,31,84</u>
Increase/(Decrease) In Stocks	<u>33,57</u>	<u>(17,54)</u>
<u>SCHEDULE - X</u>		
MANUFACTURING EXPENSES		
Salaries and Wages and Other Allowances	3,60,39	3,80,25
Contribution to PF and ESI	36,83	32,75
Workers and Staff Welfare Expenses	29,03	22,64
Power & Fuel	1,37,55	1,06,63
Stores, Spares and Consumables	2,10,39	3,99,33
Packing Material Consumption	63,75	77,38
Repairs & Maintenance: Plant & Machinery	2,62	10,83
Other Manufacturing Expenses	90,00	47,92
	<u>9,30,56</u>	<u>10,77,73</u>

Rupees in thousands

	Current Year 31.03.2008	Previous Year 31.03.2007
<u>SCHEDULE - XI</u>		
ADMINISTRATIVE & SELLING EXPENSES		
Rates and Taxes	37,38	43,86
Rent	3,69	4,92
Insurance	5,52	13,86
Travelling Expenses	20,82	23,10
Professional Fees	3,01	8,02
Printing and Stationary	7,13	8,28
Telephone, Telex, Fax and Postage	8,51	8,42
Vehicle Running and Maintenance	36,38	35,28
Advertisement	4,88	6,77
Office Maintenance	5,60	4,45
Auditors' Remuneration	3,48	3,48
Directors' Sitting Fees	2,60	78
Directors' Remuneration	28,65	62,28
Selling and Distribution Expenses	59,28	85,99
Exchange Fluctuation	35,62	-
Loss on Sale of Assets	5,78	71
Misc. Expenses	22,22	11,86
	<u>2,90,55</u>	<u>3,22,06</u>
<u>SCHEDULE XII</u>		
INTEREST AND FINANCE CHARGES		
Interest on Term Loans	96,22	1,24,61
Interest on Working Capital	20,38	17,57
Other Financial Charges	14,74	1,25,63
	<u>1,31,34</u>	<u>2,67,81</u>

SCHEDULE-XIII**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES**

- i. **BASIS OF PREPARATION:** The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles. The company follows accrual system of accounting and is in accordance with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
- ii. **FIXED ASSETS:** Fixed Assets are stated at cost of acquisition less accumulated depreciation. The actual cost capitalized comprises of cost of acquisitions of the asset and other incidental expenditure incurred for acquiring the assets. The costs of fixed assets not ready for their intended use before balance sheet date are disclosed under capital work-in-progress.
- iii. **DEPRECIATION:** Depreciation on fixed assets is provided on straight-line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- iv. **INVESTMENTS:** Investments of long-term nature are carried at cost less provision for permanent diminution in value of such investments, if any.
- v. **INVENTORIES:** Inventories are valued at lower of cost and net realizable value except waste/scrap, which is valued at net realizable value. The basis of determining cost for various categories of inventories are as follows :
 - (a) Stores, spare parts, loose tools, raw materials and packing materials are valued at cost by using FIFO method.
 - (b) Work in Progress is valued at material cost plus appropriate share of production overheads.
 - (c) Moulds are treated as current asset and these are valued at cost of blanks.
- vi. **REVENUE RECOGNITION:** Sale of goods is recognized at the point of dispatch of finished goods to the customers. Sale is inclusive of excise duty, VAT and freight.
- vii. **USE OF ESTIMATES:** In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.
- viii. **Foreign currency transactions:**
 - (a) Foreign Currency Liabilities incurred for the acquisition of Fixed Assets are translated at exchange rates prevailing on the last working day of the accounting year or forward cover rates, as applicable. The net variation arising out of the said translation and roll over charges, if any, are adjusted to the cost of fixed assets. Depreciation on the revised unamortised depreciable amount is provided prospectively over the residual life of the asset.

(b) Other Foreign Currency Assets and Liabilities are similarly translated and the net loss/gain arising out of such translation (after considering roll over charges, if any) is adjusted to the Profit and Loss Account except in case of doubtful assets, revaluation is not done from the year in which the asset is identified as doubtful.

ix. EMPLOYEE BENEFITS:

PROVIDENT FUND: Employees get benefits from a provident fund, a defined contribution plan. The employer make monthly contributions to the plan @12% of the employee's basic salary and the same is administered through Regional Provident Fund Commissioner.

LEAVE ENCASHMENT: The employees of the company are entitled to leave encashment. They are entitled to accumulate leave up to 30 days in the case of workers and 15 days in case of staff members. More than these days, they encash the leave.

The leave encashed will be debited to Profit and Loss account in the year in which they encash. For the accumulated leave, a liability is provided at the end of the year.

GRATUITY: The company provides for gratuity, a defined benefit plan covering certain employees. The gratuity plan provides an amount at retirement or termination of employment based on the respective employees last drawn salary and the years of the employment with the company. Liability with regard to the gratuity plan is accrued based on actuarial valuation at the balance sheet date, carries out by an independent actuary. Actuarial gain or loss is recognized immediately in the statement of Profit & Loss Account as income or expense. The company has an employee's gratuity fund managed by the Life Insurance Corporation of India (LIC).

x. TAXES ON INCOME: Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

xi. EARNINGS PER SHARE : Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split, if any. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xii. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSET : Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is

probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES ON ACCOUNTS

1. The term loans from financial institutions are secured by a first charge on a pari passu basis on all the company's immovable and movables including movable machinery, machinery spares, tools, accessories present and future, except the company's stock of raw materials, semi finished and finished goods, consumables stores, book debts and such other movables on which the banks / institutions who have sanctioned working capital limits have a first charge. Working capital limits are secured by personal guarantees of two of the directors of the company.

(Rs in thousands)

	2007-08	2006-07
2. Sundry Debtors include debts due from Subsidiary company	50,52	69,26
3. Loans and advances include		
Loans to employees	13,59	14,81
Unsecured loans to subsidiary company	4,68,49	3,01,46
Advances to suppliers	12,37	57,39
4. Loans due for repayment within one year	2,84,71	2,87,21
5. Outstanding dues of Micro enterprises and small enterprises.		

Information as per Notification No GSR 719 (E) & as per "The Micro, Small and Medium Enterprises Development Act 2006 (MSMED)"

SI.No.	PARTICULARS	2007-08	2006-07
1	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the each accounting year	98	1,64
2	The amount of interest paid by the buyer in terms of sec 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
3	The amount of interest due and payable for the period of delay of making payment but without adding the interest specified under the Act	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of the each accounting year	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

6. Interest income include interest on Income Tax Refund Rs.4,83
7. Unclaimed dividend of Rs.7,29 is included in other liabilities under Current Liabilities and Provisions.
8. The company has introduced Voluntary Retirement Scheme during the year and was availed by 96 employees. For all these employees full amount was paid as per VRS Offer

(Rs in thousands)

9. Earnings Per Share		2007-08	2006-07
Profit after taxation as per P&L A/c (Rs)		2,08,80	4,39,99
Weighted Average No of equity shares o/s		1,09,70,000	1,09,70,000
Basic and diluted earnings per share (Rs) (face value of Rs 10/- per share)		1.90	4.01

10. Payment to statutory auditor:

Audit Fee			
Statutory		2,20	2,20
Tax		30	30
Others			
Taxation		30	30
Certification		30	30
Service Tax		38	38

11. Employee Benefits:

12. Directors' Remuneration:		2007-2008	2006-2007
Salary		19,35	17,54
Contribution to PF		2,33	1,95
Commission		NIL	35,21
Perquisites		6,98	6,97
Leave Encashment		NIL	NIL

13. Segment Reporting:

The company is engaged in manufacturing of Ophthalmic lenses business which as per Accounting Standard 17 is considered the only reportable business segment. As part of secondary reporting, revenues are attributed to geographic areas based on the location of the customers.

(Rs in thousands)

Geographical Segments:		2007-08	2006-07
India		8,20,24	9,29,90
Outside India		16,28,48	22,49,67
Total Sales		24,48,72	31,79,57

14. Contingent liabilities:		2007-08	2006-07
Claims not acknowledged as debts:			
Income tax matters		NIL	13,11
APCPDCL-wheeling charges claim in Supreme Court		92,89	92,10

15. Related Party Disclosures:

a) Relationship

- i. **Subsidiary Company:** Techtran Ophthalmics Private Limited
- ii. **Other Related Company:** Techtran Agro Industries Limited
(Closed & defunct)

iii. Key Management Personnel Relatives

- K. V. Rao Rob K. Rao, Son
Sajan K. Rao, Son
Neena K. Rao, Daughter
- K. Krishnadev Rao K. Vijayalakshmi, Wife
K. Amruta Devi, Mother
K. Srilatha Rao, Daughter

b) The following transactions were carried out with related parties in the ordinary course of business.

(Rs in thousands)

	2007-08	2006-07
i. Subsidiary Company		
Sale of finished goods	94,40	1,33,33
Services rendered	46,28	3,45
Balances at the end of the year	468,49	3,01,46
ii. Key Management Personnel and their Relatives		
Remuneration to key management personnel	28,65	62,28
Rent (paid to relatives)	6,97	6,97

16. Additional Information pursuant to paragraphs 3 & 4 of part II of Schedule VI to the Companies Act, 1956 (as Certified by the management and accepted by the auditors)

a) Particulars of installed capacity and actual Production

		2007-08	2006-07
Licensed Capacity	Pieces	5.00 million	5.00 million
Installed Capacity (as certified by the management)	Pieces	5.00 million	5.00 million
Production	Pieces	25,01,870	38,88,917

b) Stocks and Sales of Finished Goods

		2007-08		2006-07	
		Quantity	Rs (in '000's)	Quantity	Rs(in '000's)
Sales	Pieces	27,20,981	24,48,72	39,50,479	31,79,57
Opening Stock	Pieces	6,11,253	1,21,22	6,67,558	1,38,00
Closing Stock	Pieces	3,92,142	1,47,75	6,11,253	1,21,22

c) Consumption of Raw material

	2007-08		2006-07	
	Quantity	Rs (in'000's)	Quantity	Rs (in '000's)
Monomer	80,307	6,72,03	1,03,549	7,30,94
IPP / IPKF	2,585	6,61	4,094	9,21
Other Materials	1,364	6,81	2,273	11,11
Total Raw Materials	84,256	6,85,44	1,09,916	7,51,26

d) Consumption of Raw Materials and Spare Parts *(Rs. in thousands)*

	2007-08		2006-07	
	Raw Materials	Spare Parts	Raw Materials	Spare Parts
Imported	6,85,44	1,00,11	7,51,26	2,72,11
As % of total cost	100%	47.58%	100%	68.14%
Indigenous	Nil	1,10,29	Nil	1,27,23
As % of total cost		52.42%		31.86%

e) CIF Value of Imports

(Rs. in thousands)

	2007-08	2006-07
Raw Materials	7,00,79	8,16,41
Capital Goods	20,70	35,71
Spare Parts & Consumables	78,59	1,32,43

f) Expenditure in Foreign Currency

(Rs. in thousands)

	2007-08	2006-07
Foreign Travel	6,29	7,91
Trade Fair Expenses	5,37	5,84

g) Earnings in Foreign Exchange

(Rs. in thousands)

	2007-08	2006-07
FOB Value of Exports	16,20,65	22,72,79

h) Dividend paid to non-resident shareholders (in foreign currency)

	2007-08	2006-07
No of shareholders	49	-
No of shares held	17,46,488	-
Dividend remitted (Rs)	13,09	-
Year to which it relates	2006-07	-

17. Information pursuant to clause 32 of the listing agreement with stock exchange

Loans and advances in the nature of loans to:

Wholly owned subsidiary company with no specified payment schedule

	2007-08		2006-07	
	As at the end of the year	Maximum Balance	As at the end of the year	Maximum Balance
Techtran Ophthalmics P.Ltd	4,68,49	4,68,49	3,01,46	3,01,46

18. Deferred Tax Liability / (Asset)

Deferred taxes have been provided on the following:

	2007-08	2006-07
Deferred Tax liability / (Asset)		
Opening Balance	2,93,08	(85.00)
Reversal of Deferred Tax asset due to absorption carry forward tax losses	NIL	85,00
Timing Difference on account of Depreciation	(39,32)	(47,31)
Timing Difference due to provision for retirement benefits	(58,89)	(12,29)
Deferred Tax adjustments on account of opening balances	NIL	3,52,68
Closing balance	1,94,87	2,93,08

19. Previous year figures have been regrouped / recasted wherever considered necessary to make them comparable with those of the current year.

SIGNATURES FOR SECHEDULES I TO XIII

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

For and on behalf of the Board

K. KRISHNADEV RAO
Executive Director

K.V. RAO
Chairman &
Managing Director

Place : Hyderabad

Date : 30.06.2008

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary Companies

1. Name of the Subsidiary Company : Techtran Ophthalmics Private Limited
2. The Financial Year of Subsidiary : 31st March, 2008
Company ended on
3. Holding Company's interest :
 - A. No.of shares held by Holding Co. at the end of financial year of Subsidiary company. : 90,000 Equity Shares of Rs.10/-each
 - B. Extent of interest of Holding Co. at the end of financial year of Subsidiary Co., : 100%
4. Net aggregate amount of subsidiary company's profit/(loss) after tax so far as it concerns the members of holding co.
 - A. Not dealt with in the Accounts of Techtran Polylenses Limited. :
 - (i) for the subsidiary's financial year ended 31st March, 2008 : Rs.9,18,281/-
 - (ii) for previous financial years of the subsidiary since it became a subsidiary of Techtran Polylenses Limited : Rs.1,12,110/-
 - B. Dealt with in the accounts of Techtran Polylenses Limited. :
 - (i) for the subsidiary's financial year ended 31st March, 2008. : N I L
 - (ii) for previous financial years of the subsidiary since it became subsidiary of Techtran Polylenses Limited. : N I L

For and on behalf of the board
K.KRISHNADEV RAO
Executive Director

Place : Hyderabad
Date : 30.06.2008

P.SHYAMSUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V.RAO
Chairman & Managing Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No. State Code: Balance Sheet Date

II. Capital raised during the year (Rupees in thousands)

PUBLIC ISSUE	RIGHTS ISSUE	BONUS ISSUE	PRIVATE PLACEMENT
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>

III. Position of Mobilisation and Deployment of Funds (Rupees in thousands)

Total Liabilities	Total Assets
<input type="text" value="34,40,57"/>	<input type="text" value="34,40,57"/>

IV. Sources of Funds

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
<input type="text" value="10,97,00"/>	<input type="text" value="9,38,90"/>	<input type="text" value="12,09,05"/>	<input type="text" value="1,95,62"/>

V. Application of funds :

Net Fixed Assets	Investments	Net Current Assets	Misc.exp.
<input type="text" value="14,73,52"/>	<input type="text" value="2,17,04"/>	<input type="text" value="17,50,01"/>	<input type="text" value="NIL"/>

Accumulated Losses

VI. Performance of Company (Rupees in thousands)

Turnover	Total Expen.	Profit/Loss before Tax	Profit/Loss after Tax
<input type="text" value="24,88,99"/>	<input type="text" value="22,40,40"/>	<input type="text" value="2,48,59"/>	<input type="text" value="2,08,80"/>

Earning per share in Rs. Dividend Rate %

<input type="text" value="1.90"/>	<input type="text" value="NIL"/>
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VII. Generic Name of Principal Product/company

(as per monetary terms)

Item Code No.

ITC Code

Product Description

DIRECTOR'S REPORT

Directors present the 11th Annual Report along with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

	Current year Rs.in Lakhs	Previous year Rs.in Lakhs
Profit for the period (Before tax)	18.37	5.33

The operations have resulted in a profit (before tax) of Rs.18.37 lakhs as against Rs.5.33 lakhs during the last year.

SUBSIDIARY STATUS

The Company is a fully owned subsidiary of TECHTRAN POLYLENSES LIMITED.

DIRECTORS

The Board presently consists of Mr.K.V.Rao, Mr.K.Krishnadev Rao and Mr.M.V.Raghava Rao. Mr.K.V.Rao and Mr.K.Krishnadev Rao are Managing Director & Executive Director of Techtran Polylenes Limited and Mr.M.V.Raghava Rao is an independent Director on the Board of Techtran Polylenes Ltd., and their tenure is as per the discretion of Techtran Polylenes Ltd. The Directors place on record their appreciation for the services rendered by different employees at the laboratories.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement" and confirm as under :

- (i) That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- (iii) That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the Annual Accounts are prepared on going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, EXPORT AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Statement as per Section 217(1) (c) of the Companies Act read with companies Act (disclosure of particulars in respect of Board of Directors) Rules 1988 is enclosed.

PARTICULARS OF EMPLOYEES

There are no employees under the purview of Section 217 (2A) the Companies Act, 1956 for the year.

AUDITORS

M/s.M.Anandam & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Employees, Staff and Officers of your company for their hard work, dedication and commitment.

For and on behalf of the Board

K.KRISHNADEV RAO

Director

Place : Hyderabad

Date : 30.07.2008

K.V.RAO

Director

ANNEXURE TO THE DIRECTOR'S REPORT UNDER SECTION 217 (1) (C) OF THE COMPANIES ACT, 1956 AND UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

A] CONSERVATION OF ENERGY :

Solar hot water system and recycling of effluent water has been installed to meet the hot water requirements and reduce power consumption.

B] TECHNOLOGY ABSORPTION :

Installed new automated Hard Coating Plant to improve yields. Installed modern Multi Coating system and produce premium quality product.

C] FOREIGN EXCHANGE EARNED AND USED :

The Company has earned Rs.NIL (FOB value) in Foreign Exchange and used Rs.407.83 Lakhs. This amount includes Foreign Exchange used for import of Raw Materials, Stores, Spares & for Capital Goods.

For and on behalf of the Board

K.KRISHNADEV RAO

Director

Place : Hyderabad

Date : 30.07.2008

K.V.RAO

Director

AUDITORS' REPORT

To
The Members
Techtran Ophthalmics Private Limited
HYDERABAD.

We have audited the attached Balance Sheet of **M/s.Techtran Ophthalmics Private Limited**, as at 31st March, 2008 and also the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the company has kept proper books of account as required by law, so far as appears from our examination of such books.
 - c) The Balance Sheet, and Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 *except to the extent of the deviations relating to non-provision of liability on account of retirement benefits on an actuarial basis as required by AS-15 Accounting for Retirement Benefits in the financial statements of employers, the effect of which is not ascertained.* (Refer Note No. viii of Schedule X)
 - e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors of the company are disqualified from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008, and;
- ii. In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.
- iii. In the case of the Cash Flow statement, of the cash flows for the year ended on that date

Place: Secunderabad
Date : 30.06.2008

For **M.ANANDAM & CO.,**
Chartered Accountants
M.R. VIKRAM
Partner
Membership No.21012

Re: Techtran Ophthalmics Private Limited.

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE:

1. a. As per the explanations given to us Company has not updated fixed assets registers showing full particulars, including quantitative details and situation, of fixed assets.
b. As explained to us, the management has physically verified some of the fixed assets during the year. As reported to us, there were no discrepancies found during such verification.
c. There was no substantial disposal of fixed assets during the year.
2. a. The management has conducted the physical verification of inventory at reasonable intervals during the year.
b. The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The company is maintaining proper records of inventory.
c. As per the explanations given to us, the material variations wherever noticed on physical verification of stocks have been properly dealt with in the books of accounts.
3. There are no parties that require to be listed in the register maintained under Section 301 of the Act, accordingly, clauses (iii), (v) and (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purpose of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
5. The Company has not accepted any deposits from the public.
6. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
7. The Central Government has not prescribed maintenance of cost records by the Company under Section 209(1)(d) of the Act.
8. a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Customs duty and other statutory dues applicable

- to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and Service Tax were outstanding, at the year end for a period of more than six months from the date they became payable.
- b. According to the information and explanations received from the management, the company has no disputed statutory dues.
9. The Company has no accumulated losses and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
 10. Based on our audit procedures and on the information and explanations given by the management, there are no dues to any financial institutions, banks or debenture holders.
 11. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 12. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
 13. In our opinion and according to the information given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 14. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
 15. The company has not raised any new term loans during the year.
 16. As per the information and explanations given to us, we are of the opinion that the Company has not utilised any short-term sources towards long-term investments.
 17. The Company has not raised any money by way of issue of Debentures during the year.
 18. According to the information and explanations given to us during the year the company has not raised any funds on public issue and hence disclosure on the end use of money raised by the public issue is not applicable to the company.
 19. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **M.ANANDAM & CO.,**
Chartered Accountants

M.R.VIKRAM
Partner
Membership No 21012

Place: Secunderabad
Date: 30.06.2008

BALANCE SHEET AS AT 31ST MARCH 2008

Rupees in thousands

	Schedules	As at 31.03.2008	As at 31.03.2007
SOURCES OF FUNDS:			
A] Share Capital	I	9,00	9,00
B] Reserves & Surplus	II	13,66	4,47
C] Deferred Tax Liability		12,63	5,85
D] Un Secured Loans		<u>4,68,49</u>	<u>3,01,46</u>
		5,03,78	3,20,78
APPLICATION OF FUNDS:			
A] Fixed Assets	III		
Gross Block		4,20,96	88,69
Less: Depreciation		<u>20,42</u>	<u>18,03</u>
Capital Work in Progress		1,87	44,30
B] Current Assets,			
Loans & Advances	IV		
Inventories		61,59	78,43
Sundry Debtors		69,60	66,89
Cash & Bank Balances		27,76	38,36
Loans & Advances		<u>18,21</u>	<u>1,07,36</u>
		1,77,16	2,91,04
Less: Current Liabilities & Provisions	V	<u>75,79</u>	<u>85,22</u>
Net Current Assets		1,01,37	2,05,82
		5,03,78	3,20,78
Accounting Policies & Notes on Accounts Schedules I to V and X form an Integral Part of the Balance Sheet.	X		

As per our report of even date attached.

For and on behalf of the Board

For **M. ANANDAM & CO.,**
Chartered Accountants

K. KRISHNADEV RAO
Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V. RAO
Director

Place : Hyderabad
Date : 30.06.2008

PROFIT AND LOSS ACCOUNT FOR THE ENDED 31ST MARCH 2008

Rupees in thousands

	Schedules	Year Ended 31.03.2008	Year Ended 31.03.2007
INCOME			
Sales - Export		-	14
Sales - Domestic		<u>2,47,78</u>	<u>2,24,73</u>
Other Income	VI	53,37	6,38
		3,01,15	2,31,25
EXPENDITURE			
Lens consumed		1,13,81	98,42
Lab Expenses	VII	1,05,89	85,09
Administrative & Selling Expenses	VIII	<u>53,74</u>	<u>38,10</u>
Sub Total		2,73,44	2,21,61
Profit Before Interest & Depreciation		27,71	9,64
Less: Interest & financial charges	IX	1,08	84
Profit/(Loss) Before Depreciation		26,63	8,80
Less: Depreciation		8,25	3,47
Profit/(Loss) Before Tax		18,38	5,33
Less: Provision for Taxation			
- Current Tax		2,08	63
- Deferred Tax		6,78	3,21
- Fringe Benefit Tax		33	37
Profit after Tax		9,19	1,12
Profit/(Loss) Brought forward from Previous Year		4,47	3,35
Profit/(Loss) Balance Carried to Balance Sheet		13,66	4,47
Accounting Policies & Notes on Accounts Schedules VI to I X and X form an Integral Part of the Profit and Loss Account.	X		

As per our report of even date attached.

For and on behalf of the Board

For **M. ANANDAM & CO.,**
Chartered Accountants

K. KRISHNADEV RAO
Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V. RAO
Director

Place : Hyderabad
Date : 30.06.2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008

Rupees in thousands

	Year Ended 2007-08	Year Ended 2006-07
CASH FLOW FROM OPERATING ACTIVITES		
Net Profit for the year	18,38	5,33
Adjustments for		
Depreciation	8,25	3,47
Other Finance Charges	1,08	84
Interest on FDRs	(38)	(79)
Loss on sale of fixed asset	15,67	-
	24,62	3,52
Operating Profit Before Working capital Changes	43,00	8,85
Changes in Working Capital		
(Increase)/Decrease in Trade and other receivables	(2,71)	(23,84)
(Increase)/Decrease in Loan and Advances	89,70	(95,19)
(Increase)/Decrease in Inventories	16,85	(34,69)
Increase/(Decrease) in Creditors	(11,85)	47,89
Increase/(Decrease) in Provisions and Other Liabilities		(2,22)
Interest paid on working capital		(1,08,05)
Cash generated from operations	1,34,99	(99,20)
Taxes Paid	(55)	(87)
NET CASH FROM OPERATING ACTIVITIES (A)	1,34,44	(1,00,07)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments		
Purchase/Increase in Fixed Assets and Capital work in progress	(3,12,87)	(48,17)
Sale of Fixed Asset	1,50	-
Interest on FDRs	38	79
NET CASH FROM INVESTING ACTIVITIES (B)	(3,10,99)	(47,38)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Short term borrowings	-	-
Increase/(Decrease) in Long term borrowings	-	-
Increase/(Decrease) in Unsecured Loans	1,67,03	1,77,75
Other Finance Charges	(1,08)	(84)
Interest paid on Term Loans		
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES (C)	1,65,95	1,76,91
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(10,60)	29,46
CASH AND CASH EQUIVALENTS AS AT 01-04-2007 (OPENING BALANCE)	38,36	8,90
CASH AND CASH EQUIVALENTS AS AT 31-03-2008 (CLOSING BALANCE)	27,76	38,36

As per our report of even date attached.

For and on behalf of the Board

For **M. ANANDAM & CO.,**
Chartered Accountants

K. KRISHNADEV RAO
Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V. RAO
Director

Place : Hyderabad
Date : 30.06.2008

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Rupees in thousands

	As at 31.03.2008	As at 31.03.2007
--	-----------------------------	---------------------

SCHEDULE - I

SHARE CAPITAL:

Authorised Share Capital

90,000 Equity Shares of Rs.10/- each	9,00	9,00
--------------------------------------	-------------	------

Issued, Subscribed & Paidup Capital		
-------------------------------------	--	--

90,000 Shares of Rs.10/- each fully paidup	9,00	9,00
---	-------------	------

SCHEDULE - II

Reserves and Surplus	-	-
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Profit and Loss Account	13,66	4,47
-------------------------	--------------	------

	13,66	4,47
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SCHEDULE - III

FIXED ASSETS

Particulars	Gross Block			Depreciation					Net Block	
	As at 1.4.2007	Additions during the year	Deletions	As at 31.03.2008	Upto 31.03.2007	For the year	Deletions	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Plant and Machinery	78,53	3,44,68	23,03	4,00,18	16,08	6,83	5,86	17,05	3,83,13	62,45
Furniture and Fixtures	5,73	6	-	5,79	1,21	37		1,58	4,21	4,52
Office Equipment	22	6	-	28	6	4		10	18	16
Electrical Equipments	1,57	9,51	-	11,08	-	55		55	10,53	1,57
Data Processing Equipment	2,13	74	-	2,87	59	41		1,00	1,87	1,54
Vehicles	51	25	-	76	9	5		14	62	42
	88,69	3,55,30	23,03	4,20,96	18,03	8,25	5,86	20,42	4,00,54	70,66
Previous Year	82,79	5,90	-	88,69	14,56	3,47	-	18,03	70,66	68,23
Capital Work In Progress	-	1,87	-	1,87	-	-	-	-	-	-

Rupees in thousands

	As at 31.03.2008	As at 31.03.2007
--	-----------------------------	-----------------------------

SCHEDULE -IV

CURRENT ASSETS, LOANS & ADVANCES

A] CURRENT ASSETS

Inventories (As Certified and Valued by Management)

1) Stores and Spares	2	-	
2) Tools	13,57	10,37	
3) Lenses	40,22	59,64	
Consumables	7,61	7,91	
Packing Materials	17	51	
	61,59	78,43	
4] Sundry Debtors			
Unsecured and Considered good			
Debtors more than 6 months	15,72	4,37	
Others	53,88	62,52	66,89
5] Cash on Hand		1	17
Balance with Scheduled Banks			
a] In Current Account	21,75	7,54	
b] In Deposit Account -Margin Money	6,00	30,65	
		27,75	38,19
B] LOANS AND ADVANCES			
Deposits with Govt. Departments	6	6	
Advances Recoverable in Cash or Kind	18,15	1,07,30	
	18,21	1,07,36	
	1,77,16	2,91,04	

SCHEDULE- V

CURRENT LIABILITIES & PROVISIONS

SUNDRY CREDITORS

Liability to Other than SSI Creditors

- Holding Company	50,52	69,26	
- Others	14,77	7,51	
Liability to SSI Creditors	24	-	76,77
Other Liabilities	10,26	7,86	
Provisions	-	10,26	59 8,45
	75,79	85,22	

Rupees in thousands

	Current year 31.03.2008	Previous year 31.03.2007
<u>SCHEDULE - VI</u>		
Other Income		
H M C Charges	36,80	-
Service Charges	9,51	3,54
Interest Income	38	79
Miscellaneous Income	6,68	2,05
	53,37	6,38
<u>SCHEDULE - VII</u>		
LAB EXPENSES		
Salaries,Wages and Other Allowances	56,14	38,94
Contribution to PF and ESI	1,01	62
Workers and Staff Welfare Expenses	1,10	1,36
Power and Fuel	13,23	3,85
Stores, Spares and Consumables	26,98	30,64
Packing Materials Consumption	2,28	3,07
Repairs & Maintenance:Plant & Machinery	63	79
Other Lab Expenses	4,52	5,82
	1,05,89	85,09
<u>SCHEDULE -VIII</u>		
ADMINISTRATIVE & SELLING EXPENSES		
Rates, and Taxes	9,60	11,77
Rent	8,12	8,17
Insurance	40	38
Travelling Expenses	4,30	2,86
Professional Fees	55	52
Printing and Stationary	1,45	1,17
Telephone, Telex and Fax, Postage	4,16	3,13
Vehicle Running and Maintenance	2,91	2,39
Advertisement	57	20
Auditors' Remuneration	28	28
Directors' Sitting Fees	-	7
Selling and Distribution Expenses	1,96	4,53
Exchange Fluctuation	-	3
Loss on Sale of Asset	15,67	-
Misc. Expenses	3,77	2,60
	53,74	38,10
<u>SCHEDULE IX</u>		
INTEREST AND FINANCE CHARGES		
Other Finance Charges	1,08	84
	1,08	84

**SCHEDULE-X SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES**

i. Basis of preparation:

- a. The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles. The company follows accrual system of accounting and is in accordance with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.

ii. Fixed Assets:

- a. Fixed Assets are stated at cost of acquisition less accumulated depreciation. The actual cost capitalized comprises of cost of acquisitions of the asset and other incidental expenditure incurred for acquiring the assets. The costs of fixed assets not ready for their intended use before balance sheet date are disclosed under capital work-in-progress.

iii. Depreciation:

- a. Depreciation on fixed assets is provided on straight-line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

iv. Inventories:

- a. Inventories are valued at lower of cost and net realizable value except waste/scrap, which is valued at net realizable value. Stores, spare parts, loose tools, raw materials and packing materials are valued at cost by using FIFO method.
- b. Loose Tools are charged directly to consumption.

v. Revenue Recognition:

- a. Sale of goods is recognized at the point of dispatch of finished goods to the customers. Sale is inclusive of excise duty, VAT and freight.
- b. Service charges are recognised at the time of completion of service.

vi. Use of Estimates:

- a. In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

vii. Foreign currency transactions:

- (a) Foreign Currency Liabilities incurred for the acquisition of Fixed Assets are translated at exchange rates prevailing on the last working day of the accounting year or forward cover rates, as applicable. The net variation arising out of the said translation and roll over charges, if any, are adjusted to the cost of fixed assets. Depreciation on the revised unamortised depreciable amount is provided prospectively over the residual life of the asset.

- (b) Other Foreign Currency Assets and Liabilities are similarly translated and the net loss/gain arising out of such translation (after considering roll over charges, if any) is adjusted to the Profit and Loss Account except in case of doubtful assets, revaluation is not done from the year in which the asset is identified as doubtful.

viii. Employee Benefits:

Provident Fund:

Employees get benefits from a provident fund, a defined contribution plan. The employer make contributions to the plan @12% of the employee's basic salary and the same is administered through Regional Provident Fund Commissioner.

Leave Encashment and Gratuity:

The employees of the company are entitled to leave encashment and gratuity. They are entitled to accumulate leave up to 30 days in the case of workers and 15 days in case of staff members. More than these days, they encash the leave.

The leave encashed will be debited to Profit and Loss account in the year in which they encash. For the accumulated leave and gratuity, a liability is provided at the end of the year.

ix. Taxes on income:

- a. Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

x. Provision, Contingent Liabilities and Contingent Asset :

- a. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES ON ACCOUNTS

	<i>(Rs in thousands)</i>	
	2007-08	2006-07
1. Sundry Creditors include debts due to Holding Company	50,52	69,26
2. The company has taken Unsecured Loans from the holding company	4,68,49	3,01,46
3. Loans and advances include		
Loans to employees	43	43
Advances to suppliers	4,40	97,67
4. Outstanding dues of Micro enterprises and small enterprises. Information as per Notification No GSR 719 (E) & as per "The Micro, Small and Medium Enterprises Development Act 2006(MSMED)"		

S.No.	PARTICULARS	2007-08	2006-07
1	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the each accounting year	24	NIL
2	The amount of interest paid by the buyer in terms of sec 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
3	The amount of interest due and payable for the period of delay of making payment but without adding the interest specified under the Act	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of the each accounting year	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

5. Tax Deducted at source on service charges Rs 1,15,944/-

6. Earnings Per Share	2007-08	2006-07
Profit after taxation as per P&L A/c (Rs)	9,18	5,33
Weighted Average No of equity shares o/s	90,000	90,000
Basic and diluted earning per share (Rs) (face value of Rs 10/- per share)	10.20	5.92

7. Payment to statutory auditor:

Audit Fee		
Statutory	25	25
Service Tax	3	3

8. Employee Benefits:

9. Related Party Disclosures:

a) Relationship

- i. Holding Company: Techtran Poly lenses Limited
- ii. Other Related Company: Techtran Agro Industries Limited
(Closed & defunct)
- iii. Key Management Personnel
K. V. Rao
Rob K. Rao, Son
Sajan K. Rao, Son
Neena K. Rao, Daughter
- K. Krishnadev Rao
K. Vijayalakshmi, Wife
K. Amruta Devi, Mother
K. Srilatha Rao, Daughter

b) The following transactions were carried out with related parties in the ordinary course of business.

	<i>(Rs in thousands)</i>	
	2007-08	2006-07
i. Holding Company		
Services rendered	46,28	3,45
Balances at the end of the year	50,52	69,26

10. Additional Information pursuant to paragraphs 3 & 4 of part II of Schedule VI to the Companies Act, 1956 (as Certified by the management and accepted by the auditors)

a) Particulars of installed capacity and actual Production

	2007-08	2006-07
Licensed Capacity	NOT APPLICABLE	
Installed Capacity (as certified by the management)		
Production		

b) Stocks and Sales of Finished Goods

		2007-08		2006-07	
		Quantity	Rs (in '000's)	Quantity	Rs (in '000's)
Sales	Pieces	182169	2,47,78	2,07,494	2,24,88
Opening Stock	Pieces	97,681	59,64	99,841	23,58
Closing Stock	Pieces	70,807	40,22	97,681	59,64

c) CIF Value of Imports

	2007-08	2006-07
Raw Materials	NIL	NIL
Capital Goods	3,95,04	NIL
Spare Parts & Consumables	12,79	16,10

d) Expenditure in Foreign Currency

	2007-08	2006-07
Foreign Travel	NIL	NIL
Trade Fair Expenses	NIL	NIL

e) Earnings in Foreign Exchange

	2007-08	2006-07
FOB Value of Exports	NIL	14

11. Deferred Tax Liability / (Asset)

Deferred taxes have been provided on the following:

	2007-08	2006-07
Deferred Tax liability / (Asset)		
Opening Balance	5,86	2,65
Reversal of Unabsorbed depreciation	(8,06)	1,97
Timing Difference on account of Depreciation	14,83	1,24
Closing balance	12,63	5,86

12. Previous year figures have been regrouped / recasted wherever considered necessary to make them comparable with those of the current year.

SIGNATURES FOR SCHEDULES I TO X

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants

M.R. VIKRAM

Partner

Membership No.21012

Place : Hyderabad

Date : 30.06.2008

For and on behalf of the Board

K. KRISHNADEV RAO

Director

K.V. RAO

Director

P. SHYAM SUNDER RAO

Chief Financial Officer &

Corporate Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No. State Code: Balance Sheet Date

II. Capital raised during the year (Rupees in thousands)

PUBLIC ISSUE	RIGHTS ISSUE	BONUS ISSUE	PRIVATE PLACEMENT
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>

III. Position of Mobilisation and Deployment of Funds (Rupees in thousands)

Total Liabilities	Total Assets
<input type="text" value="5,03,78"/>	<input type="text" value="5,03,78"/>

IV. Sources of Funds

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
<input type="text" value="9,00"/>	<input type="text" value="13,66"/>	<input type="text" value="NIL"/>	<input type="text" value="4,81,12"/>

V. Application of funds :

Net Fixed Assets	Investments	Net Current Assets	Misc.exp.
<input type="text" value="4,02,41"/>	<input type="text" value="NIL"/>	<input type="text" value="1,01,37"/>	<input type="text" value="NIL"/>

Accumulated Losses

VI. Performance of Company (Rupees in thousands)

Turnover	Total Expen.	Profit/Loss before Tax	Profit/Loss after Tax
<input type="text" value="3,01,15"/>	<input type="text" value="2,82,77"/>	<input type="text" value="18,38"/>	<input type="text" value="9,19"/>

Earning per share in Rs.	Dividend Rate %
<input type="text" value="10.2"/>	<input type="text" value="NIL"/>

VII. Generic Name of Principal Product/company

(as per monetary terms)

Item Code No.

ITC Code

Product Description

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Techtran Polylenes Limited
Hyderabad.

We have examined the attached Consolidated Balance Sheet of **Techtran Polylenes Limited**, and its subsidiary **Techtran Ophthalmics Private Limited** as at 31st March, 2008, the Consolidated Profit & Loss Account and the Consolidated Cash Flow statements for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, and on the basis of financial statements of the company and its subsidiary included in the consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the separate financial statements of Techtran Polylenes Limited and its subsidiary Techtran Ophthalmics Private Limited, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India except to the extent of non-provision of liability on account of retirement benefits in the subsidiary company, Techtran Ophthalmics Private Limited on an actuarial basis as required by AS-15 Accounting for Retirement Benefits in the financial statements of employers, the effect of which is not ascertained. (Refer Note 'j' of Schedule XIII).

- a. In the case of the Consolidated Balance Sheet, of the state of affairs of the company and its subsidiary as at 31st March, 2008;
- b. In the case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the company and its subsidiary for the year ended on that date; and
- c. In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiary for the year ended on that date.

Place: Secunderabad
Date : 30.06.2008

For M.ANANDAM & CO.,
Chartered Accountants

M.R. VIKRAM
Partner
M.No.21012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2008

Rupees in thousands

	Schedules	As at 31.03.2008	As at 31.03.2007
SOURCES OF FUNDS:			
A] Share Capital	I	10,97,00	10,97,00
B] Reserves and Surplus	II	9,52,56	9,40,81
C] Secured Loans	III	12,09,05	15,33,57
D] Unsecured Loans		75	3,75
E] Deferred Tax Liability		2,07,50	2,98,93
		<u>34,66,86</u>	<u>38,74,06</u>

APPLICATION OF FUNDS:

A] Fixed Assets	IV		
Gross Block		45,34,46	37,94,76
Less: Depreciation		26,60,40	24,56,97
Capital Work in Progress		1,87	1,62,11
B] Investments	V	2,08,04	2,08,04
C] Current Assets, Loans & Advances VI			
Inventories		6,21,53	6,20,88
Sundry Debtors		7,22,11	12,34,96
Cash & Bank Balances		1,68,45	3,25,79
Loans & Advances		3,20,93	4,55,20
		<u>18,33,02</u>	<u>26,36,83</u>
Less: Current Liabilities & Provisions VII		4,50,13	4,70,71
		<u>13,82,89</u>	<u>21,66,12</u>
		<u>34,66,86</u>	<u>38,74,06</u>

Accounting Policies &
Notes on Accounts
Schedules I to VII and XIII
form an Integral Part of the
Balance Sheet

As per our report of even date attached.

For and on behalf of the Board

For **M. ANANDAM & CO.**,
Chartered Accountants

K. KRISHNADEV RAO
Executive Director

M.R. VIKRAM
Partner
Membership No.21012
Place : Hyderabad
Date : 30.06.2008

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V. RAO
Chairman &
Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

Rupees in thousands

	Schedules	Year Ended 31.03.2008	Year Ended 31.03.2007
1 INCOME			
Sales - Export		16,28,48	22,49,82
Sales - Domestic		10,68,02	10,26,80
		<u>26,96,50</u>	<u>32,76,62</u>
Less: Excise Duty		21,55	26,81
Net Sales		26,74,95	32,49,81
Other Income	VIII	81,62	46,61
Increase/(Decrease) in stock	X	33,57	(17,54)
		<u>27,90,14</u>	<u>32,78,88</u>
2 EXPENDITURE			
Raw Material Consumed		7,99,25	7,21,85
Manufacturing Expenses	X	10,36,45	11,62,82
Administrative & Selling Expenses	XI	3,44,29	3,60,17
Sub Total		<u>21,79,99</u>	<u>22,44,84</u>
Profit before Interest & Depreciation		6,10,15	10,34,04
Less: Interest & Financial Charges	XII	1,32,42	2,68,65
Profit/(Loss) before Depreciation		4,77,73	7,65,39
Less: Depreciation		2,10,76	1,99,58
Profit before Tax		2,66,97	5,65,81
Provision for Taxation			
- Current Tax		1,16,88	93,14
- Earlier Year Tax		20,54	4
- Deferred Tax		(91,43)	28,61
- Fringe Benefit Tax		2,99	2,91
Profit after Tax		2,17,99	4,41,11
Balance brought forward		5,40,81	6,48,63
Extraordinary items		2,06,24	3,52,67
Profit available for appropriation		5,52,56	7,37,07
Provision for Dividend		-	82,28
Provision for Dividend Tax		-	13,98
General Reserve		50,00	1,00,00
Balance Carried to Balance Sheet		5,02,56	5,40,81
EPS - Basic & Diluted (on Rs.10 per Share)		1.99	4.02
(Refer Note 4 of Schedule XIII)			
Accounting Policies & Notes on Accounts	XIII		
Schedules VIII to XII and XIII form an Integral Part of the Profit and Loss Account.			

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants

M.R. VIKRAM
Partner
Membership No.21012

Place : Hyderabad
Date : 30.06.2008

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

For and on behalf of the Board

K. KRISHNADEV RAO
Executive Director

K.V. RAO
Chairman &
Managing Director

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Rupees in thousands

	Year Ended 2007-2008	Year Ended 2006-2007
CASH FLOW FROM OPERATING ACTIVITES		
Profit before taxation	2,66,97	5,65,77
Adjustments for		
Depreciation	2,10,75	1,99,58
VRS expenses paid	(1,72,67)	-
Excess Depreciation claimed written back	-	(15)
(Profit)/Loss on Sale of Asset	21,45	71
Interest Expense	1,16,60	1,42,18
Other Finance Charges	15,82	1,27,31
Interest on FDRs	(7,59)	(8,27)
Prior period Expenditure/(Income)	-	4,61,36
Operating Profit Before Working capital Changes	4,51,33	10,27,13
Changes in Working Capital		
(Increase)/Decrease in Trade and other receivables	5,12,85	(66,19)
(Increase)/Decrease in Loan and Advances	2,50,32	(1,47,38)
(Increase)/Decrease in Inventories	(63)	53,89
Increase/(Decrease) in Creditors	39,16	(17,84)
Increase/(Decrease) in Provisions and Other Liabilities	(2,33,73)	36,05
Interest paid on working capital	(20,38)	(17,57)
Cash generated from operations	9,98,92	8,68,09
Taxes Paid	(1,16,04)	(73,87)
NET CASH FROM OPERATING ACTIVITIES (A)	8,82,88	7,94,22
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	-	-
Purchase/Increase in Fixed Assets and Capital work in progress	(6,12,30)	(2,68,61)
Sale of Fixed Asset	4,06	32
Interest on FDRs	7,59	8,27
NET CASH FROM INVESTING ACTIVITIES (B)	(6,00,65)	(2,60,01)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Short term borrowings	-	2,74,14
Increase/(Decrease) in Long term borrowings	(3,24,52)	(4,37,88)
Increase/(Decrease) in Unsecured Loans	(3,00)	(3,00)
Other Finance Charges	(15,83)	(1,27,31)
Interest paid on Term Loans	(96,22)	(1,24,61)
NET CASH FROM FINANCING ACTIVITIES (C)	(4,39,57)	(4,18,67)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(1,57,34)	1,15,54
CASH AND CASH EQUIVALENTS AS AT 01-04-2007	3,25,79	2,10,25
CASH AND CASH EQUIVALENTS AS AT 31-03-2008	1,68,45	3,25,79

As per our report of even date attached.

For and on behalf of the Board

For **M. ANANDAM & CO.**,
Chartered Accountants

K. KRISHNADEV RAO
Executive Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V. RAO
Chairman &
Managing Director

Place : Hyderabad
Date : 30.06.2008

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in thousands

	As at 31.03.2008	As at 31.03.2007
--	-----------------------------	-----------------------------

SCHEDULE - I

SHARE CAPITAL:

Authorised Share Capital 1,40,00,000 Equity Shares of Rs.10/- each	14,00,00	14,00,00
Issued, Subscribed & Paidup Capital 1,09,70,000 Shares of Rs.10 each fully paidup	10,97,00	10,97,00

SCHEDULE - II

RESERVES AND SURPLUS

General Reserves		
Opening Balance	4,00,00	3,00,00
Additions	50,00	1,00,00
Closing Balance	4,50,00	4,00,00
Profit & Loss Account	5,02,56	5,40,81
	9,52,56	9,40,81

SCHEDULE - III

SECURED LOANS

Term Loans				
Zero Coupon Bonds	1,26,50		1,72,50	
Others	6,51,98	7,78,48	8,89,93	10,62,43
Working Capital Loan		4,30,57		4,71,14
		12,09,05		15,33,57

SCHEDULE - IV

FIXED ASSETS

Particulars	Gross Block			Depreciation					Net Block	
	As at 1.4.2007	Additions during the year	Deletions	As at 31.03.2008	Upto 31.03.2007	For the year	Deletions	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Land	63,99	-	-	63,99	-	-	-	-	63,99	63,99
Buildings	2,75,23	2,74,57	-	5,49,80	1,25,07	11,44	-	1,36,51	4,13,29	1,50,16
Plant & Machinery	32,85,74	4,16,13	23,03	36,78,84	22,19,35	1,86,09	5,86	23,99,58	12,79,26	10,66,39
Furniture & Fixtures	61,02	96	-	61,98	41,81	3,90	-	45,71	16,27	19,21
Office Equipment	36,29	6	-	36,35	36,13	4	-	36,17	18	16
Transformer & Electrical Equip	1,57	68,92	7,71	62,78	-	2,78	48	2,30	60,48	1,57
Data Processing Equipment	22,19	3,33	-	25,32	19,65	1,43	-	21,07	4,26	2,35
Vehicles	48,92	8,57	2,10	55,39	14,96	5,08	98	19,06	36,33	33,96
	37,94,75	7,72,54	32,84	45,34,45	24,56,97	2,10,76	7,32	26,60,40	18,74,06	13,37,79
Previous Year Capital work In Progress	36,91,12	1,08,52	4,88	37,94,76	22,61,39	1,99,58	4,00	24,56,97	13,37,89	14,29,73
	1,17,81	1,87	1,17,81	1,87	-	-	-	-	-	1,17,81

	<i>Rupees in thousands</i>			
	As at		As at	
	31.03.2008		31.03.2007	
SCHEDULE-V				
INVESTMENTS (UNQUOTED-NON TRADE)				
AT COST				
134000 Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd - At Cost	2,08,04		2,08,04	
	<u>2,08,04</u>		<u>2,08,04</u>	
SCHEDULE -VI				
CURRENT ASSETS, LOANS & ADVANCES				
A] CURRENT ASSETS				
Inventories (As certified and Valued by Management)				
1] Stores & Spares	85,16		75,01	
2] Moulds and other Tools	1,88,72		1,93,44	
3] Stock in Trade				
Raw Material	1,46,83		1,78,19	
Consumables	35,41		42,40	
Finished Goods	1,47,75		1,21,22	
Stock in Process	17,66	3,47,65	10,62	3,52,43
	<u>6,21,53</u>		<u>6,20,88</u>	
4] Sundry Debtors				
Considered Good				
More than Six Months	1,37,28		1,82,45	
Less than Six Months				
Others	5,84,83	7,22,11	10,52,51	12,34,96
5] Cash on Hand	82		2,87	
Balance with Scheduled Banks				
a] In Current Account	1,47,13		1,28,12	
b] In Deposit Account	20,50		1,94,80	
	<u>1,67,63</u>		<u>3,22,92</u>	
B] LOANS AND ADVANCES				
Deposits with Govt. Departments	11		11	
Advances Recoverable in Cash or Kind	3,20,82	3,20,93	4,55,09	4,55,20
	<u>18,33,02</u>		<u>26,36,83</u>	
SCHEDULE- VII				
CURRENT LIABILITIES & PROVISIONS				
SUNDRY CREDITORS				
Liability to other than SSI Creditors	96,11		56,54	
Liability to SSI Creditors	1,22	97,33	1,64	58,18
Other Liabilities	1,67,44		1,38,63	
Provisions	1,85,36	3,52,80	2,73,90	4,12,53
	<u>4,50,13</u>		<u>4,70,71</u>	

Rupees in thousands

	Current year 31.03.2008	Previous year 31.03.2007
<u>SCHEDULE - VIII</u>		
OTHER INCOME		
Interest Received	7,59	8,27
Misc. Income	27,72	9,58
Exchange Fluctuation	-	28,76
Hard Multi Coating Charges	36,80	-
Service Charges	9,51	-
	<u>81,62</u>	<u>46,61</u>

SCHEDULE - IX

INCREASE / (DECREASE) IN STOCKS

Opening Stock		
a] Work in Progress	10,62	11,38
b] Finished Goods	1,21,22	1,38,00
	<u>1,31,84</u>	<u>1,49,38</u>
Closing Stock		
a] Work in Progress	17,66	10,62
b] Finished Goods	1,47,75	1,21,22
	<u>1,65,41</u>	<u>1,31,84</u>
Increase/(Decrease) In Stocks	33,57	(17,54)

SCHEDULE - X

MANUFACTURING EXPENSES

Salaries and Wages and Other Allowances	4,16,53	4,19,19
Contribution to PF and ESI	37,84	33,36
Workers and Staff Welfare Expenses	30,13	24,00
Power & Fuel	1,50,78	1,10,48
Stores, Spares and Consumables	2,37,37	4,29,98
Packing Material Consumption	66,03	80,45
Repairs & Maintenance: Plant & Machinery	3,25	11,62
Other Manufacturing Expenses	94,52	53,74
	<u>10,36,45</u>	<u>11,62,82</u>

Rupees in thousands

	Current year 31.03.2008	Previous year 31.03.2007
<u>SCHEDULE - XI</u>		
ADMINISTRATIVE & SELLING EXPENSES		
Rates and Taxes	46,98	55,63
Rent	11,81	13,09
Insurance	5,92	14,24
Travelling Expenses	25,12	25,96
Professional Fees	3,56	8,55
Printing and Stationary	8,58	9,45
Telephone, Telex, Fax and Postage	12,67	11,55
Vehicle Running and Maintenance	39,29	37,67
Advertisement	5,45	6,97
Office Maintenance	5,60	4,45
Auditors' Remuneration	3,76	3,76
Directors' Sitting Fees	2,60	85
Directors' Remuneration	28,65	62,28
Selling and Distribution Expenses	61,24	90,52
Exchange Fluctuation	35,62	3
Loss on Sale of Assets	21,45	71
Misc. Expenses	25,99	14,46
	3,44,29	3,60,17

SCHEDULE XII

INTEREST AND FINANCE CHARGES

Interest on Term Loans	96,22	1,24,61
Interest on Working Capital	20,38	17,57
Other Financial Charges	15,82	1,26,47
	1,32,42	2,68,65

SCHEDULE-XIII**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON CONSOLIDATED ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES****a. Principles of consolidation:**

The consolidated financial statements relate to Techtran Polylenes Limited (the company) and its 100% subsidiary company Techtran Ophthalmics Private Limited.

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 book value of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses as per Accounting Standard 21–Consolidated Financial Statements issued by the Institute Of Chartered Accountants of India.

The consolidated financial statements have been presented to the extent possible, in the same format as adopted by the parent company for its separate financial statements. The consolidated financial statements have been prepared using uniform accounting principles for like transaction and other events in similar circumstances.

b. Basis of preparation:

The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles. The company follows accrual system of accounting and is in accordance with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.

c. Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The actual cost capitalized comprises of cost of acquisitions of the asset and other incidental expenditure incurred for acquiring the assets. The costs of fixed assets not ready for their intended use before balance sheet date are disclosed under capital work-in-progress.

d. Depreciation:

Depreciation on fixed assets is provided on straight-line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

e. Investments:

Investments of long-term nature are carried at cost less provision for permanent diminution in value of such investments, if any.

f. Inventories:

Inventories are valued at lower of cost and net realizable value except waste/ scrap, which is valued at net realizable value. The basis of determining cost for various categories of inventories are as follows :

Stores, spare parts, loose tools, raw materials and packing materials are valued at cost by using FIFO method.

Work in Progress is valued at material cost plus appropriate share of production overheads.

Moulds are treated as current asset and these are valued at cost of blanks.

g. Revenue Recognition:

Sale of goods is recognized at the point of dispatch of finished goods to the customers. Sale is inclusive of excise duty, VAT and freight.

Service charges are recognised at the time of completion of service.

h. Use of Estimates:

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

i. Foreign currency transactions:

Foreign Currency Liabilities incurred for the acquisition of Fixed Assets are translated at exchange rates prevailing on the last working day of the accounting year or forward cover rates, as applicable. The net variation arising out of the said translation and roll over charges, if any, are adjusted to the cost of fixed assets. Depreciation on the revised unamortised depreciable amount is provided prospectively over the residual life of the asset.

Other Foreign Currency Assets and Liabilities are similarly translated and the net loss/gain arising out of such translation (after considering roll over charges, if any) is adjusted to the Profit and Loss Account except in case of doubtful assets, revaluation is not done from the year in which the asset is identified as doubtful.

j. Employee Benefits:

Provident Fund: Employees get benefits from a provident fund, a defined contribution plan. The employer make monthly contributions to the plan @12% of the employee's basic salary and the same is administered through Regional Provident Fund Commissioner.

Leave Encashment: The employees of the company are entitled to leave encashment. They are entitled to accumulate leave up to 30 days in the case of workers and 15 days in case of staff members. More than these days, they encash the leave.

The leave encashed will be debited to Profit and Loss account in the year in which they encash. For the accumulated leave, a liability is provided at the end of the year.

Gratuity: The company provides for gratuity, a defined benefit plan covering certain employees. In the case of the holding company, the gratuity plan provides an amount at retirement or termination of employment based on the respective employees last drawn salary and the years of the employment with the company. Liability with regard to the gratuity plan is accrued based on actuarial valuation at the balance sheet date, carries out by an independent actuary. Actuarial gain or loss is recognized immediately in the statement of Profit & Loss Account as income or expense. The company has an employee's gratuity fund managed by the Life Insurance Corporation of India (LIC).

k. Taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

l. Earnings per Share :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split, if any. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Provision, Contingent Liabilities and Contingent Asset :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES ON ACCOUNTS

- The term loans from financial institutions are secured by a first charge on a pari passu basis on all the company's immovable and movables including movable machinery, machinery spares, tools, accessories present and future, except the company's stock of raw materials, semi finished and finished goods, consumables stores, book debts and such other movables on which the banks/ institutions who have sanctioned working capital limits have a first charge. Working capital limits are secured by personal guarantees of two of the directors of the company.

(Rs in thousands)

- Loans due for repayment within one year **2,84,71** 2,87,21
- Interest income include interest on Income Tax Refund Rs.4,83
- Unclaimed dividend of Rs.7,29 is included in other liabilities under Current Liabilities and Provisions.

- The company has introduced Voluntary Retirement Scheme during the year and was availed by 96 employees . For all these employees full amount was paid as per VRS Offer

6. Earnings Per Share	2007-08	2006-07
Profit after taxation as per P&L A/c (Rs)	2,17,99	4,39,99
Weighted Average No of equity shares o/s	1,09,70,000	1,09,70,000
Basic and diluted earnings per share (Rs) (face value of Rs 10/- per share)	1.99	4.01

- 7. Employee Benefits:** (in the case of holding company)

8. Directors' Remuneration in the holding company:

	2007-2008	2006-2007
Salary	19,35	17,54
Contribution to PF	2,33	1,95
Commission	nil	35,21
Perquisites	6,98	6,97
Leave Encashment	nil	nil

9. Segment Reporting: The company is engaged in manufacturing of Ophthalmic lenses business which as per Accounting Standard 17 is considered the only reportable business segment. As part of secondary reporting, revenues are attributed to geographic areas based on the location of the customers.

Geographical Segments:	2007-08	2006-07
India	8,20,24	9,29,90
Outside India	16,28,48	22,49,67
Total Sales	24,48,72	31,79,57

10. Contingent liabilities:

	2007-08	2006-07
Claims not acknowledged as debts:		
Income tax matters	nil	13,11
APCPDCL-wheeling charges claim in Supreme Court	92,89	92,10

11. Related Party Disclosures:

a) Relationship

i. Subsidiary Company:	Techtran Ophthalmics Private Limited
ii. Other Related Company:	Techtran Agro Industries Limited (Closed & defunct)
iii. Key Management Personnel	Relatives
K. V. Rao	Rob K. Rao, Son Sajan K. Rao, Son Neena K. Rao, Daughter
K. Krishnadev Rao	K. Vijayalakshmi, Wife K. Amruta Devi, Mother K. Srilatha Rao, Daughter

b) The following transactions were carried out with related parties in the ordinary course of business.

	2007-08	2006-07
i. Subsidiary Company		
Sale of finished goods	97,62	1,33,33
Services rendered	46,28	3,45
Balances at the end of the year	468,49	3,01,46

ii. Key Management Personnel and their Relatives

Remuneration to key management personnel	28,65	62,28
Rent (paid to relatives)	6,98	6,98

12. Deferred Tax Liability / (Asset)

Deferred taxes have been provided on the following:

	2007-08	2006-07
Deferred Tax liability / (Asset)		
Opening Balance	2,98,93	(82,35)
Reversal of Deferred Tax asset due to absorption of carry forward tax losses	(8,06)	86,99
Timing Difference on account of Depreciation	(24,49)	(46,07)
Timing Difference due to provision for retirement benefits	(58,89)	(12,29)
Deferred Tax adjustments on account of opening balances	NIL	3,52,68
Closing balance	2,07,50	2,98,93

13. Previous year figures have been regrouped / recasted wherever considered necessary to make them comparable with those of the current year.

SIGNATURES FOR SECHEDULES I TO XIII

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants

M.R. VIKRAM
Partner
Membership No.21012

Place : Hyderabad
Date : 30.06.2008

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

For and on behalf of the Board

K. KRISHNADEV RAO
Executive Director

K.V. RAO
Chairman &
Managing Director



An ISO 9001 : 2000 Certified Company.

State of Art Manufacturing Facility since 1993.

Foremost manufacturers of plastic ophthalmic lenses.

Superior in quality, hardness, tintability and AR coating compatibility.

Comprehensive range of lenses.

Latest generation photo-chromatic lenses.

Winner of Best Exporter Award Year after Year since 1995.





TECHTRAN POLYLENSES LTD
REGD.OFFICE : S-7, TIE, IDA BALANAGAR
BEHIND ANDHRA BANK, BALANAGAR BRANCH
HYDERABAD – 500 037 (A.P) INDIA

PROXY FORM

Regd. Folio No.: _____

No.of shares Held: _____

I/We _____
of _____

in the District of _____

being a member / members of the above named company hereby appoint _____

of _____

in the District of _____

as my / our Proxy to vote for me / us on my / our behalf at the 21st Annual General Meeting of the Company to be held on Friday the 26th September, 2008 at 10.00 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2008.

Affix
Revenue
Stamp
Rs. 1.00

Note:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
2. A Proxy need not be a member
3. This Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) Hours before the time fixed for holding the meeting.



TECHTRAN POLYLENSES LTD
REGD.OFFICE : S-7, TIE, IDA BALANAGAR
BEHIND ANDHRA BANK, BALANAGAR BRANCH
HYDERABAD – 500 037 (A.P) INDIA

ATTENDANCE SLIP

(Please present this slip at the entrance of Meeting Venue)

Regd. Folio No.: _____

No.of shares Held: _____

I hereby record my presence at the 21stAnnual General Meeting of Techtran Polylenes Limited held at 10.00 A.M on Friday the 26th September, 2008 at the SRI SAGI RAMAKRISHNAM RAJU COMMUNITY HALL, MADHURA NAGAR, Hyderabad.

Name of the Shareholder:

Name of the Proxy:

Signature of Member / Proxy

NOTE: To be signed and handed over at the Meeting Venue

PRINTED MATTER - BOOK POST



New Corporate Office Building

If undeli ered, please return to



TECHTRAN POLYLENSES LIMITED

(An ISO 9001:2000 Certified Company)

INDIA'S NO. 1 MANUFACTURERS OF PLASTIC OPHTHALMIC LENSES

Plot No. S-7, T.I.E, Balanagar I.D.A. (Behind Andhra Bank, Balanagar Branch)
Hyderabad - 500 037. Tel 23070200 / 01 / 02 /03

E-mail hyd1 techtran sancharnet.in, techtranhyd snl.net
Website www.techtranindia.com