

India's No.1
Manufacturer of
Plastic Ophthalmic Lenses

24th Annual Report



2010-2011



(100% EOU)

TECHTRAN POLYLENSES LIMITED

(An ISO 9001:2000 Certified Company)

BOARD OF DIRECTORS

- Dr. Jayaram Chigurupati
 - Sri Kanuri Harishchandra Prasad
 - Dr. Pradeep Swarup
 - Dr. Tripuraneni Venkata Krishna Rao
 - Dr. Denis Broun
 - Sri Eyunni Ranga Kumar
 - Sri Kuchipudi Venkateswara Rao
 - Sri Kasuganti Krishnadev Rao
- Chairman (*w.e.f 07.12.2010*)
 - Director (*w.e.f 11.08.2010*)
 - Director
 - Director (*w.e.f 07.12.2010*)
 - Director (*w.e.f 07.12.2010*)
 - Whole-time Director (*w.e.f 15.03.2011*)
 - Managing Director (*up to 15.03.2011*)
 - Executive Director (*up to 06.01.2011*)

CHIEF EXECUTIVE OFFICER

Sri Eyunni Ranga Kumar

CHIEF FINANCIAL OFFICER

Sri A. Chandrasekar

COMMITTEES OF THE BOARD

Audit Committee

Sri Kanuri Harishchandra Prasad
Sri Pradeep Swarup
Sri Tripuraneni Venkata Krishna Rao

Remuneration Committee

Dr. Jayaram Chigurupati
Sri Kanuri Harishchandra Prasad
Sri Tripuraneni Venkata Krishna Rao

Share Transfer & Shareholders

Grievance Committee

Sri Tripuraneni Venkata Krishna Rao
Sri Kanuri Harishchandra Prasad
Sri Pradeep Swarup

REGISTERED OFFICE

“Techtran House”
S-7, T.I.E. IDA, Balangar
Hyderabad – 500 037

FACTORY

Survey No. 545, Bonthapally Village
Zinnaram Mandal, Medak District
Andhra Pradesh-502313

SUBSIDIARY COMPANY

Techtran Ophthalmics Pvt. Ltd.
“Techtran House” S-7,
T.I.E. IDA, Balangar
Hyderabad-500 037

BANKS/FINANCIAL INSTITUTIONS

Term Lenders

IDBI Bank Ltd., Hyderabad
IFCI Ltd., Hyderabad

Banks

Export Import Bank of India, Hyderabad

REGISTRAR & TRANSFER AGENTS

CIL Securities Limited
Regd. Office 214, Raghavaratna Towers
Chirag Ali Lane, Abids
Hyderabad-500 001

SHARES LISTED AT

Bombay Stock Exchange Ltd.

STATUTORY AUDITORS

M/s. M. Anandam & Co.
Chartered Accountants
7-A, Surya Towers, S.P.Road
Secuderabad-500 003

INTERNAL AUDITORS

M/s. S. C. Bose & Co.
Chartered Accountants
1-10-98/29, Lane 3, Street 3
Mayurimarg, Begumpet
Hyderabad - 500 016

Annual General Meeting
On Monday, 27th June, 2011 at 3.30 P.M
at Sri Anupama The Royal
Padmavathi Towers, N.H.9
Nizampet “X” Roads, Kukatpally, Hyderabad

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NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of the Company, M/s Techtran Polylenses Limited will be held on Monday the 27th June, 2011 at 3.30 P.M at “**SRI ANUPAMA THE ROYAL, PADMAVATHI TOWERS, N.H.9, NIZAMPET “X” ROADS, KUKATPALLY, HYDERABAD** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as on March 31st, 2011 and the Profit and Loss Account for the year ended as on that date together with the Directors’ Report and the Auditors’ Report thereon.
2. To appoint a Director in the place of Mr Harishchandra Prasad Kanuri who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors, M/s. M. Anandam & Co., Hyderabad, to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Dr. Jayaram Chigurupati who was appointed by the Board of Directors as an Additional Director and Chairman of the Company with effect from 07.12.2010 and who holds office up to the date of the 24th Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 257 of the Act proposing his Candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.”

5. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Dr. Denis Broun who was appointed by the Board of Directors as an Additional Director of the Company with effect from 07.12.2010 and who holds office upto the date of the 24th Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 257 of the Act proposing his Candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.”

6. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mr. Venkata Krishna Rao Tripuraneni who was appointed by the Board of Directors as an Additional Director of the Company with effect from 07.12.2010 and who holds office upto the date of the 24th Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing

from a Member of the Company under Section 257 of the Act proposing his Candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“**RESOLVED FURTHER THAT** pursuant to the provisions of the Sec 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 consent of the members of the Company be and is hereby accorded to appoint Mr. Ranga Kumar Eyunni as a Whole-time Director of the Company for a period of 5 years at a total remuneration of Rs.2,50,000/- per month.

“**RESOLVED FURTHER THAT** subject to the applicable provisions of the Companies Act, 1956, in the event of loss or inadequacy of profits, in any financial year during the term of Appointment, the above mentioned remuneration shall be paid to Mr. Ranga Kumar Eyunni as and by way of minimum remuneration.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof for the time being in force, and in accordance with the provisions of the Memorandum of Articles of Association of the Company, the listing agreements with the Stock Exchanges and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and other rules and regulations, prescribed by the Securities and Exchange Board of India (“SEBI”) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to introduce and implement the Employee Stock Options Scheme (ESOS) as detailed in explanatory statement to this notice and to create, grant, offer issue and allot, to directly or through allotment to the trust created/ to be created for this purpose, or to utilize the shares held by the Trust created for this purpose, for the benefit of such person(s) who are in the permanent employment of the Company and its subsidiary companies (Non bargainable category hereinafter collectively referred to as the “Employees”) equity shares of the company and/or options giving right to purchase such number of equity shares of the company, at such price, in such manner, during such period in one or more tranches and on such terms and conditions as the Board may decide up to a limit not exceeding 5,00,000 (approximately 3.67% of the present

equity issued and paid up share capital of the company as on 31.03.2011) at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the guidelines or other provisions of the law as may be prevailing at that time.”

“RESOLVED FURTHER THAT the said issue of Employee Stock Options Scheme (ESOS) as detailed in explanatory statement to this notice be also for the benefit of such person(s) who are in the permanent employment of, its subsidiary companies (Non bargainable category).”

“RESOLVED FURTHER THAT the maximum number of Securities issued / granted, in terms of this resolution, to any single Employee during any one year shall be less than one percent, of the issued and paid-up equity shares of the company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the ESOS on such terms and conditions as contained in the Explanatory Statement to this Item in the Notice and to make any modification(s), changes, variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS from time to time including but not limited to, amendment(s) or revision(s) in the terms and conditions of the ESOS from time to time including but not limited to amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS.”

“RESOLVED FURTHER THAT the shares may be allotted in accordance with the ESOS either directly and/or through an existing trust or a trust which may be set up and/or in any other permissible manner and that the ESOS may also envisage for providing any financial assistance to the trust to enable the trust to acquire, purchase or subscribe the Securities of the Company as per the ESOS.’

“RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall in all respects rank *pari- passu* inter se with the then existing equity shares of the company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of Securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors with a power to further delegate to any executives/officers of the company to do all such acts, deed, matters and things as also to execute such documents,

writings, etc. as may be necessary in this regard.”

“**RESOLVED FURTHER THAT** all the lapsed options will be added back to ESOS pool and the Board be and is hereby authorized to allot these lapsed options to the eligible employees as per the ESOS Scheme.”

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“Resolved that pursuant to Section 31 and other applicable provisions if any of the Companies Act 1956 the Articles of Association of the Company be hereby altered by incorporating a new **Article 17 (d)** after the existing article 17 (c) reads as follows:

Subject to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act and subject to the Articles of Association, the Board may, from time to time, create, offer and issue to or for the benefit of the Company’s employees including the Executive Chairman, the Managing Director and the Whole Time Directors such number of equity shares of the Company of the face value of Rs.10/- each not exceeding in number at any time in the aggregate 5% of the capital after expansion, for subscription on such terms and conditions as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking *pari passu* with the existing equity shares of the Company.

1. The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue.
2. In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities convertible or non-convertible into equity shares, as may be permitted in law, from time to time.

10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modifications or re-enactment thereof for the time being in force), provisions of the memorandum and Articles of Association of the Company, and subject to the rules / regulations / guidelines issued by the Securities and Exchange Board of India (hereinafter referred to as “SEBI”), the Stock Exchanges where the shares of the Company are listed (including provisions of the listing agreement with them), or any appropriate / statutory authority and also subject to such approvals, permissions, sanctions and consents as may be necessary and required from the Government of India, the Reserve Bank of India (hereinafter referred to as “the RBI”), and all other appropriate authorities and institutions, under applicable legislation, rules, regulations, guidelines and contracts for the time being in force, and subject further to such other terms, conditions, stipulations, alterations, amendments, modifications or variations as may be

required, specified or suggested by any of the concerned authorities or bodies; which terms, conditions, stipulations, alterations, amendments, modifications or variations, the Board of Directors (hereinafter referred to as “the Board” which terms shall be deemed to include any Committee of Directors for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), is authorized to accept as it may deem fit, consent and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches, on preferential basis, not exceeding 7,50,000 (Seven lakh fifty thousand) warrants at a face value of Rs.10/- each with a premium of Rs.14/- per warrant carrying an option / entitlement to subscribe to equivalent number of Equity Shares of the Company on a future date, not exceeding 18 (Eighteen) months from the date of issue of such warrants, to the following entity:

Sl.No.	Name of the proposed allottee	No.of Warrants to be allotted
1	Credence Infrastructure Limited	7,50,000

“RESOLVED FURTHER THAT the terms and conditions of the aforesaid warrants shall be as under:

- a. The said warrants shall have face value of such sum that will be equivalent to the 25% of the price of the share to be issued in surrender / exchange of each such warrant, in terms of this resolution and SEBI Guidelines for Preferential Issue (Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009).
- b. Each of the said warrant shall carry a right, entitling its registered owner to apply for at his / her option, and seek allotment of one equity share upon surrendering / exchanging of such warrant to the Company along with the balance 75% of the issue price of the equity share.
- c. The price including premium, of the equity share to be allotted on exchange/ surrender of each warrant shall not be less than the minimum price specified as per SEBI Guidelines for Preferential Issue (Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009) considering 30 days prior to the date of the General Meeting.
- d. The application for shares against surrendered / exchange of the warrants shall be made within such time as may be fixed by the Board of Directors of the Company at its discretion, but in any case, not later than 18 months from the date of issue of such warrants by the Company.
- e. In case the warrant holders do not apply for the shares of the Company against surrender/exchange of warrants as aforesaid within the time that may be fixed by the Board of Directors in this regard, then the amount paid on each such warrant shall be forfeited; and the warrants and all the rights attached to the same shall lapse *ipso facto*.
- f. Upon surrender/exchange of each such warrant, the amount paid up thereon shall be credited, adjusted and applied towards share application money for which the holder of the warrants is entitled to apply.

- g. The equity shares to be offered, issued and allotted as aforesaid upon surrender / exchange of the warrant and exercise of the option by the warrant holder shall be subject to the provisions of the Memorandum and Articles of Association of the company in all respects, the said warrants and the shares shall be subject to lock-in for such period that may be prescribed under the SEBI guidelines for preferential issue.
- h. The warrant by itself shall not give to the holder thereof any rights of the shareholders or debenture holders of the company.”

“**RESOLVED** further that the board be and is hereby authorized to decide the other terms of issue, offer and allotment of the aforesaid warrants and the equity shares resulting from the exercise of the entitlement of the warrant of the warrant holders; provided that the aforesaid warrants and the equity shares resulting from the exercise of the entitlement of the warrant holders under this resolution shall be made fully paid-up at the time of their allotment.”

“**RESOLVED** further that to give effect to the aforesaid resolution, the board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any directors or any other officer(s) of the company, and for the purpose of giving effect to this resolution, the board acting on its own or through a committee of directors or any other person duly authorized in this regard by the board / committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions / matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of shares, execute all such deeds, documents, agreements and writings as may be necessary for the allotment and listing on one or more stock exchanges of the shares to be issued aforesaid or, such other steps that are incidental and ancillary in this regard and to do, make or accept such alterations, modifications, variations in the foregoing or cancellation of issue of warrants, as may be considered desirable or expedient by the board / committee / such authorized person in the best interest of the company and its shareholders.”

By order of the Board of
Techtran Polylenses Limited

Dr. Jayaram Chigurupati
Chairman

Place: Hyderabad
Date: 26.05.2011

NOTES

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos.4 to 9 is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and such Proxy need not be a Member of the Company. Proxy Forms duly stamped and executed should reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **23.06.2011 to 27.06.2011** (both days inclusive).
4. Shareholders seeking any further information on the accounts and operations of the Company at the Annual General Meeting are requested to send their queries to the Company at the Registered Office at least seven days before the date of the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers on the Attendance Slip for easy identification of attendance at the Meeting.
6. Shareholders holding shares in Physical Mode are requested to intimate their change of address, if any, to the Company and the shareholders holding shares in Demat Mode are requested to notify their change of address, if any, to the DP (and not to the Company) with whom they have Demat Account.

Particulars of Directors who are proposed to be reappointed at this Meeting as required under Clause 49 of the Listing Agreement:**ITEM NO.2:**

Mr Harishchandra Prasad Kanuri has been the Director of the Company since 11.08.2010. Mr.K.Harishchandra Prasad was born in 1952 and did his B.Tech (Chemical Technology) from Madras University, Chennai, India and MS (Chemical Engineering) from Washington University, St.Louis, USA and also M.B.A.(Special Emphasis on Finance) from St.Louis University, St.Louis, USA. He is the Managing Director of M/s.Lakshmi Finance & Industrial Corporation Ltd., Hyderabad from 1985 onwards. Prior to current position, he had 7 years of experience in the manufacturing industries of USA. He is on the Board of several companies and was the past President of FAPCI, Hyderabad.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**ITEM NO.4:**

Dr.Jayaram Chigurupati was co-opted as an Additional Director and Chairman of the Company with effect from 07.12.2010 pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Dr Jayaram Chigurupati holds office only upto the date of the 24th Annual General Meeting of the Company. Company has received a notice in writing along with a deposit of Rs.500/- from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Dr Jayaram Chigurupati as a candidate for the office of Director.

Dr. Jayaram Chigurupati has a Ph.D. in genetics (1988) and an MBA from Cornell University (1994). His last assignment was as Executive Vice President of Dr. Reddy's Laboratories Limited. In that position, he started and managed its biotechnology and oncology strategic business units as well as managed marketing in emerging markets around the world including Russia, China, and Brazil. All these SBUs have grown to become critical assets for Dr. Reddy's.

Dr. Jayaram Chigurupati is either a promoter/controlling shareholder/CEO of the following entities:

BIOPHARMACEUTICALS

Zenotech Laboratories Limited

Hemarus Biologicals Limited and Hemarus LLC

Ophthalmics

Techtran Polylenses Limited

Financial Services

Coastal Local Area Bank Limited

First Bank of the Palm Beaches

Cypress Capital Group

Commodities

Hemarus Industries Limited (integrated Sugar/Power/Distillery)

Entertainment

Laughing Lion Animation Pvt. Limited

Your Directors recommend the resolution for approval. Except Dr. Jayaram Chigurupati no other Director is deemed to be interested or concerned in the Resolution.

ITEM NO.5:

Dr Denis Broun was co-opted as an Additional Director on the Board of the Company with effect from 07.12.2010 pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Dr Denis Broun holds office only upto the date of the 24th Annual General Meeting of the Company. Company has received a notice in writing along with a deposit of Rs.500/- from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Dr Denis Broun as a candidate for the office of Director.

Dr. Denis Broun obtained his Masters in Biomathematics (1977) and Medical Doctor Degree (1981) from the University of Paris. He then specialized in Tropical Medicine from Institute Leon Mob, University of Paris, 1982. He is also Diploma cum magna laude of the Paris Institute of Political Sciences, 1984.

Dr Denis Broun is presently the UNAIDS Regional Director for Europe and Central Asia. He earlier assignment was UNAIDS Country Coordinator, India. He has an extensive background in donor coordination and more than 15 years of experience in public health. His previous positions as Program Manager and then as Director of Department of Resource Mobilization at WHO (1998 to 2000), Chief of Health and Special Advisor to the Executive Director at UNICEF (1996 and 1998), Health

Financing Specialist and Senior Health Specialist at the World Bank (1991 and 1996) have involved inter-agency communication and coordination in fields ranging from infectious diseases to child health. Dr. Broun has also managed all aspects of health policy planning and development. He has extensive experience in project design and management. Dr. Broun has particular expertise in public/private partnerships and private sector collaboration, donor coordination, and has extensive international experience.

With a view to avail the benefit of his long-standing industrial experience and valuable guidance, his appointment as a Director on the Board is considered as desirable in the best interests of the Company.

Your Board of Directors recommends the necessary Resolution for your approval. Except Dr Denis Broun no other Director is deemed to be interested or concerned in the Resolution.

ITEM NO.6:

Dr Venkata Krishna Rao Tripuraneni was co-opted as an Additional Director on the Board of the Company with effect from 07.12.2010 pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Dr Venkata Krishna Rao Tripuraneni holds office only upto the date of the 24th Annual General Meeting of the Company. Company has received a notice in writing along with a deposit of Rs.500/- from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr Venkata Krishna Rao Tripuraneni as a candidate for the office of Director.

Dr T V Krishna Rao was born in 1st January 1931. He did his MBBS, DLO and MS from Andhra Medical College Guntur. He is a Famous ENT Specialist in Hyderabad and Founder President of a popular International Social Welfare Organisation of Secunderabad (Local Branch) and did commendable social work, specially for the Home for the Aged.

Actively associated with the Association of Otolaryngologists of India Hyderabad and Andhra Pradesh Branches for the last 25 years. Conducted many workshops, CME programmes and conferences with faculty both from our Country and many Countries abroad. These programmes have immensely helped both the Junior and Senior Colleagues in the specialty to improve their knowledge and expertise.

Actively associated with the Association of Otolaryngologists of India Hyderabad and Andhra Pradesh Branches for the last 25 years in organizing Free Ear, Nose and Throat Camps in Rural Areas of Andhra Pradesh to diagnose E.N.T., ailments (Deafness and Cancer Diseases) and treat them. This also involves distributing Health Literature on E.N.T., ailments (Deafness and Cancer Diseases) and their prevention, and familiarizes the people living in Villages about the various diseases. He has Conducted many workshops, CME programmes and conferences with faculty both from our Country and many Countries abroad. These programmes have immensely helped both the Junior and Senior Colleagues in the specialty to improve their knowledge and expertise.

With a view to avail the benefit of his long-standing industrial experience and valuable guidance, his appointment as a Director on the Board is considered as desirable in the best interests of the Company.

Your Board of Directors recommend the necessary Resolution for your approval. Except Dr T.V.Krishna Rao no other Director is deemed to be interested or concerned in the Resolution.

ITEM NO.7:

Mr Ranga Kumar Eyunni was appointed as a Whole-time Director of the Company at the Board Meeting held on 15.03.2011. He has extensive experience in the fields of Marketing, Logistics, Sales, Administration, Project Management and Overall Management of a Company. Has thorough Knowledge of running a Hi-Tech Manufacturing facility, in Depth Knowledge of the Optical Storage Media Industry, Excellent communication skills, Dynamic leader and team builder, consistently motivating others towards quality and success, he has developed very good contacts with the Various Governmental agencies so vital for the success of an enterprise in India.

With a view to avail the benefit of his long-standing industrial experience and valuable guidance, his appointment as a Whole-time Director on the Board is considered as desirable in the best interests of the Company.

Your Board of Directors recommend the necessary Resolution for your approval. Except Mr Ranga Kumar Eyunni no other Director is deemed to be interested or concerned in the Resolution.

ITEM NO.8: Employee Stock Option Scheme (ESOS):

In order to motivate the Employees of the company and also employees of subsidiary company (Techtran Ophthalmics Private Limited) and to enable them to participate in the long term growth and financial success of the company, with the common objective of maximizing the shareholder value, it is proposed to introduce the Employees Stock Option Scheme (ESOS-2011). The ESOS would not only enable the company to attract and motivate employees by rewarding performance as also retain the best talents but also enable the employees to develop a sense of ownership with the company by aligning their interest with that of the company and its shareholders.

The SEBI Guidelines have provided a conducive environment for the implementation of an Employee Stock Option Scheme. The Company proposes to introduce the following Stock Option Scheme for the benefit of employees of the Company, its Directors, and such other persons / entities as may be prescribed by SEBI from time to time, and in accordance with the provisions of prevailing regulations.

Employee Stock Option Scheme 2011

Under this scheme, employees will be granted an option to acquire a certain number of equity shares at a Price as mentioned hereinafter. The broad terms and conditions of the Scheme are as under:

The Company's Compensation Committee, which is a committee of the Board of Directors, and consisting of a majority of independent Directors, will be responsible for administration and superintendence of the ESOS. The Compensation Committee will formulate the detailed terms and conditions of the ESOS; Compensation Committee will specify, inter alia, the following.

1. Quantum of options to be granted under the Scheme per employee.

2. Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
3. Time period within which an employee may exercise vested options in the event of termination or resignation.
4. The exercise period within which the employee should exercise the options and that option would lapse on failure to exercise the options within the exercise period.
5. Rights of employees to exercise all the vested options at one time or at various points of time.
6. Procedure for making a fair and reasonable adjustment to the number of options and to the exercise period, in case of rights issues, bonus issues, other corporate actions, or otherwise.
7. Lock-in period for the shares issued pursuant to exercise of the options, if any.
8. Any other related or incidental matters.

The following is the explanatory statement, which sets out the various disclosures as required by clause 6 of the SEBI Guidelines.

The salient features of the Scheme are as under:

1. The total number of options to be granted:

The total number of options to be granted under this scheme cannot exceed 5,00,000 i.e. 3.67% of the issued equity share capital of the Company as on March 31st, 2011 or such additional quantity as may be required on account of Corporate Action. The options which lapse/expire or are forfeited will be available for grant to the eligible employees. One option would be entitle the holders of the options a right to apply for one equity share of face value of Rs. 10/- each and / or equity linked instrument including any depository receipt entitling for one equity share of Rs. 10/- each of the company, as may be decided by the Board. The option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

2. Identification of classes of employees entitled to participate in the ESOS

The Compensation Committee may grant to such Eligible Employees as it may in its absolute discretion select, Options of the Company on the terms and conditions as it may decide and while selecting the employees, the following eligibility criteria shall be followed.

- a) Employees with an exceptional annual performance shall be eligible for grants under the Plan.
- b) Employees who are members of the team considered critical to the success of the Company shall be eligible for grants under the Plan.
- c) New hires who are considered critical to the success of the Company shall be eligible for grants under the Plan.

Provided that, employees and directors who are either promoters or belong to the promoter group as defined in the SEBI Guidelines shall not be eligible under this Plan.

3. Requirements of vesting, period of vesting and maximum period of vesting

Subject to the provisions of Section 6(b) of the plan, the vesting period of the

Options granted under the Plan is three (3) years from the date of grant of the Options. The Options granted under the Plan shall vest in the following manner:

Sl. No.	Vesting of option	Percentage (%)
1	3 years from the date of grant	25 % of total grant
2	4 years from the date of grant	35 % of total grant
3	5 years from the date of grant	40 % of total grant

- a) Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Compensation Committee and set forth in the Option Agreement. Unless the Compensation Committee provides otherwise, the vesting of Options granted hereunder shall be tolled during any unauthorized unpaid leave of absence. An Option may not be exercised for a fraction of a share.
 - b) An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of Exercise (in accordance with Option Agreement) for the person entitled to Exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Compensation Committee and permitted by the Option Agreement and the Plan. Shares issued upon Exercise of an Option shall be issued in the name of the Optionee. Until the Shares are allotted, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the Exercise of the Option. The Company shall allot such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.
 - c) The Shares shall be allotted in the dematerialized mode only. The responsibility of opening of the dematerialized account lies with the Optionee.
- 4. Exercise price or pricing formula**
The exercise price for the purposes of the grant of options will be determined by the Remuneration Committee as per the guidelines issued by the SEBI from time to time.
 - 5. Exercise period and the process of Exercise**
The exercise period shall commence from the date of vesting, and will expire not later than 84 months from the date of grant or such period as may be decided by the Compensation Committee. The options will be exercisable by the Eligible Employees by a written application to the Committee to exercise the options, in such manner, and on execution of such documents, in such manner, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.
 - 6. Process for determining the eligibility of employees to ESOS**
The process for determining the eligibility criteria for the eligible employees will be specified by the Compensation committee, and will be based on, such

criteria such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential., etc., and such other factors as may be appropriate as may be decided by the Compensation Committee, in its discretion, from time to time.

7. Maximum number of options to be issued per employee and in aggregate

No Employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling 0.5% of the outstanding issued share capital as on the date of grant, (excluding outstanding Options and conversions).

Notwithstanding the foregoing, pursuant to a specific resolution passed by the members in General Meeting, the Compensation Committee may grant to the Employees mentioned in such special resolution, Options to purchase Shares exceeding or equal to 1% of the outstanding issued share capital as on the date of the grant, (excluding outstanding Options and conversions).

8. Disclosure and Accounting Policy

The company shall comply with the disclosure and accounting policies prescribed by Securities and Exchange Board of India (SEBI) and any other appropriate authority, from time to time.

9. Method of Valuating the Options

The company will adopt the intrinsic value method to value the options granted under the Scheme.

10. Disclosure in Director's Report

The Company calculates the Employee Compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that would have been recognized if it had used the fair value of the options and its impact on the profits and earnings per shares would be disclosed in the Directors' Report. The fair value method would be determined using the Black Scholes Model. As the Scheme will entail further shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Act, and as per the requirement of SEBI Guidelines.

The Options to be granted under the Plan shall not be treated as an offer or an invitation made to public for subscription in the securities of the company.

The Board accordingly recommends the resolution for approval of the members as a Special Resolution.

ITEM NO.9: Alteration of Articles of Association of the Company

In view of the issue of shares under Employee Stock Option Scheme (ESOS-2011) as per agenda item 8 above, the Articles of Association of the Company should contain specific provision for the same, and thereby it is proposed to alter the Articles of Association of the company by incorporating a new **Article 17 (d)** after the existing article 17 (c).

The Board accordingly recommends the resolution for approval of the members as a Special Resolution.

ITEM NO.10:

The Company has been examining various growth opportunities from time to time in line with its objective of expanding its capacities and becoming globally competitive in its business. As a part of future growth strategy, to meet fund requirements for acquiring capital assets & equipments, augmenting working capital requirements for facilitating expanded operations, making investments in new initiatives and to further strengthen the financial position of the Company, it is proposed to issue Equity Shares and Warrants convertible into even number of Equity Shares to Credence Infrastructure Limited, an Investments Holding Company, on preferential placement basis, as per the details given in the Special Resolution at item No.10 of the Notice.

The offer, issue and allotment of 7,50,000 (Seven Lakh Fifty Thousand only) Warrants convertible into even number of equity shares of Rs.10/- each with a premium of Rs.14/- each (in compliance of SEBI regulation 76) of the Company as envisaged under the proposed special resolution set out at item No.10 of the Notice shall be made in accordance with the guidelines of the Securities & Exchange Board of India (SEBI) for Preferential Issues, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

A copy of the certificate from the Auditors of the Company certifying that the issue is being made in accordance with SEBI guideline for Preferential Issue, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is available for inspection of the members at the registered office of the Company.

The information as required under Regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is given herein below:

a) Objects of the issue:

The object of the issue is to meet fund requirements for acquiring capital assets & equipments, augmenting working capital requirements for facilitating expanded operations, making investments in new initiatives and to further strengthen the financial position of the Company.

b) Intention of Promoters / Directors / Key Management Persons to subscribe to the offer:

None of the Key Management Persons are subscribing to the offer.

The Board accordingly recommends the resolution for approval of the members as a Special Resolution.

By order of the Board of
Techtran Polylenes Limited

Dr. Jayaram Chigurupati
Chairman

Place: Hyderabad
Date: 26.05.2011

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

I, E.Ranga Kumar, Chief Executive Officer and A.Chandrasekar, 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: 26.05.2011

A.CHANDRASEKAR
Chief Financial Officer

E.RANGA KUMAR
Chief Executive Officer

DIRECTORS' REPORT

To

THE MEMBERS,

Your Directors take pleasure in presenting the 24th Annual Report of the Company on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Accounts for the year ended 31st March, 2011.

1.0 FINANCIAL RESULTS

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

	CURRENT YEAR 2010-2011	PREVIOUS YEAR 2009-2010
<i>Rs.in Lakhs</i>		
SALES		
Export Sales	1570.58	1897.78
Domestic Sales	917.66	701.62
	2488.24	2599.40
Other Income	72.91	60.92
Profit before Interest and Depreciation	231.64	491.02
Less : A] Interest & Financial Charges	36.52	67.65
B] Depreciation & other Write-Offs	212.05	218.61
Net Profit/(Loss) for the year	(16.93)	204.76
Provision for Taxes :	1.36	71.45
Profit after/(Loss) after Tax	(15.57)	133.31

2 FINANCIAL CONDITION AND REVIEW OF OPERATIONS:

Management Discussion and Analysis of Financial Condition and Results of Operations 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 reviewed the progress of company at regular intervals, as required.

Auditor's Comments

Subject to Note No.5 of notes to accounts of Schedule XIII regarding dues from erstwhile directors of Rs.20.72 lakhs shown as an advances pending full and final settlement of their accounts.

Reply to the Comment: Noted.

3 SUBSIDIARY COMPANY:

Techtran Ophthalmics Private Limited is the only subsidiary of your company and pursuant to Accounting Standard, AS-21 of the Institute of Chartered Accountants of India, the enclosed Consolidated Financial Statements include the financial information (relating) to the subsidiary.

4 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 DIVIDENDS:

Your Directors are unable to recommended Dividend in-view of negative results.

5.1 Annual General meeting:

Register of Members and Share Transfer books will remain closed from 23rd June, 2011 to 27th June, 2011 both days inclusive. The Annual General Meeting of the Company has been scheduled for 27th June, 2011.

6. COMPOSITION OF BOARD:

Consequent to change in Management on 7th December, 2010 after fulfilling all the requirements of SEBI, Dr. Jayaram was co-opted as an Additional Director and Chairman of the Company with effect from 07.12.2010.

The requisite notices together with necessary deposits have received for Dr. Jayaram Chigurupati, Dr. Denis Broun and Dr. T.V.Krishna Rao pursuant to Section 257 of the Companies Act, 1956 signifying their candidature for the office of the directorships.

Sri K. Harishchandra Prasad, director of the company retires by rotation and offers himself for re-appointment.

The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board has constituted Audit Committee, Share Transfer & Shareholders Grievance Committee and Remuneration Committee.

7. 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 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 ensured that proper and sufficient care was 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 CONSOLIDATED FINANCIAL STATEMENTS:

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

9 AUDITORS:

M/s. M.Anandam & Co., Chartered Accountants, S P Road, Secunderabad, Auditors of your company retires at the conclusion of the Annual General Meeting and being eligible offer themselves for reappointment. Company has received letter 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.

9.1 Internal Auditors:

Your Board of Directors appointed M/s. S.C.Bose & Co., Chartered Accountants, Hyderabad as Internal Auditors. The Internal Auditors submit their reports on a quarterly basis, which are being reviewed by the Audit Committee.

10. ISO CERTIFICATION:

Your Company continues to hold ISO 9001:2000 certification year after year.

11. CORPORATE SOCIAL RESPONSIBILITY:

Your Company, as a responsible corporate entity propagating its philosophy of responding to social welfare causes and philanthropic activities in the areas of Eye care, Education, natural Calamities and Social services, by contributing lenses at various Eye camps and also cash contributions to the tune of **Rs.0.55 lakhs** during the year under review.

12. PERSONNEL:

Information required under Section 217(2A) of the Companies Act, 1956 read along with the Companies (Particulars of Employees) Rules, 1975 may be treated as 'NIL' as none of the employees come under that category.

13. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

The statement giving 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 along 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).

14. 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).

15. 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.

16. LISTING:

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

17. 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.

By order of the Board of
Techtran Polylenses Limited

Dr. Jayaram Chigurupati
Chairman

Place: Hyderabad
Date: 26.05.2011

ANNEXURE - 1**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT****Industry Outlook**

According to a recent market study, 65% of the world population is affected by visual disorders however only 26% currently have corrective equipment. It is estimated that 28% of the Indian population requires some sort of vision correction. The market size for ophthalmic lenses is approximately 900 million lenses each year. Your company is engaged in the manufacture and sale of hard resin (plastic) ophthalmic lenses. These lenses are mainly exported overseas and sold partly in the domestic market.

The demand for eye glasses is driven by demographics, fashion and changing healthcare practices. Aging population is increasing the demand for eye exams and glasses. Eye care has evolved from age-related vision disorders to cosmetic concerns. Nowadays spectacles are considered as personality enhancers and fashion accessories. Changing lifestyles and activities that affect eyes have led to the increased use of tinted spectacle lenses, progressive lenses and photo chromatic lenses.

Analysis of financial performance of the Company

Your company has produced 22,69,685 lenses during the current financial year and sold 23,04,990 lenses as compared to the production of 22,05,673 lenses and sales of 22,35,947 lenses in 2009-2010.

The export sales went down by Rs.327.20 lakhs while the domestic sales went up by Rs.104.66 lakhs over the previous year. The net sales have declined by about Rs.111.16 lakhs over the previous year. The average price realized for lens declined by 7.15% primarily due to un-favourable product mix.

Liquidity and capital resources:

The promoters of the company M/s Credence Infrastructure Limited has infused Rs.439.73 lakhs to the shareholders funds.

The Net working capital stood at Rs.1506.11 lakhs against Rs.1455.89 lakhs of previous year.

The Company's ability to generate funds from operating activities, including product sales, equity funds and debt financing from its financial institutions and others are expected to provide sufficient liquidity to meet its expansion/modernization and research and development programs and working capital needs of the company.

Future Outlook

During the current financial year under review, the market for ophthalmic lenses felt the impact of worldwide economic recession that followed the global financial crisis. The worldwide recession has a delayed impact on the optical industry and the market continues to experience tightness during the current financial year. However, as an insurance against the sluggish export market, we will be focusing on the domestic market with renewed vigor to balance the decline by ramping up volumes.

Overall, the export markets should be stable and the company expects a good upside in the domestic front. The road ahead is indeed challenging both from within and at the market place. The company is aiming to target key areas like quality, service levels and marketing efforts to make a positive impact and a statement of intent. It is the time the sleeping giant wakes up and stands tall to be counted.

The company's prime focus for this year is to increase the market share in the domestic segment considerably. The company's strategy is to first create a strong marketing team and do aggressive branding building of both the company and its products. The company has identified that one of the key product lines to achieve this goal will be the progressive lenses since they will not only add to the bottom line but are a natural progression to slowly replace the age old "Bi-focals". Your company will be aggressively re-launching progressive line of lenses under the "Vartek" Brand with an attractive trade scheme coupled with a strong brand building exercise.

The Company is planning to launch 1.6 refractive Index lenses based on the MR-8 monomer from Mitsui, Japan in the third quarter of 2011. The initial feedback from our export customers is encouraging. The company is also in talks with Mitsui for their MR-7 Monomer with a refractive index of 1.67 and will commence trials in the coming quarter. We strongly believe the way to go forward is to create a niche in the high refractive index segment, as the margins are higher and the marketplace is not crowded.

The company is aggressively pursuing new technologies like polarizing lenses which is addressed to the niche high end markets especially the youth both in exports and domestic markets. The feedback from our major customers is encouraging.

The company is fully aware of the changing dynamics in the export markets and is determined to enhance sales in this area. We are in talks with our partners to enter the lucrative east european market and whilst there are some barriers primarily governmental (those countries), we are confident to make some headway in the coming quarter. We are also looking to enhance co-operation with our USA customers both in the range of products as well as some specialized services (blocking lenses). We are also looking at the middle-east markets and Africa with renewed interest and hope to achieve growth in these areas.

Techtran Ophthalmics Private Limited is a fully owned subsidiary of the company 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 the company's products. The new hard coating and multi coating lines are doing well and supporting parent company in climbing the value chain. The subsidiary is able to develop some export markets for the value added products. It is planning to aggressively setup surface labs across the country to gain market share.

Opportunities

There is a huge upside in the domestic market due to continuous shift from glass to plastic. The ratio of glass to plastic in India is 70:30 as compared to 10:90 in the rest of the world. Moreover, increased awareness and spending capacity of an average Indian is on the rise which will hopefully result in increased buying.

There is a huge demand for progressive lenses. The company needs to tap into this market with good designs and aggressive marketing. The company plans to introduce free forming lenses as an addendum to the casting progressives. Free forming lenses gives the company an edge in the number of designs that we could offer.

The demand for lenses with high refractive index of 1.6 and 1.67 is picking up in the domestic market. The company plans to capitalize on this demand.

The company plans to launch polarizing lenses for the high-end segment and the youth with good realizations.

The company is looking forward to further tolling contracts with some major customers, to ensure a steady capacity utilization and buffer against possible uncertainties at the Market place.

Threats, Risks and Concerns

Aggressive competition from major international brands and chinese products will continue to be the main challenge facing the company.

Photochromatic lenses from leading multinationals are the largest threat to our brand due to the perception gaining ground in many markets about the relatively product performance. Due to this reason, the company is seeing a fall in photochromatic lens shipments. The company needs to quickly strategize on casting an alternative photo chromatic lens to fill this increasing void, as our company is largely dependent on photochromatic lenses to drive the bottom lines and any sudden fall in this segment could severely impact the company.

Material developments in HR/Industrial Relations front including number of people employed

Your Company believes that the quality of its employees is the key to its success. It is committed to providing necessary human resource development and training opportunities to equip them with necessary skills, which enables them to adapt to contemporary technological advancements.

There was a strike for 26 days in the month of April/May 2010 demanding higher benefits and it was settled amicably.

Apart from the above employee relations during the year continued to be cordial and your company is committed to maintaining good relations.

Internal control systems and their adequacy

The Company has an extensive system of internal controls to ensure that all of its assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly.

The Company is aimed at implementing an internal control system that is geared towards achieving efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws and regulations.

Cautionary statement

Statements in the management's discussion and analysis report, which seek to describe the company's objectives, projections, estimates, expectations or

predictions may be considered to be “forward looking statements” and are stated as required by applicable laws and regulations. Actual results could differ from those expressed or implied. Many factors including global and domestic demand-supply conditions, prices, raw-materials availability, technological changes, changes in government regulations and policies, tax laws and other statutes may affect the actual results, which can be different from what the Directors’ envisage in terms of future performance and outlook.

By order of the Board of
Techtran Polylenses Limited

Place: Hyderabad
Date: 26.05.2011

Dr. Jayaram Chigurupati
Chairman

ANNEXURE - 2

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

A] CONSERVATION OF ENERGY:

- (a) Energy conservation measures taken.

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

- (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:

(A) Details of conservation of Energy, Power and Fuel consumption

Electricity :

(i) Electricity :

Purchased units	-	2,96,950
Total amount	-	Rs.21.71 Lakhs
Rate per Unit	-	Rs.7.31

(ii) AP Gas Power Corporation

Purchased units	-	20,34,233
Total amount	-	Rs.44.93 Lakhs
Rate per Unit	-	Rs.2.21

(iii) Own Generation

Diesel Generation Units	-	4,36,515
Total amount	-	Rs.48.97 Lakhs
Rate per Unit	-	Rs.11.22

B] TECHNOLOGY ABSORPTION:**a] RESEARCH AND DEVELOPMENT:****1. Specific areas in which R&D carried out by the company:**

- New Sunsenors monomer namely high Performance Monomer casting.
- 1.6 index (MR-8) lens casting.
- Tiara (Super Hydro Phobic) coating.
- Broader range of Sunsesnors products.
- New brand of Centered short corr progressive.
- 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 and climb up value chain.

3. Future plan of action

Continue the efforts on ongoing business / process up-gradation and cost reduction programs.

b] TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

The Technologies imported from Italy and U.S.A has 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 Sunsenors manufacturing process and IPP production etc., have been successful. Re-building and upgrading of the imported equipment is being done. The new multi coating know-how is fully absorbed and producing premium quality products. Introduced the HPM Photchromic lenses. Developed the Tiara, Super hydrophobic coating for AR Coated lenses. With the assistance of Mitsui chemicals Japan, the casting of 1.6 index lenses is established. Introduced the centered short corridor progressives in Sunsenors, 1.56 lens materials.

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 63.12% of net turnover and the remaining in Domestic Markets. Our own brand 'VARTEK' (Progressives), SUN 'N' LITE etc, are getting popular in markets. 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.156.29 Millions (FOB Value) in Foreign Exchange and used Rs.110.21 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: 26.05.2011

By order of the Board of
Techtran Polylenes Limited

Dr. Jayaram Chigurupati
Chairman

ANNEXURE -3
REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2011
TECHTRAN POLYLENSES LIMITED'S PHILOSOPHY ON CODE OF GOVERNANCE

Techtran Polylenes Limited has over the years followed best practices of Corporate Governance by adhering to practices laid down by the Board of Directors.

Techtran Polylenes 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 Polylenes 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 85% 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, 2011 or for the year 2010-2011, as applicable, is tabulated hereunder:

Name of Director	No. of Board Meetings Attended ^[a]	Attendance at Previous AGM on 27.09.2010	No. of outside Directorships held ^[b]	No. of Membership/ Chairmanship in other Board Committees ^[c]	Executive / Non Executive/ Independent
Mr. K. Harishchandra Prasad	8	Present	8	1	Non Executive & Independent
Dr. T.V. Krishna Rao	2	Not Present	1	1	Non Executive & Independent
Dr. Pradeep Swarup	8	Not Present	—	1	Non Executive & Independent
Dr. Jayaram Chigurupati	3	Not Present	9	1	Executive
Mr. M V Raghava Rao	8	Present	Nil	1	Non Executive & Independent
Mr. V. Venkateswarlu	8	Present	1	1	Non Executive & Independent
Mr. K V. Rao	4	Present	1	1	Executive
Mr. K. Krishnadev Rao	4	Present	1	1	Executive

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

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

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 2010-2011

During the year 2010-2011, 11 [Eleven] Board Meetings were held on 09.04.10, 08.05.10, 19.05.10, 31.05.10, 11.08.10, 27.09.10, 09.11.10, 07.12.10, 06.01.11, 14.02.11 & 15.03.11.

BOARD COMMITTEES

Audit Committee:

The qualified and independent Audit Committee comprises of Sri. K.Harishchandra Prasad, Chairman, Dr. Pradeep Swarup and Dr. T.V.Krishna Rao 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 2010-2011.

Share Transfer & Shareholders Grievance Committee:

Shareholder/Investor Grievance Committee is headed by Dr. T.V.Krishna Rao, Chairman, Sri. K.Harishchandra Prasad and Dr. Pradeep Swarup a Non-Executive, Independent Directors with Dr.Jayaram Chigurupati, Chairman as members. Mr. A.Chandrasekar, Chief Financial Officer is the Compliance Officer.

During the year 2010-2011, no complaints were received from shareholders and investors.

All valid requests for share transfer received during 2010-2011 have been acted upon by the Company and no such transfer is pending.

Remuneration Committee

Matters pertaining to remuneration of Board of directors of the company are considered by the Remuneration Committee of the Board consisting of Dr. Jayaram Chigurupati, Chairman of the company, Mr K.Harishchandra Prasad and Dr. T.V.Krishna Rao, independent Directors of the company. The terms of remuneration of the Chairman has to be approved by the shareholders at the Annual General Meeting. The compensation of senior executives is reviewed and approved by the Chairman.

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

REMUNERATION OF DIRECTORS FOR 2010-2011

Name of the Director	Sitting Fee Rs.	Salaries and Perquisites Rs.	Commission Rs.	Total Rs.
Shri. K.Harishchandra Prasad	80,000	—	Nil	80,000
Dr. T.V.Krishna Rao	30,000	—	Nil	30,000
Dr. Pradeep Swarup	1,20,000	—	Nil	1,20,000
Shri. M V Raghava Rao	1,20,000	—	Nil	1,20,000
Shri. V. Venkateswarlu	1,20,000	—	Nil	1,20,000
Shri. E.Ranga Kumar	Nil	40,323	Nil	40,323
Dr. Jayaram Chigurupati	30,000	—	Nil	30,000
Shri K Krishnadev Rao Executive Director	Nil	23,54,536	Nil	23,54,536
Shri K V Rao Managing Director	Nil	32,20,199	Nil	32,20,199

Commission is subject to adequate profits being earned. Performance criteria for the Managing / Executive Director takes into account the business plans and market conditions.

GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2009-2010	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	27 th Sept, 2010	10.00 AM
EGM	Anupama AC Restaurant, Alluri Trade Center, Opp KPHB, Hyderabad	8 th May 2010	10.30 A.M
2008-2009	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	24 th Sept, 2009	10.00 AM
2007-2008	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	26 th Sept, 2008	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 2010-2011 the Company had no materially significant related party transaction which is considered to have potential conflict with the interests of the Company at large.

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

MEANS OF COMMUNICATION

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

Management discussion and Analysis Report.

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

Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns of the company and discussion on financial performance with respect to the operational performance, has been covered in the Directors' Report more specifically under the Annexure-1, Management Discussion & Analysis.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and time : 27th June, 2011 at 3.30 P.M

Venue : Sri Anupama the Royal, Padmavathi Towers, N.H.9,
Nizampet "X" Roads, Kukatpally, Hyderabad

Financial Calendar : 2011- 2012 (tentative)

Results for the quarter ending : June 30, 2011 - August 12, 2011
 Results for the quarter ending : September 30, 2011 - November 15, 2011
 Results for the quarter ending : December 31, 2011 - February 15, 2012
 Results for the year ending : March 31, 2012 - May 31, 2012

Date of Book Closure: 23rd June, 2011 to 27th June, 2011, both days inclusive.

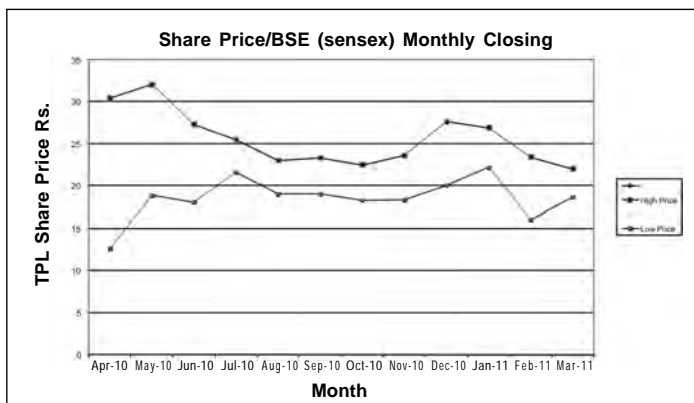
The company has not issued any ADRs/GDRs, Warrants or any convertible instruments.

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,2010	30.43	12.61	October,2010	22.50	18.25
May,2010	32.10	18.85	November,10	23.60	18.30
June,2010	27.30	18.05	December,10	27.65	20.05
July,2010	25.50	21.60	January,11	26.92	22.20
August,2010	23.00	19.00	February,11	23.40	16.05
September,2010	23.30	19.00	March,11	22.00	18.65

Performance in comparison to BSE Sensex



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

Categories of Shareholding as on 31st March, 2011

Category	Number of Shares	Percent of total Shares
Promoters and Associates	4891800	35.90
Mutual Funds	16500	0.12
Nationalised banks and other banks	3100	0.02
NRI's and OCB's	1833355	13.46
Others [includes holding of Corporate Bodies]	6880245	50.50
	13625000	100.00

Distribution of shareholding as on 31st March, 2011

No.of Shares	Number of shareholders	Number of Shares	Percent of total shares
1 to 250	11227	1227491	9.01
251 to 500	1377	559119	4.10
501 to 1000	616	533102	3.91
1001 to 2000	285	454863	3.34
2001 to 3000	99	257976	1.89
3001 to 4000	49	178441	1.31
4001 to 5000	53	252975	1.86
5001 to 10000	81	568042	4.17
10001 and above	91	9592991	70.41
Total	13878	13625000	100.00%

Dematerialisation of shares and liquidity : 84,63,762 Equity shares of the Company have been dematerialized as on 31st March, 2011.

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

Address for correspondence : Shares Department, "**TECHTRAN HOUSE**", S-7, T.I.E., IDA, Balanagar, Hyderabad-500 037 and for share transfers and dematerialisation: CIL Securities Ltd., Regd Office:214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad – 500 001, Telephone Nos. 040-23203155/040-23202465, E-mail for Investors: investors@techtranindia.com and advisors@cilsecurities.com/cilsec@hotmail.com

By order of the Board of
Techtran Polylenses Limited

Place: Hyderabad
Date: 26.05.2011

Dr. Jayaram Chigurupati
Chairman

AUDITORS' REPORT ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Techtran Polylenses Limited for the year ended 31st March, 2011 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, 2011, 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: Hyderabad
Date : 26.05.2011

For M.Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
M.No.18404

AUDITORS' REPORT

To
The Members of
Techtran Polylenses Limited
Hyderabad

1. We have audited the attached Balance Sheet of **Techtran Polylenses Limited**, as at 31st March, 2011, the Profit & Loss Account and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information 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) *Subject to Note No.5 of Notes to Accounts of Schedule XIII regarding dues from erstwhile directors of Rs.20.72 Lakhs shown as advances pending full and final settlement of their accounts*, 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, 2011;
 - ii. in the case of the Profit & Loss account, of the Loss 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.

For M.Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)

Place: Hyderabad
Date : 26.05.2011

A.V. SADASIVA
Partner
M.No.18404

Annexure**Re: Techtran Polylenses Limited****Referred to in Paragraph 3 of our report of even date**

- i. a. The company is in the process of updating the 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 granted/taken any loans from parties covered under Sec.301. Hence, provisions of 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 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 (v) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- vi. The Company has not accepted any deposits from the public under section 58A & 58AA of the Companies Act, 1956 accordingly, clauses (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records by the company under section 209(1) (d) of the Act.
- ix. 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 appropriates authorities.
b. According to the information and explanations given to us, the company is not having any undisputed statutory dues like income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at 31 March, 2011 for a period of more than six months from the date they became payable.

- x. 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.
- xi. 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.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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 statements. Accordingly, the provisions of Clause 4(xv) of companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion and according to the information and explanation given to us, Term loans have been raised by the Company and have been utilised for the purpose for which they were raised.
- xvii. 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.
- xviii. According to information and explanation given to us, 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.
- xix. The Company has not issued any debentures during the year. Accordingly, clause (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. 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.
- xxi. 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: Hyderabad
Date : 26.05.2011

For M.Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
M.No.18404

BALANCE SHEET AS AT 31ST MARCH 2011*Amount in Rupees*

Schedule	As at 31.03.2011	As at 31.03.2010	
<u>SOURCES OF FUNDS</u>			
1) <u>Shareholder's Funds</u>			
i. Share Capital	I	138,804,500	109,700,000
ii. Reserves and Surplus	II	127,391,080	114,080,408
2) <u>Loan Funds</u>			
i. Secured Loans	III	18,612,728	33,611,183
3) <u>Deferred Tax Liability</u>		<u>9,732,159</u>	<u>12,903,225</u>
		<u>294,540,467</u>	<u>270,294,816</u>
<u>APPLICATION OF FUNDS</u>			
1] <u>Fixed Assets</u>	IV		
Gross Block		419,523,689	415,553,021
Less: Depreciation		<u>328,888,281</u>	<u>307,893,129</u>
Net Block		90,635,408	107,659,892
2] <u>Investments</u>	V	53,293,630	17,046,000
3] <u>Current Assets, Loans & Advances</u>	VI		
i. Inventories		55,287,613	58,482,585
ii. Sundry Debtors		55,513,612	56,072,560
iii. Cash & Bank Balances		49,473,582	16,108,310
iv. Loans & Advances		<u>28,705,311</u>	<u>68,858,655</u>
		188,980,118	199,522,110
Less: <u>Current Liabilities & Provisions</u>	VII		
i. Current Liabilities		23,579,266	29,696,872
ii. Provisions		<u>14,789,423</u>	<u>24,236,314</u>
		38,368,689	53,933,186
Net Current Assets		<u>150,611,429</u>	<u>145,588,924</u>
Accounting Policies & Notes on Accounts	XIII	<u>294,540,467</u>	<u>270,294,816</u>
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
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
Membership No.18404

Place : Hyderabad
Date : 26.05.2011

For and on behalf of the Board

DR. JAYARAM CHIGURUPATI
Chairman

E. RANGA KUMAR
Whole-time Director

A. CHANDRASEKAR
Chief Financial Officer

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011*Amount in Rupees*

Schedules	Year Ended 31.03.2011	Year Ended 31.03.2010
1 INCOME		
Sales - Export	157,058,172	189,777,910
Sales - Domestic	99,258,511	75,730,568
	256,316,683	265,508,478
Less: Excise Duty & Sales Tax	7,493,432	5,568,743
Net Sales	248,823,251	259,939,735
Other Income VIII	7,291,226	6,091,536
Increase/(Decrease) in stock IX	10,663,207	2,576,253
	266,777,684	268,607,524
2 EXPENDITURE		
Raw Material Consumed	89,827,181	94,264,458
Manufacturing Expenses X	129,749,201	99,011,971
Administrative & Selling Expenses XI	24,037,104	26,229,404
Sub Total	243,613,486	219,505,833
Profit before Interest & Depreciation	23,164,198	49,101,691
Less: Interest & Financial Charges XII	3,651,972	6,764,964
Profit/(Loss) before Depreciation	19,512,226	42,336,727
Less: Depreciation	21,205,454	21,861,166
Profit/(Loss) before Tax	(1,693,228)	20,475,561
Provision for Taxation		
- Current Tax	2,496,276	11,233,637
- Earlier Years Tax	538,890	7,082
- Deferred Tax	(3,171,066)	(4,095,924)
Profit/(Loss) after Tax	(1,557,328)	13,330,766
Balance brought forward	64,080,408	50,749,642
Profit available for appropriation	62,523,080	64,080,408
Balance Carried to Balance Sheet	62,523,080	64,080,408
EPS - Basic & Diluted (on Rs. 10 per Share)	(0.12)	1.22
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
(Firm Regn.No.000125S)**A.V. SADASIVA**
Partner
Membership No.18404
Place : Hyderabad
Date : 26.05.2011**E. RANGA KUMAR**
Whole-time Director

For and on behalf of the Board

DR. JAYARAM CHIGURUPATI
Chairman**A. CHANDRASEKAR**
Chief Financial Officer

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Amount in Rupees

	Year Ended 2010-2011	Year Ended 2009-2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(1,693,228)	20,475,561
Adjustments for		
Loss on sale of asset	166,467	
Depreciation	21,205,454	21,861,166
Interest Expense	1,897,327	5,030,231
Other Finance Charges	1,754,645	1,734,733
Interest Received	(4,612,320)	(4,204,855)
Operating Profit Before Working capital Changes	18,718,345	44,896,836
Changes in Working Capital		
(Increase)/Decrease in Trade and other receivables	558,948	(2,251,043)
(Increase)/Decrease in Loan and Advances	32,157,956	4,647,816
(Increase)/Decrease in Inventories	3,194,972	11,764,699
Increase/(Decrease) in Creditors	(1,544,868)	(126,971)
Increase/(Decrease) in Other Liabilities	(4,572,738)	6,400,999
Increase/(Decrease) in Provisions	(12,482,057)	(9,899,898)
	17,312,213	10,535,602
Cash generated from operations	36,030,558	55,432,438
Taxes Paid	(7,995,388)	9,007,082
NET CASH FROM OPERATING ACTIVITIES (A)	44,025,946	46,425,356
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	(36,247,630)	-
Purchase/Increase in Fixed Assets and Capital work in progress	(5,247,437)	(1,546,440)
Sale of Fixed Asset	900,000	-
Interest Received	4,612,320	4,204,855
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(35,982,747)	2,658,415
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital		
Increase/(Decrease) in Short term borrowings	6,532,533	(7,116,055)
Increase/(Decrease) in Long term borrowings	(21,530,988)	(27,922,560)
Other Finance Charges	(1,754,645)	(1,734,733)
Interest paid on Term Loans	(1,897,327)	(5,030,231)
Increase/(Decrease) in Share capital	43,972,500	
NET CASH FLOW FROM FINANCING ACTIVITIES - C	25,322,073	(41,803,579)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	33,365,272	7,280,192
CASH AND CASH EQUIVALENTS AS AT 31.03.2010	16,108,310	8,828,118
CASH AND CASH EQUIVALENTS AS AT 31.03.2011	49,473,582	16,108,310

Note : The Cash Flow Statement has been prepared as per Indirect method as set out in Accounting Standard-3 on Cash flow statement issued by the Institute of Chartered Accountants of India.

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
Membership No.18404
Place : Hyderabad
Date : 26.05.2011

E. RANGA KUMAR
Whole-time Director

For and on behalf of the Board
DR. JAYARAM CHIGURUPATI
Chairman

A. CHANDRASEKAR
Chief Financial Officer

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Amount in Rupees

	As at 31.03.2011	As at 31.03.2010
<u>SCHEDULE - I</u>		
SHARE CAPITAL		
Authorised Share Capital		
Current Year 1,50,00,000 Equity Shares of Rs.10/- each		
Previous Year 1,40,00,000 Equity Shares of Rs.10/- each	<u>150,000,000</u>	<u>140,000,000</u>
Issued, Subscribed & Paidup Capital		
Current Year 1,36,25,000 Shares of Rs.10 each fully paidup	136,250,000	109,700,000
Previous Year 1,09,70,000 Shares of Rs.10 each fully paidup		
Share Warrants Application Money	2,554,500	-
	<u>138,804,500</u>	<u>109,700,000</u>
<u>SCHEDULE - II</u>		
RESERVES AND SURPLUS		
Securities Premium	14,868,000	-
General Reserves		
Opening Balance	50,000,000	45,000,000
Additions	-	5,000,000
Closing Balance	50,000,000	50,000,000
Profit & Loss Account	62,523,080	64,080,408
	<u>127,391,080</u>	<u>114,080,408</u>
<u>SCHEDULE - III</u>		
SECURED LOANS		
Term Loans		
Zero Coupon Bonds	-	3,450,000
Others	-	18,080,988
Working Capital Loan	18,612,728	12,080,195
(Refer Note no 1 on Notes to Accounts)		
	<u>18,612,728</u>	<u>33,611,183</u>

Particulars	Amount in Rupees											
	Gross Block					Depreciation					Net Block	
	As at 1.4.2010	Additions during the year	Dele- tions	As at 31.3.2011	Upto 1.4.2010	For the year	Dele- tions	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010		
Land	6,398,873	-	-	6,398,873	-	-	-	-	6,398,873	6,398,873		
Buildings	56,380,481	-	-	56,380,481	17,371,973	1,883,108	-	19,255,081	37,125,400	39,008,508		
Plant & Machinery	328,017,899	2,084,641	-	330,102,540	274,471,825	17,408,491	-	291,880,316	38,222,224	53,546,074		
Furniture & Fixtures	5,660,894	1,145,121	-	6,806,015	5,125,640	366,913	-	5,492,553	1,313,462	535,254		
Office Equipment	3,815,204	478,882	-	4,294,086	3,616,216	12,424	-	3,628,640	665,446	198,988		
Transformer & Elect, Equip	6,020,189	569,904	-	6,590,093	1,845,846	847,110	-	2,692,956	3,897,137	4,174,343		
Data Processing Equipment	2,519,812	606,701	-	3,126,513	2,412,439	51,437	-	2,463,876	662,637	107,373		
Vehicles	6,739,670	362,188	1,276,770	5,825,088	3,049,190	635,971	210,302	3,474,859	2,350,229	3,690,480		
Previous Year	415,553,022	5,247,437	1,276,770	419,523,689	307,893,129	21,205,454	210,302	328,888,281	90,635,408	107,659,893		
	414,006,581	1,546,440	-	415,553,021	286,031,963	21,861,166	-	307,893,129	107,659,892	127,974,618		

	<i>Amount in Rupees</i>	
	As at 31.03.2011	As at 31.03.2010
<u>SCHEDULE -V</u>		
INVESTMENTS (UNQUOTED - NON TRADE) AT COST		
Current Year 37,14,763 Equity Shares of Rs.10/- each fully paid	37,147,630	900,000
Previous Year 90,000 Equity Shares of Rs 10/- Each fully paid in M/S Techtran Ophthalmics P Ltd (100% Subsidiary) 1,04,000 Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd	16,146,000	16,146,000
	<u>53,293,630</u>	<u>17,046,000</u>
<u>SCHEDULE -VI</u>		
CURRENT ASSETS, LOANS & ADVANCES		
A] CURRENT ASSETS		
1] Inventories (As certified and Valued by Management)		
- Stores & Spares	7,884,256	7,128,376
- Moulds and other Tools	11,629,871	28,031,429
- Raw Material	7,003,281	5,042,548
- Consumables	2,836,886	3,010,120
- Finished Goods	24,511,453	12,779,628
- Stock in Process	1,421,866	2,490,484
	55,287,613	58,482,585
2] Sundry Debtors		
Un secured Considered Good		
More than Six Months		
Due from Subsidiary	1,536,948	-
Others	4,245,970	12,260,018
Less than six months		
Due from Subsidiary	9,128,406	1,463,073
Others	40,602,288	42,349,469
	55,513,612	56,072,560
3] Cash & Bank Balances		
Cash in Hand		
Cash at Bank	76,544	82,256
With Schedule Banks		
In Current Account	425,344	983,969
With Non Schedule Banks		
In Current Account	6,880,408	15,042,085
In Deposit Account	42,091,286	-
	49,473,582	16,108,310
B] LOANS AND ADVANCES		
Advances receivable in Cash or Kind		
1] Deposits with Govt. Departments	97,500	97,500
2] Deposits with Govt. Companies	489,760	489,760
3] Advances to Subsidiary Company	-	33,798,748
4] Advance Taxes	19,942,576	23,300,609
5] Tax Deducted At Source	495,388	638,126
6] others	7,680,087	10,533,912
	28,705,311	68,858,655
	<u>188,980,118</u>	<u>199,522,110</u>

	<i>Amount in Rupees</i>			
	Current Year		Previous Year	
	31.03.2011		31.03.2010	
<u>SCHEDULE - VII</u>				
CURRENT LIABILITIES & PROVISIONS				
Sundry Creditors				
Liability to other than MSMED Creditors	12,109,451		13,694,878	
Liability to MSMED Creditors	400,464	12,509,915	359,905	14,054,783
Other Liabilities		11,069,351		15,642,089
Provisions				
Provision for Group Gratuity	453,099		-	
Provision for Leave Encashment	606,411		606,739	
Provision for Inomce Tax	13,729,913	14,789,423	23,629,575	24,236,314
		<u>38,368,689</u>		<u>53,933,186</u>
<u>SCHEDULE - VIII</u>				
OTHER INCOME				
Interest Received		4,612,320		4,204,855
Rental Income		1,494,000		1,494,000
Miscellaneous Income		110,442		392,681
Exchange Fluctuation Gain		1,074,464		-
		<u>7,291,226</u>		<u>6,091,536</u>
<u>SCHEDULE - IX</u>				
INCREASE / (DECREASE) IN STOCKS				
Opening Stock				
a) Work in Progress		2,490,484		2,121,534
b) Finished Goods		12,779,628		10,572,325
		<u>15,270,112</u>		<u>12,693,859</u>
Closing Stock				
a) Work in Progress		1,421,866		2,490,484
b) Finished Goods		24,511,453		12,779,628
		<u>25,933,319</u>		<u>15,270,112</u>
Increase/(Decrease) In Stocks		<u>10,663,207</u>		<u>2,576,253</u>
<u>SCHEDULE - X</u>				
MANUFACTURING EXPENSES				
Salaries and Wages and Other Allowances		37,271,477		30,561,591
Contribution to PF and ESI		5,618,621		5,313,675
Workers and Staff Welfare Expenses		6,183,850		5,887,673
Power & Fuel		11,384,911		11,647,811
Stores, Spares and Consumables		43,737,194		20,757,788
Packing Material Consumption		6,539,592		7,442,529
Repairs & Maintenance: Plant & Machinery		3,238,630		2,370,153
Other Manufacturing Expenses		15,774,926		15,030,751
		<u>129,749,201</u>		<u>99,011,971</u>

Amount in Rupees

	Current Year 31.03.2011	Previous Year 31.03.2010
<u>SCHEDULE - XI</u>		
ADMINISTRATIVE & SELLING EXPENSES		
Rates and Taxes	2,378,524	1,163,973
Insurance	325,923	390,547
Travelling Expenses	1,809,463	4,016,564
Professional Fees	2,256,994	418,467
Printing and Stationary	638,973	1,092,657
Networking & Software Development Charges	1,699,341	-
Telephone, Telex, Fax and Postage	1,033,735	1,310,185
Vehicle Running and Maintenance	734,649	918,326
Office Maintenance	767,650	541,579
Auditors' Remuneration	595,620	548,000
Directors' Sitting Fees	500,000	250,000
Directors' Remuneration	5,615,058	6,103,624
Selling and Distribution Expenses	4,640,595	6,735,188
Exchange Fluctuation Loss	-	1,934,135
Loss on sale of Assets	166,467	-
Misc. Expenses	874,112	806,159
	24,037,104	26,229,404
<u>SCHEDULE XII</u>		
INTEREST AND FINANCE CHARGES		
Interest on Term Loans	1,055,534	3,907,306
Interest on Working Capital	841,793	1,122,925
Other Financial Charges	1,754,645	1,734,733
	3,651,972	6,764,964

SCHEDULE - XIII**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES****i. Basis of Accounting:**

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

ii. Use of Estimates:

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

iii. 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.

iv. 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.

v. Impairment of Assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine the provision for impairment loss if any required or the reversal, if any required of impairment of loss recognized in previous periods.

vi. Investments:

Investments of long-term nature including interest in 100% subsidiary company are carried at cost less provision for permanent diminution in value of such investments, if any.

vii. 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 assets and these are valued at cost of blanks.

viii. Revenue Recognition:

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

ix. 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.

x. Employee Benefits:**Provident Fund:**

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

Leave Encashment:

The employees of the company are entitled to leave encashment which is debited to profit and loss account on the basis of actuarial valuation. The company does not maintain any fund with trust. It is paid by the company as and when liability arises.

Gratuity:

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

xi. 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.

xii. Earnings per Share:

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

xiii. Provision, Contingent Liabilities and Contingent Asset:

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

NOTES ON ACCOUNTS

	2010-11	2009-10
1. Estimated Amount of contracts to be executed on capital account and not provided for.	NIL	NIL
2. Contingent liabilities: Claims not acknowledged as debts:		
a) APCPDCL wheeling charges claim in Supreme Court	87,80,033	87,80,033
b) Corporate Guarantees given on behalf of M/S Techtran Ophthalmics Private Limited	1,25,00,000	1,11,00,000
3. Working capital limits are secured by personal guarantees of two of the directors of the company.		
	2010-11	2009-10
4. Sundry Debtors include debts due from Subsidiary company	1,06,65,359	14,63,073
5. Loans and Advances include Rs.20,72,000/- Shown against the erstwhile directors pending Full and final settlement of their accounts.		
	2010-11	2009-10
6. Loans due for repayment within one year	NIL	2,15,30,988

7. Outstanding dues of Micro enterprises and small enterprises. Information as per Notification No GSR 719 (E) & as per "The Micro, Small and Medium Enterprises Development Act 2006(MSMED)"

S.No.	PARTICULARS	2010-11	2009-10
1	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the each accounting year	4,00,464	3,59,905
2	The amount of interest paid by the buyer in terms of sec 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
3	The amount of interest due and payable for the period of delay of making payment but without adding the interest specified under the Act	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of the each accounting year	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

8. Unclaimed dividend of Rs 13,62,439 is included in other liabilities under Current Liabilities and Provisions.

(Amount in Rupees)

8. Earnings Per Share	2010-11	2009-10
Profit after taxation & Extraordinary item	(15,57,328)	1,33,30,766
Weighted Average No of equity shares o/s	1,27,90,493	1,09,70,000
Basic and diluted earnings per share (Rs) (face value of Rs 10/- per share)	(0.12)	1.22

10. Payment to statutory auditor:

Audit Fee		
Statutory	3,50,000	3,50,000
Tax	90,000	90,000
Others		
Limited Review	1,00,000	1,08,000
Service Tax	55,620	56,444

11. Employee Benefits:

The Company operates post retirement gratuity plans with LIC. The details of post retirement gratuity plans are as follows:

Particulars	2010-11	2009-10
a) Changes in the Present Value of Obligation		
Present value of obligations as at beginning of year	61,06,634	60,81,013
Interest cost	4,18,281	4,86,481
Current Service cost	3,58,382	4,14,803
Benefits paid	(14,58,802)	(10,46,975)
Actuarial (gain)/loss on obligations	21,14,519	1,71,312
Present value of obligations as at end of year	75,39,014	61,06,634
b) Changes in Fair value of plan assets		
Fair value of plan assets at beginning of year	68,96,991	52,00,140
Expected return of plan assets	6,19,413	4,53,965
Contributions	10,28,313	22,89,861
Benefits paid	(14,58,802)	(10,46,975)
Actuarial (gain)/loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	70,85,915	68,96,991
c) Assets recognized in the Balance Sheet		
Present value of obligations as at the end of year	75,39,014	61,06,634
Fair value of plan assets as at the end of the year	70,85,915	68,96,991
Funded status	4,53,099	7,90,357
Net asset/(liability) recognized in balance sheet	(4,53,099)	(7,90,357)
d) Expenses recognized in the Statement of Profit & Loss		
Current service cost	3,58,382	4,14,803
Interest cost	4,18,281	4,86,481
Expected return on plan assets	(6,19,413)	(4,53,965)
Net Actuarial (gain)/loss recognized in the year	21,14,519	1,71,312
Expenses recognized in statement of profit and loss	22,71,769	6,18,631
e) Assumptions		
Discount Rate	8.00%	8.00%
Salary Escalation	4.00%	4.00%
12. Directors' Remuneration:	2010-2011	2009-10
Salary	36,80,046	39,60,000
Contribution to PF	4,37,686	4,75,200
Commission	NIL	NIL
Perquisites	14,97,326	16,68,424
Leave Encashment	NIL	NIL

13. Segment Reporting:

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

Geographical Segments:	2010-11	2009-10
India	9,17,65,079	7,01,61,825
Outside India	15,70,58,172	18,97,77,910
Total Sales	24,88,23,251	25,99,39,735

14. Related Party Disclosures:**a) Relationship**

- i. Associate company:** Credence Infrastructure Limited
- ii. 100% Subsidiary Company:** Techtran Ophthalmics Private Ltd
- iii. Key Management Personnel** **Relatives**
 - E. Ranga Kumar - Whole Time Director w.e.f. 15th March 2011
 - K. V. Rao (upto 15-03-2011) Leelavathi K Rao, Wife
Rob K. Rao, Son
Sajan K. Rao, Son
Neena K. Rao, Daughter
 - K. Krishnadev Rao (upto 06-01-2011) K. Vijayalakshmi, Wife
K. Amruta Devi, Mother
K. Srilatha Rao, Daughter
K. Krishnasree Rao, Daughter
K. Vishnudev Rao, Son

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

	2010-11	2009-10
i. Subsidiary Company		
Sale of finished goods	2,16,04,116	1,32,38,211
Services rendered	1,40,35,969	1,37,12,561
Loan at the end of the year	-	3,37,98,748
Balance at the end of the year	1,06,65,354	14,63,073
Rent Received during the year	14,94,000	14,94,000
Investments purchased during the year	3,62,47,630	-
ii. Key Management Personnel and their Relatives		
Remuneration to key management personnel	56,15,058	61,03,624
Rent (paid to relatives)	13,90,592	14,88,000

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

a) Particulars of installed capacity and actual Production

		2010-11	2009-10
Licensed Capacity	Pieces	5.00 million	5.00 million
Installed Capacity (as certified by the management)	Pieces	5.00 million	5.00 million
Production	Pieces	22,69,685	22,05,673

b) Stocks and Sales of Finished Goods

	2010-11		2009-10	
	Quantity Pieces	Amount in Rs	Quantity Pieces	Amount in Rs
Sales	23,04,990	24,88,23,251	22,35,947	25,99,39,735
Opening Stock	2,64,665	1,27,79,628	2,94,939	1,05,72,325
Closing Stock	2,63,156*	2,45,11,453	2,64,665	1,27,79,628

* Closing stock Includes returned lenses 33,796 pieces.

c) Consumption of Raw material

	2010-11		2009-10	
	Quantity	Amount in Rs	Quantity	Amount in Rs
Monomer	98,637	8,79,64,066	1,00,763	9,28,12,345
IPP / IPKF	3,448	11,26,200	3,448	10,07,297
Other Materials	1,233	7,36,915	682	4,44,816
Total Raw Materials	1,03,318	8,98,27,181	1,04,893	9,42,64,458

d) Consumption of Raw Materials and Spare Parts

	2010-11		2009-10	
	Raw Materials	Spare Parts	Raw Materials	Spare Parts
Imported	8,89,27,181	1,23,49,572	9,42,64,458	1,05,34,066
As % of total cost	100%	55.88%	100%	50.75%
Indigenous	Nil	97,49,862	Nil	1,02,23,722
As % of total cost		44.12%		49.25%

e) CIF Value of Imports

(Amount in Rupees)

	2010-11	2009-10
Raw Materials	9,23,82,455	8,30,85,009
Spare Parts & Consumables	1,74,04,117	60,67,276

f) Expenditure in Foreign Currency

	2010-11	2009-10
Foreign Travel	1,43,875	12,95,799
Trade Fair Expenses	2,82,131	7,64,934

g) Earnings in Foreign Exchange

	2010-11	2009-10
FOB Value of Exports	15,62,89,742	18,94,19,730

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

	2010-11	2009-10
No of shareholders	NIL	50
No of shares held	NIL	18,54,578
Dividend remitted (Rs)	NIL	13,15,934
Year to which it relates	2009-2010	2008-09

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

Loans and advances in the nature of loans to:

Wholly owned subsidiary company with no specified payment schedule

	2010-11		2009-10	
	As at the end of the year	Maximum Balance	As at the end of the year	Maximum Balance
Techtran Ophthalmics P Ltd	NIL	3,73,76,008	4,47,95,777	4,99,72,692

17. Deferred Tax Liability / (Asset)

Deferred taxes have been provided on the following:

	2010-11	2009-10
Deferred Tax liability / (Asset)		
Opening Balance	1,29,03,225	1,69,99,149
Reversal of Deferred Tax asset due to absorption carry forward tax losses	NIL	NIL
Timing Difference on account of Depreciation	(45,71,313)	(48,91,501)
Timing Difference on account of Disallowed Expenditure	(19,826)	(6,57,521)
Timing Difference due to provision for retirement benefits	14,20,073	14,53,098
Deferred Tax adjustments on account of opening balances	NIL	NIL
Closing balance	97,32,159	1,29,03,225

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

SIGNATURES FOR SECHEDULES I TO XIII

As per our report of even date attached.

For **M. ANANDAM & CO.**,
Chartered Accountants
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
Membership No.18404

Place : Hyderabad
Date : 26.05.2011

For and on behalf of the Board

DR. JAYARAM CHIGURUPATI
Chairman

E. RANGA KUMAR
Whole-time Director

A. CHANDRASEKAR
Chief Financial Officer

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

1. Name of the Subsidiary Company : Techtran Ophthalmics Private Limited
2. The Financial Year of Subsidiary : 31st March, 2011
Company ended on
3. Holding Company's interest :
 - A. No.of shares held by Holding Co. at the end of financial year of Subsidiary company. : 37,14,763 Equity Shares of Rs.10/-each
 - B. Extent of interest of Holding Co. at the end of financial year of Subsidiary Co., : 100%
4. Net aggregate amount of subsidiary company's profit/(loss) after tax so far as it concerns the members of holding co.
 - A. Not dealt with in the Accounts of Techtran Polylenses Limited. :
 - (i) for the subsidiary's financial year ended 31st March, 2011 : Rs.12,61,840/-
 - (ii) for previous financial years of the subsidiary since it became a subsidiary of Techtran Polylenses Limited : Rs.70,41,509/-
 - B. Dealt with in the accounts of Techtran Polylenses Limited. :
 - (i) for the subsidiary's financial year ended 31st March, 2011. : 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
DR. JAYARAM CHIGURUPATI
Chairman

Place: Hyderabad
Date : 26.05.2011

E. RANGA KUMAR
Whole-time Director

A. CHANDRASEKAR
Chief Financial Officer

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	Preferential Allotment
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="26,550,000"/>

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

Total Liabilities	Total Assets
<input type="text" value="294,540,467"/>	<input type="text" value="294,540,467"/>

IV. Sources of Funds

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
<input type="text" value="138,804,500"/>	<input type="text" value="127,391,080"/>	<input type="text" value="18,612,728"/>	<input type="text" value="9,732,159"/>

V. Application of funds :

Net Fixed Assets	Investments	Net Current Assets	Misc.exp.
<input type="text" value="90,635,408"/>	<input type="text" value="53,293,630"/>	<input type="text" value="150,611,429"/>	<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="266,777,684"/>	<input type="text" value="268,470,912"/>	<input type="text" value="(1,693,228)"/>	<input type="text" value="(1,557,328)"/>

Earning per share in Rs.	Dividend Rate %
<input type="text" value="(0.12)"/>	<input type="text" value="NIL"/>

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

Item Code No.

ITC Code Product Description

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Techtran Polylenses Limited
Hyderabad

1. We have examined the attached Consolidated Balance Sheet of **Techtran Polylenses Limited**, and its subsidiary **Techtran Ophthalmics Private Limited** as at 31st March, 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow statements for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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.
4. *Subject to Note No.7 of Notes to Accounts of Schedule XIII regarding dues from erstwhile directors of Rs.20.72 Lakhs shown as advances pending full and final settlement of their accounts*, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of the separate financial statements of Techtran 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.
 - a. In the case of the Consolidated Balance Sheet, of the state of affairs of the company and its subsidiary as at 31st March, 2011;
 - 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
(Firm Regn.No.000125S)

Place: Hyderabad
Date : 26.05.2011

A.V. SADASIVA
Partner
M.No.18404

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011
Amount in Rupees

Schedules	As at 31.03.2011	As at 31.03.2010	
SOURCES OF FUNDS			
1) <u>Share Holders Fund</u>			
i. Share Capital	I	138,804,500	109,700,000
ii. Reserves and Surplus	II	139,966,386	127,825,635
2) <u>Loan Funds</u>			
i. Secured Loans	III	18,612,728	33,611,183
3) <u>Deferred Tax Liability</u>			
		12,725,752	15,417,120
		<u>310,109,366</u>	<u>286,553,938</u>
APPLICATION OF FUNDS:			
1] <u>Fixed Assets</u>			
Gross Block	IV	475,490,760	459,724,088
Less: Depreciation		<u>341,263,218</u>	<u>316,539,853</u>
		134,227,542	143,184,235
2] <u>Investments</u>			
	V	20,803,500	20,803,500
3] <u>Current Assets, Loans & Advances</u>			
i. Inventories		65,194,358	66,933,269
ii. Sundry Debtors		52,452,954	59,611,714
iii. Cash & Bank Balances		51,584,317	17,433,037
iv. Loans & Advances		<u>34,995,246</u>	<u>40,861,486</u>
		204,226,875	184,839,506
Less: <u>Current Liabilities & Provisions</u>			
i. Current Liabilities	VII	30,150,356	32,049,234
ii. Provisions		<u>18,998,195</u>	<u>30,224,069</u>
		49,148,551	62,273,303
Net Current Assets		<u>155,078,324</u>	<u>122,566,203</u>
		<u>310,109,366</u>	<u>286,553,938</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
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
Membership No.18404

Place : Hyderabad
Date : 26.05.2011

For and on behalf of the Board

DR. JAYARAM CHIGURUPATI
Chairman

A. CHANDRASEKAR
Chief Financial Officer

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Amount in Rupees

	Schedules	Year Ended 31.03.2011	Year Ended 31.03.2010
1 INCOME			
Sales - Export		161,780,798	199,971,238
Sales - Domestic		115,723,377	91,920,363
		277,504,175	291,891,601
Less: Excise Duty & Sales Tax		8,966,795	6,686,604
Net Sales		268,537,380	285,204,997
Other Income	VIII	2,583,477	624,698
Increase/(Decrease) in stock	IX	10,663,207	2,576,253
		281,784,064	288,405,948
2 EXPENDITURE			
Raw Material Consumed		87,674,135	94,285,437
Manufacturing Expenses	X	137,778,148	100,695,729
Administrative & Selling Expenses	XI	29,795,661	29,895,790
Sub Total		255,247,944	224,876,956
Profit before Interest & Depreciation		26,536,120	63,528,992
Less: Interest & Financial Charges	XII	3,755,144	6,862,599
Profit/(Loss) before Depreciation		22,780,976	56,666,393
Less: Depreciation		24,933,666	25,200,245
Profit/(Loss) before Tax		(2,152,690)	31,466,148
Provision for Taxation			
- Current Tax		2,861,940	14,929,264
- Earlier Year Tax		403,987	7,082
- Deferred Tax		(2,691,370)	(3,842,474)
Profit/(Loss) after Tax		(2,727,247)	20,372,276
Balance brought forward		77,825,633	57,453,357
Balance Carried to Balance Sheet		75,098,386	77,825,633
EPS - Basic & Diluted (on Rs. 10 per Share)		(0.21)	1.86
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
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
Membership No.18404

Place : Hyderabad
Date : 26.05.2011

For and on behalf of the Board

DR. JAYARAM CHIGURUPATI
Chairman

E. RANGA KUMAR
Whole-time Director

A. CHANDRASEKAR
Chief Financial Officer

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Amount in Rupees

	Year Ended 31-03-2011	Year Ended 31-03-2010
CASH FLOW FROM OPERATING ACTIVITES		
Profit before taxation	(2,152,690)	31,466,148
Adjustments for		
Loss on sale of asset	166,467	
Depreciation	24,933,666	25,200,245
Interest on term loan	1,055,534	5,030,231
Other Finance Charges	1,857,817	1,832,368
Interest Received	(1,449,512)	(223,006)
Interest paid on working capital	841,793	-1,122,925
Operating Profit Before Working capital Changes	25,253,075	64,428,911
Changes in Working Capital		
(Increase)/Decrease in Trade and other receivables	7,158,760	(2,792,644)
(Increase)/Decrease in Loans and Advances	40,475,748	(6,331,940)
(Increase)/Decrease in Inventories	1,738,912	12,199,184
Increase/(Decrease) in Creditors	1,990,798	(795,495)
Increase/(Decrease) and Other Liabilities	(3,889,676)	6,023,307
Increase/(Decrease) in Provisions	(14,491,801)	32,982,741
Cash generated from operations	58,235,816	62,969,537
Taxes Paid	(34,609,508)	(10,995,087)
NET CASH FROM OPERATING ACTIVITIES (A)	23,626,308	51,974,450
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Increase in Fixed Assets and Capital work in progress	(17,043,441)	(1,560,040)
Sale of Assets	900,000	
Interest Received	1,449,512	223,006
NET CASH FROM INVESTING ACTIVITIES (B)	(14,693,929)	(1,337,034)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Long term borrowings	(21,530,988)	(35,038,615)
Increase/(Decrease) in Short term borrowings	6,532,533	-
Other Finance Charges	(1,857,817)	(1,832,368)
Interest paid on Term Loans	(1,055,534)	(3,907,306)
Increase on Share capital	43,972,500	-
Interest Paid on Working Capital	(841,793)	(1,122,925)
NET CASH FROM FINANCING ACTIVITIES (C)	25,218,901	(43,024,139)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	34,151,280	7,613,277
CASH AND CASH EQUIVALENTS AS AT 01-04-2010	17,433,037	9,819,760
CASH AND CASH EQUIVALENTS AS AT 31-03-2011	51,584,317	17,433,037

Note : The Cash Flow Statement has been prepared as per Indirect method as set out in Accounting Standard-3 on Cash flow statement issued by the Institute of Chartered Accountants of India.

As per our report of even date attached.

For **M. ANANDAM & CO.,**
Chartered Accountants
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
Membership No.18404
Place : Hyderabad
Date : 26.05.2011

E. RANGA KUMAR
Whole-time Director

For and on behalf of the Board

DR. JAYARAM CHIGURUPATI
Chairman

A. CHANDRASEKAR
Chief Financial Officer

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Amount in Rupees

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - I		
SHARE CAPITAL:		
Authorised Share Capital		
Current Year 1,50,00,000 Equity Shares of Rs.10/- each		
Previous Year 1,40,00,000 Equity Shares of Rs.10/- each	<u>150,000,000</u>	<u>140,000,000</u>
Issued, Subscribed & Paidup Capital		
1,36,25,000 Shares of Rs.10 each		
fully paidup	136,250,000	109,700,000
Share Warrants Application Money	2,554,500	
	<u>138,804,500</u>	<u>109,700,000</u>
SCHEDULE - II		
RESERVES AND SURPLUS		
Securities Premium	14,868,000	-
General Reserves		
Opening Balance	50,000,000	45,000,000
Additions	-	5,000,000
Closing Balance	64,868,000	50,000,000
Profit & Loss Account	75,098,386	77,825,635
	<u>139,966,386</u>	<u>127,825,635</u>
SCHEDULE - III		
SECURED LOANS		
Term Loans		
Zero Coupon Bonds	-	3,450,000
Others	-	18,080,988
Working Capital Loan	18,612,728	12,080,195
	<u>18,612,728</u>	<u>33,611,183</u>

**SCHEDULE- IV
FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block			
	As at 1.4.2010	Additions during the year	Deletions	As at 31.3.2011	Upto 1.4.2010	For the year	Deletions	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010
LAND	6,398,873	-	-	6,398,873	-	-	-	-	6,398,873	6,398,873
Buildings	56,380,481	-	-	56,380,481	17,371,973	1,883,108	-	19,255,081	37,125,400	39,008,508
Plant & Machinery	368,036,387	12,554,861	-	380,591,248	282,115,092	20,740,601	-	302,855,693	77,735,555	85,921,295
Lab Equipments	1,531,600	551,487	-	2,083,087	102,173	76,453	-	178,626	1,904,461	1,429,427
Furniture & Fixtures	6,590,918	1,701,569	-	8,292,487	5,385,803	442,727	-	5,828,530	2,463,957	1,205,115
Office Equipment	3,966,785	618,891	-	4,585,676	3,658,242	33,704	-	3,691,946	893,729	308,543
Transformer & Electrical Equip	7,128,725	569,904	-	7,698,629	2,208,995	1,001,307	-	3,210,302	4,488,327	4,919,730
Data Processing Equipment	2,848,989	669,541	-	3,518,530	2,614,983	108,712	-	2,723,695	794,835	234,006
Vehicles	6,841,331	377,188	1,276,770	5,941,749	3,082,593	647,054	210,302	3,519,345	2,422,404	3,758,738
	459,724,089	17,043,441	1,276,770	475,490,760	316,539,854	24,933,666	210,302	341,263,218	134,227,542	143,184,235
Previous Year	458,164,048	1,560,040	-	459,724,088	291,339,608	25,200,245	-	316,539,853	143,184,235	166,824,440

	<i>Amount in Rupees</i>	
	As at 31.03.2011	As at 31.03.2010

SCHEDULE-V

INVESTMENTS (UNQUOTED - NON TRADE) AT COST

134000 Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd - At Cost	20,803,500	20,803,500
	<u>20,803,500</u>	<u>20,803,500</u>

SCHEDULE -VI

CURRENT ASSETS, LOANS & ADVANCES

A) CURRENT ASSETS

1) Inventories (As certified and Valued by Management)

- Stores & Spares	7,884,256	7,128,376
- Moulds and other Tools	11,629,871	28,031,429
- Raw Material	15,303,840	11,716,556
- Consumables	4,443,072	4,786,796
- Finished Goods	24,511,453	12,779,628
- Stock in Process	<u>1,421,866</u>	<u>2,490,484</u>
	65,194,358	66,933,269

2) Sundry Debtors

Un secured Considered Good

More than Six Months	5,335,998	12,535,357
Less than six months	<u>47,116,956</u>	<u>47,076,357</u>
	52,452,954	59,611,714

3) Cash & Bank Balances

Cash in Hand	163,070	127,888
Cash at Bank		
With Schedule Banks		
In Current Account	425,344	983,969
With Non Schedule Banks		
In Current Account	8,904,617	16,321,180
In Deposit Account	<u>42,091,286</u>	<u>-</u>
	51,584,317	17,433,037

B) LOANS AND ADVANCES

Advances receivable in Cash or Kind

1) Deposits with Govt. Departments	146,440	103,500
2) Deposits with Govt. Companies	1,086,860	1,086,860
3) Advance Taxes	24,273,338	27,298,863
4) Tax Deducted At Source	816,438	638,126
5) Others	<u>8,672,170</u>	<u>11,734,137</u>
	34,995,246	40,861,486
	<u>204,226,875</u>	<u>184,839,506</u>

Amount in Rupees

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - VII		
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS		
Liability to other than MSMED Creditors	16,438,052	14,560,433
Liability to MSMED Creditors	<u>527,413</u>	<u>414,234</u>
Other Liabilities	13,184,891	17,074,567
Provisions		
Provision for Group Gratuity	585,434	122,967
Provision for Leave Encashment	621,556	621,884
Provision for Income Tax	<u>17,791,205</u>	<u>29,479,218</u>
	<u>18,998,195</u>	<u>30,224,069</u>
	<u>49,148,551</u>	<u>62,273,303</u>

Amount in Rupees

	Current year 31.03.2011	Previous year 31.03.2010
SCHEDULE - VIII		
OTHER INCOME		
Interest Received	1,449,512	223,006
Miscellaneous Income	110,442	401,692
Exchange Fluctuation Gain	<u>1,023,523</u>	-
	<u>2,583,477</u>	<u>624,698</u>

SCHEDULE - IX

INCREASE / (DECREASE) IN STOCKS

Opening Stock		
a) Work in Progress	2,490,484	2,121,535
b) Finished Goods	<u>12,779,628</u>	<u>10,572,325</u>
	<u>15,270,112</u>	<u>12,693,860</u>
Closing Stock		
a) Work in Progress	1,421,866	2,490,485
b) Finished Goods	<u>24,511,453</u>	<u>12,779,628</u>
	<u>25,933,319</u>	<u>15,270,113</u>
Increase/(Decrease) In Stocks	<u>10,663,207</u>	<u>2,576,253</u>

SCHEDULE - X

MANUFACTURING EXPENSES

Salaries and Wages and Other Allowances	48,923,142	39,548,487
Contribution to PF and ESI	5,859,093	3,707,538
Workers and Staff Welfare Expenses	6,385,316	6,380,843
Power & Fuel	14,151,129	13,664,718
Stores, Spares and Consumables	49,560,033	23,550,946
Packing Material Consumption	7,104,697	7,879,683
Repairs & Maintenance: Plant & Machinery	3,484,521	2,480,773
Other Manufacturing Expenses	<u>2,310,217</u>	<u>3,482,741</u>
	<u>137,778,148</u>	<u>100,695,729</u>

Amount in Rupees

	Current year 31.03.2011	Previous year 31.03.2010
--	------------------------------------	-----------------------------

SCHEDULE - XI

ADMINISTRATIVE & SELLING EXPENSES

Rates and Taxes	2,852,454	1,263,979
Rent	1,314,783	973,350
Insurance	488,783	581,469
Travelling Expenses	2,359,776	4,285,243
Professional Fees	2,614,068	621,041
Printing and Stationary	885,392	1,221,932
Networking & Software Development Charges	2,265,788	-
Telephone, Telex, Fax and Postage	2,107,602	1,922,311
Vehicle Running and Maintenance	1,025,348	1,212,242
Office Maintenance	767,650	541,579
Auditors' Remuneration	672,830	625,210
Directors' Sitting Fees	542,000	250,000
Directors' Remuneration	5,615,058	6,103,624
Selling and Distribution Expenses	5,187,073	7,460,817
Exchange Fluctuation Loss	-	1,940,873
Loss on Sale of Vehicles	166,467	-
Misc. Expenses	930,589	892,120
	<u>29,795,661</u>	<u>29,895,790</u>

SCHEDULE XII

INTEREST AND FINANCE CHARGES

Interest on Term Loans	1,055,534	3,907,306
Interest on Working Capital	841,793	1,122,925
Other Financial Charges	1,857,817	1,832,368
	<u>3,755,144</u>	<u>6,862,599</u>

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

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

The consolidated financial statements have been prepared on the following basis:

The financial statements of the company and its subsidiary have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses as per Accounting Standard 21 – Consolidated Financial Statements issued by the Institute Of Chartered Accountants of India.

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

b. Investments:

Investments of long-term nature are carried at cost less provision for permanent diminution in value of such investments, if any. Difference between cost of Investment in Subsidiaries over the net asset at the time of acquiring of shares

c. Other Significant of Accounting Policies:

These are set out under “Significant of Accounting Policies” as given in the Companies separate financial statements.

NOTES ON ACCOUNTS

	2010-11	2009-10
1. Estimated Amount of contracts to be executed on capital account and not provided for.	NIL	NIL
2. Contingent liabilities:		
Claims not acknowledged as debts:		
a. APCPDCL-wheeling charges claim in Supreme Court	88,87,279	88,87,279
b. Corporate guarantee given on behalf of M/s. Techtran Ophthalmics Pvt. Ltd.	1,25,00,000	1,11,00,000
3. Earnings Per Share	2010-11	2009-10
Profit after taxation & Extraordinary item	(27,27,247)	2,03,72,276
Weighted Average No of equity shares o/s	1,27,90,493	1,09,70,000
Basic and diluted earnings per share (Rs) (face value of Rs 10/- per share)	(0.21)	1.86

8. Deferred Tax Liability / (Asset)

Deferred taxes have been provided on the following:

	2010-11	2009-10
Deferred Tax liability / (Asset)		
Opening Balance	1,54,17,120	1,92,59,596
Reversal of Deferred Tax asset due to absorption carry forward tax losses	NIL	NIL
Timing Difference on account of Depreciation	(40,49,020)	(44,00,230)
Timing Difference on account of Disallowed Expenditure	(62,421)	(8,95,344)
Timing Difference due to provision for retirement benefits	14,20,073	14,53,098
Closing balance	1,27,25,752	1,54,17,120

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

SIGNATURES FOR SECHEDULES I TO XIII

As per our report of even date attached.

For **M. ANANDAM & CO.**,
Chartered Accountants
(Firm Regn.No.000125S)

A.V. SADASIVA
Partner
Membership No.18404

Place : Hyderabad
Date : 26.05.2011

For and on behalf of the Board

DR. JAYARAM CHIGURUPATI
Chairman

E. RANGA KUMAR
Whole-time Director

A. CHANDRASEKAR
Chief Financial Officer



TECHTRAN POLYLENSES LTD
Regd.Office : S-7, TIE, IDA Balanagar
Behind Andhra Bank, Balanagar Branch
Hyderabad – 500 037 (A.P) India

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

I/We _____

of _____

in the District of _____ being a member

/ members of the above named company hereby appoint _____

of _____ in the District of _____

as my / our Proxy to vote for me / us on my / our behalf at the 24th Annual General Meeting of the Company to be held on Monday the 27th June, 2011 at 3.30 P.M and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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.



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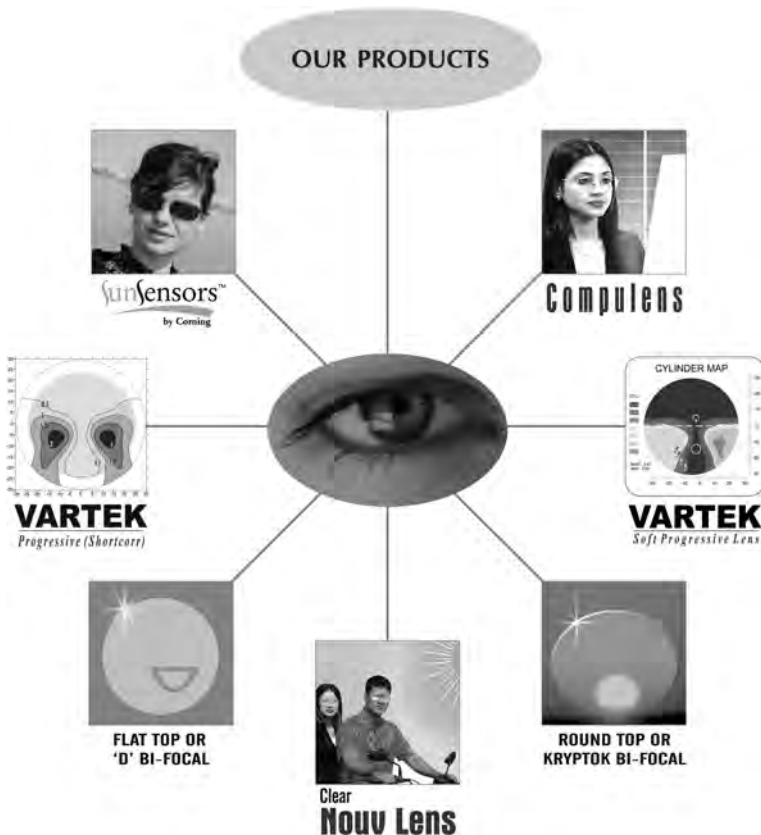
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An ISO 9001 : 2000 Certified Company.
State of Art Manufacturing Facility since 1993.
Foremost manufacturers of plastic ophthalmic lenses.
Superior in quality, hardness, tintability and AR coating compatibility.
Comprehensive range of lenses.
Latest generation photo-chromatic lenses.
Winner of Best Exporter Award Year after Year since 1995.





TECHTRAN POLYLENSES LTD

RANGE OF PRODUCTS

1. **CR-39 1.498 R.I.&1.56 R.I.**

Single Vision
Kryptoc Bifocal
Flat Top Bifocal

2. **“VARTEK” Progressives - 1.498 R.I.&1.56 R.I.**

VARTEK PRIMA Progressive
VARTEK MIDAS Progressive
VARTEK REVA Progressive
VARTEK HORIZON Progressive

3. **“COMPU” LENSES-1.56 R.I.**

Single Vision
Kryptoc Bifocal
Flat Top Bifocal

4. **SUNSENSORS PHOTOCROMIC - 1.56 R.I.**

Available in Grey and Brown Shades
Single Vision
Kryptoc Bifocal
Normal Corridor Progressives
Centered Short Corridor Progressives
Short Corridor Progressives

5. **SUNSENSORS HPM - 1.56 R.I.**

Available in Grey and Brown Shades
Single Vision
Kryptoc Bifocal
Flat Top Bifocal
Normal Corridor Progressives
Centered Short Corridor Progressives
Short Corridor Progressives

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If undelivered, please return to:



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TECHTRAN POLYLENSES LIMITED

(An ISO 9001:2000 Certified Company)

India's No. 1 Manufacturers of Plastic Ophthalmic Lenses

"TECHTRAN HOUSE", Plot No.S-7, T.I.E, Balanagar I.D.A.

Hyderabad - 500 037. Tel: 23070200/01/02/03

E-mail : techtranhyd@vsnl.net, polylenses@gmail.com

website : www.techtranindia.com