

**ANNUAL REPORT
2009 - 2010**



Circuit Systems (India) Limited



CORPORATE INFORMATION

Board of Directors:

Mr. Maganbhai H. Patel	<i>Director</i>
Mr. Somabhai H. Patel (Alternate Director to Mr. Magan H. Patel)	<i>Chairman</i>
Mr. Paresh N. Vasani	<i>Managing Director</i>
Mr. Sharad R. Shah	<i>Whole Time Director</i>
Mr. Anil T. Patel	<i>Director</i>
Mr. Niranjan R. Dave	<i>Director</i>
Mr. Ishwarbhai H. Patel	<i>Director</i>
Mr. Ambalal C. Patel	<i>Director</i>
Mr. Dilip S. Vyas	<i>Director</i>

Auditors :

Virendra Chinubhai & Co.
Chartered Accountants,
Visnagar – 384 315.

Bankers :

Corporation Bank

Company Secretary

Kinnari Shah

Regd. Office :

B-24, GIDC Electronics Estate,
Sector – 25, Gandhinagar – 382 044

Registrar & Share Transfer Agent :

Cameo Corporate Services Limited
“Subramanian Building”
1, Club House Road, Chennai – 600 002

The ISIN of the Company's Equity shares is **INE720H01010**

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**NOTICE**

NOTICE is hereby given that the 15th Annual General Meeting of the Members of **CIRCUIT SYSTEMS (INDIA) LIMITED** will be held on Wednesday, the 29th day of September, 2010 at 4.00 p.m. at the Registered Office of the Company at B – 24, GIDC Electronics Estate, Sector – 25, Gandhinagar – 382 044 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended on that date together with the Schedules and Notes attached thereto, and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil T. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Niranjana R. Dave, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office :
B-24, GIDC Electronics Estate
Sector – 25, Gandhinagar
Place : Ahmedabad
Date : 03-09-2010

By Order of the Board
Circuit Systems (India) Ltd.

Kinnari Shah
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED.**
2. (a) The Register of members and the Share Transfer Books of the Company will remain closed from 21st September, 2010 to 29th September, 2010 (both days inclusive).
(b) As required under Clause 49(IV)(G)(i) of the Listing Agreement, particulars relating to Mr. Anil T. Patel and Mr. Niranjana R. Dave, Directors retiring by rotation and whose re-appointments have been proposed at the forthcoming Annual General Meeting, are enclosed in the Appendix to this Notice.
3. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the Meeting to enable the management to keep the information ready.
4. Members are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club House Road, Chennai – 600 002 or at the Registered Office of the Company.
5. A Member or his Proxy is requested to bring the copy of the Annual Report already circulated to the members, at the Meeting.
6. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
7. The Section on General Shareholder Information ("the said Section") containing information of particular relevance to Shareholders forms a part of the Report on Corporate Governance. Attention of all Shareholders is accordingly drawn to the said Section.

For & on behalf of the Board
Circuit Systems (India) Ltd.

Place : Ahmedabad
Date : 03-09-2010

Kinnari Shah
Company Secretary



CIRCUIT SYSTEMS (INDIA) LIMITED

INFORMATION AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING :

Name of Director	Mr. Anil T. Patel	Mr. Niranjan R. Dave
Date of Birth	08-03-1944	11-04-1936
Date of appointment	29-01-2008	11-06-2007
Qualification	B.E. (MECH) M.S. (INDUSTRIAL ENGG.) USA	Mechanical Engineer, Master of Technology from Indian Institute of Technology.
Expertise in specific functional area	Managing Trustee of Sardar Vidhabhavan Trust, Mehsana, Council Member of North Gujarat University, Vice President of Mehsana District Scout Guide Committee.	Research work in area of reduction in Diesel smoke, additives in fuel, director of Technical Education, Gujarat state. Vice Chancellor, Bhavnagar University, Vice Chancellor of North Gujarat University. Right now working as Education Advisor (Technical) to Ganpat University, Mehsana.
Directorship held in other companies (excluding private & foreign companies)	(1) Gujarat Apollo Industries Ltd. (2) Apollo Industries & projects Ltd. (3) Zam Zam Exports Ltd.	Nil
Membership/ Chairmanship of committees in other public companies (includes only Audit Committees/ Shareholders/Investors Grievances Committee)	Nil	Nil
Shareholding in the company	106311 Shares	0


DIRECTORS' REPORT

To,
The Members,
Circuit Systems (India) Ltd.,

Your Directors have pleasure in presenting herewith the 15th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2010.

Financial Results: (Rs. In Lacs)

Particulars	2009-10	2008-09
Income from Operation (Net of Excise)	3706.66	3720.04
Other Income	—	—
Profit before Interest, Depreciation and Tax	461.86	248.27
Less : Interest and Financial Charges	(105.60)	(157.80)
Less : Depreciation	(155.57)	(154.63)
Profit before Tax	200.69	(64.16)
Less : Provision for Taxation	(33.06)	(3.00)
Less : Deferred Tax Liability	(45.55)	(37.25)
Add/Less : Prior Period Adjustment	(49.01)	1.35
Profit after Tax	73.07	(103.06)
Surplus brought forward	742.33	845.39
Balance	815.40	742.33
Proposed Dividend	0	0
Dividend Tax	0	0
Transfer to General Reserve	0	0
Amount c/f. to Balance sheet	815.40	742.33

DIVIDEND :

As a matter of sound accounting practice and management philosophy, with a view to making sound and strong economic base for the Company and in order to conserve the resources; your Directors do not recommend any dividend for the current year.

BUSINESS SCENARIO:

During the year, your company has achieved a turnover of Rs. 3706.66 Lacs (Net of Excise) in comparison to the turnover of Rs. 3720.04 Lacs (Net of Excise) of previous year.

Eventhough market remained tough for export sales, The Company has earned the profit after tax of Rs. 73.07 Lacs during the year.

Company's Capital Expenditure on the project till 31st March, 2010 is 23.67 crores. For this new project, we are monitoring the market situation and We are positive that market trend will inflate the PCB business in global market.

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 or rules made there under.

INSURANCE:

All the existing properties including Plant and Machineries, Building and stocks are adequately insured.

DIRECTORATE:

Pursuant to the provisions of Section 256 of the Companies Act, 1956 Mr. Anil T. Patel and Mr. Niranjan R. Dave, Directors of the Company, retire at the ensuing Annual General Meeting of the Company and are eligible for reappointment. The Board recommends their reappointment as Directors of the Company.

AUDITORS:

M/s. Virendra Chinubhai and Co., Chartered Accountants, Visnagar, Statutory Auditors of the Company retire at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. You are requested to approve their re-appointment at the said meeting.

AUDITORS' REPORT:

The Auditors have not given any adverse remark on the Auditor Report of the Company for the year 2009-10. However in the matter of additional Excise Duty paid by the Company under the assessment conducted by Excise Authorities, Your directors wish to inform you that in this matter, the Company has already sought legal opinion of the Excise Consultant on the issue and the Company is going to claim valid refund of such Additional Excise Duty paid by the Company under legal guidance.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed.



CIRCUIT SYSTEMS (INDIA) LIMITED

- (i) That in the preparation of Accounts for financial year ended on 31st March, 2010 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and of the profit of the Company for the year ending on that date;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

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

Energy Conservation Measures:

Your Company uses electric energy for its machineries installed at the work premises and office equipments at office premises. All possible measures have been taken to conserve energy by using latest technology, which is most efficient and conservative in absorbing the energy.

Foreign Exchange Earnings and Outgo:

Particulars	(Rs. In Lacs)	
	2009-10	2008-09
1. Foreign Exchange Earned During the year :		
Exports	565.63	995.78
Foreign Exchange Fluctuation Income	80.50	—

(Rs. In Lacs)

Particulars	2009-10	2008-09
2. Foreign Exchange Outgo :		
Foreign Traveling	5.04	4.36
Repairs and Maintenance – Machinery	54.80	46.10
Export Expenses	—	8.16
Imports (CIF Value)	1708.17	1137.99
Foreign Exchange Fluctuation Loss	—	99.65
Sales Commission – Export	9.12	—
Training Expenses	0.67	—

PARTICULARS OF EMPLOYEE:

During the year, there were no employees, within the organization, who were in receipt of remuneration exceeding Rs. 24,00,000/- p.a. or if employed for part of the year drawing remuneration in excess of Rs. 2,00,000/- p.m.

CORPORATE GOVERNANCE :

The Company has generally implemented the procedure and adopted practices in conformity with the Code of Corporate Governance as enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Management Discussion & Analysis and Corporate Governance Report are made a part of the Annual Report. A Certificate from the Practicing Company Secretaries regarding compliance of the conditions of the Corporate Governance is given in annexure, which is attached hereto and forms part of Directors' Report.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to acknowledge with gratitude for the trust reposed in the Company by the Shareholders, Investors and Readers/Customers, Corporations and Government Authorities. Directors of your Company specifically express their gratitude to the Bankers of the company, Corporation Bank which has extended their full support to the Company. Further, Your Directors also keenly appreciate the dedication & commitment of the Employees of the Company.

FOR AND ON BEHALF OF THE BOARD,

Place : Gandhinagar (Paresh N. Vasani) (Sharad R. Shah)
Date : 03-09-2010 (Managing Director) (Whole time Director)

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report forms part of the Director's Report.

Forward Looking Statements :

This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipate', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company can not guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify, or revise any forward looking statements on the basis of any subsequent developments, information or events.

Introduction :

Circuit Systems (India) Ltd. was formed to manufacture world class Professional Grade Printed Circuit Boards in Gandhinagar, Gujarat, in the year 1995. The Company has been recognized as one of the reliable quality PCB manufacturing companies. Company is aggressively pushing its capacity and capability in global market.

Business Outlook:

Though having business risks and threats as faced in earlier year with regard to export business and others, the Company is well-positioned to sustain its profitability levels, both in the short and long term. The Company is adequately equipped with the necessary strengths in its business operations to successfully counter the various risks and threats that could in any way derail the overall positive industry forecasts. The Company has, during the year under review, undertaken several important measures to de-risk its business, even as it consolidated its operational strengths in its existing business streams.

Outlook on Opportunities :

At the beginning of new Financial Year, Your Company started with two significant milestones. A. Company raised funds through issue of Equity shares on Preferential basis to restructure finance and to reduce the cost of finance drastically. B. Company is ready with all organisational facility to get start with SEZ Project and SEZ project will be operational from the new financial year. With this two steps forward, Your company will have much expected and required additional capacity of production upto 5000 Sq. Mtrs. Printed Circuit Board per Month. The growth of business is looking in line with the expectations of the company. Increased demand in last few months in Global and Domestic Markets, will give company more higher margins and operational efficiency. Increased demand of PCBs and our focus on making best business strategies will result in higher margins and improve our operational efficiency.

Threats, Risks and Concerns:

The major risks and threats for our Company are related to Global Economic trends & progress along with individual Country's economic conditions. The major risks, which may have impact on company's business, are as follows:

- (1) Indian Economy and International Economic trends.
- (2) Foreign currency rate fluctuations
- (3) Interest rate fluctuations and high rates of inflations.
- (4) The other risks may be the risks of natural calamities, like flood, earth quakes, terrorist attacks, riots or any other natural disasters.

Business and Operational Risk:

PCB Industry is very sensitive looking to the sentiments of demand-supply chain, trusted quality, and customer confidence is directly linked with economic factors like consumer reliance, technology and its upgradation, inventory controls etc. Industry segments like industrial electronics including but not limited to Instrumentation, Telecom, Power Supply, LED, Defence and Aerospace are expected to generate more demand on a healthy levels. Contract Manufacturing Industries in India is gaining momentum and has become very promising segment for PCB Industry.

**Financial Risk:**

During the year, Company has issued Equity Shares on preferential basis to promoter and non-promoter group and has restructured the financial needs of the company and reduced to an extent the cost of finance. Your company has carefully planned to minimize the risk associated to short term and long term debts.

Your company has evolved a very strong policy recently to minimize financial exposure with its customers. This will improve our ability to provide outstanding service to its customers.

Your company is grateful to its vendors for their outstanding support and service. Your company has developed a strong relationship with its vendors over a period of time.

Results of Operations for the year 2010-10:

The Company has earned revenues of Rs. 3706.66 Lacs in 2009-10 as compared to Rs. 3720.04 Lacs last year. The Company has incurred a Profit before Tax of Rs. 200.69 Lacs and profit after tax is of Rs. 73.07 Lacs after Prior Period Adjustments.

Capacity Utilisation:

Your company is continuously monitoring costs and efficiency associated to its capacity. The Company also plans to implement lean manufacturing practices and reduce overheads to drive the growth of production. Last year your company adopted a flexible capacity utilization scheme by developing a state of the art forecasting system. This has been a great tool to improve our operational efficiency and output with less stress on capacity. Your company plans and is continued to focus on this innovative tool for the coming years.

Contingent Liability:

Details of Contingent Liabilities are given in Schedule T of the Notes on Balance Sheet and Profit and Loss Account

Internal Control :

Circuit Systems has a defined organization structure and has a robust internal control systems and processes in place for smooth functioning and controlling the conduct of the business. Company has developed well documented policy guidelines with predetermined authority levels. An extensive system of internal controls to ensure optimal utilization of resources and accurate reporting of financial transactions and strict compliance with applicable laws and regulations has also been implemented. In order to ensure that all checks and balances are in place and all internal control systems are in order regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants in close coordination with the Company's own internal Audit systems implemented within the organization. Besides, company has Audit Committee to keep a close watch on compliance with internal control systems. The Company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that the transactions are authorized, recorded, and reported correctly.

This system will go a long way in reinforcing the commitment towards the shareholders, Government Agencies, Banks, Creditors by adopting best corporate Governance practices in respect of internal controls over financial reporting.

Industrial Relations and Human Resource Management:

Industrial Relations remained focused on best customer services, adopting business ethics values at all levels of organization and developing potential business relations across the world. The development of human resources is a key strategic challenge in order to prepare people for future responsibilities in terms of technical, managerial, professional and business skills. The Company is regularly investing in human capital for training of manpower for upgrading their skills.


REPORT ON CORPORATE GOVERNANCE
1. COMPANY'S PHILISOPHY ON CODE OF GOVERNANCE

Our Company's philosophy lies in following best Corporate Governance policies. The Company is continuously focusing on fulfilling mandatory Corporate Government practices to manage and control the affairs of the company in an efficient manner. The company is committed to uphold the values of transparency and accountability to its shareholders, Customers, Employees, Creditors, Government and the society at large by following conduct of corporate governance and endeavors to maintain these values on regular basis.

The Company believes in developing and maintaining good business ethics, innovative ideas, customer values, professional pride, marketing strategies, and best quality products. It aims to increase and sustain its corporate value through growth and innovation.

2. BOARD OF DIRECTORS

At the end of the year 2009-10, the strength of the Board of Directors was eight Directors, out of which four were Non-Executive Independent Directors. The composition of Board is in compliance with the requirements of Clause 49(1)(A), which has enabled the company to take benefit of their experience and expertise in different business and professional areas. The Company has an Non-executive Chairman and Executive Managing Director who is taking first lead on growth of overall business and penetrating true business opportunities at all levels.

The details of attendance of each director at the last Annual General Meeting and details of number of other directorship and chairmanship/Membership of Board/Committee of each Director are as under:

Name of Director	Designation	Category of Directorship	Attendance at the Last AGM	No. of Board Meetings attended	Directorships in other Indian Public Companies** as at 31-03-2010	No. of Board/Committee*** membership as at 31st March, 2010 (Other than Circuit Systems (India) Ltd.	
						Chairman	Member
Mr. Magan H. Patel	Director	Promoter Non-Executive	No	0	0	Nil	Nil
Mr. Paresh N. Vasani	Managing Director	Promoter – Executive	Yes	10	1	0	Nil
Mr. Anil T. Patel Non-Executive	Director	Promoter	Yes	9	3	Nil	1
Mr. Sharad R. Shah	Director	Executive Director	Yes	10	Nil	Nil	Nil
Mr. Ishwarbhai H. Patel	Director	Independent Non-Executive	Yes	1	1	Nil	0
Mr. Ambalal C. Patel	Director	Independent Non-Executive	No	7	11	Nil	3
Mr. Dilip S. Vyas	Director	Independent Non- Executive	No	0	Nil	0	No
Mr. Niranjn R. Dave	Director	Independent Non- Executive	Yes	6	Nil	Nil	No
Mr. Somabhai Patel	Director	Alternate Director to Mr. Maganbhai Patel	Yes	2	Nil	Nil	Nil

** Excludes Directorship in Private/Foreign Companies and Companies incorporated under section 25 of the Companies Act, 1956.

***Represents membership/Chairmanship of the Audit Committee, Shareholder/Investor Grievance Committee and Remuneration Committee of other Companies.



During the year, Ten Board meetings were held, details of which are given in the table below:

Date of Board Meeting*	30-04-09	20-05-09	07-07-09	31-07-09	25-08-09	24-10-09	21-12-09	16-01-10	18-02-10	31-03-10
No. of Directors present	3	4	5	5	5	5	3	6	5	4
Board Strength	8	8	8	8	8	8	8	8	8	8

*The time gap between any two meetings was less than 4 months.

3. AUDIT COMMITTEE

(i) Brief Description of Terms of Reference :

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance under Section 292A of the Companies Act, 1956 and as per the requirements of Clause 49 of the Listing Agreement. Minutes of the Audit Committee are circulated and discussed at the Board Meetings.

(ii) Composition of Audit Committee:

Out of Audit Committee members, Two are Independent - Non-executive Directors. The quorum for the Audit Committee Meeting is two members personally present. Mr. Niranjan R. Dave, is the chairman of the Committee, he, being Mechanical Engineer and obtained his Master of Technology from Indian Institute of Technology, Mumbai with specialization in Internal Combustion Engineering, is an eminent personality with over a 48 years of experience in academic field of Engineering. Mr. Ishwarbhai Patel is a Businessman with over a 45 years of experience. Mr. Paresh N. Vasani is also an Engineer with good business acumen. All the Members of the Committee are financially literate within the meaning of explanation to Clause 49(II)(A) of the Listing Agreement.

The Audit Committee comprising the team of independent Directors was constituted by the Board of Directors in its meeting held on 05-12-2005 and was re-constituted on 28th July, 2008 as under :

Sr. No	Name of the Director	Designation	Nature of Directorship
1	Mr. Niranjan R. Dave	Chairman	Independent and Non-executive
2	Mr. Ishwarbhai H. Patel	Member	Independent and Non-executive
3	Mr. Paresh N. Vasani	Member	Executive Director

The Company Secretary, Ms. Kinnari Shah is currently the Secretary of the Committee

The Role of Audit committee is as under:

The Audit Committee duly constituted as per the requirements of Section 292A and Clause 49 of the Listing Agreement, takes care of Company's Financial Reporting process, ensures correctness and adequate disclosures of financial information and study the financial statement and gives its reviews. The Committee also oversees the adequate internal control systems within the organization, take a review quarterly in their meetings, and compliance of generally accepted accounting principles is fully observed or not.

(iii) Meetings and Attendance during the year :

During the financial year 2009-10, The Committee met on five occasions on 30th June, 2009, 31st July, 2009, 24th October, 2009, 16th January, 2010, 18th February, 2010, which were attended as indicated below :

Sr. No	Name of the Members	Position Held	30-06-09	31-07-09	24-10-09	16-01-10	18-02-10
1.	Mr. Niranjan R. Dave	Chairman	Yes	Yes	Yes	—	Yes
2.	Mr. Ishwar H. Patel	Member	—	—	Yes	Yes	—
3.	Mr. Paresh N. Vasani	Member	Yes	Yes	Yes	Yes	Yes

*Mr. Ambalal C. Patel has resigned from the membership w.e.f. 28-07-2008.

INTERNAL AUDIT CONTROL SYSTEMS IN THE COMPANY :

M/s. Dipal R. Shah & Co., Chartered Accountants, were appointed as Internal Auditors of the Company for the year 2009-10, to conduct the internal audit of the Company. The report of the Internal Auditors were regularly placed before the Audit Committee along with the comments of the management on the action taken by them on performance and workings of various departments within organization.



CIRCUIT SYSTEMS (INDIA) LIMITED

The Audit Committee has given an assurance to the Board that the adequate internal control procedures and financial disclosures in line with the size of the company exist within the organization and it is in conformity with the requirements of the Listing Agreement with Bombay Stock exchange.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted Shareholders'/Investors' Grievance Committee to redress the complaints of the investors in respect of matters pertaining to non-receipts of annual reports, dematerialization of shares, non-receipt of dividends etc.

The Shareholders Grievance Committee was constituted by the Board of Directors on 5th December 2005 to ensure the effective redressal of the complaints of the investors. The Committee also recommends steps to be taken for further implementation in the quality and services to the investors.

Composition of the Investors' Grievance Committee

Sr. No	Name of the Director	Designation	Nature of Directorship
1	Mr. Ambalal C. Patel	Chairman	Non Executive, Independent
2	Mr. Ishwarbhai H. Patel	Member	Non Executive, Independent
3	Mr. Paresh Vasani	Member	Executive, Non-Independent

During the year the committee held four meetings on 30th June, 2009, 31st July, 2009, 24th October, 2009, 16th January, 2010 which were attended by all members.

The Minutes of Shareholders Grievance Committee are discussed and taken note of by the Board of Directors.

Ms. Kinnari Shah, Company Secretary acts as a Secretary of the Committee and has been designated as Compliance Officer.

The particulars of Investors' grievances received and redressed during the financial year are furnished below:

	Particulars	Received	Redressed
1.	Non-receipt of Share Certificates after its transfer etc.	Nil	Nil
2.	Non-receipt of Dividend Warrants	1	1
3.	Non-receipt of Annual Report	Nil	Nil
4.	For Demat	Nil	Nil
5.	Others, Refund of Application Money	2	2

5. REMUNERATION COMMITTEE

(i) Brief Description of Terms of Reference :

The Remuneration committee has been constituted with the purpose of recommendation of remuneration package for Managing Director and Executive directors including perquisites and other rights after considering the financial position of the Company, experience and past performance of the Directors and review the same from time to time.

(ii) Composition of Committee:

The Remuneration Committee comprises of 2 Independent Directors (including the Chairman of the Committee) and 1 Non – Executive Director. The Remuneration Committee was constituted by the Board of Directors at its meeting held on 5th December, 2005 and was reconstituted on 28th July, 2008 by passing the Board Resolution as under.

Sr. No	Name of the Director	Designation	Nature of Directorship
1	Mr. Ambalal C. Patel	Chairman	Independent & Non Executive
2	Mr. Ishwarbhai. H. Patel	Member	Independent & Non Executive
3	Mr. Anil T. Patel	Member	Non Executive Director

*Mr. Magan H. Patel has resigned from the membership w.e.f. 28-07-2008.

**(iii) Meetings and Attendance :**

During the year under review, two Remuneration committee meetings were held. The attendance of the meetings are as under :

No.	Name of the Members	Position Held	20-05-2009	18-02-2010
1.	Mr. Ambalal C. Patel	Chairman	Yes	Yes
2.	Mr. Ishwar H. Patel	Chairman	No	No
3.	Mr. Anil T. Patel	Member	Yes	Yes

(iv) Remuneration to Directors :

The details pertaining to remuneration paid to Managing Director and Whole time Director for the financial year ended on 31st March, 2010 is as under:

Sr. No.	Name of the Director	Position Held	Remuneration	Commission	Sitting Fees
1.	Mr. Paresh N. Vasani	Managing Director	1755000	Nil	Nil
2.	Mr. Sharad R. Shah	Whole-Time Director	1930657	Nil	Nil

Company does not have any scheme for grant of Stock Options to its directors or employees at present.

The Company has paid sitting fees to non-executive directors as under for attending Board Meetings during the year ended 31st March, 2010.

Sr. No.	Name of the Non-Executive Directors	Sitting Fees Paid
1	Mr. Anil T. Patel	7000
2	Mr. Ambalal C. Patel	6000
3	Mr. Niranjan R. Dave	5000
4	Mr. Ishwarbhai H. Patel	1000

As on 31st March, 2010, the Non-Executive Directors held following no. of shares of the Company:

Sr. No.	Name of the Non-Executive Directors	No. of shares held as on 31-03-2010
1	Mr. Anil T. Patel	103311
2	Mr. Magan H. Patel	4455090

6. GENERAL BODY MEETINGS:

The location and time of the last three Annual General Meetings are as under :

AGM	Date	Time	Venue	No. of special resolutions* approved
2008-09	29th September, 2009	4.00 p.m.	B-24, GIDC Electronic Estate, Sector-25, Gandhinagar	1
2007-08	26th November, 2008	10.00 am	B-24, GIDC Electronic Estate, Sector-25, Gandhinagar	1
2006-07	22nd September 2007	11.00 am	B-24, GIDC Electronic Estate, Sector-25, Gandhinagar	Nil

* The Special Resolutions indicated above were passed by "show of hands."

During the year under review, no resolution(s) were transacted through postal ballot. At the ensuing annual general meeting there are no resolutions proposed to be put through postal ballot.

One Extra Ordinary General Meeting was held on 20th March, 2010 to issue the Equity Shares to the Promoters and Non-Promoters on Preferential Basis under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009. The Resolution was passed as Special Resolution on "Show of Hand".



CIRCUIT SYSTEMS (INDIA) LIMITED

SPECIAL RESOLUTIONS:

The following Special Resolutions were passed in previous three Annual General Meetings :

- (1) Special Resolution passed under provisions of section 269, 309, 311 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII for re-appointment of Mr. Sharad R. Shah as Whole time Director of the Company at the 13th Annual General Meeting held on 26th November, 2008.
- (2) Special Resolution passed under section 269, 309, 311 and other applicable provisions, if any of the Companies Act, 1956 and based upon the recommendation of Remuneration Committee, for re-appointment of Mr. Paresb Vasani, as Managing Director for the period of 5 years with effect from 1st February, 2009.

7. DISCLOSURES

- (i) Transactions with the Related Parties:

There are no transactions, which may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note No S of Schedule T pertaining to notes forming part of the Accounts in the Annual Report.

- (ii) There were no instances of non-compliance or penalty, strictures imposed on the Company by the stock exchanges or SEBI or any other statutory authority on any matters related to Capital Markets, during last three years.

- (iii) No personnel have been denied access to the Audit Committee.

- (iv) The Company has laid down the Risk Assessment and Administration procedure to inform the Board Members about the risks areas relating to the Organization and steps to minimize such risks. These procedures are periodically reviewed to ensure the risk control and minimization by means of properly defined framework.

- (v) The Company has complied with the mandatory requirements and adopted the following non mandatory requirements :

- (a) Company has constituted a Remuneration Committee.

- (vi) In preparing the Annual Accounts in respect of financial year ended 31st March, 2010, no accounting treatment was different from that prescribed in the Accounting Standards;

- (vii) The Company has a code of conduct for prevention of insider trading in the shares of the company for directors and promoters in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

- (viii) Total 3700000 (Thirty Seven Lakhs) Equity Shares were issued during the year 2009-10 on Preferential Basis to the Promoter and Non-Promoter as per the Companies (Issue of Capital and Disclosure Requirements) Regulations, 2009 at the rate of Rs. 14/- each (including premium of Rs. 4/- per Equity Share) the price arrived as per the guidelines of Preferential issue.

8. MEANS OF COMMUNICATION

During the year, quarterly (Unaudited) financial results of the company were submitted to the Stock Exchanges immediately after the Board meeting approved the same and were published in One English newspaper having national circulation and one news paper in vernacular language.

9. CEO/CFO CERTIFICATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification on financial statements pursuant to the provisions of Clause 49 of the listing agreement forms part of the Annual report of the Company.

10. GENERAL SHARE HOLDER INFORMATION

- i) Financial Year : 1st April, 2009 to 31st March, 2010
- ii) Fifteenth Annual General Meeting : i.e. next AGM
 - Date & Time : 29th September, 2010 at 4.00 p.m.
 - Venue : Circuit Systems (India) Ltd.
B-24, GIDC Electronics Estate, Sector 25, Gandhinagar.
- iii) Book Closure Date : 21st September, 2010 to 29th September, 2010 (both days inclusive)
- iv) Payment of Dividend : Not Applicable

v) FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2010-2011

Financial Year	1st April, 2010 to 31st March, 2011
Results for the First quarter ending 30th June, 2010	11TH August, 2010
Results for the second quarter ending 30th September 2010	Last week of October, 2010
Results for the third quarter ending 31st December, 2010	Last week of January, 2011
Results for the year ending 31st March, 2010	Last week of April, 2011
Annual General Meeting	On or before 30th September, 2011

**CIRCUIT SYSTEMS (INDIA) LIMITED**

- vi) Listing on Stock Exchange : Bombay Stock Exchange (Mumbai)
- vii) Stock Code : 532913 (BSE)
- viii) Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity shares of Company is **INE720H01010**.

ix) MARKET PRICE DATA

The monthly movement of Equity Share prices on BSE during the year is summarized below:

PERIOD	Equity Shares (The Bombay Stock Exchange Ltd.)	
	High (Rs.)	Low (Rs.)
April, 2009	11.49	08.56
May, 2009	15.90	09.00
June, 2009	18.40	12.40
July, 2009	13.45	10.31
August, 2009	12.23	10.61
September, 2009	13.90	11.00
October, 2009	15.40	11.11
November, 2009	14.45	11.01
December, 2009	15.90	11.00
January, 2010	16.80	13.25
February, 2010	15.50	12.75
March, 2010	14.90	11.21

* The Equity shares of the Company are listed on BSE on 5th November 2007.

x) Share Transfer System:

Share Transfers have been normally processed and returned within 21 days from the date of lodgement, provided the necessary documents were in order.

The company has appointed a common agency on a single point for physical and demat registry work. The Address of the Registrar and Share Transfer Agent is as under:

Mr. R.D. Ramasamy
 Cameo Corporate Services Limited
 Unit: Circuit Systems (India) Limited
 Subramanian Building, No. 1, Club House Road, Chennai – 600 002.

xi) DISTRIBUTION OF SHAREHOLDINGS AS ON 31.03.10

Shareholding Nominal Value Rs.	Share Holders		Total No. of Shares	
	Number	% of Total	in Rs.	% of Total
UPTO 5,000	4865	83.65	9676100	6.16
5,001 - 10,000	639	10.99	4228300	2.69
10,001 - 20,000	158	2.72	2328250	1.48
20,001 - 30,000	53	0.91	1377090	0.88
30,001 - 40,000	20	0.34	731530	0.47
40,001 - 50,000	16	0.28	752060	0.48
50,001 - 1,00,000	14	0.24	948800	0.61
1,00,000 & ABOVE	51	0.87	136957870	87.23
TOTAL	5816	100.00	157000000	100.00



CIRCUIT SYSTEMS (INDIA) LIMITED

xii) Shareholding Pattern as on 31st March, 2010:

Category	Total Shares	% to Equity
Promoters and Promoters Group	7833180	49.89%
Directors and their Relatives	373401	2.38%
Bodies Corporate	1792305	11.42%
NRIs/Foreign Nationals, Foreign Corporate Bodies	3002849	19.13%
Indian Public	2538344	16.17%
Clearing Members	950	0.00%
Hindu Undivided Families	158971	1.01%
GRAND TOTAL	1,57,00,000	100.00

xiii) DEMATERIALIZATION OF SHARES

The Equity shares of the company are traded compulsorily in the dematerialized form. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Securities Ltd. (CDSL), whereby the shareholders have an option to dematerialize their shares with either of the depository.

Status of Dematerialization as on 31st March '10:

Particulars	No. of shares	% of total Capital	No. of Shareholde Rs.
National Securities Depository Ltd.	9412551	59.95%	4865
Central Depository Services(India)Ltd.	767687	4.89%	934
TOTAL DEMATERIALIZED	10180238	64.84%	5799
Physical	5519762	35.16%	17
GRAND TOTAL	1,57,00,000	100.00	5816

xiv) Company has not issued any ADR/GDR/FCCBs/QIPs during financial year ended 31st March, 2010.

xv) Investors Correspondence may be addressed to :

Kinnari Shah, Company Secretary
Circuit Systems (India) Ltd.
B-24, GIDC Electronics Estate, Sector – 25, Gandhinagar-382044.
Phone No. – 91-79-23287086/87/88 Fax No. – 91-79-23287089 Email : cs@myscil.com
Or At the Registrar and Share Transfer Agent's Address as above mentioned.

xvi) Location of Plant:

B-24, GIDC Electronics Estate, Sector – 25, Gandhinagar – 382044.

SEZ Project in progress :

Plot No. – 11, 12, 36, 37, Electronics Park, SEZ, Gandhinagar – 382044.

11. Compliance Certificate of the Auditors :

A certificate from the Practicing Company Secretary regarding Compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

Place: Gandhinagar

(Paresh N. Vasani)

(Sharad R. Shah)

Date : 03-09-2010

(Managing Director)

(Whole time Director)

DECLARATION ON CODE OF CONDUCT

It is hereby confirmed that the Board has laid down a Code of Conduct for all Board Members and Senior Management personnel of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended as on 31st March, 2010, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

Place : Gandhinagar

Mr. Paresh N. Vasani

Dated : 03-09-2010

Managing Director



CEO/CFO CERTIFICATION

We, Mr. Paresh N. Vasani, Managing Director and Ms. Kinnari Shah, Chief Finance Officer, certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2010 and that to the best of their knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We further certify that we have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in internal control system during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For, **Circuit Systems (India) Ltd.**

Place: Gandhinagar

(Mr. Paresh Vasani)

(Ms. Kinnari Shah)

Date : 03-09-2010

(Managing Director)

(Chief Finance Officer)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To the Members,
Circuit Systems (India) Limited**

We have examined the Compliance of conditions of Corporate Governance by Circuit Systems (India) Limited ("the Company") for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the 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 the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Company has maintained records to show investors' grievance against the company and have certified that as on 31st March, 2010, there were no investor grievance remaining unattended / pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

FOR SHRENİK RAJ NAHATA

Practicing Company Secretaries,

(SHRENİK RAJ NAHATA)

Proprietor

(C. P. No.-8209)

Place : Ahmedabad

Date : 28-07-2010

**AUDITORS' REPORT****TO THE MEMBERS OF CIRCUIT SYSTEMS (INDIA) LTD.**

We have audited the attached Balance Sheet of **CIRCUIT SYSTEMS (INDIA) LTD.** as at **31st March, 2010** and Profit and Loss Account and Cash Flows Statement for the year ended on that date annexed thereto of the company, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

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

1. As required by Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the Order.
2. Further to our comments in the Annexure referred to in 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 those Books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account of company;
 - (d) In our opinion, the Balance sheet and Profit and Loss Account comply with the Accounting standards referred to Section 211 (3C) of the companies Act, 1956;
 - (e) Directors of the company do not, prima facie, have any disqualification as referred to clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 which is based on written representation received from them and taken on record by the Board of Directors;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon 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;
 - a) In the case of the Balance sheet, of the state of affairs of the company as at 31st March, 2010; and
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - c) In the case of the cash flow statement, of the Cash Flows for the year ended on that date.

For **Virendra Chinubhai & Co.**
Chartered Accountants,
(F.R.No. 111567 W)

(V.C. SHAH)
Proprietor
M.No. 34167

Place : Visnagar
Date : 28th July, 2010

**Annexure to the Auditors' Report referred to in paragraph 3 our report of even date:**

The comments given herein below are based on the data complied by the company in order to comply with the requirements of the new order from the effective date. On the basis of such checks as considered appropriate and examination of the books of accounts and records carried out in accordance with the generally accepted during auditing practices in India and in terms of the information and explanations given by the management, in our opinion :

- (i) (a) the company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets,
- (b) physical verification of fixed assets has been carried out by the company and no material discrepancies were noticed on such verification; the frequency of verification is reasonable, having regard to the size of the company and nature of its business;
- (c) during the year the company has not disposed off any substantial / major part of fixed assets;
- (ii) (a) the inventories have been physically verified at reasonable intervals during the year by the management & the frequency of verification is reasonable, having regard to the size of the company and nature of its business;
- (b) procedures of physical verification of inventory 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 is maintaining proper records of inventory; discrepancies noticed on physical verification of stock were not material in relation to the operations of the company and the same have been properly dealt with in the books of account;
- (iii) (a) the Company has granted unsecured loans to persons listed in the register maintained under Section 301 of the Act; maximum amount outstanding during the year and the year end balance of such loan amounts to Rs. 94.61 lacs (PY Rs. 86.33 lacs) and Rs. 94.61 lacs (PY Rs. 86.33 lacs) respectively; the rate of interest and other terms and conditions of such loans are in our opinion, prima facie not prejudicial to the interests of the company; the said loans were given to one party; the loan being repayable on demand, the question of overdue amount does not arise;
- (b) the company has taken unsecured loans from individual firms and other persons listed in the register maintained U/s 301 of the Act; rate of interest and other terms and conditions are not prejudicial to the interest of the company; above loans are taken from four parties, the maximum amount involved during the year was Rs. 456.88 lacs (PY Rs. 456.17 lacs) and the year end balance of loans taken from such parties was Rs. 103.91 lacs (PY Rs. 364.30 lacs);
- (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 purchases of inventory and fixed assets. During the course of our audit, we have not observed any major weaknesses in the internal control system. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us,
- (v) (a) The transactions that are required to be entered in the Register in pursuance of Section 301 of the Act has been so entered.
- (b) **there are transactions made in pursuance of contract or arrangements which has to be entered in register maintained under Section 301 of Act aggregating to rupees five lacs or more in value during the year in respect of each party, have been made in prices which are reasonable having regards to prevailing market prices as available with the company for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties subject to following :**
 - i) **Sales to one related party, during April, 2009 to December, 2009 has been considered underassessed by Rs. 55.98 lacs by the excise authorities for calculation of assessable value of goods for levying excise duties and the management has paid necessary duties on agreed basis to avoid litigation.**
- (vi) the company has not accepted any deposits during the year from the public within the meaning of the provisions of section 58A and 58AA of the companies Act, 1956 and rules made there under;



CIRCUIT SYSTEMS (INDIA) LIMITED

- (vii) the company has internal audit system during the year under review.
- (viii) the Central Government has not prescribed maintenance of the cost records under section 209 (1) (d) of the companies Act, 1956 in respect of the company's products;
- (ix) (a) the company is generally regular in depositing undisputed statutory dues including provident Fund, investor education and protection fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and any other material statutory dues, as may be applicable, with the appropriate authorities as observed by us during the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India.
- (b) the statutory dues which have been deposited on account of disputes and the forum where the dispute is pending are as under;

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Relevant Assesment year	Forum where dispute is pending
GST/CST of GST Act	Section 67	N.A.*	2003-04 to 2005-06	Gujarat Value Added Tax Tribunal, Ahmedabad.
Service Tax Rules, 2004	Cenvat Credit	20.87 Lacs	2006-07 & 2007-08	The commissioner of Central Excise (Appeals), Ahmedabad
Anti Dumping Duty Refund	Under Notification No. 141/2003 & supported by Sec. 9A of Custom Tarrif Act, 1975	13 Lacs	2003-04	Custom Appeal in Mumbai

* Since matter relates to Time limit, Amount is not quantifiable.

- (x) There are no accumulated losses as on 31st March, 2010; the company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year;
- (xi) As per the declaration given by the company, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders, as may be applicable;
- (xii) the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xv) the company has not given any guarantee for loans taken by others from bank or financial institution;
- (xvi) the term loans taken by the company have been applied for the purpose for which they were raised;
- (xvii) No fund raised on short-term basis has been used for long term investment or vice versa; however, there has been deployment of fund out of profit of the company, which is technically regarded as long-term source of fund for meeting need based working capital requirement.
- (xviii) the company has made preferential allotment of shares ;the price at which such preferential shares have been allotted is at the price prevailing in the market on the basis of requirement mentioned in Companies (Issue of Capital & Disclosure) Regulations, 2009.
- (xix) no fraud on or by the company has been noticed or reported during the year;
- (xx) other clauses such as (xiii) with respect to Chit fund company or Nidhi / mutual fund / society, (xiv) trading in shares and securities etc., (xix) creation of securities for debenture of the order are not applicable to the company;

For **Virendra Chinubhai & Co.**
Chartered Accountants,
(F.R.No. 111567 W)

(V.C. SHAH)
Proprietor
M.No. 34167

Place : Visnagar
Date : 28th July, 2010

**CIRCUIT SYSTEMS (INDIA) LIMITED****BALANCE SHEET AS ON 31ST MARCH 2010**

Particulars	Schedule	As At	As At
		31st March'10	31st March'09
		Rs.	Rs.
I. SOURCES OF FUNDS:			
a) Shareholders' Funds :			
Share Capital	A	157000000	120000000
Reserve and Surplus	B	2356 39383	213603741
		392639383	333603741
b) Loan Funds:			
Secured Loans	C	194177895	208684954
Unsecured Loans	D	35978544	70130197
		230156439	278815151
Deferred Tax Liabilities		42531553	35821094
Total		665327375	648239986
II. APPLICATION OF FUNDS:			
a) Fixed Assets:			
Gross Block		292635459	296264196
Less : Depreciation		101455850	87714937
Net Block	E	191179609	208549259
Capital WIP		236667801	222080347
Intangible Assets		2896643	3268000
b) Investments	F	11036352	11036352
c) Current Assets, Loans & Advances			
Inventories	G	58616549	50862163
Sundry Debtors	H	141830776	134848998
Cash & Bank Balances	I	62850834	11193476
Loans & Advances	J	52543835	61225131
		315841994	258129768
Less: Current Liabilities & Provisions			
Sundry Creditors	K	83051888	50787778
Expenses Payable & Provisions	L	12434885	8857793
		95486773	59645571
NET CURRENT ASSETS		220355221	198484197
Miscellaneous expenditure (To the extent not written off)		3191749	4821831
Total		665327375	648239986

Notes forming part of Accounts T

(The Attached Schedules referred to above and Notes to Accounts form an integral part of Balance sheet.)

As per our Report of even date
For **Virendra Chinubhai & Co.**,
Chartered Accountants,
(F.R.No. 111567 W)

For Circuit Systems (India) Limited.

V.C. SHAHProprietor
M.No. 34167

Date : 28th July, 2010

Place : Visnagar

Kinnari Shah
CFO & Company Secretary**Paresh N. Vasani**
Managing Director**Sharad R. Shah**
Whole Time Director

Date : 04-08-2010

Place : Gandhinagar

**CIRCUIT SYSTEMS (INDIA) LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010**

Particulars	Schedule	As on 31/3/2010	As on 31/3/2009
INCOME			
Income from Operations	M	394489751	404107785
LESS: EXCISE DUTY RECOVERED ON SALES		23824161	32103617
Net Income		370665590	372004168
Other Income	N	8171000	0
Increase/(Decrease) in Inventories	O	3450324	2022167
TOTAL		382286914	374026335
EXPENDITURE :			
Raw Materials Consumed	P	194053562	184093179
Manufacturing & Other Expenses	Q	126009697	140735828
Interest and Financial Charges (Net)	R	10560476	15780094
Depreciation	E	15556859	15462839
Personnel Related Expenses	S	22302479	22699232
Miscellaneous Expenditure written off		1681082	1670882
TOTAL		370164155	380442055
Operating Profit/(Loss) Before Tax		12122759	(6415720)
Add : INCOME FROM EXTRA ORDINARY ITEMS		7945860	0
PROFIT FOR THE YEAR BEFORE TAX		20068619	(6415720)
Less : Provision for Taxation		3306220	25000
Less : Fringe Benefit Tax		0	275000
Less : Deferred Tax Liability		4555433	3725025
Profit / (Loss) after Tax		12206966	(10440745)
Less : Prior period adjustments (Net)		(4900230)	135151
Add: Balance brought forward from previous years		74233495	84539089
Balance carried to Balance Sheet		81469133	74233495
No. of Equity Shares outstanding		15700000	12000000
Earning per Share (Basic)		0.78	(0.87)
Weighted Average Earning per Share		1.01	NA
Nominal Value of Equity Share (Rs.)		10.00	10.00
Notes forming part of Accounts	T		
(The attached schedules referred to above and Notes to Accounts form an integral part of Profit and Loss Account)			

As per our Report of even date
For **Virendra Chinubhai & Co.**,
Chartered Accountants,
(F.R.No. 111567 W)

For Circuit Systems (India) Limited.

V.C. SHAH

Proprietor
M.No. 34167

Date : 28th July, 2010
Place : Visnagar

Kinnari Shah
CFO & Company Secretary

Paresh N. Vasani
Managing Director

Sharad R. Shah
Whole Time Director

Date : 04-08-2010
Place : Gandhinagar



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010

	AS AT 31st March'10 Rs.	AS AT 31st March'09 Rs.
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
160,00,000 equity shares of Rs.10/=each (P. Y. 14000000 equity shares of Rs. 10/= each)	160000000	140000000
ISSUED AND SUBSCRIBED CAPITAL		
15700000 equity shares of Rs. 10/=each (P. Y. 12000000 equity shares of Rs. 10/= each)	157000000	120000000
PAID UP		
15700000 equity shares of Rs.10/=each Fully Paid Up (P. Y. 12000000 equity shares of Rs. 10/= each)	157000000	120000000
	<u>157000000</u>	<u>120000000</u>
SCHEDULE - B : RESERVE & SURPLUS		
General Reserve	19500000	19500000
Profit & Loss Account	81469133	74233491
Share Premium Account	134670250	119870250
	<u>235639383</u>	<u>213603741</u>
SCHEDULE - C : SECURED LOANS		
Term Loan from the Bank	52415483	82559173
Cash Credit Hypothecation from the Bank	67612286	35823090
FCNR Loans from the Bank	44117536	49073686
Buyers Credit from Banks	30032590	41229005
	<u>194177895</u>	<u>208684954</u>
Note : Security for Loans		
Term Loan: Secured by first charge over the fixed Assets of the company, Plant & Machineries & other movable fixed assets.		
Cash Credit : Secured by Hypo. Of stock, Book Debt & Other Movable assets. Also rank paripassu with term loan security.		
FCNR TERM LOAN : Secured by Hypo. Of stock, Book Debts & Other Movable assets, also rank paripassu with term loan & Cash Credit security. All above loans are further secured by personal guarantee of Directors.		
B/C : Secured by letter of undertaking from the principal banker of the company.		
SCHEDULE -D : UNSECURED LOANS		
Sales Tax Deferment Loan	25345444	33700444
Inter Corporate Deposit	9906934	27265164
Deposit from Directors	726166	9164589
	<u>35978544</u>	<u>70130197</u>



CIRCUIT SYSTEMS (INDIA) LIMITED

SCHEDULE - E : BLOCK OF FIXED ASSETS

Sr. No.		GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As on 01/04/09 Rs	During the year Addition Rs.	During the year Sale/Transfe Rs.	As on 31/03/10 Rs	As on 01/04/09 Rs	This Year Rs	Sales / Transf. Rs.	As on 31/03/10 Rs.	As on 31/03/09 Rs.	As on 31/03/10 Rs.
1	Leasehold Land	4927299	0	1715000	3212299	0	0	0	0	4927299	3212299
2	Factory Buildings	32562759	0	1800000	30762759	8081936	1047516	1620586	8934062	24480823	21828697
3	Plant & Machinery	220849147	0	195498	220653649	59051597	10486412	195390	67917423	161797550	152736226
4	E.T.Plant	3045913	0	0	3045913	1381819	144681	0	1526500	1664094	1519413
5	Vehicles	4128229	0	0	4128229	2140653	392182	0	2532835	1987576	1595394
6	Computer,Fax, Cellular	16995020	38019	0	17033039	11038948	2754958	0	13793906	5956072	3239133
7	Furniture & Fixtures	4862464	0	0	4862464	2773516	307794	0	3081310	2088948	1781154
8	Office Equipments	1602169	43741	0	1645910	590697	76984	0	667681	1011472	978229
9	Electric Installation	7291196	0	0	7291196	2655771	346332	0	3002103	4635425	4289093
Total Current Year		296264196	81760	3710498	292635458	87714937	15556859	1815976	101455850	208549259	191179609
Previous Year 2008-09		292483052	4862116	1078043	296264196	72516667	15462838	264570	87714937	219966384	208549259
										AS AT	AS AT
										31st March'10	31st March'09
										Rs.	Rs.

SCHEDULE -F : INVESTMENT

Share Holding (unquoted) at cost	10500000	10500000
1050000 fully paid up Equity Share of Rs. 10 each of Apollo Industries & Projects Ltd.		
400 Equity Share of Rs. 25 each fully paid up of Mehsana Urban Co. Op. Bank Ltd.	10000	10000
49994 Equity Shares of Rs. 10/- each in Accumeq Circuit Shares fully paidup.	499940	499940
Kisan Vikas Patra	26412	26412
	11036352	11036352

SCHEDULE-G : INVENTORIES

(As Certified and valued by the management)

Raw Materials	31340936	32930718
Consumable Stores	14010971	8117127
Work in Process	13050061	9396018
Scraps	214581	418300
	58616549	50862163

SCHEDULE -H : SUNDRY DEBTORS

(Unsecured,Uncofirmed & Considered Good)

Outstanding for more than six months	47773734	38050663
Others	94057042	102901527
Advance from Debtors	0	(6103192)
	141830776	134848998

SCHEDULE -I : CASH & BANK BALANCES

Cash on hand	2215138	3035987
Current account with Scheduled Banks	55211038	3495322
FDRs with Scheduled Banks (including accrued interest)	5424658	4662167
	62850834	11193476

**CIRCUIT SYSTEMS (INDIA) LIMITED**

	AS AT 31st March'10 Rs.	AS AT 31st March'09 Rs.
SCHEDULE -J : LOANS & ADVANCES		
(Unsecured, Unconfirmed & Considered Good)		
Advances recoverable in cash or in kind or for value to be received	46588112	53050908
Advance Income Tax/TDS	4716223	4430158
Sundry Deposits	1239500	3744065
	<u>52543835</u>	<u>61225131</u>
SCHEDULE -K : SUNDRY CREDITORS		
Trade Creditors	76815835	46380780
Other Creditors	6236053	4406998
	<u>83051888</u>	<u>50787778</u>
SCHEDULE -L : EXPENSES PAYABLE & PROVISIONS		
Provision for Wealth Tax	25000	79724
Expenses Payable and Provisions	9128665	8778069
Provision for Income Tax	3281220	0
	<u>12434885</u>	<u>8857793</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 ST MARCH, 2010**

	As on 31st March'10 Rs.	As on 31st March'09 Rs.
SCHEDULE - M : INCOME FROM OPERATIONS		
Domestic Sales	336298079	306010632
Export	52953964	90343410
Sales Of Scraps	3274613	4239603
Income From Depb & Dbk	1963095	3514140
	<u>394489751</u>	<u>404107785</u>
SCHEDULE - N : OTHER INCOME		
Foreign Exchange Difference	8049837	0
Income On Sales Of Assets	121163	0
	<u>8171000</u>	<u>0</u>
SCHEDULE - O : INCREASE/(DECREASE) IN INVENTORIES		
Closing Stock		
Work In Process	13050061	9396018
Scraps	214581	418300
	<u>13264642</u>	<u>9814318</u>
Opening Stock		
Work In Process	9396018	7736946
Scraps	418300	55205
	<u>9814318</u>	<u>7792151</u>
	<u>3450324</u>	<u>2022167</u>



	As on 31st March'10 Rs.	As on 31st March'09 Rs.
SCHEDULE - P - RAW MATERIALS CONSUMED		
Opening Stocks	32930718	31211261
Purchases (Net Of Goods Returned)	192463780	185812636
Less: Closing Stock	(31340936)	(32930718)
	<u>194053562</u>	<u>184093179</u>
SCHEDULE - Q : MANUFACTURING & OTHER EXPENSES		
Stores & Spares Consumed	25808878	27615900
Power	23844960	29108377
Sundry Manufacturing Expenses	5184823	5307918
Labour Charges	11092524	12136490
Repairs & Maintenance		
Plant & Machinery	2672778	4281086
Building	421305	320343
Furniture	13725	20522
Insurance	108755	348666
VAT/CST	8080244	7334584
Other Administrative & Selling Expenses	21527379	21791946
Loss On Sale Of Assets	1614032	588473
Brokerage & Commission On Sales	8484898	7540855
Cartage Outward	8973780	13966655
Bad Debts W/O	7773116	0
Intangible Assets Written Off	408500	408500
Foreign Exchange Difference	0	9965514
Total	<u>126009697</u>	<u>140735828</u>
SCHEDULE - R : INTEREST AND FINANCE CHARGES (NET)		
Interest On Term Loan	700370	5915321
Interest On Working Capital Loan	7275254	4508480
Interest Others	780237	3752480
Total	<u>8755861</u>	<u>14176281</u>
Less: Interest Income	736113	1209101
Net Interest	<u>8019748</u>	<u>12967180</u>
Bank Charges & Commission	2540728	2812913
	<u>10560476</u>	<u>15780094</u>
SCHEDULE - S : PERSONNEL RELATED EXPENSES		
Salaries & Wages	20115480	20461844
Contribution To Provident Fund & Other Fund	1419870	1494686
Welfare Expenses	110660	12998
Bonus	656469	729704
	<u>22302479</u>	<u>22699232</u>

**SCHEDULE 'T' – Significant Accounting Policies & Notes to Accounts.****A SIGNIFICANT ACCOUNTING POLICIES :****1) CONVENTION :**

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standard and requirement of the Companies Act, 1956.

2) BASIS OF ACCOUNTING :

The company follows the Mercantile system of Accounting.

3) FIXED ASSETS :

i) Fixed Assets are stated at cost of acquisition and subsequent improvements including taxes, freight and other incidental expenses related to acquisition, installation and foundation less accumulated depreciation (other than leasehold land where no depreciation is charged).

ii) Costs of fixed assets are net of CENVAT to be set off against excise payable on sales, irrespective of actual set-off during the year under review.

iii) Leasehold land will be written off, in the year in which the respective lease period expires.

4) DEPRECIATION :

i) Depreciation on fixed assets has been provided on SLM method as per rates specified in AMENDED SCHEDULE-XIV of the Companies Act, 1956 vide Notification No. GSR: 758(2) dated 16-12-1992 on pro-rata basis.

5) INVENTORIES:

The inventories are valued as under:

i) Stores, Spare parts & Packing material at cost;

ii) Work-in-progress at cost;

iii) The Raw Material has been valued at Lower of cost plus expenses or net realizable Value.

6) IMPORT & EXCISE CENVAT:

i) The purchase cost of raw material & other expenses have been considered net of cenvat remaining unutilized at the year ending;

ii) Costs of fixed assets are net of cenvat, as the said cenvat is to be set off against excise duties payable in sales.

iii) Value of import includes duties, freight, clearing charges, expenses incidental to acquisition.

iv) Increase/ decrease in rupee liability at the end of the year in respect of money borrowed for purchase or construction of fixed assets consequent to fluctuation in exchange rates are treated as addition/ deduction to the fixed assets.

7) SALES & EXPORTS:

Sales are net of sales rejections for the year under review but inclusive of excise duty and sales tax. Rejection quantity of the period under review is not incorporated in Quantitative detail of Production. Sales rejection of the earlier period is charged to profit & loss account as sales rejection & shown separately.



8) **EXCISE :**

Total excise collected, irrespective of net payment in PLA after adjustment of cenvat, has been considered to work out net income. Excise and service tax credit receivable are considered as per books of accounts but irrespective of actual claims lodged with revenue authorities.

9) **WAGES & SALARIES:**

Includes PF contribution from employer, salaries to trainees & apprentices and administrative charges paid for such PF Contribution.

10) **TAXATION:**

Provision for current tax is made on the basis of estimated taxable income for the period in accordance with the provisions of the income Tax Act, 1961. Deferred tax is recognized, subject to consideration of prudence, on timing differences between taxable income and accounting income for the period that originate in one period and are capable reversal in one or more subsequent periods.

11) **FOREIGN CURRENCY TRANSACTIONS :**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the date of transaction and difference, if any, on realization date is charged to Profit & Loss Account under the head Exchange difference account. Unrealized gains and losses on settlement of foreign currency transactions realized after the year-end are recognized in the Profit and Loss Account at the rate prevailing at the year end. Foreign currency transactions relating to acquisition of fixed assets are adjusted in the cost of the fixed assets.

12) **IMPAIRMENT OF ASSETS:**

As per the opinion of the management, there being no indication of impairment of assets, no loss has been recognized on impairment of assets.

13) **RETIREMENT BENEFITS :**

- i) Contributions to employees Provident Fund remitted to statutory authority are charged to revenue.
- ii) Gratuity benefits wherever applicable are covered by policies taken with the L.I.C. The premium paid under the scheme is charged to revenue. However, the company had made provision for gratuity as per actuarial valuation as required by Accounting Standard – 15.
- iii) Liability on leave encashment to employees are provided on actuarial Valuation Report as required by Accounting Standard – 15.

14) **PRELIMINARY EXPENSES :**

Preliminary expenses are written off in five equal installments. Preliminary expenses on public issue are written off in five equal installments from the year in which Proceeds from the public Issue has been utilized.

15) **PREOPERATIVE EXPENSES (SEZ PROJECT)**

Revenue and Financial Expenses incurred and to be incurred upto commencement of commercial production on SEZ project is to be capitalized and will be allocated to the Fixed Assets on the commencement of the commercial production in SEZ Project.

B NOTES TO ACCOUNTS:

	<u>2009-2010</u>	(Rs. In Lacs) <u>2008-2009</u>
1) CONTINGENT LIABILITIES:		
Guarantee given	10.00	10.00
Forward Contracts	447.81	—
	<u>457.81</u>	<u>10.00</u>



CIRCUIT SYSTEMS (INDIA) LIMITED

(Rs. In Lacs)

	2009-2010	2008-2009
2) PAYMENT TO AUDITORS: (Excluding Service Tax)		
Audit & Legal Fees	1.90	1.90
Income tax Matter	0.20	0.20
Tax Audit Fees	0.20	0.20
Other Matter	0.20	0.20
	2.50	2.50
3) MANAGERIAL REMUNERATION		
SALARIES TO DIRECTORS	36.86	25.13
	36.86	25.13
4) DEFERRED TAX LIABILITIES:		
Opening Balance	358.21	320.96
Add: Adjustment During The Year On Account Of Depreciation etc.	45.55	37.25
Prior period Adjustment	21.55	0.00
Closing Balance	425.31	358.21

5) ADDITIONAL INFORMATION:

a) Additional information required to be given as per para 3 & 4 of Schedule-VI of the Companies Act, 1956

- i) INSTALLED CAPACITY : NA
- ii) LICENCED CAPACITY : NA
- iii) ACTUAL PRODUCTION

ITEMS	2009-2010 Qty/Sq. Mtrs.	2008-2009 Qty/Sq. Mtrs.
Printed Circuit Board (PCB)	68558	58326

b) SALES & EXPORTS:

ITEM	2009-2010		2008-2009	
	QTY./Sq.Mt	Rs in lacs	QTY./Sq.Mts.	Rs in lacs
Printed Circuit Board	68558	3892.52	58326	3969.80
Others	N.A.	52.38	N.A.	71.28
	68558	3944.90	58326	4041.08

- i) Quantity of finished goods (PCB) shown in sq. meter is not precise indication of quantity, as it includes PCB's of different sizes and thickness.
- ii) Actual sales are made in Nos. which are converted into quantity for disclosure.
- iii) Quantitative figures and conversion thereof in Sq. Meters being technical matter, is taken as certified by the management.


c) Raw material Consumption:

ITEM	2009-2010		2008-2009	
	QTY. (No. s)	Rs in lacs	QTY.(No.s)	Rs in lacs
Copper Sheets	67279	461.80	81123	704.04
Others		1478.74		1136.89
Total		1940.54		1840.93

Notes:

- i. Consumption of raw material does not include goods received free of cost.
- ii. Consumption is exclusive of excise cenvat adjusted against excise collected on sales.
- iii. VAT to the extent of availment of set off is also not included in cost of consumption.
- iv. Quantity of copper sheets shown in number is not precise indication of quantity, as it includes copper sheets of different sizes and thickness.
- v. Quantitative disclosures, taken as certified by the Management.

d) REMITTANCE & EARNING IN FOREIGN EXCHANGE: (All Amount in Rs. Lacs)

i) EARNING IN FOREIGN EXCHANGE:	2009-2010	2008-2009
On account of export etc. (FOB Value of Sales)	565.63	995.78

e) Value of imported & indigenous Raw-material & Stores consumed: (Rs. In Lacs)

	2009-2010		2008-2009	
	%	Rs.	%	Rs.
i) Raw-materials consumed:				
Imported	80.14%	1555.23	75.18%	1384.10
Indigenous	19.86%	385.30	24.82%	456.63
	100.00%	1940.53	100.00%	1840.93
ii) Consumable Stores:				
Imported	8.89%	23.70	09.57%	26.42
Indigenous	91.11%	243.00	90.43%	249.74
	100.00%	266.70	100.00%	276.16

The above figures taken as certified by the management.

	2009-2010	2008-2009
i) Raw materials	1645.87	1072.04
ii) Consumable Stores	43.71	35.60
iii) Capital Goods	18.59	30.35
	1708.17	1137.99

**CIRCUIT SYSTEMS (INDIA) LIMITED**

g) EXPENDITURE IN FOREIGN CURRENCY :		(Rs. in Lacs)	
	<u>2009-2010</u>	<u>2008-2009</u>	
i) Foreign Travelling	05.04	4.36	
ii) Repairs & Maintenance	54.80	46.10	
iii) Export Expenses	00.00	08.16	
iv) Foreign Ex. Fluctuation Loss	00.00	99.65	
v) Sales Commission –export	09.12	0.00	
vi) Training Expenses	00.67	0.00	
h) Prior Period adjustment is on account of :			
Particulars		<u>2009-2010</u>	<u>2008-2009</u>
GIDC Charges	0.00	(1.35)	
Cenvat Input	30.59	—	
Deferred Tax Liability	21.55	—	
Others	(3.14)	—	
Total (Net)	<u>49.00</u>	<u>(1.35)</u>	

i) The amount of exchange difference (net) credited to the profit & loss account for the year is Rs. 80.50 Lacs. (P Y debited Rs. 99.66 lacs)

(j) Based on the information available with the Company and on the basis of information made available to us, there are no suppliers who are registered under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2010. Hence the disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given.

(6) Managerial remuneration :

a) Managerial remuneration paid/payable to Directors in pursuant to Section 269 read with Schedule XIII of the Companies Act, 1956 :

	Amount (Rs. Lacs)	
	<u>2009-2010</u>	<u>2008-2009</u>
b) Salaries	36.86	25.13
Perquisites and Other Monetary Benefits	0.00	0.00
	<u>36.86</u>	<u>25.13</u>
Employer's Contribution for PF	3.25	2.20
TOTAL	<u>40.11</u>	<u>27.33</u>

(c) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and the Remuneration payable to Directors :

	Amount (Rs. Lacs)	
	<u>2009-2010</u>	<u>2008-2009</u>
(a) Profit /(Loss) before taxation	200.68	(103.06)
(b) Add : Managerial Remuneration	36.86	25.13
Loss/(Profit) on Sale of Assets	(73.15)	5.88
(c) Net profit/(Loss) as per Section 349 of the Companies Act, 1956	164.39	(72.05)



CIRCUIT SYSTEMS (INDIA) LIMITED

(7) During the year, company has capitalized total expenses of Rs. 268.61, considered as attributable to SEZ Project by the management as under :	
i. Interest on Bank term Loan	51.25
ii. Interest on ICD	34.95
iii. Other expenses (Net of Income)	7.64
Total Expenses	93.84
Less : Foreign Exchange Gain on FCNR Loans	89.45
Total Expenses (Net) (09-10)	4.39
Expenses capitalized upto 31/03/2009	264.22 Lacs

- (8) Though there is a second shift working, machineries used for second shift are exclusively used for second shift only; no depreciation, in view of management, is required to be provided for second shift working.
- (9) The company has been in process of reconciliation of claims of Excise modvat & DEPB receivable recorded in the books from time to time after implementing new accounting software with effect from 01/04/2008 with their actual claims with government authorities. The company has to make additional claim of Rs. 73.43 lacs towards excise modvat & Rs. 20.98 lacs towards DEPB claims with the authorities to match their accounts records and claims submitted to the authorities. Since all additional claims, in view of management, to be made are fully realizable, no provision is required to be made for future shortfall which may occur during such reconciliation.

(10) Segment Reporting :

The company has considered manufacturing of various grade of PCB as Single Segment and consequently has not made Primary Segment Disclosure. With Respect to Secondary Segment Information (Geographical Segment), in view of management, the company is operating in single segment though company is carrying out Domestic and Export Sales.

(11) Details of Capital Work In Progress (SEZ) as on 31/03/2010		(Rs. In Lacs)
Particulars	2009-2010	2008-2009
Leasehold Land	348.09	348.09
Building Under Construction	1035.56	894.12
Purchase of Plant and Machinery	687.53	687.53
Other Capital Expenditure	89.90	78.88
Other Income	(3.38)	0.00
Finance Charges (Net)	208.98	212.18
Advances to Contractors and others	3.71	07.09
Total	2370.39	2227.89

- (b) Details of Proceeds from public issue and its utilization :

FUNDS RECEIVED UPTO 31/03/2010

Equity Share Capital	1678.18	1678.18
Term Loan	625.00	625.00
Internal Cash Accrual	145.85	03.35
Total	2449.03	2306.53

FUND UTILISED UP TO 31/03/2010

Capital Expenditure for Expansion	2370.39	2227.89
Acquisition of Company Business	0.00	0.00
Working Capital Margin requirement	0.00	0.00
Expenses related to the Issue	78.64	78.64
Used for working capital of existing plant	0.00	0.00
Total	2449.03	2306.53



(12) Associates Companies :

- (a) PCB Planet (India) Ltd.
- (b) Global Tech India (Pvt) Ltd.
- (c) Apollo Industries & Projects Ltd.
- (d) PCB Power (India) Ltd.
- (e) Accumeg Circuits Ltd.
- (f) Gujarat Apollo Equipments Ltd.

Key Managerial Personnel :

- Mr. Anilbhai T. Patel - Director
- Mr. Magan H. Patel - Director
- Mr. Paresh N. Vasani - Managing Director
- Mr. Sharad R. Shah - Whole Time Director
- Mr. Somabhai Patel - Director

(13) Transactions with related parties (figures in bracket are in respect of the previous year) :

(Rs. In Lacs)

Particulars	Associates	Key Managerial Personnel
a) Sales, Services and other income	127.05 (80.49)	—
b) Purchase of Assets	—	—
c) Expenditure & other services	50.64 (51.27)	—
d) Inter Corporate Deposits taken	175.00 (409.00)	—
e) Inter Corporate Deposits given	— (11.78)	—
f) Interest income	8.29 (8.40)	—
g) Interest paid	29.42 (0.32)	5.14 (7.78)
h) Remuneration	—	36.86 (25.13)
i) Investments	— (5.00)	—
j) Others	— (1.78)	—
k) Outstanding balances as at 31st March 2010		
I. Due to company :	120.15 (91.15)	0.00 (0.00)
II. Payable by company	133.18 (380.01)	7.26 (0.00)

(14) Previous years figures have been reworked, regrouped, re-arranged & re-classified wherever necessary in order to confirm to this year's presentation.

(15) In the opinion of the Board of Directors, the current assets, loan and advances are approximately of the value stated, if realized, in the ordinary course of business; the provisions for all known liabilities & depreciation are adequate and not in excess of the amount reasonably considered necessary; no personal expenses have been charged to revenue.



16. Statement of Cash flow for the year ended March 31, 2010.

STATEMENT OF CASH FLOWS		(Amount Rs. Lacs)	
Particulars	2009-10	2008-09	
A. Cash Flow from Operating Activities			
Net Profit / (Loss) before tax	151.69	(62.81)	
Adjustment for :			
Depreciation & Amortization	176.46	171.34	
Loss/(Profit) on Sale of Assets	(73.15)	5.88	
Financial Expenses	105.61	157.80	
Operating Profit before working capital changes	360.61	272.21	
Changes in Inventories	(77.55)	(60.72)	
Changes in Sundry Debtors	(69.82)	(15.85)	
Changes in Loans & Advances	86.81	(14.31)	
Changes in Current Liabilities & Provisions	348.84	169.52	
Cash Generated from Operations	648.89	350.85	
Income Tax (paid) / refunded	(3.00)	(96.73)	
Net Cash from Operating Activities A	645.89	254.12	
B. Cash Flow from Investing Activities			
Capital Expenditures	(178.42)	(904.24)	
Sale of Fixed Assets	123.81	2.25	
Increase in Investment	0.00	(5.00)	
Net Cash from Investing Activities B	(54.61)	(906.99)	
C. Cash Flow from Financing Activities			
Increase in Capital	370.00	0.00	
Share Premium Received	148.00	0.00	
Increase / (Decrease) in Secured Loans	(145.07)	597.48	
Increase / (Decrease) in Unsecured Loans	(341.51)	187.01	
Financial Charges Paid	(105.61)	(157.80)	
Dividend paid	0.00	0.00	
Preliminary Expenses	0.51	0.00	
Net Cash from Financing Activities C	(74.70)	626.69	
Net Change in Cash (A + B + C)	516.58	(26.18)	
Cash & Bank Balances at the beginning of the year	111.93	138.11	
Cash & Bank Balances at the end of the year	628.51	111.93	

As per our Report of even date
 For **Virendra Chinubhai & Co.**,
 Chartered Accountants,
 (F.R.No. 111567 W)

For Circuit Systems (India) Limited.

V.C. SHAH
 Proprietor
 M.No. 34167

Kinnari Shah
 CFO & Company Secretary

Paresh N. Vasani
 Managing Director

Sharad R. Shah
 Whole Time Director

Date : 28th July, 2010
 Place : Visnagar

Date : 04-08-2010
 Place : Gandhinagar

**(17) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

(Additional information pursuant to part-VI of schedule-IV to the Companies Act, 1956)

1. REGISTRATION DETAILS

Registration No.	04-24524	State Code	04
Balance Sheet Date	31-03-2010		

2. CAPITAL RAISED DURING THE YEAR

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Preferential Issue	Rs. 370.00 lacs		

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Lacs)

Total Liabilities	7608.14	Total Assets	7608.14
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SOURCES OF FUNDS**APPLICATION OF FUNDS**

Paid-up Capital	1570.00	Net fixed Assets	1911.79
Reserve & Surplus	2356.39	Capital WIP	2366.68
Secured Loans	1941.78	Intangible Assets	28.97
Unsecured Loans	359.79	Investments	110.36
Deferred Tax Liabilities	425.31	Net Current Assets	2203.55
		Miscellaneous Expenditure (To the extent not written off)	31.92
	6653.27		6653.27

4. PERFORMANCE OF COMPANY

Turnover	3944.90	Total Expenditure	3613.32
Profit Before Tax	200.69	Profit After Tax	122.07
Earning Per share in Rs.	0.78	Dividend rate %	Nil

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	8534.00
Products Description	Printed Circuit Boards (Unpopulated)

As per our Report of even date
For **Virendra Chinubhai & Co.**,
Chartered Accountants,
(F.R.No. 111567 W)

For Circuit Systems (India) Limited.

V.C. SHAH

Proprietor
M.No. 34167

Date : 28th July, 2010

Place : Visnagar

Kinnari Shah
CFO & Company Secretary

Paresh N. Vasani
Managing Director

Sharad R. Shah
Whole Time Director

Date : 04-08-2010

Place : Gandhinagar

CIRCUIT SYSTEMS (INDIA) LIMITED



CIRCUIT SYSTEMS (INDIA) LIMITED

Reg. Office: B-24, GIDC Electronics Estate, Sector – 25, Gandhinagar-382044

ATTENDANCE SLIP

FIFTEENTH ANNUAL GENERAL MEETING: Wednesday, 29th September, 2010 at 4.00 p.m.

Folio No./DP No. : _____

Client ID : _____

No. of Shares held : _____

I certify that I am a registered equity shareholder/Proxy for the registered equity shareholder of the Company. I, hereby record my presence at the 15th Annual General Meeting of the Company which will be held at B-24, GIDC Electronics Estate, Sector – 25, Gandhinagar – 382044 – on Wednesday, the 29th day of September, 2010 at 4.00 p.m.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

Note : (Please fill in this Attendance Slip and hand it over at the entrance of the meeting hall)

----- (Tear Here) -----

CIRCUIT SYSTEMS (INDIA) LIMITED

Reg. Office: B-24, GIDC Electronics Estate, Sector – 25, Gandhinagar-382044

PROXY FORM

FIFTEENTH ANNUAL GENERAL MEETING: Wednesday, 29th September, 2010 at 4.00 p.m.

I/We _____ of _____

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

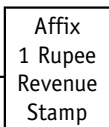
Of _____ or failing him/her _____ of

_____ in my/our absence to attend and vote for me/us and on my/

our behalf at the 15th Annual General Meeting of the Company to be held on 29th September, 2010 at 4.00 p.m.

and any adjournment thereof.

Signature(s) _____



Date : _____

LF No./DP No. : _____

Client ID : _____

No. of Shares held : _____

Note: The Proxy must be deposited at the Registered Office of the Company at least 48 hours before the Meeting.

BOOK-POST

If undelivered, please return to :



CIRCUIT SYSTEMS (INDIA) LIMITED

Reg. Office: B-24, GIDC Electronics Estate, Sector – 25, Gandhinagar-382044

Ganapati (079) 26568111