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CORPORATE INFORMATION

Board of Directors

- Mr. Paresh Vasani - Managing Director
- Ms. Jasmine Vasani - Director
- Mr. Jayesh Shah - Director
- Mr. Ambalal Patel - Director
- Mr. Chetan Panchal - Director

Auditors:

Virendra Chinubhai & Co.
Chartered Accountants
Visnagar - 384 315.

Bankers:

Corporation Bank
The Kalupur Commercial Bank Limited

Registered Office:

B-24, GIDC Electronic 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



NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Members of **CIRCUIT SYSTEMS (INDIA) LIMITED** will be held on **Saturday, the 29th day of September, 2012 at 4.00 p.m.** at the Registered Office of the Company i.e. B - 24, GIDC Electronics Estate, Sector - 25, Gandhinagar - 382 044 to transact the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Profit and Loss Account and Cash flow statement 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. Ambalal C Patel, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint a Director in place of Mr. Jayesh Shah, who retires by rotation and being eligible, offers him 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.

SPECIAL BUSINESS:

5. APPOINTMENT OF DIRECTOR:

To considered and if thought fit, to pass with or without modifications, following resolution as an ordinary Resolution.

"RESOLVED THAT in accordance with provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications, or re-enactment thereof, Mrs. Jasmine P. Vasani, who was appointed as a Additional Director of the Company by the Board of Director and who holds the office, under section 260 of the companies Act, 1956 up to the date of Annual General Meeting and in respect of whom the company has, pursuant to section 257 of the Companies Act, 1956 received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. APPOINTMENT OF DIRECTOR:

To considered and if thought fit, to pass with or without modifications, following resolution as an ordinary Resolution.

"RESOLVED THAT in accordance with provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications, or re-enactment thereof, Mr. Jayesh Shah, who was appointed as a Additional Director of the Company by the Board of Director and who holds the office, under section 260 of the companies Act, 1956 up to the date of Annual General Meeting and in respect of whom the company has, pursuant to section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. APPOINTMENT OF DIRECTOR:

To considered and if thought fit, to pass with or without modifications, following resolution as an ordinary Resolution.

"RESOLVED THAT in accordance with provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications, or re-enactment thereof, Mr. Chetan Panchal, who was appointed as a Additional Director of the Company by the Board of Director and who holds the office, under section 260 of the companies Act, 1956 up to the date of Annual General Meeting and in respect of whom the company has, pursuant to section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Registered Office:
B-24, GIDC Electronics Estate
Sector - 25, Gandhinagar
Place: Gandhinagar
Date: 31-08-2012

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

Managing Director



CIRCUIT SYSTEMS (INDIA) LIMITED

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 **24th September, 2012 to 28th September, 2012 (both days inclusive).**
(b) As required under Clause 49(IV)(G)(i) of the Listing Agreement, particulars relating to Mr. Ambalal C. Patel and Mr. Jayesh Shah, 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. Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of documents including Annual Report to shareholders by a Company can be made through electronic mode. Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to give their consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement or any other communication in electronic mode, and register the said form with Cameo Corporate Services Private Limited.
6. A Member or his Proxy is requested to bring the copy of the Annual Report already circulated to the members, at the Meeting.
7. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
8. 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.

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

Place : Gandhinagar

Date : 31-08-2012

Managing Director

Explanatory Statement under Section 173 (2) of Companies Act, 1956

Item 5

The Board of Directors, at its meeting held on 3 December 2011, appointed Mrs. Jasmine P Vasani, as an additional director of the company with effect from that date, pursuant to Section 260 of Companies Act, 1956 and applicable provisions of Article of Association of the Company.

In terms of Section 260 of Companies Act, 1956, she holds office till ensuing AGM. The Company has received requisite notice for proposing her candidature for office of Director under the provisions of Section 257 of the Act. She is not disqualified to be appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite form DD-A, in terms of the Companies (Disqualification of Directors under Section 274 (1)(g) of the Companies Act, 1956) Rules, 2003, confirming her eligibility for such appointment.

No Director, except Mr. Paresh Vasani and Mrs. Jasmine Vasani is interested in resolution.

The Board recommends the resolution for approval of the members.

Item 6

The Board of Directors, at its meeting held on 3 December 2011, appointed Mr. Jayesh Shah, as an additional director of the company with effect from that date, pursuant to Section 260 of Companies Act, 1956 and applicable provisions of Article of Association of the Company.

In terms of Section 260 of Companies Act, 1956, he holds office till ensuing AGM. The Company has received requisite notice for proposing his candidature for office of Director under the provisions of Section 257 of the Act.



CIRCUIT SYSTEMS (INDIA) LIMITED

He is not disqualified to be appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite form DD-A, in terms of the Companies (Disqualification of Directors under Section 274 (1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

No Director except Mr. Jayesh H. Shah is interested in resolution.

The Board recommends the resolution for approval of the members.

Item 7

The Board of Directors, at its meeting held on 3 December 2011, appointed Mr. Chetan Panchal, as an additional director of the company with effect from that date, pursuant to Section 260 of Companies Act, 1956 and applicable provisions of Article of Association of the Company.

In terms of Section 260 of Companies Act, 1956, he holds office till ensuing AGM. The Company has received requisite notice for proposing his candidature for office of Director under the provisions of Section 257 of the Act.

He is not disqualified to be appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite form DD-A, in terms of the Companies (Disqualification of Directors under Section 274 (1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

No Director except Mr. Chetan Panchal is interested in resolution.

The Board recommends the resolution for approval of the members.

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. Ambalal C Patel	Mr. Jayesh H Shah
Date of Birth	1 April 1944	19 June 1965
Date of Appointment	5 December 2005	3 December 2011
Qualification	Engineer	B.Com
Expertise in Specific Functional Area	He is having 31 years of experience in various areas. He is BE in Metallurgy from Ind. Inst of Science. He has handled responsibilities of Project Finance, Project evaluation, project appraisal, liaison with state gov. authorities as well as with bank and financial institutions, handled BIFR cases and has also headed personnel and admin. Dept. of the corporation	He is having experience of 18 years in finance, taxation and commerce. Graduated in commerce and completed diploma in taxation from Gujarat University. He has varied experience of Taxation, Finance & legal compliances
Directorship in Other Companies (Excluding Private & Foreign Companies)	1. Jindal Hotels Ltd. 2. S A L Steel Ltd. 3. Vishal Malleables Ltd. 4. Sumeru Industries Limited 5. Laffans Petrochemical Ltd. 6. Ajmera Reality & Infra India Ltd 7. Chiripal Industries Ltd. 8. Nandan Exim Ltd. 9. Shree Precoa Ted Steel Ltd. 10. CIL Nova Petrochemicals Ltd.	PCB Power (India) Ltd. PCB Planet (India) Ltd. Eurocircuits India Ltd.
Membership/ Chairmanship of Committee (includes only Audit Committee & Investor Grievances Committee)	1. Jindal Hotels Ltd. 2. Nandan Exim Ltd.	Nil
Shareholding as on March 12	Nil	Nil



CIRCUIT SYSTEMS (INDIA) LIMITED

DIRECTORS' REPORT

To,

The Members,

Circuit Systems (India) Ltd.,

Your Directors have pleasure in presenting herewith the 17th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2012.

Financial Results:

Particulars	2011-12	2010-11
Income from Operation (Net of Excise)	3048.28	3768.20
Other Income	72.18	64.06
Profit before Interest, Depreciation and Tax	330.93	288.05
Less: Interest and Financial Charges	154.07	96.43
Less : Depreciation	134.18	156.23
Profit from operations	42.68	35.39
Profit for the year before tax	42.68	(59.23)
Less provision for taxation	14.50	29.50
Add Deferred Tax asset	11.82	(109.08)
Profit for the year after Tax	40.00	20.35
Amount c/f. to Balance sheet	875.75	835.75

DIVIDEND :

As a matter of good corporate practice and management philosophy, your Directors expect to make sound and strong financial base for the Company. In order to conserve the financial resources; your Directors do not recommend any dividend for the current year.

BUSINESS SCENARIO:

During the year, the turnover of the Company has been reduced to Rs. 3048.28 Lacs (Net of Excise) in compare to the turnover of Rs. 3768.20 Lacs (Net of Excise)of previous year. The company has focused on Domestic Business. Total number of customer has been increased from 396 to 725 during the year. The Company has witnessed growth in its customer base during year in order to have focused business policy. Your Directors have initiated the process of selling SEZ assets this will help to improve cash flow and focus on domestic customers by looking at global economy. The Board of Directors have decided to acquire 100% stake in PCB POWER India Limited. The proposed acquisition will increase customer base substantially and the manner of selling printed Circuit Boards through Internet.

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. Ambalal C. Patel and Mr. Jayesh H. Shah, 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. The board has received letter from them to the effect that their appointment if made will be within limits specified u/s. 224(1B) of Act.

AUDITORS' REPORT:

The remarks and observations made by the Auditor is self explanatory except following for which your Directors offers explanations as required u/s. 217(3) of Companies Act 1956.



CIRCUIT SYSTEMS (INDIA) LIMITED

The management is of the opinion that since the company has yet to commence commercial production in its SEZ undertaking and it has sold only a part of the plant and that too after paying the customs duty on the value at which it was quantified by customs department at the time of import in SEZ undertaking, the accounting treatment of capitalizing loss of Rs. 16.14 lacs as explained in note no. 31 is proper.

The management believes above observations of Auditor do not materially affect true and fair view of financial statements.

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.

- (i) That in the preparation of Accounts for financial year ended on 31st March, 2012 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, 2012 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, 2012 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:

1. Foreign Exchange Earned During the year :

Rs. In Lacs

Particulars	2011-12	2010-11
Exports	337.14	583.83
Foreign Exchange Fluctuation Income	(11.32)	63.83

2. Foreign Exchange Outgo :

Rs. In Lacs

Particulars	2011-12	2010-11
Foreign Traveling	1.17	7.99
Repairs and Maintenance - Machinery	24.64	43.36
Export Expenses	0.00	0.55
Imports (CIF Value)	1292.30	1740.39
Sales Commission - Export	10.25	11.98
Foreign Bank charges	0.66	0.00

PARTICULARS OF EMPLOYEE:

During the year, there were no employees, within the organization, who were in receipt of remuneration exceeding Rs. 60,00,000/- p.a. or if employed for part of the year drawing remuneration in excess of Rs. 5,00,000/- 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.

COST RECORDS :

From the last year, the company has been required to maintain the cost records. Accordingly, company has prepared necessary cost records and complete all necessary compliances within the due date prescribed by government.



CIRCUIT SYSTEMS (INDIA) LIMITED

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, Corporation Bank & Kalupur Comm. Co. Op. Bank Ltd., which has extended their full support to the Company. Further, Your Directors Wishes to place on record their deep sense of appreciation to all the employees for their commendable teamwork and enthusiastic contribution to the growth of Company's business during year.

For and on behalf of the Board of Directors

Place : Gandhinagar

Date : 31/08/2012

Paresh N. Vasani
Managing Director

Jayesh H. Shah
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 cannot 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 incorporated in 1995 to manufacture world class Professional Grade Printed Circuit Boards in Gandhinagar, Gujarat. 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, Company is taking measures to sustain momentum 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 is continuously making efforts in improving its operational.

Outlook on Opportunities :

Due to the nature of the industry and its volatility, your company is planning to focus on technology and deploy its resources carefully and in right directions. Your company will look forward to adding new customer base and focus on its niche.

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, Defense and Aerospace are expected to generate more demand on a healthy levels.



CIRCUIT SYSTEMS (INDIA) LIMITED

Financial Risk:

Your company is making every possible effort to improve the risk management of its finances. Your company is improving its inventory management, stock, and work in Process. Your company has opted not to increase its exposure.

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 2011-12:

The Company has earned revenues of Rs. 3048.28 Lacs in 2011-12 as compared to Rs. 3768.20 Lacs last year. Though overall sluggish global economic scenario, Company has managed its positive cash flow during the year.

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 Notes 27 of the Notes to the financial statement.

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 2011-12, the strength of the Board of Directors was Five Directors, out of which three 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 Executive Managing Director who is taking first lead on growth of overall business and penetrating true business opportunities at all levels.



CIRCUIT SYSTEMS (INDIA) LIMITED

During the last year, there was reconstitution of Board of Directors with appointment of Mr. Jayesh Shah and Mr. Chetan Panchal, as Independent Director and Mrs. Jasmine Vasani, as Non Executive Director, all appointed on 3 December 2011. While Mr. Sharad Shah and Mr. Niranjn Dave has resigned as Whole time director and Independent director, respectively on 28 September 2011. While Mr. Maganbhai Patel, Mr. Anil T Patel, Mr. Dilip Vyas, Mr. Somabhai Patel and Mr. Ishwarbhai Patel have resigned on 8 February, 2012. The Board place on record their contribution to the progress of company.

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 31-03-2012	No. of Board/Committee*** membership as at 31st March, 2012 (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	11	2	Nil	Nil
Mr. Anil T. Patel	Director	Promoter - Non-Executive	Yes	3	4	Nil	Nil
Mr. Sharad R. Shah	Whole Time Director	Executive Director	Yes	3	0	Nil	Nil
Mr. Ishwarbhai H. Patel	Director	Independent Non-Executive	No	1	1	Nil	Nil
Mr. Ambalal C. Patel	Director	Independent Non-Executive	No	8	10	2	2
Mr. Dilip S. Vyas	Director	Independent Non- Executive	No	0	0	Nil	Nil
Mr. Niranjn R. Dave	Director	Independent Non- Executive	No	2	0	Nil	Nil
Mr. Somabhai Patel	Director	Alternate Director to Mr. Maganbhai Patel	No	2	0	Nil	Nil
Mrs. Jasmine P. Vasani	Director	Promoter Non- Executive	No	4	3	Nil	Nil
Mr. Jayesh H. Shah	Director	Independent Non- Executive	No	4	3	Nil	Nil
Mr. Chetanbhai Panchal	Director	Independent Non- Executive	No	2	1	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.

None of the Directors on the Board is a Member of More than 10 Committee or Chairman of more than 5 committee across all the companies in which he is a Director. Necessary disclosure regarding their Directorship/ Membership in other companies has been made by each and every Director

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

Date of Board Meeting*	12-05-11	11-08-11	30-8-11	28-9-11	30-9-11	12-11-11
No. of Directors present	4	5	4	3	3	3
Board Strength	9	9	9	7	7	7
Date of Board Meeting*	3-12-11	19-12-11	08-12-12	12-03-12	24-3-12	
No. of Directors present	3	4	5	3	3	
Board Strength	10	10	5	5	5	

*The time gap between any two meetings is not exceeding 4 months.



CIRCUIT SYSTEMS (INDIA) LIMITED

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. Jayesh Shah, is the chairman of the Committee, he is having graduation in commerce and Diploma in Taxation. He is having experience of about 20 years of finance and taxation. Mr. Paresh N. Vasani is also an Engineer with good business acumen. Mr. Chetan Panchal is engineer and having good knowledge of business and industry.

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 than again reconstituted on 8 February 2012 as under:

Sr. No	Name of the Director	Designation	Nature of Directorship
1	Mr. Jayesh H. Shah	Chairman	Independent and Non-executive
2	Mr. Chetanbhai Panchal	Member	Independent and Non-executive
3	Mr. Paresh N. Vasani	Member	Executive Director

During the year, Mr. Niranjana Dave and Mr. Ishwarbhai Patel have resigned as members of Audit Committee in its meeting dated 8 February 2012. Mr. Jayesh Shah and Mr. Chetan Panchal have been selected as member of Audit Committee during year. The Committee elected Mr. Jayesh Shah as Chairman.

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 2011-12, The Committee met on five occasions on 12th May, 2011, 11th August, 2011, 30th August 2011, 12th November 2011 and 8th February, 2012, which were attended as indicated below:

Sr. No	Name of the Members	Position Held	12-05-11	11-08-11	30-08-11	12-11-11	08-02-12
1.	Mr. Niranjana R. Dave	Chairman	Yes	Yes	Yes	Yes	Yes
2.	Mr. Ishwar H. Patel	Member	---	----	----	----	----
3.	Mr. Jayesh H. Shah	Chairman	---	----	----	----	Yes
4.	Mr. Chetanbhai Panchal	Member	---	----	----	----	Yes
5.	Mr. Paresh N. Vasani	Member	Yes	Yes	Yes	Yes	Yes

INTERNAL AUDIT CONTROL SYSTEMS IN THE COMPANY :

M/s. Dipal R. Shah & Co., Chartered Accountants, was appointed as Internal Auditors of the Company for the year 2011-12, to conduct the internal audit of the Company. The report of the Internal Auditors was 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.

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.



CIRCUIT SYSTEMS (INDIA) LIMITED

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 and reconstituted on 3rd December 2011 to ensure the effective redressal of the complaints of the investors. The Committee was further re-constituted on 8 February 2012. The existing members have resigned and new members have been appointed on date. The Committee also recommends steps to be taken for further implementation in the quality and services to the investors. The reconstituted committee is as under.

Composition of the Investors' Grievance Committee

Sr. No	Name of the Director	Designation	Nature of Directorship
1	Mr. Chetankumar Panchal	Chairman	Non Executive, Independent
2	Mr. Jayesh Shah	Member	Non Executive, Independent
3	Ms. Jasmine Vasani	Member	Non Executive Director

During the year Mr. Ambalal Patel, Mr. Ishwarbhai Patel and Mr. Paresb Vasani resigned as member of committee. The Board appointed Mr. Chetan Panchal, Mr. Jayesh Shah and Ms. Jasmine Vasani as member w.e.f. 8 February 2012. The selected Mr. Chetan Panchal as its chairman.

During the year the committee held four meetings on 12th May 2011, 11th August 2011, 3rd December 2011, 8th February 2012 which were attended as indicated below:

Sr. No	Name of the Members	Position Held	12-05-11	11-08-11	03-12-11	08-02-12
1.	Mr. Ambalal C. Patel	Chairman	Yes	Yes	Yes	Yes
2.	Mr. Ishwar H. Patel	Member	---	----	----	----
3.	Mrs. Paresb N. Vasani	Member	Yes	Yes	Yes	Yes
4.	Mr. Jayesh H. Shah	Chairman	---	----	----	Yes
5.	Mr. Chetanbhai Panchal	Member	---	----	----	Yes
6.	Mrs. Jasmine P. Vasani	Member	---	----	----	Yes

The Minutes of Shareholders Grievance Committee are discussed and taken note of by the Board of Directors. Mr. Paresb N. Vasani 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	NIL	NIL
3.	Non-receipt of Annual Report	NIL	NIL
4.	For Demat	NIL	NIL
6.	Others, Refund of Application Money	NIL	NIL

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.



CIRCUIT SYSTEMS (INDIA) LIMITED

(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, reconstituted on 28th July, 2008, on 3rd December 2008 and on 8 February 2012 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. Chetankumar Panchal	Member	Independent & Non Executive
3	Mr. Jayesh H. Shah	Member	Independent & Non Executive

Mr. Ishwarbhai Patel and Mr. Anil T Patel have resigned from membership on 8 February 2012. Mr. Chetankumar Panchal and Mr. Jayesh H Shah have been appointed from such date.

(iii) Meetings and Attendance:

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

No	Name of the Members	Position Held	15-05-2011
1.	Mr. Ambalal C. Patel	Chairman	Yes
2.	Mr. Ishwar H. Patel	Member	No
3.	Mr. Anil T. Patel	Member	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, 2012 is as under:

Sr. No.	Name of the Director	Position Held	Remuneration	Commission	Sitting Fees
1.	Mr. Paresh N. Vasani	Managing Director	4,088,800	Nil	Nil
2.	Mr. Sharad R. Shah	Whole-Time Director	1,471,390	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, 2012.

Sr. No.	Name of the Non-Executive Directors	Sitting Fees Paid
1	Mr. Anil T. Patel	2,000
2	Mr. Ambalal C. Patel	7,000
3	Mr. Niranjana R. Dave	2,000
4	Mr. Jayesh H. Shah	1,000
5	Mr. Chetanbhai Panchal	1,000

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
2010-11	29th September, 2011	4.00 p.m.	B-24, GIDC Electronic Estate, Sector - 25, Gandhinagar	Nil
2009-10	29th September, 2010	04.00 pm	B-24, GIDC Electronic Estate, Sector - 25, Gandhinagar	Nil
2008-09	29th September 2009	04.00 pm	B-24, GIDC Electronic Estate, Sector - 25, Gandhinagar	1



CIRCUIT SYSTEMS (INDIA) LIMITED

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.

No Extra Ordinary General Meeting was held during the year.

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 27H 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 :
Company has constituted a Remuneration Committee.
- vi. In preparing the Annual Accounts in respect of financial year ended 31st March 2012 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, 192; and
- viii. There was no security issued and allotted during the year ended 31st March, 2012.

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.

The Company's results, annual reports and official news release are displayed on the company's website www.mycsil.com. The said website also contain information about company's business, financial information, company's director, registrar and share transfer agent, contact information of designated officials of the company who are responsible for assisting and handling investor grievances etc.

All the price sensitive information and announcements are communicated immediately after the Board decision to the Stock Exchange, where share are listed, for dissemination to the Stakeholders.

9. PROCESSING OF INVESTOR COMPLAINTS IN SCORES:

SEBI has commenced processing of investor complaints in centralized web based redressal system 'SCORES'. By this facility, investor can file their complaints on line and also view movements of their complaints online. The salient feature of this complaint are: Centralized database of all complaints, online updation of Action Taken Reports (ATR) ny concerned companies and online viewing by investor of action taken on the complaint and its current status.

10. 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.

11. GENERAL SHARE HOLDER INFORMATION

- (i) Financial Year : 1st April, 2011 to 31st March, 2012
- (ii) Seventeenth Annual General Meeting : i.e. next AGM
 - Date & Time : **29th September, 2012 at 4.00 p.m.**
 - Venue : Circuit Systems (India) Ltd.
B-24, GIDC Electronics Estate, Sector 25, Gandhinagar.
- (iii) Book Closure Date : **24th September 2012 to 28th September 2012 (both days inclusive)**
- (iv) Payment of Dividend : Not Applicable



CIRCUIT SYSTEMS (INDIA) LIMITED

(v) FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2012-2013

Financial Year	1st April, 2012 to 31st March, 2013
Results for the First quarter ending 30th June, 2012	10 AUGUST 2012
Results for the second quarter ending 30th September 2012	On or before 15th November 2012
Results for the third quarter ending 31st December, 2012	On or before 15th February 2013
Results for the year ending 31st March, 2013	On or before 30th May 2013
Annual General Meeting	On or before 30th September, 2013

(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, 2011	10.55	7.20
May, 2011	12.05	8.92
June, 2011	14.13	9.34
July, 2011	14.83	12.75
August, 2011	13.60	12.78
September, 2011	14.37	13.10
October, 2011	14.54	13.10
November, 2011	15.85	13.50
December, 2011	13.90	10.84
January, 2012	10.50	9.04
February, 2012	10.00	8.25
March, 2012	8.92	7.65

* 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 demats 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.



CIRCUIT SYSTEMS (INDIA) LIMITED

(xi) DISTRIBUTION OF SHAREHOLDINGS AS ON 31.03.12

RANGE OF EQUITY SHARES	SHARE HOLDERS		TOTAL NO OF SHARES	
	NUMBERS	% OF TOTAL	NUMBERS	% OF TOTAL
Between 1 and 100	1198	24.33	81,475	0.52
Between 101 and 500	2934	59.60	723,531	4.61
Between 501 and 1000	533	10.83	353,291	2.25
Between 1001 and 2000	133	2.70	196,163	1.25
Between 2001 and 3000	45	0.91	117,695	0.75
Between 3001 and 4000	19	0.39	66,057	0.42
Between 4001 and 5000	9	0.18	41,486	0.26
Between 5001 and 10000	17	0.35	113,957	0.73
Above 10000	35	0.71	14,006,345	89.21
TOTAL	4,923	100.00	15,700,000	100.00

(xii) Shareholding Pattern as on 31st March, 2012:

Category	Total Shares	% to Equity
Promoters and Promoters Group	1,08,43,180	69.09%
Directors and their Relatives	NIL	NIL
Bodies Corporate	396150	2.52%
NRIs/Foreign Nationals, Foreign Corporate Bodies	2437823	15.53%
Indian Public	1908636	12.13%
Clearing Members	249	0.00%
Hindu Undivided Families	113962	0.73%
GRAND TOTAL	15,700,000	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 '12:

Particulars	No. of shares	% of total Capital	No. of Shareholder
National Securities Depository Ltd.	14,734,591	93.85%	3,418
Central Depository Services(India) Ltd.	670,919	4.27%	1,495
TOTAL DEMATERIALIZED	15,405,510	98.12%	4,913
Physical	294,490	1.88%	10
GRAND TOTAL	15,700,000	100.00	4,923

(xiv) Company has not issued any ADR/GDR/FCCBs/QIPs during financial year ended 31st March, 2012.

(xv) Investors Correspondence may be addressed to:

Circuit Systems (India) Ltd.

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

Phone No. - 91-79-23287086/87/88 Fax No. - 91-79-23287089

Email: finance@mycsil.com

Or At the Registrar and Share Transfer Agent's Address as above mentioned.



CIRCUIT SYSTEMS (INDIA) LIMITED

(xvi) Location of Plant:

B-24, GIDC Electronics Estate, Sector - 25, 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.

For and on Behalf of Board

Date: 31-08-2012

Place: Gandhinagar

(Mr. Paresh N. Vasani)

(Mr. Jayesh H. Shah)

(Managing Director)

(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, 2012, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

Date: 31-08-2012

Place: Gandhinagar

Mr. Paresh N. Vasani

Managing Director

CEO/CFO CERTIFICATION

I, Mr. Paresh N. Vasani, Managing Director, Chief Finance Officer, certify to the Board that :

- (a) I have reviewed financial statements and the cash flow statement for the year ended on 31.03.2012 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 my 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) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I further certify that I 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.

Date: 31-08-2012

Place: Gandhinagar

(Mr. Paresh Vasani)

Managing Director



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") or the year ended on 31st March 2012, 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, 2012, 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.

**Place : Jaipur
Date : 31-08-2012**

For M. Choraria and Company
Company Secretary
(Monica M. Choraria)
Proprietor
C.P. No. 7390



AUDITOR'S 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, 2012** and statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Account of company;
 - (d) In our opinion, the Balance sheet, Statement of Profit and Loss and Cash Flow Statement 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) *Due to change in method of accounting for treatment of profit/loss on sale of SEZ project having no commercial production resulted in overstatement of profit assets of SEZ project by Rs. 16.14 lacs (Please see note 31 to the financial statement).*
 - (g) 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 and note at para (f) above 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, 2012; and
 - b) In the case of the Statement of Profit and Loss 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 : 31-08-2012**



CIRCUIT SYSTEMS (INDIA) LIMITED

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 and 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 ;

The yearend balance of such loan amounts to Rs. **Nil (PY Rs. 104.74 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 nil (P.Y two) 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 three (P.Y.four) parties, the year end balance of loans taken from such parties was **Rs.336.61 lacs (PY Rs. 267.45 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.

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, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) The transactions that are required to be entered in the Register in pursuance of Section of the Act has been so entered ;
 - (b) i) 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 ;
- (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;
- (vii) in our opinion, the company has an internal audit system commensurate with its size & the nature of its business :
- (viii) The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the companies Act, 1956 in respect of the company's products the company has obtained compliance certificate from the qualified cost accountant:



CIRCUIT SYSTEMS (INDIA) LIMITED

- (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 ;

Sr. No	Nature of the Statute	Nature of the Dues	Amount (Rs.)	Relevant Assessment Year	Forum where dispute is pending	Status
1	GST/CST of GST Act	Section 67	N.A. *	2003-04 to 2005-06	Gujarat Value Added Tax Tribunal, Ahmedabad	Pending for adjudication
2	Service Tax Rules 2004	Cenvat Credit	20.87 Lacs	2006-07 & 2007-08	The Commissioner of Central Excise (Appeals), Ahmedabad	Final order awaited.
3	Anti Dumping Duty Refund	Under Notification No. 141/2003 & supported by Sec. 9A of Custom Tariff Act, 1975	13 Lacs	2003-04	Custom Appeal in Mumbai	Pending
4	VAT Act	Section 54	1.72 Lacs	2004-05	Recovery of interest on refund (Appeal)	Pending

* Since Matter relates to time limit, Amount is not quantifiable.

- (x) there are no accumulated losses as on 31st March, 2012; 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;
- (xiii) the company has not given any guarantee for loans taken by others from bank or financial institution;
- (xiv) in absence of specification of purpose of the the term loan by the financing institution, the term loan taken has been utilized by the management as per decision of board of directors ;
- (xv) 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 ;
- (xvi) no fraud on or by the company has been noticed or reported during the year;
- (xvii) Other clauses such as (xii) 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 : 31-08-2012**



CIRCUIT SYSTEMS (INDIA) LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2012

PARTICULARS	NOTES	As on 31st MARCH-12	As on 31st MARCH-11
A. EQUITY & LIABILITIES			
1) SHAREHOLDERS' FUNDS :			
Share Capital	1	157000000	157000000
Reserve & Surplus	2	241745591	237745734
		398745591	394745734
2) SHARE APPLICATION MONEY PENDING ALLOTMENT			
		0	0
3) NON CURRENT LIABILITIES			
a) Long term borrowings	3	53407756	33653967
b) Deferred Tax Liability(Net)	4	30440758	31623074
c) Other long term liabilities		0	0
d) Long term provisions		0	0
		83848514	65277041
4) CURRENT LIABILITIES			
a) Short Term borrowings	5	52057022	60587738
b) Trade payables	6	34766226	84242487
c) Other current liabilities	7	46936088	63743033
d) Short term provisions	8	6899877	11192637
		140659213	219765895
		623253317	679788670
B. ASSETS			
1) Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	9	188880574	181245926
ii) Intangible assets	10	2104725	2513225
iii) Capital work in Progress	11	217899728	220548550
IV) Fixed Assets held for sale		0	0
b) Non Current Investments	12	536412	10536412
c) Long term Loans & advances		0	0
d) Other Non-current assets	13	17366759	24892409
		426788198	439736783
2) Current Assets			
a) Current Investments	14	10500000	499940
b) Inventories	15	65771789	67153978
c) Trade Receivables	16	92211173	133441889
d) Cash & Cash Equivalents	17	8990388	11439454
e) Other current assets	18	18991769	27516887
		196465119	240052148
		623253317	679788670

In terms of our report attached

For and on behalf of the Board of Directors

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

Paresh N. Vasani
Director

Jayesh H. Shah
Director

(V. C. SHAH)

Place : Gandhinagar

Date : 31/08/2012

M.No. 034167 Proprietor

Place : Visnagar

Date : 31/08/2012



CIRCUIT SYSTEMS (INDIA) LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH-2012

PARTICULARS	NOTES	As on 31st MARCH-12	As on 31st MARCH-11
a) Continuing Operations			
i) Revenue from operations	19	333761535	405067602
Less : Excise duty		28933443	28247569
Revenue Operation (Net)		304828092	376820033
ii) Other Income	20	7218053	6405856
iii) Total Revenue		312046145	383225889
iv) Expenses			
a) Cost of materials & stores consumed	21	155492740	215478782
b) Purchase of stock in trade		0	0
c) Decrease in Inventories	22	682442	1959922
d) Employes benefit expenses	23	26478455	24319930
e) Financial cost	24	15406620	9642894
f) Depreciation & amortization expenses	25	15410401	17628274
g) Other expenses	26	94307946	123820785
Total Expenses		307778604	392850587
v) Profit before tax, exceptional and extraordinary items		4267541	-9624698
vi) Exceptional items		0	0
vii) Profit before tax and extraordinary items		4267541	-9624698
viii) Extra ordinary items		0	3701473
ix) Profit/(Loss) before tax		4267541	-5923225
x) Tax Expenses			
Less : Provision for Taxation		1450000	1580200
Add : Deferred Tax Assets		1182316	10908479
Add : Mat credit set off		0	1369800
Net Provision Of Taxation		-267684	7958479
xi) Profit after tax from contnuing operations		3999857	2035254
B) Discontinuing Operations		0	0
xii) Profit from total operations		3999857	2035254
(xiii) Earning per share (of Rs.10/- each)			
(a) Basic			
(i) Continuing operation		0.25	0.13
(ii) Total operations		0.25	0.13
(xiv) Diluted			
(i) Contuning operations		0.25	0.13
(ii) Total operations		0.25	0.13

In terms of our report attached

For and on behalf of the Board of Directors

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

Paresh N. Vasani
Director

Jayesh H. Shah
Director

(V. C. SHAH)

Place : Gandhinagar
Date : 31/08/2012

M.No. 034167 Proprietor
Place : Visnagar
Date : 31/08/2012



CIRCUIT SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

PARTICULARS	As on 31 ST MARCH-12	As on 31 ST MARCH-11
NOTE-1		
a) AUTHORISED SHARE CAPITAL :	160000000	160000000
Equity shares of Rs. 10/- each.	160000000	160000000
b) ISSUED, SUBSCRIBED & PAIDUP :		
15700000 Equity Shares of Rs. 10/- each fully paid up	157000000	157000000
	157000000	157000000
1-A) Reconciliation of Share Capital		
Opening Balance	157000000	157000000
Fresh issued during the year	0	0
Closing Balance (15700000 shares of Rs. 10/- each fully paid up).	157000000	157000000
1-B) Details of paid up share capital in last five financial years		
As on year ended -		
i) 31-03-2011	157000000	157000000
(15700000 equity shares of Rs. 10 each fully paid up)		
ii) 31-03-2010	157000000	120000000
(157,00,000 equity shares of Rs. 10/-each fully paid up. (P.Y. 12000000 equity shares of Rs. 10/-each fully paid up) (During the year the company was issued 37 Lacs shares of Rs. 10/- each at a premium of Rs. 4/- each fully paid up as preferential issue to director & Europrint N.V.)		
iii) 31-03-2009	120000000	120000000
(12000000 equity shares of Rs. 10 each fully paid up)		
iv) 31-03-2008	120000000	82551900
(12000000 (P.Y. 8255190) equity shares of Rs. 10 each fully paid up- During the year company has issued 3744810 equity shares of Rs. 10 each fully paid up at a premium of Rs. 25 each share through public issue procedure.		
v) 31-03-2007	82551900	72051900
(8255190(P.Y. 7205190) equity shares of Rs. 10 each fully paid up- During the year company has issued 1005000 equity shares of Rs. 10 each fully paid up at a premium of Rs. 25 each share.		
Notes :		
(1) No shares were held by subsidiary, holding company, ultimate subsidiary & holding company during last five years in absence of holding & subsidiary company.		
(2) No bonus shares were issued in last five financial years.		
(3) No shares were issued for consideration other than cash during last five years.		
(4) All shares hold equal voting rights.		



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31st MARCH-12	As on 31st MARCH-11
1-C) Details of shareholders holding share more than 5% voting rights.		
Current Year	%	No. Of Shares
> Mr. Paresh N. Vasani	69.06	10843180
> Europrint N.V	14.33	2250000
> Others	16.60	2606820
	100.00	15700000
Previous Year		
> Mr. Maganbhai H. Patel	26.29	4127470
> Mr. Paresh N. Vasani	16.87	2648090
> Europrint N.V	14.33	2250000
> Apollo Industries & Projects Ltd	8.91	1398740
> Others	33.60	5275700
	100.00	15700000
NOTE-2		
RESERVE & SURPLUS :		
a) General Reserve	19500000	19500000
b) Share Premium	134670250	134670250
c) Profit & Loss A/c.		
Opening Balance	83575484	81540230
Plus : Current year profit	3999857	2035254
Closing Balance	87575341	83575484
Total Reserve & Surplus	241745591	237745734
NOTE-3		
LONG TERM BORROWINGS		
I) Secured		
a) Term Loan from the Kalupur Commercial Co. Op. Bank Ltd.	42892356	0
> Secured by first charge over the fixed assets of the company, P & M and other movable fixed assets of SEZ, Unit at Plot No. 11-12 & 36-37 at SEZ, Gandhinagar		
> Above loan is repayable by 84 equal monthly installment of Rs. 5.955Lacs. commencing from April 12		
> The above loan has been totally voluntarily repaid on 22-06-12 . However company's obligation of Rs. 71.46 Lacs of next 12 months on basis of terms & conditions of the sanction letter of financing bank has been considered as current maturity of above term loan.		
Unsecured		
i) Sales Tax Deferment Loan	5404379	9487444
> Above loan is repayable by six annual installment.		
> Current maturity of above loan of Rs. 4083065 has been considered on basis of declaration of management and actual repayment in F.Y 12-13 in absence of details of repayment schedule issued by sales tax authorities.		
ii) Deposit from Director	111021	111021
iii) ICD From associates units	5000000	24055502
> ICDs to the extent of Rs.285.50Lacs & deposit of Rs.26.09 lacs from directors have been repaid in next financial year in absence of any specification with respect to repayment schedule, current maturity of ICDs & deposit from director has been worked out on basis of actual transaction before audit date.		
Details of default - NIL.	53407756	33653967



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31st MARCH-12	As on 31st MARCH-11
NOTE-3-A		
Current Maturity of Long term debts		
I) Secured		
a) Term Loan from the Kalupur Commercial Co. Op. Bank Ltd.	7146000	0
> Schedule & repayment as per note- 3 above.		
b) FCNR Loans from the Corporation Bank	0	43561433
(Secured by hypothecation of stock, book debts & other movable assets at 24B, GIDC, Electronic Estate, Gandhinagar also rank paripassu with term loan & wc facilities from the same bank.		
c) Term Loan from the Corporation Bank	0	3455349
Note : Security for loans		
> Secured by first charge over the fixed assets of the company, plant & machineries & other movable fixed assets at 24B, GIDC, Electronic Estate, Gandhinagar and also rank pari passu with FCNR & WC facilities from the same bank.		
II) Unsecured		
a) Sales Tax Deferment Loan	4083065	4929000
> Repayable as per note-3 above		
i) All the above loans are personally guaranteed by directors		
b) Deposit from directors	0	2609200
c) ICDs from associate units	28550537	0
> Details of current maturity are as per note 3 above.		
ii) Details of default - NIL.		
Stated at Note-7	39779602	54554982
NOTE-4		
Deferred Tax Liabilities		
Opening Balance	31623074	42531553
Less : Deferred tax asset during the year	1182316	10908479
Closing balance	30440758	31623074
NOTE-5		
SHORT TERM BORROWINGS		
Secured		
i) Buyers Credit From Different Banks	37597122	31015088
Secured by Letter of undertaking of the Corporation Bank		
ii) Cash Credit from Corporation Bank	14459900	29572650
Secured by hypothecation of stock, book debts & other movable assets, also rank paripassu with term loan & FCNR facilities from the same bank.		
	52057022	60587738
NOTE-6		
Trade Payables		
> For raw materials & Services	29505451	80153346
> For Others	5260775	4089141
	34766226	84242487
NOTE-7		
Other Current Liabilities		
a) Sundry Advances from customers	6027823	9188051
b) Current Maturity of long term debts (See Note-3A)	39779602	54554982
c) Creditors For Capital Goods	1128663	0
	46936088	63743033



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31st MARCH-12	As on 31st MARCH-11
NOTE-8		
Short Term Provisions		
II) PROVISIONS :		
Bonus payable	685291	668482
Provision for audit fees	520000	790000
Provision for leave encashment	1351837	2042669
Provision for expenses	1310531	3030334
Professional Tax (EMP-R-233004749)	12270	11870
Salaries Payable	1519863	1318756
TCS - Scrape	6150	11815
Unpaid ESI and PF	126290	95638
TDS on Salary	264270	111172
Provision for I.T. (A.Y 2011-12)	0	1580200
Provision for I.T. (A.Y 2010-11)	0	46560
Other duties & taxes	533275	819057
CST Payable	365942	549785
VAT Payable	204158	116299
	6899877	11192637
NOTE-9		
Please See The Assets Block		

Block of Fixed Assets forming part of Balance Sheet as on 31st March, 2012

Sr. No.	Fixed Assets	GROSS BLOCK AT COST				DEPRECIATION				NET As on 31/03/2011 Rs.	BLOCK As on 31/03/12 Rs.
		As on 01/04/11 Rs	Additions during the year Rs	Sale/Transf. Rs	As on 31/03/12 Rs	As on 1/4/2011 Rs	This Year Rs	Sales / Transf. Rs	As on 31/03/12 Rs		
1	Leasehold Land	3212299	0	0	3212299	0	0	0	0	3212299	3212299
2	Factory Buildings	30778218	5510734	0	36288952	9967453	1027992	0	10995445	20810765	25293507
3	Plant & Machinery	226442317	16454790	2624223	240272884	78476307	11047843	1172123	88352027	147966010	151920857
4	E.T.Plant	3045914	0	0	3045914	1671181	144681	0	1815862	1374733	1230052
5	Vehicles	3150109	969051	2111163	2007997	2363691	233872	1446003	1151560	786418	856437
6	Computer, Fax, Cellular	17174893	171752	0	17346645	16567022	216492	0	16783514	607871	563131
7	Furniture & Fixtures	4975789	43152	0	5018941	3391566	319458	0	3711024	1584223	1307917
8	Office Equipments	1708404	21350	0	1729754	747558	82251	0	829809	960846	899945
9	Electric Installation	7291196	0	0	7291196	3348435	346332	0	3694767	3942761	3596429
		297779139	23170829	4735386	316214582	116533213	13418921	2618126	127334008	181245926	188880574
	Previous Year Rs	292638387	6169640	1028888	297779139	101455820	15623131	545738	116533213	191182567	181245926
		AS	PER	OUR	REPORT	OF	EVEN	DATE			



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31st MARCH-12	As on 31st MARCH-11
NOTE-10		
Intangible Assets		
Opening	2513225	2922368
Less: Written Off	408500	409143
Closing Balance	2104725	2513225
NOTE-11		
Capital Work In Process(SEZ Unit)		
Leasehold Land	28163359	28163359
Building Under Construction	90848059	86630492
Purchase of Plant and Machinery	63817126	73848874
Expenses Pending Allocation	35071184	31905825
	217899728	220548550
NOTE-12		
Other Non Current Investments		
Investment in subsidiary company(Un-Quoted)		
Share Holding at cost	0	10500000
1050000 Fully paid up equity shares of Rs. 10/- each fully paid up of Apollo Industries & Projects Ltd.		
400 Equity share of Rs 25 each fully paid up of Mehsana Urban Co Operative Bank Ltd	10000	10000
NSC	26412	26412
Kalupur Commercial Co. Op. Bank Shares (20000 Shares of Rs. 25 Each fully paid up)	500000	0
	536412	10536412
NOTE-13		
Other Non current assets		
Govt. Taxes & Other Recoverable	15966945	21910615
Sundry Deposits	1310245	1309245
Misc. Expenditure (To the extent not written off)	89569	1672549
	17366759	24892409
NOTE-14		
Other Current Investments (Un- Quoted)		
> 49994 Fully paid up equity shares of Accumeg Circuits Ltd. Rs 10 each of	0	499940
> 1050000 Fully paid up equity shares of Rs. 10/- each of Apollo Industries & Projects Ltd.(On basis of declaration of the management with respect to disposal of this investment in next financial year, has been considered as current investment.)	10500000	0
	10500000	499940



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31 st MARCH-12	As on 31 st MARCH-11
NOTE-15		
INVENTORIES		
Raw Materials	42172389	38867514
Consumable Stores & Packing materials	12977122	16981744
Work in Process	10592273	11304720
Scrapes	30005	0
	65771789	67153978
NOTE-16		
Trade Receivables		
(Unsecured, Unconfirmed & Considered good)		
Outstanding for more than six months	43635231	48368004
Others	50859602	85548783
	94494833	133916787
Less : Provision for bed debts & Sales rejection.	2283660	474898
	92211173	133441889
Net Debtors		
NOTE-17		
CASH & CASH EQUIVALANTS		
Cash on hand	1346619	1253515
Current accounts with Scheduled Banks	1483367	1940108
Fixed Deposits with schedule banks	6160402	8245831
	8990388	11439454
NOTE-18		
Other Current Assets		
(Unsecured, Unconfirmed & Considered Good)		
Advances recoverable in cash or in kind or for value to be received	2692583	20102284
Govt. Taxes & Other Recoverables	8507850	7414603
Advance to Suppliers	7791336	0
	18991769	27516887
NOTE-19		
a) Income from Operations		
Domestic Sales	295883589	341751409
Exports	33713558	59329822
Sales of Scraps	3256094	1867070
Income from DEPB & DBK	908294	2119301
	333761535	405067602
Domestic Sales comprises		
I) Domestic Sales of products comprises		
> Printed Circuit Boards	300047977	345737780
I) Exports Sales of products comprises		
> Printed Circuit Boards	33713558	59329822
	333761535	405067602



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31st MARCH-12	As on 31st MARCH-11
NOTE-20		
Other Income		
Local Sales Tax	343671	0
Foreign exchange difference	0	6382790
Sundry Income	6611	0
Jobwork & other income	31073	23066
Prior Period Adjustment (Net) (Pls. See note-26 B)	6836698	0
	7218053	6405856
NOTE-21		
Cost of raw-materials consumed		
A) Raw-Materials		
Opening Stock	38867514	31340936
Add: Purchases (Net of goods returned)	133346425	193467367
	172213939	224808303
Less : Closing stock for R.M.	42172389	38867514
Raw Material Consumed	130041550	185940789
Stores & spares consumed	25451190	29537993
RAW MATERIAL & STORES CONSUMPTION	155492740	215478782
(Pls. See Note 27F for Item wise Consumption)		
NOTE-22		
INCREASE/DECREASE IN INVENTORIES :		
Closing Stock		
Work in process	10592273	11304720
Scrapes	30005	0
	10622278	11304720
Opening Stock		
Work in process	11304720	13050061
Scrapes	0	214581
	11304720	13264642
Decrease in Inventories	682442	1959922
NOTE-23		
Employee Benefit Expenses		
Salaries & Wages	17875051	17136229
Contribution to Provident Fund	1676253	1201465
Staff Welfare	514736	196640
Bonus	662276	668482
Leave Encashment expense	1242349	792181
Managerial Remuneration	4507790	4324933
	26478455	24319930



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31st MARCH-12	As on 31st MARCH-11
NOTE-24		
Financial Cost		
Interest on term loan	545310	3918971
Interest on Working Capital Loan	8857895	3638319
Interest to others	5560045	1468536
	14963250	9025826
Less : Interest on I.T Refund	447818	0
Less : Interest Income from others	1854174	2261316
	12661258	6764510
Add.: Bank Commission & charges	2758863	2414388
Add : Forward Contract Cancellation Charges	-13501	463996
	15406620	9642894
NOTE-25		
Depreciation and amortization of expenses		
Depreciation	13418921	15623131
Intangible assets written off	408500	409143
Preliminary expenses w/o.	1582980	1596000
	15410401	17628274
NOTE-26		
Other Expenses :		
Power	22674066	24877393
Labour charges	13344020	15026975
Insurance	172859	180525
VAT/CST	7869934	8552702
Administrative & selling expenses	17923362	26887924
Loss on sale of assets	1046969	93150
Loss on sale of share (Investment)	131440	0
Payment to auditors	825000	250000
Brokerage & Commission on sales	1025067	1198381
Cartage outward	5772684	8941056
Balance C/f	70785401	86008106
Bad debts w/o	10749282	9846660
Sundry manufacturing expenses	9358403	11809389
Foreign exchange difference	1131948	0
Prior period adjustment (Net)(Pls. see note-26B)	0	13163706
Repairs & Maintenance		
> Factory Building	214138	445177
> Plant & Machinery	2048971	2119219
> Others	19803	428528
	94307946	123820785



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31 ST MARCH-12	As on 31 ST MARCH-11
26-A Payment to Auditors comprises (Excluding Service tax)	(Rs. In Lacs)	(Rs. In Lacs)
i) Fees for statutory audit work	3.50	1.90
ii) Fees for Tax Audit work	0.50	0.20
iii) For Incometax Matter	0.50	0.20
iv) Fees for Bank Assignment	3.75	0.20
	8.25	2.50
26-B Details of priorperiod items		
> Non Recoverable Excise & Madvat Claim	0.00	74.46
> Non Recoverable DEPB Earning	0.00	25.00
> Non Recoverable Service Tax Credit	0.00	41.05
> Advance To Creditors/Sundry Debit Balances w/o	74.34	14
A	74.34	154.51
Less :		
> Foreign Exchange difference	0.00	3.21
> Excess Provision Written Off.	17.64	13.70
> Excise Credit Written Off.	1.64	5.05
> Sundry Creditors & Advance Form Customers w/o	123.43	0.00
> Sundry Others (Net)	0.00	0.91
B	142.71	22.87
Total (Net) (A-B)	-68.37	131.64
NOTE-27		
Additional Information as per para 3 & 4 to schedule-VI		
27-A Value of Imports calculated on CIF basis		
> Raw materials	1103.35	1632.18
> Capital Goods	121.65	19.72
> Consumable Stores	67.30	88.49
27-B Expenditure in foreign currency		
Travelling Expenses	1.17	7.99
Foreign Bank Charges	0.66	0.00
Sales Commission	10.25	11.98
Repair & Maintenance	24.64	43.36
Export Exps.	0.00	0.55
27-C Details of consumption of imported & indigenous items		
i) Raw materials		
- Imported	77.03%	1001.75
- Domestic	22.97%	298.66
	100.00%	1300.41
ii) Stores & Tools		
- Imported	39.61%	100.8
- Domestic	60.39%	153.7
	100.00%	254.51
	1859.41	295.38



CIRCUIT SYSTEMS (INDIA) LIMITED

PARTICULARS	As on 31 ST MARCH-12	As on 31 ST MARCH-11
27-D Earning in foreign exchange		
i) Exports of goods calculated on FOB basis	337.14	593.30
	337.14	593.30
27-E Remittance in foreign currency	0	0
27-F Raw material consumed Comprises		
> Copper Sheets	528.82	642.87
> Others	771.59	1216.54
	1300.41	1859.41
27-G Contingent liabilities		
i) Bank Guarantee issued	33.94	11.3
ii) Forward Contract	0	460.93
	33.94	472.23
27-H Related Party Disclosure :		
List of related parties. (As identified by the management) Related parties with whom the company has entered into transactions during the year & previous year.		
ii) Associates		
> PCB Power (India) Ltd.		
> PCB Planet (India) Ltd.		
> Accumeg Circuits Ltd.		
> Global Tech India Pvt. Ltd.		
> Apollo Industries & Projects Ltd.		
> Gujarat Apollo Industries Ltd.		
iii) Key Managerial Person		
> Paresh N. Vasani		
Nature of transactions		
Sales, Services & Other Income	0.00	201.72
Expenditure & Other Services	0.00	52.26
Purchase of Machinery	14.22	0.00
Sale of plant & machinery	3.35	0.00
Sale of plant & M/C from SEZ	13.00	0.00
Sale of Pcb & job work	267.62	0.00
ICDs Given	3.00	68.00
ICDs Taken	244.65	195.18
Jobwork charges	43.54	0.00
Income for job work	0.20	0.00
Interest Paid	28.62	16.40
Interest Received	10.90	10.13
Remuneration Paid	45.08	43.25



**CIRCUIT SYSTEMS (INDIA) LIMITED
GANDHINAGAR**

Notes 28 to 38 to the financial statements

28. Company Information.

- (i) The company was incorporated on 08-02-1995
- (ii) The company has having two manufacturing plants at
 - B/24 Electronoc Estate , GIDC, Gandhinagar.
 - Plot No. 11-12 & 36-37 at: SEZ, Gandhinagar .
- (iii) The Plant at SEZ was set up in F.Y.2007-08 & commercial production in SEZ unit has not commenced.
- (iv) The company is in business of manufacturing printed circuit boards

29. SIGNIFICANT ACCOUNTING POLICIES :

a) CONVENTION :

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

b) BASIS OF ACCOUNTING :

The company follows the Mercantile system of Accounting.

c) 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.

d) 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.

e) 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 cost plus expenses or net realizable Value.

f) IMPORT & EXCISE CENVAT:

- i) The purchase cost of raw material & other expenses have been considered net of cenvat remaining unabsorbed 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.

g) 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.

h) EXCISE

Total excise collected, irrespective of net payment in PLA after adjustment of cen vat, 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.

j) WAGES & SALARIES:

Includes PF contribution from employer, salaries to trainees & apprentices.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) PREOPERATIVE EXPENSES (SEZ PROJECT)

Revenue and financial expenses incurred and to be incurred upto commencement of commercial production on SEZ projects is to be capitalized and will be allocated to the fixed assets on the commencement of the commercial production in SEZ project.

30. During the year under review, company has capitalized preoperative expenses of Rs. 31.65 lacs considered as attributable to SEZ project by the management as under:-

I	Interest on Bank Term Loan	3.53
II	Non financial expenses capitalised	28.12
		31.65
	Add: Expenses capitalized up to 31/03/2011	319.06
	Total Expenses Pending Allocation	350.71

31. The company has capitalized loss of Rs. 16.14 lacs on sale of plant & machinery of SEZ project instead of charging same to the profit & loss account against the procedure followed in the accounting year 10-11 in which the profit of Rs. 18.43 lacs on sale of partial part of the building of SEZ project was considered as revenue income after obtaining expert opinion for the matter.

32. Due to technical problems in accounting software utilized earlier, there are number of credit & debit balances in accounts of account receivables, other receivables, trade payables & other payables, which are in opinion of management are neither receivable nor payable. Accordingly the management has written off such balances by considering other income of Rs. 49.09Lacs (credit balances of Rs. 123.43 Lacs less debit balances of Rs. 74.34 Lacs) being net difference between such balances



CIRCUIT SYSTEMS (INDIA) LIMITED

- through prior period adjustment and for such writing off, we have relied upon the declaration of the management.
33. Based on the information available with the Company, there are no suppliers who are registered under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2011. Hence the disclosure relating to amounts unpaid as at the year end together with interest paid/ payable under this Act has not been given.
 34. 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.
 35. 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.
 36. Previous year's figures have been reworked, regrouped, re-arranged & re-classified wherever necessary in order to confirm to this year's presentation.
 37. 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.
 38. Statement of Cash flow for the year 2012.

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

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

**Place : Visnagar
Date : 31-08-2012**



CIRCUIT SYSTEMS (INDIA) LIMITED

STATEMENT OF CASH FLOW

	<u>2011-12</u>	<u>2010-11</u>
A Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	4267541	-5923226
Adjustment for		
Depreciation & Amortization	15410401	17628274
Loss on Sale of Shares	131440	0
Prior Period & Bad debts	-1064012	482505
Loss on Sale of Assets	1046969	-1754863
Financial Income	-2315493	-2261316
Financial Expenses	17722113	11904210
Operating Profit before working capital changes	35198959	20075584
Adjustment for Working Capital		
Changes in Inventories	1382189	-8537429
Changes in Sundry Debtors	41230716	17665286
Changes in Other Current Assets	8525118	8645438
Changes in Current Liabilities & Provisions	-6613821	-2066866
Changes in Trade Payable	-49476261	-17522200
Changes in Other Non current Assets	7525650	12045200
Cash Generated from Operations	37772550	30305013
Income Tax (Paid) / rounded	-1000000	-3234660
Cash from Extra Ordinary Activities	36772550	27070353
Foreign Exchange Gain	-679464	-896483
Net Cash from Operating Activities A.	36093086	26173870
B Cash Flow from Investing Activities		
Purchase of asset	-23170829	-5491722
Purchase of asset for SEZ	-7382665	-10053162
Sale of Fixed Assets+ SEZ Assets	11101769	28390000
Purchase of Shares	-500000	0
Sale of shares	368500	0
Net Cash from Investing Activities B.	-19583225	12845116
C Cash Flow from Financing Activities		
Issue of shares	0	0
Share Premium on Issue of shares	0	0
Increase / (Decrease) in Long Term Borrowings	19753789	-86573376
Increase / (Decrease) in Short Term Borrowings	-23306096	5213623
Financial Charges Paid	-17722113	-11904210
Financial Income Received	2315493	2261316
Preliminary Expenses	0	-76800
Net Cash from Financing Activities C.	-18958927	-91079447
Net Change in Cash (A+B+C)	-2449066	-52060461
Cash & Bank Balances at the beginning of the year	11439454	63499916
Cash & Bank Balances at the end of the year	8990388	11439455

For, Virendra Chinubhai & Co.

Chartered Accountants

V. C. SHAH, Proprietor

Place : Visnagar

Date : 31-08-2012

For , Circuit System India Limited

Paresh N. Vasani

Director

Jayesh H. Shah

Director

Place : Gandhinagar

Date : 31-08-2012



CIRCUIT SYSTEMS (INDIA) LIMITED

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

ATTENDANCE SLIP

Seventeenth Annual General Meeting, Saturday, 29th September, 2012 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 17th Annual General Meeting of the Company which will be held at B-24 GIDC Electronics Estate, Sector-25, Gandhinagar - 382044. - on Saturday, the 29th day of September, 2012 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

Seventeenth Annual General Meeting, Saturday, 29th September, 2012 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 17th Annual General Meeting of the Company to be held on
29th September, 2012 at 4.00 p.m. and any adjournment there of.

Signature(s) _____

Affix
1 Rupee
Revenue
Stamp

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.