

CONTENTS

	Page No.
Notice	2
CEO Certification	5
Directors' Report	6
Auditors' Report	21
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Schedules to Accounts	29
Accounts of Subsidiary Company	41
Consolidated Financial Statements	55

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Company will be held on 27.09.2007 at 10.00 AM at SRI SAGI RAMAKRISHNAM RAJU COMMUNITY HALL, MADHURANAGAR, 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, 2007 together with the Reports of the Auditors and Directors thereon.
2. To declare a Dividend on Equity Shares for the Financial Year 2006-07.
3. To appoint a Director in place of Mr. C.K.Rao, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr.V.Venkateswarlu, who retires by rotation and being eligible offers himself for reappointment.
5. 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

6. 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 CIL Securities Limited, the Company’s Registrars and Share transfer Agents.”

Place: Hyderabad
Date : 31.07 2007

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 #400, Sagar Co-op Housing Society, Avenue VIII, Road No.2, Banjara Hills, Hyderabad – 500 034 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 22nd September,07 to 27th September,2007 (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. C.K.Rao and Mr. V. Venkateswarlu as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

ITEM NO.3: Mr.C.K.Rao is a Graduate Textile Engineer with several years of professional experience and also an Industrialist with several years experience in successfully managing large industries. He was the Managing Director of M/s.Priyadarshini Spinning Mills Ltd., and is a Director of M/s.Natwest Investments Ltd. He is a member of several professional and industrial bodies and Past President of Jubilee Hills Club, Hyderabad.

ITEM NO.4: Mr. V. Venkateswarlu is a retired Executive Director of Industrial Development Bank of India, and held several senior positions in Industrial Development Bank of India in his long and illustrious career. He did his M.A, M.Sc and also a Diploma in Business Administration from Stanford University, USA. He worked as a Research Assistant, Research Staff / Faculty, and Economist prior to joining IDBI in 1977. He was with IDBI as Manager / Deputy General Manager/ General Manager / Chief General Manager and Executive Director and retired from IDBI in 2003. He had national and international exposure and his key areas of experience include appraisal of industry and infrastructure projects, diagnosing and rectification of industrial sickness, credit risk management, promotion and development of exports, strategic planning etc. He has been an active member of the Board since January, 2006. He holds Nil shares in the company.

Mr. V. Venkateswarlu, was a Director of your company for some time in 1991, as a nominee of Industrial Development Bank of India and he is at present also a Director of Triveni Engineering & Industries Ltd.

ITEM NO.6: 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 6 of the Notice for approval of the members.

Place: Hyderabad
Date : 31.07 2007

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

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

We, 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 : 31.07.2007

P.SHYAMSUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V.RAO
Chairman & 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, 2007.

1.0 FINANCIAL RESULTS

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

	<u>Current Year</u>	<u>Previous Year</u>	<i>Rs.in Millions</i>	
			% change	
Sales				
Export Sales	224.97	192.77		
Domestic Sales	92.99	100.86		
	317.96	293.63	8.29	
Other Income	3.95	2.89		
Profit before Interest and Depreciation	102.44	85.88	19.28	
Less : A] Interest & Financial charges	26.78	18.42		
B] Depreciation & other	19.61	19.34		
Write-Offs	46.39	37.76		
Net Profit / (Loss) for the year	56.05	48.12	16.47	
Provision for Taxes :	12.05	-		
Profit after Tax	44.00	48.37		
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 from time to time.

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 happy to recommend a maiden dividend of 7.5% for the year 2006-2007 in spite of the capital expenditure planned; the company is in the process of constructing its own corporate office at Balanagar, Hyderabad and adding a Hard Coating and Multi Coating lines and an upgraded, modern central surfacing lab at its subsidiary, to expand the Domestic and Export Rx markets.

5.1 Annual General meeting

Register of Members and Share Transfer books will remain closed from 22nd September, 2007 to 27th September, 2007 both days inclusive. The Annual General Meeting of the Company has been scheduled for 27th September, 2007.

5.2 Transfer to Reserve

We propose to transfer Rs.10.00 million to the general reserve. An amount of Rs.53.63 million is proposed to be retained in the Profit and Loss account.

6.0 DIRECTORS

Mr.C.K.Rao and Mr.V.Venkateswarlu 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.

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 presently listed on Stock Exchanges at Hyderabad and Mumbai, and your company is regular in payment of Listing Fees. The company is in the process of de-listing of its shares from Hyderabad Stock Exchange.

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.

Place : Hyderabad

Date : 31.07.2007

for and on behalf of the Board

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 3.89 million lenses during the year and sold 3.95 million lenses as compared to a production of 4.06 million lenses and sales of 4.41 million lenses in 2005-2006. The Export Turnover has gone up by Rs. 32.20 million and Domestic Sales have gone down by Rs. 7.7 million over the last year. The net sales have gone up by about 8.29% over the previous year.

The net profitability of the company has improved reasonably in view of higher sales of value added products as compared to the previous year. Due to favourable product-mix, the net profit had gone up by 16.47% indicating a higher unit realization. The prices of single vision lenses, which constitute majority of sales volume, continue to erode due to over supply situation in the world markets and more specifically from dumping by China and South East Asia. Several value added, Niche Products introduced by the company in the past few years are helping to maintain the present performance.

In line with IDBI's financial restructuring, your company has taken up with IFCI also to reduce the Interest rate from the steep 15% to a reasonable, market rate. The company has cleared the Zero Interest Bond liability of Rs. 139.85 lakhs, of IFCI and also settled the Zero Interest Bond conversion litigation with IFCI.

Your company's entitlement of 0.5 MW captive power from Andhra Pradesh Gas Power Corporation Limited has resulted in power savings of approximately Rs.41.79 lakhs.

While the manufacturing costs and wages are escalating year after year, your management is trying to re-engineer certain manufacturing processes in order to reduce costs. We are 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, High-Index, '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. During the year your company has also introduced the new Sunsensor plus products in the market.

LENSES MARKETS

DOMESTIC

The domestic market sales have not increased during the year mainly because of China dumping lenses at cheaper rates. During current year sales are expected to 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 has set-up five 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 up by Rs. 32.20 million during the year recording a 8.29% growth. Your company is trying to improve the markets through introduction of new products to existing customers and picking up some new customers. Efforts are underway to expand the market into 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 will be commissioned this year at the new facility.

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 Sun sensors 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.

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 100 Million lenses 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 1.22 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.

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 from time to time, 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 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.

Place : Hyderabad

Date : 31.07.2007

for and on behalf of the Board

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.

(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 monomer casting.
- ◆ Introduce broader range of Sunsesnors products.
- ◆ Develop special bi-focal moulds.
- ◆ Expand Hard Coating plant capacity.
- ◆ Study and design in house balancing systems to increase plant capacity.

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.

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 Initiator Backward Integration have been successful. Re-building and upgrading of the imported equipment is being done.

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 71% of net turnover and the remaining in Domestic Markets. Small quantities are sold in our own brand 'VARTEK' (Progressives). 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.227.28 Millions (FOB Value) in Foreign Exchange and used Rs.99.83 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 : 31.07.2007

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, 2007

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, 2007 or for the year 2006-2007, as applicable, is tabulated hereunder:

Name of Director	No.of Board Meetings Attended ^[a]	Attendance at Previous AGM on 21.06.2006	No.of outside Directorships held ^[b]	No.of Membership/ Chairmanship in other Board Committees ^[c]	Executive / Non Executive / Independent
Mr.M.S.Ram	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	3	Present	1	1	Executive
Mr.K.V.Rao	4	Present	1	1	Executive

a] Attendance at the Board Meetings relevant to the period when 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.C.K.Rao is a Graduate Textile Engineer with several years of professional experience and also an Industrialist with several years experience in successfully managing large industries. He was the Managing Director of M/s.Priyadarshini Spinning Mills Ltd., and is a Director of M/s.Natwest Investments Ltd. He is a member of several professional and industrial bodies and Past President of Jubilee Hills Club, Hyderabad.

Mr. V. Venkateswarlu is a retired Executive Director of Industrial Development Bank of India, and held several senior positions in Industrial Development Bank of India in his long and illustrious career. He did his M.A, M.Sc and also a Diploma in Business Administration from Stanford University, USA. He worked as a Research Assistant, Research Staff / Faculty, and Economist prior to joining IDBI in 1977. He was with IDBI as Manager / Deputy General Manager / General Manager / Chief General Manager and Executive Director and retired from IDBI in 2003. He had national and international exposure and his key areas of experience include appraisal of industry and infrastructure projects, diagnosing and rectification of industrial sickness, credit risk management, promotion and development of exports, strategic planning etc. He has been an active member of the Board since January, 2006. He holds Nil shares in the company.

Mr. V. Venkateswarlu, was a Director of your company for some time in 1991, as a nominee of Industrial Development of Bank of India and he is also a Director of Triveni Engineering & Industries Ltd.

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 2006-2007

During the year 2006-2007, 4 [Four] Board Meetings were held on 21.06.06, 22.07.06, 28.10.2006 and 29.01.2007.

BOARD COMMITTEES**Audit Committee**

The qualified and independent Audit Committee comprises of Mr. M. S. Ram, Chairman, Mr. M. V. Raghava Rao and Mr.G.S.Srinivasan 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 2006-2007. Mr.M.V.Raghava Rao and Mr.G.S.Srinivasan 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.J. V. Seshi Kumar, Company Secretary, is the Compliance Officer.

During the year 2006-2007, no complaints were received from shareholders and investors.

All valid requests for share transfer received during 2006-2007 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.M.S.Ram, 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 2006-2007

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	32,000	—	Nil	32,000
Shri C K Rao	Nil	—	Nil	Nil
Dr.Pradeep Swarup	2,000	—	Nil	2,000
Mr.G.S.Srinivasan	28,000	—	Nil	28,000
Mr. V. Venkateswarlu	16,000	—	Nil	16,000
Shri K Krishnadev Rao Executive Director	Nil	13,15,294	17,98,482	31,13,776
Shri K V Rao Managing Director	Nil	13,91,100	17,22,676	31,13,776

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
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
2003-2004	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	25 th Aug, 2004	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 2006-2007 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 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 2004 to August 2007. Manpower of the Company as on 31.03.2007 was 398.

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date and time : 27th September, 2007 at 10.00 A.M

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



Financial Calendar : 2007- 2008 (tentative)

Results for the quarter ending : June 30, 2007 - July, 2007
 Results for the quarter ending : September 30, 2007 - October, 2007
 Results for the quarter ending : December 31 , 2007 - January, 2008
 Results for the year ending : March 31, 2008 - June, 2008

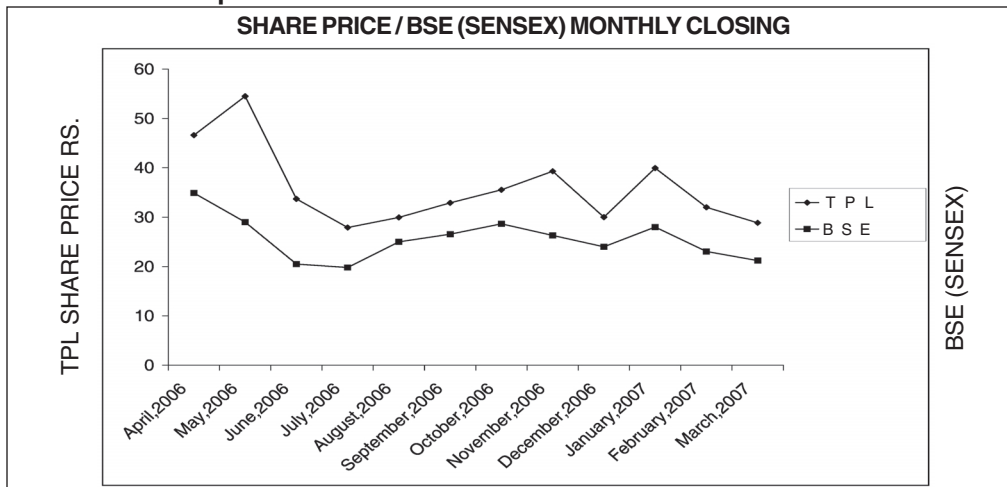
Date of Book Closure : 22nd September, 2007 to 27th September, 2007, both days inclusive.
 The company has not issued any ADRs/GDRs, Warrants or any convertible instruments.

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,2006	46.60	34.90	October,2006	35.55	28.65
May,2006	54.50	29.00	November,2006	39.30	26.30
June,2006	33.70	20.50	December,2006	30.00	24.00
July,2006	27.90	19.80	January,2007	39.95	28.00
August,2006	29.95	25.00	February,2007	32.00	23.05
September,2006	32.00	26.55	March,2007	28.85	21.20

Performance in comparison to BSE SENSEX:



Registrar and Transfer Agents, Share transfer system

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, 2007

Category	Number of Shares	Percent of total Shares
Promoters and Associates	38,18,193	34.81%
Foreign Institutional Investors	—	—
Public Financial Institutions	—	—
Mutual Funds	17,500	0.16%
Nationalised banks and other banks	1,03,400	0.94%
NRI's and OCB's	1,51,800	1.38%
Others [includes holding of Corporate Bodies]	68,79,107	62.71%
Total	1,09,70,000	100.00%

Distribution of shareholding as on 31st March, 2007

No.of Shares	Number of shareholders	Number of Shares	Percent of total Shares
1 to 250	12,410	13,91,673	12.69%
251 to 500	1,622	6,66,853	6.08%
501 to 1000	708	6,21,192	5.66%
1001 to 2000	367	5,76,256	5.25%
2001 to 3000	100	2,61,552	2.38%
3001 to 4000	43	1,51,314	1.38%
4001 to 5000	48	2,28,711	2.08%
5001 to 10000	89	6,65,489	6.07%
10001 and above	116	64,06,960	58.41%
Total	15,503	1,09,70,000	100.00%

Dematerialisation of shares and liquidity : 8028319 Equity shares of the Company have been dematerialized as on 31st March, 2007.

Plant Locations: The Company's plant is located at Bonthapally Village, Zinnaram Mandal, Medak Dist A.P.
Address for correspondence : Shares Department, #400, Sagar Co-Operative Housing Society, Road No.2, Avenue VIII, Banjara Hills, Hyderabad. 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

Place : Hyderabad
Date : 31.07.2007

for and on behalf of the Board
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, 2007 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, 2007, 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.

Place: Secunderabad.
Date : 27.06.2007

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

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, 2007, 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 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, 2007;
 - 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 : 27.06 2007

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

M.R.VIKRAM
Partner
M.No.21012

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(l)(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 31.03.07 for a period of more than six months from the date they became payable.

- c. According to the information and explanations given to us and records of the Company examined by us, the particulars of sales tax, income tax, customs duty, excise duty, service tax, as at 31st March, 2007 which have not been deposited on account of dispute pending, are as under:

Name of the Status	Nature of the Dues	Amount in Rs. Lakhs	Period to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	Demand u/s 143(3)	1.50	AY 2001-02	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand u/s/143(3)	43.43	AY 2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand u/s 143(3)	49.80	AY 2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand u/s/143(3)	92.76	AY 2004-05	Income Tax Appellate Tribunal

- 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) of 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.

TECHTRAN POLYLENSES LTD.



- 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.

Place: Secunderabad.
Date : 27.06.2007

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

M.R.VIKRAM
Partner
M.No.21012

TECHTRAN POLYLENSES LTD.**BALANCE SHEET AS AT 31ST MARCH 2007***Rupees in thousands*

	Schedules	As at 31.03.2007	As at 31.03.2006
<u>SOURCES OF FUNDS:</u>			
A] Share Capital	I	10,97,00	10,97,00
B] Reserves and Surplus	II	9,36,34	9,45,28
C] Secured Loans	III	15,33,57	16,97,31
D] Unsecured Loans		3,75	6,76
E] Deferred Tax Liability		2,93,08	(85,00)
		<u>38,63,74</u>	<u>36,61,35</u>
<u>APPLICATION OF FUNDS:</u>			
A] Fixed Assets	IV		
Gross Block		37,06,07	36,08,33
Less: Depreciation		24,38,94	22,46,83
Capital Work in Progress		1,17,81	-
B] Investments	V	2,17,04	2,17,04
C] Current Assets, Loans & Advances	VI		
Inventories		5,42,45	6,31,04
Sundry Debtors		12,37,33	11,42,06
Cash & Bank Balances		2,87,43	2,01,35
Loans & Advances		6,49,31	3,46,33
		27,16,52	23,20,78
Less: Current Liabilities & Provisions	VII	4,54,76	2,37,97
Net Current Assets		22,61,76	20,82,81
		<u>38,63,74</u>	<u>36,61,35</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 **M. ANANDAM & CO.**,
Chartered Accountants**M.R. VIKRAM**
Partner
Membership No.21012Place : Hyderabad
Date : 27.06.2007

For and on behalf of the Board

M.V. RAGHAVA RAO
Director**K.V.RAO**
Managing Director**P. SHYAM SUNDER RAO**
Chief Financial Officer &
Corporate Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007
Rupees in thousands

	Schedules	Year Ended 31.03.2007	Year Ended 31.03.2006
1 INCOME			
Sales - Export		22,49,67	19,27,70
Sales - Domestic		<u>9,29,90</u>	<u>10,08,57</u>
		31,79,57	29,36,27
Less: Excise Duty		<u>26,81</u>	<u>65,53</u>
Net Sales		31,52,76	28,70,74
Other Income	VIII	39,53	28,89
Increase/(Decrease) in stock	IX	(17,54)	(6,39)
		31,74,75	28,93,24
2 EXPENDITURE			
Raw Material Consumed		7,51,27	7,69,29
Manufacturing Expenses	X	10,77,73	9,39,41
Administrative & Selling Expenses	XI	3,21,35	3,25,73
Sub Total		21,50,35	20,34,43
Profit before Interest & Depreciation		10,24,40	8,58,81
Less: Interest & Financial Charges	XII	2,67,81	1,84,15
Profit/(Loss) before Depreciation		7,56,59	6,74,66
Less: Depreciation		1,96,11	1,93,42
Profit/(Loss) after Depreciation		5,60,48	4,81,24
Provision for Taxation			
- Current Tax		92,55	40,50
- Deferred Tax		25,40	(46,55)
- Fringe Benefit Tax		2,53	3,62
Profit after Tax		4,39,99	4,83,67
Balance brought forward		6,45,28	3,11,61
Profit available for appropriation		10,85,27	7,95,28
Provision for Dividend		82,28	-
Provision for Dividend Tax		13,98	-
Deferred tax adjustment		3,52,67	-
General Reserve		1,00,00	1,50,00
Balance Carried to Balance Sheet		5,36,34	6,45,28
EPS - Basic & Diluted (on Rs. 10 per Share)		4.01	4.41
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.21012Place : Hyderabad
Date : 27.06.2007

For and on behalf of the Board

M.V. RAGHAVA RAO
Director**P. SHYAM SUNDER RAO**
Chief Financial Officer &
Corporate Secretary**K.V.RAO**
Managing Director

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	2006-2007 (Rs. In ' 000)	2005-2006 (Rs. In ' 000)
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	5,60,48	4,81,24
Adjustments for		
Depreciation	1,96,11	1,93,42
Excess Depreciation claimed written back	(15)	-
(Profit)/Loss on Sale of Asset	71	-
Interest Expense	1,42,18	1,58,21
Other Finance Charges	1,25,63	25,95
Interest Income	(7,48)	(9,07)
	4,57,00	3,68,51
Operating Profit Before Working capital Changes	10,17,48	8,49,75
Changes in Working Capital		
(Increase)/Decrease in Trade and other receivables	(95,26)	(1,65,34)
(Increase)/Decrease in Loan and Advances	(2,29,93)	(1,36,21)
(Increase)/Decrease in Inventories	88,58	(58,16)
Increase/(Decrease) in Creditors	(12,82)	(15,94)
Increase/(Decrease) in Provisions and Other Liabilities	38,26	26,85
Interest paid on working capital	(17,57)	(5,12)
Cash generated from operations	7,88,74	4,95,83
Taxes Paid	(73,04)	(43,03)
NAT CASH FROM OPERATING ACTIVITIES (A)	7,15,70	4,52,80
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	-	-
Purchase/Increase in Fixed Assets and Capital work in progress	(2,20,44)	(51,94)
Sale of Fixed Asset	32	-
Interest Income	7,48	9,07
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES (B)	(2,12,64)	(42,87)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	-	17
Increase/(Decrease) in Short term borrowings	2,74,14	1,97,00
Increase/(Decrease) in Long term borrowings	(4,37,88)	(3,43,91)
Increase/(Decrease) in Unsecured Loans	(3,00)	(48,65)
Other Finance Charges	(1,25,63)	(25,95)
Interest paid on Term Loans	(1,24,61)	(1,53,09)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES (C)	(4,16,98)	(3,74,43)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	86,08	35,50
CASH AND CASH EQUIVALENTS AS AT 01-04-2006 (OPENING BALANCE)	2,01,35	1,65,85
CASH AND CASH EQUIVALENTS AS AT 31-03-2007 (CLOSING BALANCE)	2,87,43	2,01,35

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants**M.R. VIKRAM**
Partner
Membership No.21012Place : Hyderabad
Date : 27.06.2007

For and on behalf of the Board

M.V. RAGHAVA RAO
Director**K.V.RAO**
Managing Director**P. SHYAM SUNDER RAO**
Chief Financial Officer &
Corporate Secretary

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

	As at 31.03.2007	As at 31.03.2006
<u>SCHEDULE - I</u>		
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
<u>SCHEDULE - II</u>		
RESERVES AND SURPLUS		
General Reserves		
Opening Balance	3,00,00	1,50,00
Additions	1,00,00	1,50,00
Closing Balance (A)	4,00,00	3,00,00
Profit & Loss Account (B)	5,36,34	6,45,28
(A) + (B)	9,36,34	9,45,28
<u>SCHEDULE - III</u>		
SECURED LOANS		
Term Loans		
Zero Coupon Bonds	1,72,50	3,58,35
Others	8,89,93	11,41,96
Working Capital Loans from	4,71,14	1,97,00
	15,33,57	16,97,31

TECHTRAN POLYLENSES LTD.*Rupees in thousands*

	As at 31.03.2007	As at 31.03.2006		
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	<u>2,08,04</u>		<u>2,08,04</u>	
	<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	75,01		74,43	
2] Moulds and other Tools	1,83,07		2,66,43	
3] Stock in Trade				
Raw Material	1,18,55		92,92	
Consumables	33,98		47,88	
Finished Goods	1,21,22		1,38,00	
Stock in Process	<u>10,62</u>	<u>2,84,37</u>	<u>11,38</u>	<u>2,90,18</u>
		5,42,45		6,31,04
4] Sundry Debtors				
Considered Good				
Debts More than 6 Months	1,78,08		88,92	
Due from Subsidiary	69,26		16,35	
Others	<u>9,89,99</u>	<u>12,37,33</u>	<u>10,36,79</u>	11,42,06
5] Cash on Hand		2,70		40
Balance with Scheduled Banks				
a] In Current Account	1,20,58		1,52,76	
b] In Deposit Account	<u>1,64,15</u>		<u>48,19</u>	
		2,84,73		2,00,95
B] LOANS AND ADVANCES				
Deposits with Govt. Departments	5		5	
Advances Recoverable in Cash or Kind	3,47,79		2,22,56	
Advances to Subsidiary Company	<u>3,01,47</u>	<u>6,49,31</u>	<u>1,23,72</u>	<u>3,46,33</u>
		<u>27,16,52</u>		<u>23,20,78</u>
SCHEDULE - VII				
CURRENT LIABILITIES & PROVISIONS				
Sundry Creditors				
Liability to other than SSI Creditors	49,03		62,52	
Liability to SSI Creditors	<u>1,64</u>	<u>50,67</u>	<u>97</u>	63,49
Other Liabilities	1,30,77		92,41	
Provisions	<u>2,73,32</u>	<u>4,04,09</u>	<u>82,07</u>	<u>1,74,48</u>
		<u>4,54,76</u>		<u>2,37,97</u>

TECHTRAN POLYLENSES LTD.*Rupees in thousands*

	Current Year 31.03.2007	Previous Year 31.03.2006
SCHEDULE - VIII		
OTHER INCOME		
Interest Received	7,48	9,07
Misc. Income	4,00	19,82
Exchange Fluctuation	28,76	-
Profit/ (Loss) on Sale of Assets	(71)	-
	<u>39,53</u>	<u>28,89</u>
SCHEDULE - IX		
INCREASE / (DECREASE) IN STOCKS		
Opening Stock		
a] Work in Progress	11,38	11,26
b] Finished Goods	1,38,00	1,44,51
	<u>1,49,38</u>	<u>1,55,77</u>
Closing 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>
Increase/(Decrease) In Stocks	<u>(17,54)</u>	<u>(6,39)</u>
SCHEDULE - X		
MANUFACTURING EXPENSES		
Salaries and Wages and Other Allowances	3,80,25	3,32,09
Contribution to PF and ESI	32,75	31,88
Workers and Staff Welfare Expenses	22,64	20,40
Power & Fuel	1,06,63	1,14,90
Stores, Spares and Consumables	3,99,33	3,10,41
Packing Material Consumption	77,38	86,80
Repairs & Maintenance: Plant & Machinery	10,83	6,50
Other Manufacturing Expenses	47,92	36,43
	<u>10,77,73</u>	<u>9,39,41</u>

Rupees in thousands

	Current Year 31.03.2007	Previous Year 31.03.2006
<u>SCHEDULE - XI</u>		
ADMINISTRATIVE & SELLING EXPENSES		
Rates and Taxes	43,86	49,26
Rent	4,92	5,26
Insurance	13,86	14,94
Travelling Expenses	23,10	24,98
Professional Fees	8,02	1,37
Printing and Stationary	8,28	7,15
Telephone, Telex, Fax and Postage	8,42	8,81
Vehicle Running and Maintenance	35,28	36,74
Advertisement	6,77	2,77
Office Maintenance	4,45	5,31
Auditors' Remuneration	3,48	3,03
Directors' Sitting Fees	78	46
Directors' Remuneration	62,28	48,57
Selling and Distribution Expenses	85,99	80,14
Exchange Fluctuation	-	24,75
Misc. Expenses	11,86	12,19
	<u>3,21,35</u>	<u>3,25,73</u>
<u>SCHEDULE - XII</u>		
INTEREST AND FINANCE CHARGES		
Interest on Term Loans	1,24,61	1,53,15
Interest on Working Capital	17,57	5,12
Other Financial Charges	1,25,63	25,88
	<u>2,67,81</u>	<u>1,84,15</u>

SCHEDULE - XIII

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

- i. **ACCOUNTING CONCEPTS:** The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles. The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis 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. **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.
- vi. **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.
- vii. **RETIREMENT BENEFITS:** The company has covered its gratuity liabilities with Life Insurance Corporation of India (LIC). The annual contributions are made based on actuarial valuation and charged off to revenue. Encashment of earned leave is provided on the basis of earned leave to the credit of the employees.

viii. **RESEARCH AND DEVELOPMENT EXPENDITURE:** Revenue Expenditure is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

ix. **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.

NOTES ON ACCOUNTS:

1. Claims not acknowledged as debts :

	Rs.in Thousands	
	2006-07	2005-06
Income Tax matters Pending in various stages of appeal	13,11	15.13
Others	92,10	73.09
Total	<u>1,05,21</u>	<u>88.22</u>

2. Additional information under part-II of Schedule-VI to the Companies Act,1956.

(As certified and valued by Management)

		QUANTITY	VALUE IN RS.IN THOUSANDS	QUANTITY	VALUE IN RS.IN THOUSANDS
A Licenced Capacity	Pieces		5.00 Million		5.00 Million
B Installed Capacity	Pieces		5.00 Million		5.00 Million
*(as certified by the management)					
C Production	Pieces		38,88,917		40,55,190
Sales	Pieces	39,50,479	31,79,57	44,12,161	29,36,27
Opening Stock	Pieces	6,67,558	1,38,00	10,24,529	1,44,51
Closing Stock	Pieces	6,11,253	1,21,22	6,67,558	1,38,00

* Being a Technical Matter, not verified by Auditors.

Closing stock includes returned lenses numbering 5257.

3. Consumption of Raw Material and Spare Parts :

	Rs.in Thousands	
	2006 - 2007	2005 - 2006
RAW MATERIALS CONSUMPTION		
Total raw materials - Qty in Kgs	1,09,916	1,19,384
Value	7,51,26	7,69,29
Monomer [Qty in Kgs]	1,03,549	1,11,892
Value	7,30,94	7,49,71
IPP/IPKF [Qty in Kgs]	4,094	4,310
Value	9,21	4,67
Others Materials [Qty in Kgs]	2,273	3,182
Value	11,11	14,90

Consumption of Raw Material and Spare Parts

Raw Material		%		%
Imported	7,51,26	100.00	7,69,29	100.00
Indigenous	—	—	—	—
Total	7,51,26	100.00	7,69,29	100.00
Spare parts and Consumables		%		%
Imported	2,72,11	68.14	1,71,19	55.15
Indigenous	1,27,23	31.86	1,39,22	44.85
Total	3,99,34	100.00	3,10,41	100.00

4. Expenditure in Foreign Currency (On Cash Basis) :

Foreign Travel	7,91	17,07
Trade Fair Expenses	5,84	8,42

5. CIF Value of Imports :

Raw Materials	8,16,41	7,87,69
Capital Goods	35,71	—
Spare Parts & Consumables	1,32,43	2,21,68

6. Earning in Foreign Exchange :

FOB Value of Exports	22,72,79	19,10,68
----------------------	-----------------	----------

7. Details of Directors Remuneration :

(Employed during whole of the year)

Rs.in Thousands

	Managing Director	Executive Director	Managing Director	Executive Director
Salary	9,45	8,69	8,85	8,09
Perquisites (as valued under I.T.Rules)	3,45	3,53	3,45	3,52
Commission	17,23	17,98	10,97	11,73
Leave Salary/Encashment	Nil	Nil	Nil	Nil
Contribution to Provident Fund	1,01	94	1,01	94
	31,14	31,14	24,28	24,28
Provision for Gratuity	Nil	Nil	Nil	Nil

8. Auditors Remuneration :

For Audit Fee	2,46	2,37
For Consultancy	34	22
For Tax Audit Fee	34	22
For Tax Representation	34	22

9. The term loans from Financial Institutions are secured by a First Charge on a pari pasu 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.

10. Earnings per share	2006-07	2005-06
Profit after taxation as per Profit & Loss Account (Rs.in Thousands)	4,39,99	4,83,67
Weighted average of equity shares outstanding	1,09,70,000	1,09,70,000
Basic and Diluted earnings per shares Rs. (face value Rs.10/- per share)	4.01	4.41

11. Segment Reporting

The Company is engaged in manufacturing of Ophthalmic Lenses business which as per Accounting Standard AS-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 :

Rs.in Thousands

	India	Outside India	Total
Sales Revenue	9,29,90	22,49,67	31,79,57

12. Related party disclosures under Accounting standard 18

- a) Key Management Personal : Mr.K V Rao, Managing Director and [Wholetime Directors] Mr.K.Krishnadev Rao, Executive Director
 - b) Relatives of Key Management Personnel
 - Mrs. K.Vijayalakshmi : Spouse of Mr.K.Krishnadev Rao
 - Mrs.K.Amruta Devi : Mother of Mr.K.Krishnadev Rao
 - Ms.K.Srilatha Rao : Daughter of Mr.K.Krishnadev Rao
 - Mr.Rob.K.Rao : Son of Mr.K.V.Rao
 - Mr.Sajan.K.Rao : Son of Mr.K.V.Rao
 - Ms.Neena.K.Rao : Daughter of Mr.K.V.Rao.
 - c) Subsidiary Company : Techtran Ophthalmics Pvt Ltd.,
 - d) Other related Company : Techtran Agro Industries Limited;
- Common Directors:
Mr.K.V.Rao, Managing Director.
Mr.K.Krishnadev Rao, Executive Director.

Rs. In Thousands

Transactions	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Company	Total
Remuneration	62,28			62,28
Rent*		6,98		6,98
Sale of Finished Goods			1,33,33	1,33,33
Services received			3,45	3,45
Equity Investment			9,00	9,00
Advances cumulative			3,01,46	3,01,46

* This amount represents the rent paid by the Reporting entity on behalf of the Key Management Personnel, to their relatives. This is included in the Remuneration stated above.

13. As per the information available with the company, there are no overdue payments exceeding Rs.1.63 lakh, which is outstanding for 30 days as at the year end in respect of suppliers being Small Scale Industries.
14. Company has paid Rs. 1,08,39,917/- as compensation for withdrawal of conversion right and payment of entire zero coupon bonds to IFCI .
15. Deferred Tax Liability has been created on timing difference of opening Net Block on fixed assets during the year (not created in earlier years) for Rs 35,267,642 /- and subsequently balance in profit and loss account is decreased by the same amount.

The following are the deferred tax liabilities/ (assets) created during the period

Particulars	31.03.2007	31.03.2006
Deferred Tax Liability/(Asset)	Amount in thousands	
Opening Balance	(85,00)	(38,45)
Reversal of deferred tax asset due to absorption of c/f tax losses	85,00	Nil
Timing difference on account of depreciation	(47,31)	(46,55)
Timing differences due to provision for retirement benefits	(12,29)	Nil
Deferred tax Adjustments on account of opening balances	3,52,68	Nil
Closing Balance	2,93,08	(85,00)

16. Advances recoverable in cash or kind includes Rs 73,43,752/- income tax paid under protest.
17. Previous year's figures have been regrouped/rearranged wherever necessary.
18. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956 enclosed.

SIGNATURES FOR "SCHEDULES I TO XIII"

As per our report of even date attached.

For and on behalf of the Board

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

M.V. RAGHAVA RAO
Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V.RAO
Managing Director

Place : Hyderabad
Date : 27.06.2007

TECHTRAN POLYLENSES LTD.



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 Company ended on : 31st March, 2007
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) 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, 2007 : Rs.1,12,110/-
 - (ii) for previous financial years of the subsidiary since it became a subsidiary of Techtran Polylenses Limited : Rs.2,43,439/-
 - B. Dealt with in the accounts of Techtran Polylenses Limited. :
 - (i) for the subsidiary's financial year ended 31st March, 2007. : 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

M.V.RAGHAVA RAO

Director

Place : Hyderabad

Date : 27.06.2007

P.SHYAMSUNDER RAO

Chief Financial Officer &
Corporate Secretary

K.V.RAO

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 (Amount 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 (Amount Rupees in thousands.)

Total Liabilities	Total Assets
<input type="text" value="38,63,74"/>	<input type="text" value="38,63,74"/>

IV. Sources of Funds

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
<input type="text" value="10,97,00"/>	<input type="text" value="9,36,34"/>	<input type="text" value="15,33,57"/>	<input type="text" value="2,96,83"/>

V. Application funds :

Net Fixed Assets	Investments	Net Current Assets	Misc.exp.
<input type="text" value="13,84,94"/>	<input type="text" value="2,17,04"/>	<input type="text" value="22,61,76"/>	<input type="text" value="NIL"/>
Accumulated Losses			
<input type="text" value="NIL"/>			

VI. Performance of Company (Amount Rupees in thousands.)

Turnover	Total Expen.	Profit/Loss before Tax	Profit/Loss after Tax
<input type="text" value="31,74,75"/>	<input type="text" value="26,14,27"/>	<input type="text" value="5,60,48"/>	<input type="text" value="4,39,99"/>
Earning per share in Rs.		Dividend Rate %	
<input type="text" value="4.01"/>	<input type="text" value="7.50"/>		

VII. Generic Name of Principal Product/company (as per monetary terms)

Item Code No.

ITC Code Product Description

DIRECTORS' REPORT

Directors present the 10th Annual Report along with the Audited Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

	Current year	Previous year
	Rs.in Lakhs	Rs.in Lakhs
Profit for the period (Before tax)	5.29	4.49

The operations have resulted in a profit (before tax) of Rs.5.29 lakhs as against Rs.4.49 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 the Managing Director and the Executive Director of Techtran Polylenses Limited and Mr.M.V.Raghava Rao is an independent Director on the Board of Techtran Polylenses Ltd., and their tenure is as per the discretion of Techtran Polylenses 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 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 on going concern basis.

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

Statement as per Section 217(1) (e) of the Companies Act read with Companies (Disclosure of Particulars in the Report 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.

ACKNOWLEDGEMENTS

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

M.V. RAGHAVA RAO

Director

Place : Hyderabad.

Date : 27.06.2007

K.V.RAO

Director

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 :

The company is taking effective steps to conserve energy.

B] TECHNOLOGY ABSORPTION :

Not applicable.

C] FOREIGN EXCHANGE EARNED AND USED :

The Company has earned Rs.0.14 Lacks (FOB value) in Foreign Exchange and used Rs.99.07 Lacks. This amount includes Foreign Exchange used for import of Raw Materials, Stores, Spares & Advances for Capital Goods.

For and on behalf of the Board

M.V. RAGHAVA RAO

Director

Place : Hyderabad.

Date : 27.06.2007

K.V.RAO

Director

AUDITORS' REPORT

To
The Members of
Techtran Ophthalmics Private Limited
H Y D E R A B A D.

We have audited the attached Balance Sheet of **M/s.Techtran Ophthalmics Private Limited**, as at 31st March, 2007 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, 2007, 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 Cash Flow statement, of the cash flows for the year ended on that date.

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

M.R. VIKRAM
Partner

Membership No.21012

Place: Secunderabad
Date : 27.06.2007

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 (Auditors' 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.

TECHTRAN OPHTHALMICS PVT. LTD.



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

Place: Secunderabad
Date: 27.06.2007

M.R.VIKRAM
Partner.
M.No.21012

BALANCE SHEET AS AT 31ST MARCH 2007

Rs.in Thousands

Schedules	AS AT 31.03.2007	AS AT 31.03.2006
SOURCES OF FUNDS:		
A] Share Capital I	9,00	9,00
B] Reserves & Surplus II	4,47	3,35
C] Deferred Tax Liability	5,86	2,64
D] Un Secured Loans	3,01,46	1,23,72
	<u>3,20,79</u>	<u>1,38,71</u>
APPLICATION OF FUNDS:		
A] Fixed Assets III		
Gross Block	88,69	82,79
Less: Depreciation	18,03	14,55
Capital Work in Progress	44,30	2,02
B] Current Assets, Loans & Advances IV		
Inventories	78,44	43,75
Sundry Debtors	66,89	43,05
Cash & Bank Balances	38,36	8,90
Loans & Advances	1,07,36	11,33
	<u>2,91,05</u>	<u>1,07,03</u>
Less: Current Liabilities & Provisions V	85,22	38,58
Net Current Assets	2,05,83	68,45
Accounting Policies & Notes on Accounts X		
Schedules I to V and X form an Integral Part of the Balance Sheet.		
	<u>3,20,79</u>	<u>1,38,71</u>

As per our report of even date attached.

For **M. ANANDAM & CO.**,
Chartered Accountants**M.R. VIKRAM**
Partner
Membership No.21012Place : Hyderabad
Date : 27.06.2007

For and on behalf of the Board

M.V. RAGHAVA RAO
Director**K.V.RAO**
Managing Director**P. SHYAM SUNDER RAO**
Chief Financial Officer &
Corporate Secretary

PROFIT AND LOSS ACCOUNT FOR THE ENDED 31ST MARCH 2007

Rs.in Thousands

Schedules	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
INCOME		
Sales - Export	14	15
Sales - Domestic	<u>2,24,73</u>	<u>1,85,70</u>
	2,24,87	1,85,85
Other Income	VI	5,75
	6,38	1,91,60
	2,31,25	
EXPENDITURE		
Lens consumed	98,42	70,95
Lab Expenses	VII	74,28
Administrative & Selling Expenses	VIII	<u>37,08</u>
Sub Total	2,21,65	1,82,31
Profit Before Interest & Depreciation	9,60	9,29
Less: Interest & financial charges	IX	34
	84	
Profit/(Loss) Before Depreciation	8,76	8,95
Less: Depreciation	3,47	4,45
Profit/(Loss) Before Tax	5,29	4,50
Less: Provision for Taxation		
- Current Tax	59	38
- Deferred Tax	3,21	1,28
- Fringe Benefit Tax	37	40
Profit after Tax	1,12	2,44
Profit/(Loss) Brought forward from Previous Year	3,35	91
Profit/(Loss) Balance Carried to Balance Sheet	4,47	3,35
Accounting Policies & Notes on Accounts	X	
Schedules VI to IX and X 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.21012Place : Hyderabad
Date : 27.06.2007

For and on behalf of the Board

M.V. RAGHAVA RAO
Director**K.V.RAO**
Managing Director**P. SHYAM SUNDER RAO**
Chief Financial Officer &
Corporate Secretary

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Rs.in Thousands

	AS AT 31.03.2007	AS AT 31.03.2006
--	-----------------------------	-----------------------------

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

—

—

Profit and Loss Account

4,47

3,35

4,47

3,35

SCHEDULE- III

FIXED ASSETS

Rs.in Thousands

Particulars	Gross Block			Depreciation			Net Block	
	As at 31.03.2006	Additions during the year	As at 31.03.2007	Upto 31.03.2006	For the year	Upto 31.03.2007	As at 31.03.2007	As at 31.03.2006
Plant and Machinery	75,27	3,26	78,53	13,36	2,72	16,08	62,45	61,91
Furniture and Fixtures	5,45	1,85	7,30	80	41	1,21	6,09	4,65
Office Equipment	14	8	22	3	3	6	16	11
Data Processing Equipment	1,61	52	2,13	31	28	59	1,54	1,30
Vehicles	32	19	51	5	4	9	42	27
	82,79	5,90	88,69	14,55	3,48	18,03	70,66	68,24
Previous Year	77,52	5,27	82,79	10,11	4,45	14,56	68,24	67,42

TECHTRAN OPHTHALMICS PVT. LTD.

	<i>Rs.in Thousands</i>	
	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE - IV		
CURRENT ASSETS, LOANS & ADVANCES		
A] CURRENT ASSETS		
Inventories (As Certified and Valued by Management)		
1) Stores and Spares	-	23
2) Tools	10,37	7,08
3) Lenses	59,65	23,58
Consumables	7,91	12,22
Packing Materials	51	64
	78,44	43,75
4] Sundry Debtors		
Considered good		
Debtors more than 6 months	4,37	6,17
Others	62,52	36,88
	66,89	43,05
5] Cash on Hand	17	48
Balance with Scheduled Banks	7,54	3,42
b] In Deposit Account -Margin Money	30,65	5,00
	38,19	8,42
B] LOANS AND ADVANCES		
Deposits with Govt. Departments	6	6
Advances Recoverable in Cash or Kind	1,07,30	11,27
	1,07,36	11,33
	2,91,05	1,07,03
SCHEDULE - V		
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS		
Liability to Other than SSI Creditors		
- Holding Company	69,26	16,35
- Others	7,51	12,47
Liability to SSI Creditors	-	6
Other Liabilities	7,86	9,32
Provisions	59	38
	85,22	38,58

TECHTRAN OPHTHALMICS PVT. LTD.

	<i>Rs.in Thousands</i>	
	Current year 2006-2007	Previous year 2005-2006
SCHEDULE - VI		
Other Income		
Job Work Charges	3,54	–
Interest Income	79	5,75
Miscellaneous Income	2,05	–
	6,38	5,75
SCHEDULE - VII		
LAB EXPENSES		
Salaries, Wages and Other Allowances	38,94	35,95
Contribution to PF and ESI	61	42
Workers and Staff Welfare Expenses	1,36	1,36
Power and Fuel	3,85	3,23
Stores, Spares and Consumables	30,65	25,14
Packing Materials Consumption	3,07	4,64
Repairs & Maintenance: Plant & Machinery	79	48
Other Lab Expenses	5,82	3,06
	85,09	74,28
SCHEDULE - VIII		
ADMINISTRATIVE & SELLING EXPENSES		
Rates, and Taxes	11,81	13,81
Rent	8,17	5,93
Insurance	38	21
Travelling Expenses	2,86	2,57
Professional Fees	52	66
Printing and Stationary	1,17	2,07
Telephone, Telex and Fax, Postage	3,13	3,30
Vehicle Running and Maintenance	2,39	1,73
Advertisement	20	19
Auditors' Remuneration	28	17
Directors' Sitting Fees	7	1
Selling and Distribution Expenses	4,54	4,59
Exchange Fluctuation	3	1
Misc. Expenses	2,59	1,83
	38,14	37,08
SCHEDULE - IX		
INTEREST AND FINANCE CHARGES		
Other Finance Charges	84	34
	84	34

SCHEDULE –X

ACCOUNTING POLICIES & NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICES

- i. **ACCOUNTING** :The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles. The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis and is in accordance with the Accounting Standards referred to in sub- section (3c) of Section 211 of the Companies Act, 1956.
- ii **FIXEDASSETS** : 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 **FOREIGN CURRENCY TRANSACTIONS:**
 - i. 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.
 - ii. 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.
- v. **INVENTORIES** :
 - a) Inventories are valued at lower of cost or net realizable value except waste/scrap.
 - b) Spare parts, Raw Materials and Packing materials are valued at cost using FIFO method.
- vi. Loose tools are charged directly to consumption.
- vii. **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.
- viii. Retirement benefits to staff is accounted on cash basis.

NOTES ON ACCOUNTS

1. Additional information under Part – II of Schedule- VI to the companies Act, 1956

- a) Licensed Capacity : Not applicable
- b) Installed Capacity : Not applicable

	<u>2006-2007</u>		<u>2005-2006</u>	
	No. of Lenses (Pieces)	Amount in Rs.	No. of Lenses (Pieces)	Amount in Rs.
Lenses :				
Opening Stock	1,04,451	23,58	99,841	30,88
Purchases				
From holding company	2,24,440	1,33,33	78,141	61,28
Imports	NIL	NIL	NIL	NIL
Others	1,885	78	5,614	2,37
Total	2,26,325	1,34,49	1,83,755	63,65
Process Loss	25,316		2,294	
Sales	2,07,779	2,24,88	1,76,851	1,85,85
Closing Stock	97,681	59,64	1,04,451	23,58

2 Expenditure in Foreign Currency

	<u>2006-2007</u>	<u>2005-2006</u>
	<i>Rs. in Thousands</i>	<i>Rs. in Thousands</i>
Advance for Capital Goods- CIF value Consumables/Lenses	83,78 15,29	6,78 13,47
3 Earnings in Foreign Currency	14	15
4 Auditors remuneration	28	17
5 There are no overdue payments to any Small Scale Industries as per the information available with the company.		
6 Related party disclosures under Accounting Standard 18		
a) Holding Company	: Techtran Polylenses Limited	
b) Directors	: Mr.K.V.Rao & Mr.K.Krishnadev Rao & Mr. M.V.Raghava Rao.	
Nature of Transactions	Rupees in Thousands	
i) Equity Investment (100%)	: 9,00	
ii) Unsecured Loans received cumulative	: 3,01,46	
iii) Purchase of Lenses	: 1,33,33	
iv) Service rendered	: 3,45	
v) Purchase of Assets	: NIL	
vi) Balance outstanding at the year end out of (iii) above	: 69,26	
7 Depreciation charged excess on Plant and Machinery has been written back amounting to Rs 94,991.		

8 Deferred taxes have been provided on the following:

Rupees in Thousands

Particulars	31.03.2007	31.03.2006
Deferred Tax Liability/(Asset)		
Opening Balance	2,65	1,37
Timing Difference on account of depreciation	1,24	–
Reversal of unabsorbed depreciation	1,97	1,27
Closing Balance	5,86	2,64

9 Previous year's figures have been regrouped/rearranged wherever necessary.

10 Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956 enclosed.

SIGNATURES FOR "SCHEDULE I TO X"

As per our report of even date attached.

For and on behalf of the Board

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

M.V. RAGHAVA RAO
Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V.RAO
Managing Director

Place : Hyderabad
Date : 27.06.2007

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 (Amount in Rupees)

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 (Amount in Rupees)

Total Liabilities	Total Assets
<input type="text" value="3,20,79"/>	<input type="text" value="3,20,79"/>

IV. Sources of Funds

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
<input type="text" value="9,00"/>	<input type="text" value="4,47"/>	<input type="text" value="NIL"/>	<input type="text" value="3,07,32"/>

V. Application of funds :

Net Fixed Assets	Investments	Net Current Assets	Misc.exp.
<input type="text" value="1,14,96"/>	<input type="text" value="NIL"/>	<input type="text" value="2,05,83"/>	<input type="text" value="NIL"/>

Accumulated Losses

VI. Performance of Company (Amount in Rupees)

Turnover	Total Expen.	Profit/Loss before Tax	Profit/Loss after Tax
<input type="text" value="2,31,25"/>	<input type="text" value="2,25,96"/>	<input type="text" value="5,29"/>	<input type="text" value="1,12"/>

Earning per share in Rs.

Dividend Rate %

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 Polylenses Limited
Hyderabad.

We have examined the attached Consolidated Balance Sheet of **Techtran Polylenses Limited**, and its subsidiary **Techtran Ophthalmics Pvt Ltd.**, as at 31st March 2007, the Consolidated Profit and 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 misstatements. 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 separate financial statements of Techtran Polylenses 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 'h' of Schedule XIII).

- a. In the case of Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st March, 2007;
- 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.

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

Place: Hyderabad
Date : 27.06.2007

M.R. VIKRAM
Partner
M.No.21012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007*Rupees in thousands*

	Schedules	As at 31.03.2007	As at 31.03.2006
<u>SOURCES OF FUNDS</u>			
A] Share Capital	I	10,97,00	10,97,00
B] Reserves and Surplus	II	9,40,81	9,48,63
C] Secured Loans	III	15,33,57	16,97,31
D] Unsecured Loans		3,75	6,76
E] Deferred Tax Liability		2,98,93	(82,35)
		<u>38,74,06</u>	<u>36,67,35</u>
<u>APPLICATION OF FUNDS</u>			
A] Fixed Assets	IV		
Gross Block		37,94,75	36,91,12
Less: Depreciation		<u>24,56,97</u>	<u>22,61,39</u>
Capital Work in Progress		1,62,11	2,03
B] Investments	V	2,08,04	2,08,04
C] Current Assets, Loans & Advances	VI		
Inventories		6,20,90	6,74,79
Sundry Debtors		12,34,95	11,68,75
Cash & Bank Balances		3,25,79	2,10,25
Loans & Advances		<u>4,55,20</u>	<u>2,33,96</u>
		<u>26,36,84</u>	<u>22,87,75</u>
Less: Current Liabilities & Provisions	VII	<u>4,70,71</u>	<u>2,60,20</u>
Net Current Assets		<u>21,66,13</u>	<u>20,27,55</u>
		<u>38,74,06</u>	<u>36,67,35</u>
Accounting Policies & Notes on Accounts Schedules I to VII and XIII form an Integral Part of the Balance Sheet.	XIII		
As per our report of even date attached.			For and on behalf of the Board
For M. ANANDAM & CO. , Chartered Accountants			M.V. RAGHAVA RAO Director
M.R. VIKRAM Partner Membership No.21012	P. SHYAM SUNDER RAO Chief Financial Officer & Corporate Secretary		K.V.RAO Managing Director
Place : Hyderabad Date : 27.06.2007			

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007
Rupees in thousands

	Schedules	Year Ended 31.03.2007	Year Ended 31.03.2006
1 INCOME			
Sales - Export		22,49,82	19,27,85
Sales - Domestic		10,26,80	11,32,99
		32,76,62	30,60,84
Less: Excise Duty		26,81	65,53
Net Sales		32,49,81	29,95,31
Other Income	VIII	45,87	31,07
Increase/(Decrease) in stock	IX	(17,54)	(6,39)
		32,78,14	30,19,99
2 EXPENDITURE			
Raw Material Consumed		7,21,85	7,71,66
Manufacturing Expenses	X	11,62,82	10,10,12
Administrative & Selling Expenses	XI	3,59,47	3,62,81
Sub Total		22,44,14	21,51,89
Profit before Interest & Depreciation		10,34,00	8,68,10
Less: Interest & Financial Charges	XII	2,68,65	1,84,49
Profit/(Loss) before Depreciation		7,65,35	6,83,61
Less: Depreciation		1,99,58	1,97,88
Net Profit/(Loss) for the Year		5,65,77	4,85,73
Provision for Taxation			
- Current Tax		93,14	40,88
- Deferred Tax		28,61	(45,28)
- Fringe Benefit Tax		2,91	4,03
Profit after Tax		4,41,11	4,86,10
Balance brought forward		6,48,63	3,12,53
Profit available for appropriation		10,89,74	7,98,63
Deferred tax adjustment		3,52,67	-
Provision for Dividend		82,28	-
Provision for Dividend Tax		13,98	-
General Reserve		1,00,00	1,50,00
Balance Carried to Balance Sheet		5,40,81	6,48,63
EPS - Basic & Diluted (on Rs. 10 per Share) (Refer Note 4 of Schedule XIII)		4.02	4.43
Accounting Policies & Notes on Accounts Schedules VIII to XII and XIII form an Integral Part of the Profit and Loss Account.	XIII		

As per our report of even date attached.

For **M. ANANDAM & CO.**,
Chartered Accountants**M.R. VIKRAM**
Partner
Membership No.21012Place : Hyderabad
Date : 27.06.2007

For and on behalf of the Board

M.V. RAGHAVA RAO
Director**K.V. RAO**
Managing Director**P. SHYAM SUNDER RAO**
Chief Financial Officer &
Corporate Secretary

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	2006-2007 (Rs. In ' 000)	2005-2006 (Rs. In ' 000)	
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before taxation	5,65,77	4,85,73	
Adjustments for			
Depreciation	1,99,58	1,97,87	
Excess Depreciation claimed written back	(15)	-	
(Profit)/Loss on Sale of Asset	71	-	
Interest Expense	1,42,18	1,58,27	
Other Finance Charges	1,27,31	26,22	
Interest Income	(8,27)	(9,07)	
	4,61,36	3,73,29	
Operating Profit Before Working capital Changes	10,27,13	8,59,02	
Changes in Working Capital			
(Increase)/Decrease in Trade and other receivables	(66,20)	(2,09,50)	
(Increase)/Decrease in Loan and Advances	(1,47,38)	(1,00,61)	
(Increase)/Decrease in Inventories	53,89	(58,23)	
Increase/(Decrease) in Creditors	(17,84)	(12,43)	
Increase/(Decrease) in Provisions and Other Liabilities	36,05	31,72	
Interest paid on working capital	(17,57)	(5,12)	(3,54,17)
Cash generated from operations	8,68,08	5,04,85	
Taxes Paid	(73,87)	(43,38)	
NET CASH FROM OPERATING ACTIVITIES (A)	7,94,21	4,61,47	
CASH FLOW FROM INVESTING ACTIVITIES			
Investments	-	-	
Purchase/Increase in Fixed Assets and Capital work in progress	(2,68,61)	(59,23)	
Sale of Fixed Asset	32	-	
Interest Income	8,27	9,07	
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES (B)	(2,60,02)	(50,16)	
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Share Capital	-	17	
Increase/(Decrease) in Short term borrowings	2,74,14	1,97,00	
Increase/(Decrease) in Long term borrowings	(4,37,88)	(3,43,91)	
Increase/(Decrease) in Unsecured Loans	(3,00)	(48,65)	
Other Finance Charges	(1,27,30)	(26,22)	
Interest paid on Term Loans	(1,24,61)	(1,53,15)	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES (C)	(4,18,65)	(3,74,76)	
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1,15,54	36,55	
CASH AND CASH EQUIVALENTS AS AT 01-04-2006 (OPENING BALANCE)	2,10,25	1,73,70	
CASH AND CASH EQUIVALENTS AS AT 31-03-2007 (CLOSING BALANCE)	3,25,79	2,10,25	

As per our report of even date attached.

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

M.R. VIKRAM
Partner
Membership No.21012

Place : Hyderabad
Date : 27.06.2007

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

For and on behalf of the Board

M.V. RAGHAVA RAO
Director

K.V.RAO
Managing Director

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in thousands

	As at 31.03.2006	As at 31.03.2005
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	3,00,00	1,50,00
Additions	1,00,00	1,50,00
Closing Balance (A)	4,00,00	3,00,00
Profit & Loss Account (B)	5,40,81	6,48,63
(A)+(B)	9,40,81	9,48,63
SCHEDULE - III		
SECURED LOANS		
Term Loans		
Zero Coupon Bonds	1,72,50	3,58,35
Others	8,89,93	11,41,96
Working Capital Loan	4,71,14	1,97,00
	15,33,57	16,97,31
SCHEDULE - IV		
FIXED ASSETS		

Particulars	Gross Block			Depreciation					Net Block	
	As at 31.3.2006	Additions during the year	Deletions	As at 31.03.2007	Upto 31.03.2006	For the year	Deletions	Upto 31.03.2007	As at 31.03.2007	As at 31.03.2006
Land	14,23	49,76	-	63,99	-	-	-	-	63,99	14,23
Buildings	2,71,61	-	-	2,71,61	1,15,81	9,07	-	1,24,88	1,46,73	1,55,80
Compound Wall	3,31	31	-	3,62	7	12	-	19	3,43	3,24
Plant & Machinery	32,33,85	51,89	-	32,85,74	20,40,83	1,78,51	-	22,19,34	10,66,40	11,93,02
Furniture & Fixtures	59,82	2,76	-	62,58	37,91	3,90	-	41,81	20,77	21,91
Office Equipment	36,21	7	-	36,28	36,11	3	-	36,14	14	10
Data Processing Equipment	18,60	3,41	-	22,01	16,34	3,31	-	19,65	2,36	2,26
Vehicles	53,49	31	4,88	48,92	14,32	4,64	4,00	14,96	33,96	39,17
	36,91,12	1,08,51	4,88	37,94,75	22,61,39	1,99,58	4,00	24,56,97	13,37,78	14,29,73
Previous Year	36,33,91	57,21	-	36,91,12	20,63,51	1,97,88	-	22,61,39	14,29,73	15,70,40

TECHTRAN POLYLENSES LTD.*Rupees in thousands*

	As at		As at	
	31.03.2007		31.03.2006	
SCHEDULE - V				
INVESTMENTS (UNQUOTED - NON TRADE)				
134000 Equity Shares of Rs.10/- each				
in Andhra Pradesh Gas Power Corporation Ltd - At Cost				
	2,08,04		2,08,04	
	2,08,04		2,08,04	
SCHEDULE - VI				
CURRENT ASSETS, LOANS & ADVANCES				
A] CURRENT ASSETS				
Inventories (As certified and Valued by Management)				
1] Stores & Spares	75,01		85,15	
2] Moulds and other Tools	1,93,45		2,73,52	
3] Stock in Trade				
Raw Material	1,78,19		92,92	
Consumables	42,41		50,24	
Finished Goods	1,21,22		1,61,58	
Stock in Process	10,62	3,52,44	11,38	3,16,12
		6,20,90		6,74,79
4] Sundry Debtors				
Unsecured-Considered Good				
Debts More than 6 Months	1,82,45		95,09	
Others	10,52,50	12,34,95	10,73,66	11,68,75
5] Cash on Hand		2,87		89
Balance with Scheduled Banks				
a] In Current Account	1,28,13		1,56,17	
b] In Deposit Account - Margin Money/Others	1,94,79		53,19	
		3,22,92		2,09,36
B] LOANS AND ADVANCES				
Deposits with Govt. Departments	11		37,90	
Advances Recoverable in Cash or Kind	4,55,09	4,55,20	1,96,06	2,33,96
		26,36,84		22,87,75
SCHEDULE- VII				
CURRENT LIABILITIES & PROVISIONS				
SUNDRY CREDITORS				
Liability to other than SSI Creditors	56,53		74,98	
Liability to SSI Creditors	1,64	58,17	1,04	76,02
Other Liabilities	1,38,26		1,01,73	
Provisions	2,74,28	4,12,54	82,45	1,84,18
		4,70,71		2,60,20

TECHTRAN POLYLENSES LTD.*Rupees in thousands*

	As at 31.03.2007	As at 31.03.2006
SCHEDULE - VIII		
OTHER INCOME		
Interest Received	8,27	9,07
Misc. Income	9,58	22,00
Exchange Fluctuation	28,73	-
Profit/ (Loss) on Sale of Assets	(71)	-
	<u>45,87</u>	<u>31,07</u>
SCHEDULE - IX		
INCREASE / (DECREASE) IN STOCKS		
Opening Stock		
a] Work in Progress	11,38	11,27
b] Finished Goods	1,38,00	1,44,50
	<u>1,49,38</u>	<u>1,55,77</u>
Closing 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>
Increase/(Decrease) In Stocks	<u>(17,54)</u>	<u>(6,39)</u>
SCHEDULE - X		
MANUFACTURING EXPENSES		
Salaries and Wages and Other Allowances	4,19,20	3,68,04
Contribution to PF and ESI	33,35	32,30
Workers and Staff Welfare Expenses	24,00	21,77
Power & Fuel	1,10,48	1,18,13
Stores, Spares and Consumables	4,29,98	3,35,54
Packing Material Consumption	80,45	91,43
Repairs & Maintenance: Plant & Machinery	11,62	6,98
Other Manufacturing Expenses	53,74	35,93
	<u>11,62,82</u>	<u>10,10,12</u>

TECHTRAN POLYLENSES LTD.*Rupees in thousands*

	As at 31.03.2007	As at 31.03.2006
<u>SCHEDULE - XI</u>		
ADMINISTRATIVE & SELLING EXPENSES		
Rates and Taxes	55,66	63,07
Rent	13,09	11,19
Insurance	14,24	15,14
Travelling Expenses	25,95	27,55
Professional Fees	8,55	2,04
Printing and Stationary	9,45	9,23
Telephone, Telex, Fax and Postage	11,55	12,11
Vehicle Running and Maintenance	37,67	38,47
Advertisement	6,97	2,96
Office Maintenance	4,46	5,31
Auditors' Remuneration	3,76	3,20
Directors' Sitting Fees	85	47
Directors' Remuneration	62,28	48,57
Selling and Distribution Expenses	90,53	84,72
Exchange Fluctuation	–	24,76
Misc. Expenses	14,46	14,02
	<u>3,59,47</u>	<u>3,62,81</u>
<u>SCHEDULE XII</u>		
INTEREST AND FINANCE CHARGES		
Interest on Term Loans	1,24,61	1,53,15
Interest on Working Capital	17,57	5,12
Other Financial Charges	1,26,47	26,22
	<u>2,68,65</u>	<u>1,84,49</u>

SCHEDULE-XIII

ACCOUNTING POLICIES & NOTES ON ACCOUNTS ON CONSOLIDATED ACCOUNTS

1. Principles of consolidation:

The consolidated financial statements relate to Techtran Polylenes (the company) and its subsidiary company.

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 that 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.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis for preparation of consolidated financial statements:

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

b) Fixed Assets:

Fixed Assets are stated at cost of acquisition, less accumulated depreciation. The actual cost capitalized comprises of cost of acquisition 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 the straight-line method and at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

e) Investments:

Investments are in long-term nature and are stated cost less provision for permanent diminution in value of such investments.

f) 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.

g) 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.

h) Retirement benefits:

In the case of Techtran Polylenses Limited (holding company), the company has covered its gratuity liabilities with Life Insurance Corporation of India (LIC). The annual contributions are made based on actuarial valuation and charged off to revenue. Encashment of earned leave is provided on the basis of earned leave to the credit of the employees. In the case of subsidiary company, retirement benefits are provided on cash basis.

i) Research and Development Expenditure:

Revenue Expenditure is charges to Profit and Loss Account and Capital Expenditure is added to the cost of fixed assets in the year in which it is incurred.

j) Provision for deferred tax:

Current tax is determined on the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognized, subject to the consideration of prudence, 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. The deferred tax charge and the corresponding deferred tax liability is recognized using the tax rates that have been enacted or substantially enacted as on the balance sheet date.

NOTES ON ACCOUNTS:

	Rs.in Thousands	
	2006-07	2005-06
1. Claims not acknowledged as debts :		
Income Tax matters_Pending in various stages of appeal	13,11	15,13
Others	92,10	73,09
Total	<u>1,05,21</u>	<u>88,22</u>
2. Details of Directors Remuneration :	Rs.in Thousands	
(Employed during whole of the year)	2006-2007	
	2005-2006	
	Managing Director	Executive Director
Salary	9,45	8,69
Perquisites (as valued under I.T.Rules)	3,45	3,53
Sitting Fees	Nil	Nil
Commission	17,23	17,98
Leave Salary/Encashment	Nil	Nil
Contribution to Provident Fund	1,01	94
	<u>31,14</u>	<u>31,14</u>
Provision for Gratuity	Nil	Nil

3. The term loans from Financial Institutions are secured by a First Charge on a pari pasu 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.

4. Earnings per share	<u>2006-07</u>	<u>2005-06</u>
Profit after taxation as per Profit & Loss Account (Rs.in Thousands)	4,41,11	4,86,10
Weighted average of equity shares outstanding	1,09,70,000	1,09,70,000
Basic and Diluted earnings per shares Rs.	4.02	4.43

5. Segment Reporting

The Company is engaged in Ophthalmic Lenses business which as per Accounting Standard AS-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 :

Rs.in Thousands

	India	Outside India	Total
Sales Revenue	10,26,79	22,49,82	32,76,61

6. Related party disclosures under Accounting standard 18

- a) Key Management Personal : Mr.K V Rao, Managing Director and
 [Wholetime Directors] : Mr.K.Krishnadev Rao, Executive Director
- b) Relatives of Key Management Personnel
 Mrs. K.Vijayalakshmi : Spouse of Mr.K.Krishnadev Rao
 Mrs.K.Amruta Devi : Mother of Mr.K.Krishnadev Rao
 Ms.K.Srilatha Rao : Daughter of Mr.K.Krishnadev Rao
 Mr.Rob.K.Rao : Son of Mr.K.V.Rao
 Mr.Sajan.K.Rao : Son of Mr.K.V.Rao
 Ms.Neena.K.Rao : Daughter of Mr.K.V.Rao.
- c) Subsidiary Company : Techtran Ophthalmics Pvt Ltd.,
- d) Other related Company : Techtran Agro Industries Limited;
 Common Directors:
 Mr.K.V.Rao, Managing Director.
 Mr.K.Krishnadev Rao, Executive Director.

Rs. In Thousands

Transactions	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Company	Total
Remuneration	62,28			62,28
Rent*		6,98		6,98
Sale of Finished Goods			1,33,33	1,33,33
Services received			3,45	3,45
Advances			3,01,46	3,01,46

* This amount represents the rent paid by the Reporting entity on behalf of the Key Management Personnel, to their relatives. This is included in the Remuneration stated above.

7. In the case of Techtran Polylenses Ltd, Deferred Tax Liability has been created on timing difference of opening Net Block on fixed assets during the year (not created in earlier years) for Rs 35,267,642 /- and subsequently balance in profit and loss account is decreased by the same amount.

The following are the deferred tax liabilities/ (assets) created during the period

Amount in thousands

Particulars	31.03.2007	31.03.2006
Deferred Tax Liability/(Asset)		
Opening Balance	(82,35)	(37,08)
Reversal of deferred tax asset due to absorption of c/f tax losses	86,99	12,71
Timing difference on account of depreciation	(46,07)	(42,10)
Timing differences due to provision for retirement benefits	(12,29)	Nil
Deferred tax Adjustments on account of opening balances	3,52,68	Nil
Closing Balance	2,98,93	(82,35)

8. Advances recoverable in cash or kind includes Rs 73,43,752/- income tax paid under protest.
9. As per the information available with the company, there are no overdue payments exceeding Rs.1.63 lakh, which is outstanding for 30 days as at the year end in respect of suppliers being Small Scale Industries.
10. Previous years figures have been regrouped / rearranged wherever necessary.

SIGNATURES FOR “SCHEDULES I TO XIII”

As per our report of even date attached.

For and on behalf of the Board

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

M.V. RAGHAVA RAO
Director

M.R. VIKRAM
Partner
Membership No.21012

P. SHYAM SUNDER RAO
Chief Financial Officer &
Corporate Secretary

K.V.RAO
Managing Director

Place : Hyderabad
Date : 27.06.2007



TECHTRAN POLYLENSES LTD

REGD.OFFICE : #400, SAGAR CO-OP HOUSING SOCIETY
ROAD NO.2, BANJARA HILLS, AVENUE VIII, HYDERABAD - 500 034 (A.P.) INDIA

PROXY FORM

Regd. Folio No.: _____ No.of shares Held: _____

I/We _____
of _____

in the District _____

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 20th Annual General Meeting of the Company to be held on Thursday the 27th September, 2007 at 10.00 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2007.

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 : #400, SAGAR CO-OP HOUSING SOCIETY
ROAD NO.2, BANJARA HILLS, AVENUE VIII, HYDERABAD - 500 034 (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 20th Annual General Meeting of Techtran Polylenes Limited held at 10.00 A.M on Thursday the 27th September, 2007 at 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



We make your vision clear

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.

