

**ANNUAL REPORT  
2012 - 2013**



**Circuit Systems (India) Limited**

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**CORPORATE INFORMATION****Board of Directors:**

Mr. Paresh Vasani	<i>Managing Director</i>
Mr. Ambalal Patel	<i>Independent Director</i>
Mr. Jayesh Shah	<i>Independent Director</i>
Mr. Chetan Panchal	<i>Independent Director</i>

**Company Secretary & Compliance Officer**

Ms. Payal Jani

**Auditors :****C. R. Shredalal & Co**

Chartered Accountants  
101-102, Parishram,  
5-B, Rashmi Society,  
Mithakhali Six Road, Ahmedabad  
Gujarat – 380 006.

**Bankers :**

Corporation Bank

**Regd. Office :**

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

**Registrar & Share Transfer Agent :**

Cameo Corporate Services Limited  
“Subramanian Building”  
1, Club House Road, Chennai – 600 002  
The ISIN of the Company’s Equity shares is **INE720H01010**

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**NOTICE**

Notice is hereby given that the **Eighteenth Annual General Meeting** of the Members of the company will be held at the registered office i.e. Circuit Systems (India) Ltd., B-24, GIDC Electronics Estate, Sector 25, Gandhinagar-382044, Gujarat on **24<sup>th</sup> Day of July, 2013** on Wednesday at 04.00 p.m. to transact the following business.

**Ordinary Businesses:-**

1. To receive, consider and adopt the Audited Balance sheet as at **31<sup>st</sup> March, 2013**, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with its Auditor's Report and Directors' report thereon.
2. To appoint M/s C. R. Shredalal & Co, Chartered Accountants, as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next annual general meeting and to fix their remuneration.
3. To re-appoint director Mr. Chetan Panchal, who retires by rotation, being eligible offers himself for re-appointment.

**Special Businesses:-**

4. To consider and if thought fit pass, following resolutions, with or without modifications following resolutions as Special Resolution

**"RESOLVED THAT**, pursuant to the provisions of Section 146 of the Companies Act, 1956 and other applicable provisions of law, the registered office of the company is shifted from B-24, GIDC Electrical Estate, Sector 25, Gandhinagar – 382 044, to A-1001/1002, Titanium Square, Thaltej Cross Road, S G Highway, Ahmedabad – 380 054 with effect from 1 August 2013.

**"RESOLVED FURTHER THAT**, Mr. Paresh Vasani, Managing Director of the company is hereby authorized to sign or execute necessary documents to give effect of above resolution and make necessary changes with Registrar of the Company and other various authorities."

**By the Order of Board of Directors**

Place: Gandhinagar  
Date: 25 May 2013

**(Payal Jani)**  
*Company Secretary*

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE 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 Company's Registered Office not later than 48 hours before the commencement of the meeting.

2. Members / Proxies should fill in the Attendance Slip for attending the Meeting and they are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
3. 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 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 fill the prescribed form (refer page No. 89 of this Annual Report), giving 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 the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited. The said form is also available on the Company's website [www.mycsil.com](http://www.mycsil.com)



## CIRCUIT SYSTEMS (INDIA) LIMITED

4. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, "Subramanian Building", 1 Club House Road, Chennai – 600 002 Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
5. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
6. The relevant details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, in respect of Directors seeking appointment / re-appointment as Directors under Item Nos. 3 are also annexed hereto.
7. The Company has already notified closure of Register of Members and Share Transfer Books from Friday, 19 July 2013 to Wednesday, 24 July 2013 (both days inclusive), for reckoning voting right of members for the Annual General Meeting.
8. A Member or his Proxy is requested to bring the copy of the Annual Report already circulated to the members, at the Meeting.
9. 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 the Order of Board of Directors**

Place: Gandhinagar  
Date: 25 May 2013

**(Payal Jani)**  
*Company Secretary*

### **ANNEXURE TO THE NOTICE**

NOTES ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 29TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGES.

Profile of Directors being Re-appointed under Item Nos.3 of the above Notice:

<b>Name of Director</b>	<b>Mr. Chetankumar Panchal</b>
Date of Birth	18 August 1973
Date of Appointment	3 December 2011
Qualification	B.E. in Electronic & Communications
Expertise in Specific Functional Area	Management in IT Industry
Directorship in Other Companies (Excluding Private & Foreign Companies)	PCB Power (India) Limited
Membership/Chairmanship of Committee (includes only Audit Committee & Investor Grievances Committee)	Nil
Shareholding as on March 13	Nil

### **EXPLANATORY STATEMENT IN PURSUANT TO SECTION 173 (1) OF COMPANIES ACT 1956 IN PURSUANT TO ITEM 4 OF SPECIAL BUSINESS**

#### **Item 4**

The Company has undertaken consolidations of its business operations during the last year. The Ahmedabad office offers better synergy for Marketing, better control over the operations and other facilities. Therefore, the company plans to shift its registered office from B-24, GIDC Electrical Estate, Sector 25, Gandhinagar – 382 044, to A-1001/1002, Titanium Square, Thaltej Cross Road, S G Highway, Ahmedabad – 380 054 with effect from 1 August 2013. Since the new office is in jurisdiction of other city, the company seeks members' approval for said change.

No Director is personally interested in resolution.



## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting herewith the 18<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2013.

(Rs. In Lacs)		
Particulars	2012-13	2011-12
Income from Operation (Net of Excise)	2611.02	3038.25
<b>Other Income</b>	26.33	26.52
<b>Profit before Interest, Depreciation and Tax</b>	<b>242.3</b>	<b>358.17</b>
Less : Interest and Financial Charges	(144.01)	(177.22)
Less : Depreciation	(144.95)	(138.27)
<b>Profit from operations</b>	<b>(46.66)</b>	<b>42.68</b>
Exceptional Items	(406.50)	0.00
<b>Profit for the year before tax</b>	<b>(453.16)</b>	<b>42.68</b>
Add/(Less) : Provision for taxation	1.01	2.68
<b>Profit for the year after Tax</b>	<b>(452.15)</b>	<b>40.00</b>

- DIVIDEND:**

The dividend payout for the year under the review has been formulated in accordance with the company's policy to pay substantial dividend linked to long term performance, keeping in view the company's need for capital for its growth plans and the intent to finance through internal accruals to maximum. Your directors have always wished to appreciate the trust and faith of its members by improving the performance of the Company.

The company has good track record of profitability in the past. However, it has incurred considerable loss during the year. Therefore, your directors do not recommend any dividend during the year under consideration.

- BUSINESS SCENARIO:**

During the year, the Company has changed its operational policy. The Company has decided to focus on reasonable margin contract while declining other contracts. The management expects that this policy will lead to fall in turnover and profitability in short run while improved profitability in long run. The Company has also disposed off its SEZ Unit at Gandhinagar, which was non operative for many years. The sale has improved cash flow and helped to serve its domestic customer effectively. The customer base has been increased substainly. However, due to change in business strategy, the turnover of the company witnessed decline of 14% during the year. The Company has provided for bad debts of Rs. 226 lakhs during the year. This has reduced operating profit to Rs. 71.02 lakhs. Further, the sale of SEZ Unit has resulted in extraordinary loss of Rs. 406.50 lakhs during the year. Above extraordinary factors have impacted profit of the company for the current year. However, your directors expect that the company will improve its profitability in next year. The changed business strategy will help to improve performance of the company in all areas.

- AQUISITION OF PCB POWER:**

The Company has acquired M/s PCB Power (India) Limited as its wholly owned subsidiary during the year. The proposed acquisition will add synergise to its existing business. The Company will get access to existing customer of PCB Power. Further, the later company has well designed online trading portal, which will help to link the existing operations and serve customers effectively.



- **SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENT:**

In accordance with the General Circular No.2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Accounts and other documents of the subsidiary company are being attached with the Annual Report of the Company. The financial information of the subsidiary companies is attached along with the consolidated financial statement in compliance with the said circular. The Company will provide the annual accounts of its subsidiary companies and the related detailed information on the specific request made by any shareholders and the said annual accounts are open for the inspection at the registered office of the Company during office hours on all working days, except Sundays and holidays, between 2.00 p.m. and 4.00 p.m.

As required under Clause 32 of Listing Agreement with the stock exchange(s) and in accordance with the requirements of Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary and is included in the Annual Report.

- **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. Chetan Panchal, Director of the Company, retires at the ensuing Annual General Meeting of the Company and is eligible for reappointment. The Board recommends their reappointment as Directors of the Company.

- **AUDITORS:**

M/s. C. R. Sharedalal., Chartered Accountants, Ahmedabad, 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 observations made in the Auditors Report are self explanatory and therefore, need not require any further comments under section 217 of the Companies Act, 1956.

- **DIRECTORS' 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 and of the profit/loss 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 31<sup>st</sup> March, 2013 on a going concern basis.



## CIRCUIT SYSTEMS (INDIA) LIMITED

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

#### o 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.

#### o Foreign Exchange Earnings and Outgo:

Rs. In Lacs

Particulars	2012-13	2011-12
<b>1. Foreign Exchange Earned During the year :</b>		
Exports	210.09	337.14
Foreign Exchange Fluctuation Income	-	(11.32)
<b>2. Foreign Exchange Outgo :</b>		
Foreign Traveling/Exhibition	1.15	1.17
Repairs and Maintenance – Machinery	0.44	24.64
Interest on buyer's credit	6.22	0.00
Imports (CIF Value)	1159.37	1292.30
Sales Commission – Export	5.69	10.25
Foreign Bank charges	0.65	0.66

### • 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, as prescribed under Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

### • 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 AUDIT :

The Company is required to maintain Cost Records u/s 209 of Companies Act, 1956. The Company has appointed M/s S A Associates, Cost Accountants as cost auditor of the company to audit cost records for year 2012-13. The Company is in the process of obtaining Cost Audit Report.

### • ACKNOWLEDGEMENT:

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

FOR AND ON BEHALF OF THE BOARD,

Place : Gandhinagar

Date : 25 May 2013

**Paresh Vasani**  
Managing Director

**Jayesh 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<sup>1</sup> and Aerospace are expected to generate more demand on a healthy levels.





## **CIRCUIT SYSTEMS (INDIA) LIMITED**

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### **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 2012-13:**

The Company has earned revenues of Rs. **2611.02 Lacs** in 2012-13 as compared to Rs. 3048.25 Lacs last year. Though overall sluggish global economic scenario, Company has sustained its revenues and income during the year.

### **Capacity Utilization:**

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 30 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****• COMPANY'S PHILISOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, and the government and lenders. The Company is committed to achieving the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal. Our Company's philosophy lies in following best Corporate Governance policies.

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.

**• BOARD OF DIRECTORS***i. Composition*

- As on the date, the Company has four directors with an Executive Managing Director. Out of total 4 board members, 3 [75%] are non executive and independent directors, who are acknowledged as leading professional in their field. The composition of Board is in compliance with the requirements of Clause 49(1)(A) entered into with Bombay Stock Exchange Limited. (BSE) The Company has an Executive Managing Director who is taking first leading on growth of overall business and penetrating true business opportunities at all levels.
- The details of attendance of each director at the last Annual General Meeting and details of number of other directorship and chairmanship/Membership of Board/Committee of each Director are as under:

Name of Director	Category & Designation	Attendance at the Last AGM	No. of Board Meetings attended	Directorships in other Indian Public Companies as at 31-03-2013 <sup>1</sup>	No. of Board/ Committee <sup>2</sup> membership as at 31 <sup>st</sup> March, 2013 (Other than Circuit Systems (India) Ltd.	
					Chairman	Member
Mr. Paresh N. Vasani	Promoter, Executive & Managing Director	Yes	12	2	Nil	Nil
Mr. Ambalal C. Patel	Non Executive & Independent Director	No	11	10	2	2
Ms. Jasmine P. Vasani <sup>3</sup>	Non Executive & Independent Director	Yes	6	3	Nil	Nil
Mr. Jayesh H. Shah	Non Executive & Independent Director	Yes	12	3	Nil	Nil
Mr. Chetanbhai Panchal	Non Executive & Independent Director	No	8	1	Nil	Nil

1. Excludes Directorship in Private/Foreign Companies and Companies incorporated under section 25 of the Companies Act, 1956.
2. Represents membership/Chairmanship of the Audit Committee and Shareholder/Investor Grievance Committee of other Public Company.
3. Ms. Jasmine Vasani resigned from Board on 10 December 2012.


*ii. Disclosure of Relationship between directors inter se*

Name of Directors	Relationship with other Directors
Mr. Paresh N Vasani	Husband of Ms. Jasmine Vasani, Non-Executive Director
Mr. Ambalal C Patel	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Ms. Jasmine P Vasani	Wife of Mr. Paresh Vasani, Managing Director of the Company
Mr. Jayesh H Shah	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Chetan J Panchal	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.

*iii. Number and Dates of Board Meetings Held*

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

Date of Board Meeting	19-04-12	27-04-12	14-05-12	13-06-12	10-08-12	30-08-12
No. of Directors present	5	5	5	5	5	3
Board Strength	5	5	5	5	5	5
Date of Board Meeting	31-08-12	01-11-12	10-11-12	12-12-12	22-01-13	08-02-13
No. of Directors present	4	3	4	3	3	4
Board Strength	5	5	5	4	4	4

- As per the requirement of Clause 49 of the Listing Agreement the Company has held one Board meeting in every quarter and the maximum time gap between any two meetings was not more than four months.
- The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda.

- **CEO AND CFO CERTIFICATION**

In compliance of the Clause 49 of the Listing Agreement the Managing Director gives annual Certification on financial reporting and internal Control to the Board. As per the requirement of Clause 41 of the Listing agreement the Managing Director also gives quarterly Certification on financial results while placing the financial results before the Board.

- **RISK MANAGEMENT POLICY**

The Company has formulated a Corporate Policy applicable to its Indian operations and duly approved by the Board of Directors in compliance with the requirement of the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Audit Committee and Board Members are reviewing and updating the said Policy every quarter.



- **CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Clause 49(I)(D) of the Listing Agreement.

- **AUDIT COMMITTEE**

(ii) *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.

*The powers of Audit Committee includes following.*

- (a) to investigate any activity of the company within its terms of reference,
- (b) to seek information from any employee,
- (c) to obtain outside legal or other professional advice,
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

(iii) *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 Practice. He is having experience of about 21 years of finance and taxation. He has wide knowledge of accounts 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 28<sup>th</sup> July, 2008 than again reconstituted on 8<sup>th</sup> 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

(iv) *Meetings and Attendance during the year :*

The Audit committee met for six times in year. Time gap between two meetings were not more than 4 months. There is minimum one meeting in each quarter of year. The dates and attendance of each meeting is as follows.

No	Name of the Members	Designation	14-05-12	10-08-12	30-08-12	31-08-12	10-11-12	08-02-13
1.	Mr. Jayesh H Shah	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
2.	Mr. Chetan J Panchal	Member	Yes	Yes	No	No	Yes	Yes
3.	Mr. Paresh N Vasani	Member	Yes	Yes	Yes	Yes	Yes	Yes

(v) *Internal Audit & Control*

M/s Dipal R Shah & Co, Chartered Accountants were the internal Auditor of the company till June 2013. On their resignation, the Board appointed M/s. Baheti Bhadada & Associates, Chartered Accountants as



Internal Auditors of the Company from July to March. The Appointment of new Auditor was recommended by Audit Committee and approved by the Board

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. Internal Auditor is empowered to attend meetings of Board or any committee constituted there under.

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.

• **SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE**

(i) *Brief Description of Terms of Reference*

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.

*Powers and Role of Committee*

- Committee is empowered to collect the relevant information from all departments, which would be useful to satisfy the requirements of the shareholders.
- Give required information to shareholders and solve the problems, complaints, grievances etc. of the shareholders promptly.
- Look into redressal of shareholders' complaints like delays in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- Oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

(ii) *Composition of the Investors' Grievance Committee*

The Shareholders Grievance Committee was constituted by the Board of Directors on 5<sup>th</sup> December 2005, 3<sup>rd</sup> December 2011 and reconstituted on 8 February 2012 to ensure the effective redressal of the complaints of the investors. The Committee was further re-constituted during year on 10<sup>th</sup> December 2012 due to resignation of Ms. Jasmine Vasani. Mr. Ambalal C Patel was appointed as member to fill her vacancy. The Committee is chaired by Mr. Chetan Panchal, B.E. in Electronics having 15 years of experience. He has reach experience of Information Technology. 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.

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 (Till 10 <sup>th</sup> December, 2012)	Member	Non Executive Director
4	Mr. Ambalal C Patel	Member	Non Executive Director

*(iii) Meetings and Attendance during the year :*

The committee met for four times in year. Time gap between two meetings were not more than 4 months. There is minimum one meeting in each quarter of year. The dates and attendance of each meeting is as follows.

No	Name of the Members	Designation	14-05-12	10-08-12	10-11-12	08-02-13
1.	Mr. Chetan J Panchal	Chairman	Yes	Yes	Yes	Yes
2.	Mr. Jayesh H Shah	Member	Yes	Yes	Yes	Yes
3.	Ms. Jasmine P Vasani	Member	Yes	Yes	No	—
4.	Mr. Ambalal C Patel	Member	—	—	Yes	Yes

*(iv) Other Information*

- To expedite the process of share transfer, transmission, split, consolidation, dematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the powers of approving the same to the Company's R & T Agent **Cameo Corporate Services Limited** under the supervision and control of the Company Secretary Ms. Payal Jani, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.
- In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has approved the Code of Conduct for Prevention of Insider Trading and Ms. Payal Jani has been appointed as the Compliance Officer for complying with the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the requirements under the Listing Agreement.

Name, Designation and Address of Compliance Officer Ms. Payal Jani  
 Company Secretary  
 Circuit Systems (India) Limited,  
 B-24 GIDC Electrical Estate, Sector 25,  
 Gandhinagar, Gujarat – 382 044. India  
 Mail : [cs@mycsil.com](mailto:cs@mycsil.com)

- As per the requirement of Clause 47(f) of the Listing Agreement, the Company has designated the below cited Email Id of grievances redressal division/ Compliance officer exclusively for the purpose of registering complaints by investors.

Email ID: [cs@mycsil.com](mailto:cs@mycsil.com)

The Company has displayed the above sited Email Id and other relevant details on its website and other materials for creating investors awareness

- 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
5.	Others, Refund of Application Money	NIL	NIL



- The Company has no amount outstanding as non receipt/Unclaimed share application money received by the company during IPO and due for refund. Further, the company does not have any amount of unpaid or unclaimed dividend during last financial year. Hence, disclosure required under Section 205C (2) of Companies Act, 1956 read with MCA Notification GSR 352(E) shall be taken as Nil for current year.

• **REMUNERATION COMMITTEE**

**(i) Brief Description of Terms of Reference :**

Despite being non-mandatory requirement, the Company has set up remuneration committee with the purpose of recommendation of remuneration package for Managing Director and Executive directors including perquisites and other rights after considering the financial position of the Company, experience and past performance of the Directors and review the same from time to time.

**(ii) Composition of Committee:**

All the three members of committee are independent and non executive director of the company. The Remuneration Committee was constituted by the Board of Directors at its meeting held on 5<sup>th</sup> December, 2005, reconstituted on 28<sup>th</sup> July, 2008, on 3<sup>rd</sup> December 2008, 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

**(iii) Role of the Committee**

- To determine the policy on specific remuneration packages for Executive/Whole- time Directors including pension rights and any compensation payments.
- Recommends to the Board the remuneration of the Executive Directors in all its forms (i.e. salary, contribution to provident fund, superannuation fund, gratuity, bonus, stock option, compensation for loss of office, other amenities, perquisites etc.).
- Takes into account the financial position of the Company, profitability, trend in the industry, appointee’s qualification, experience, past performance, past remuneration etc. and brings out objectivity in determining the remuneration package, while striking a balance between company’s interest and that of the shareholders.
- The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

**(iv) 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	Designation	14-05-2012
1.	Mr. Ambalal C. Patel	Chairman	Yes
2.	Mr. Chetankumar Panchal	Member	Yes
3.	Mr. Jayesh H. Shah	Member	Yes

**(v) Remuneration paid to all directors during year:**

The Remuneration Committee of the Directors is authorized to decide the remuneration of the Whole-time Directors, subject to the approval of Members and Central Government, if required. The remuneration structure of the company comprises salary/ remuneration, perquisites & Allowances etc.



- **Executive and Managing Director**

*The Details of remuneration paid to Managing and Whole-time Directors during the last financial year i.e. from 01/04/2012 to 31/03/2013, are as under:*

(Amount in INR)

Sr. No.	Name of the Director	Designation	Remuneration	Commission or Performance linked Bonus	Perquisites	Stock Options
1.	Mr. Paresh N. Vasani	Managing Director	3,435,000	Nil	Nil	Nil

*Terms of Appointment of Managing Director as per resolution passed in Board and General Meeting are as follows:*

**1. Mr. Paresh N Vasani, Chairman & Managing Director**

Tenure	Five Years w.e.f 1 February 2009. The tenure of him shall not be liable for determine retire by rotation of director
Remuneration	Subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 1956, the remuneration payable to Mr. Paresh Vasani shall be 5% of the net profits of the Company, computed in the manner laid down in section 349 of the Companies Act and may or may not comprise salary, allowances and perquisites as may be determined by the Board of Directors from time to time and agreed to by Mr. Paresh Vasani, provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro - rata basis.
Sitting Fees	Mr. Paresh Vasani shall not be entitled for any sitting fees.

- **Non Executive and Independent Directors**

The Company has paid sitting fees to non-executive directors as under for attending Board Meetings during the year ended 31<sup>st</sup> March, 2013.

Sr. No.	Name of the Non-Executive Directors	Sitting Fees Paid
1	Mr. Ambalal C. Patel	21,500/-
2	Ms. Jasmine P. Vasani	Nil
3	Mr. Jayesh H. Shah	26,500/-
4	Mr. Chetan J Panchal	16,500/-

**Non-Executive Directors with materially significant related party transactions, pecuniary or business relationship with the Company :**

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

As on 31<sup>st</sup> March, 2013 the Non-Executive Directors held following no. of shares of the Company.

(i) *Shareholding of Non-Executive Directors*

No shares or convertible securities are held by any Non-executive director of the company as on March 31, 2013. The Company has not granted any stock options to any director.





## CIRCUIT SYSTEMS (INDIA) LIMITED

### • GENERAL BODY MEETINGS:

(i) *The location and time of the last three Annual General Meetings*

AGM	Date	Time	Venue	No. of special resolutions approved
2011-12	29 <sup>th</sup> September, 2012	04.00 p.m.	B-24, GIDC Electronic Estate, Sector – 25, Gandhinagar	Nil
2010-11	29 <sup>th</sup> September, 2011	04.00 pm	B-24, GIDC Electronic Estate, Sector – 25, Gandhinagar	Nil
2009-10	29 <sup>th</sup> September 2010	04.00 pm	B-24, GIDC Electronic Estate, Sector – 25, Gandhinagar	Nil

(ii) *Ordinary Resolutions passed at Last Three Annual General Meetings*

Three ordinary resolutions were passed in 17<sup>th</sup> Annual General Meetings for appointing Ms. Jasmine P Vasani, Mr. Jayesh H Shah and Mr. Chetan J Panchal, as director of the company.

(iii) *Postal Ballot Resolution*

During the year ended March 31, 2013, the Company sought approval of members, through postal ballot, to sell Land & Building Located at SEZ, Gandhinagar. M/s Baheti Bhadada & Associates, Chartered Accountants, were appointed as scrutinizer of the voting process. The company announced voting result on 13 June 2012.

Brief Particulars of matter put to vote	Votes in Favor	Votes in Against
Sale of Land & Building located at SEZ Gandhinagar to M/s Euro circuits (India) Limited	13,104,094	Nil

(vi) *Extra-Ordinary General Meeting*

During the year 2012-13, the company held one Extra Ordinary General Meeting on 1<sup>st</sup> December 2012 to fill vacancy in the office of statutory auditor by appointing **M/s C R Shredalal & Co**, Chartered Accountants as statutory auditor till conclusion next Annual General Meeting.

### • DISCLOSURES

(i) There are no materially significant related party transactions i.e transactions with its promoters, directors or management, their subsidiaries or relatives, etc that may have potential conflict with the interest of the Company at large for financial year 2012-13. Transactions with the related parties are disclosed in Note No 29 notes forming part of the Accounts in the Annual Report.

The Company's major related party transactions are generally with its Subsidiaries and Associates. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, specialization and the Company's long-term strategy for investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arms length basis and are intended to further the interests of the Company

(ii) There were no instances of non-compliance or penalty, restrictions 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) The Company has not denied any person, an access to the Audit Committee.

(iv) The Company has complied with all mandatory requirement of clause 49 of the listing agreement. The Company has endeavored to implement non mandatory requirements by constituting remuneration committee.

(v) In preparing the Annual Accounts in respect of financial year ended 31<sup>st</sup> March 2013 no accounting treatment was different from that prescribed in the Accounting Standards;

(vi) There was no security issued and allotted during the year ended 31st March, 2013.

**• MEANS OF COMMUNICATION**

- (i) The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges, immediately after the same are taken on record by the Board. These results are normally published Western Times (English and Gujarati Edition) within 48 Hours. These are not sent individually to the shareholders.
- (ii) The Company's results, annual reports and official news releases are displayed on the company's website www.mycsil.com. The said company's website also containing basic information about the company includes information about the company's business, financial information, shareholding pattern, compliance with corporate governance, company's director, registrar & transfer agent, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc.
- (iii) All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the Shareholders.

**• PROCESSING OF INVESTOR COMPLIANTS**

SEBI has commenced processing of investor complaints in a centralized web based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

**• 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.

**• GENERAL SHARE HOLDER INFORMATION***(i) Company Registration Details*

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs is L74140GJ1995PLC024524

*(ii) Eighteenth Annual General Meeting*

Date & Time 24 July 2013 on Wednesday at 4.00 pm

Venue B-24, GIDC Electrical Estate, Sector 25, Gandhinagar – 382 044. Gujarat. India

As required under Clause 49IV (G)(i), particulars of Directors seeking appointment/re-appointment are given in Annexure to the Notice of the Annual General Meeting.

*(iii) Financial Calendar for Year 2013-14*

Financial Year	1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> March, 2014
Unaudited Results for the First quarter ending 30 <sup>th</sup> June, 2013	On or before 15 <sup>th</sup> August 2013
Unaudited Results for the second quarter ending 30 <sup>th</sup> September 2013	On or before 15 <sup>th</sup> November 2013
Unaudited Results for the third quarter ending 31 <sup>st</sup> December, 2013	On or before 15 <sup>th</sup> February 2014
Audited Results for the year ending 31 <sup>st</sup> March, 2014	On or before 30 <sup>th</sup> May 2014
Annual General Meeting	On or before 30 <sup>th</sup> September, 2014

*(iv) Date of book Closure*

The Register of members will remain closer from Friday, 19 July 2013 to Wednesday, 24 July 2013 (Both days inclusive) for reckoning voting rights for Annual General Meeting.

*(v) The Board has not recommended any Dividend for ensuing Annual General Meeting.*


*(vi) Listing and Other Details*

Name of Stock Exchange on Which  
Equity shares of Company are Listed

Bombay Stock Exchange (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001. Maharashtra. India

Stock Code

532913(BSE)

DEMAT ISI Number in NSDL & CDSL  
for Shares of Company

INE720H01010

*(vii) 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.)	Volume (in '000 Shares)
April, 2012	9.40	8.01	15.182
May, 2012	9.87	8.00	13.923
June, 2012	10.23	8.75	13.704
July, 2012	10.06	7.60	10.907
August, 2012	8.92	7.02	17.323
September, 2012	8.37	6.36	10.441
October, 2012	8.49	6.70	20.068
November, 2012	8.00	6.68	12.005
December, 2012	7.77	6.55	13.376
January, 2013	7.50	5.63	21.988
February, 2013	6.55	5.20	6.210
March, 2013	5.75	4.62	8.569

*(viii) Distribution Schedule as on 31 March 2013*

RANGE OF EQUITY SHARES	SHARE HOLDERS		TOTAL NO OF SHARES	
	NUMBERS	% OF TOTAL	NUMBERS	% OF TOTAL
Between 1 and 1000	1148	24.34	78,163	0.50
Between 1001 and 5000	2778	58.91	685,464	4.37
Between 5001 and 10000	531	11.26	352,700	2.25
Between 10001 and 20000	133	2.82	195,459	1.24
Between 20001 and 30000	46	0.98	119,579	0.76
Between 30001 and 40000	17	0.36	58,849	0.37
Between 40001 and 50000	9	0.19	41,731	0.27
Between 50001 and 100000	18	0.38	120,081	0.76
Above 10000	36	0.76	14,048,838	89.48
<b>TOTAL</b>	<b>4,716</b>	<b>100.00</b>	<b>15,700,000</b>	<b>100.00</b>

*(ix) Shareholding Pattern as on 31<sup>st</sup> March, 2013*

<b>Category</b>	<b>Total Shares</b>	<b>% to Equity</b>
Promoters	10,843,180	69.06
Directors and their Relatives	NIL	NIL
Corporate Bodies	2,642,237	16.83
NRIs/Foreign Nationals, Foreign Corporate Bodies	186,532	1.19
Indian Public	1,917,141	12.21
Clearing Members	50	0.00
Hindu Undivided Families	110,860	0.71
<b>GRAND TOTAL</b>	<b>15,700,000</b>	<b>100.00</b>

*(x) 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 31<sup>st</sup> March '13:

<b>Particulars</b>	<b>No. of shares</b>	<b>% of total Capital</b>	<b>No. of Shareholder</b>
National Securities Depository Ltd.	14,748,104	93.94	3,271
Central Depository Services(India)Ltd.	666,406	4.24	1,436
<b>TOTAL DEMATERIALISED</b>	<b>15,414,510</b>	<b>98.18</b>	<b>4,707</b>
Physical	285,490	1.82	9
<b>GRAND TOTAL</b>	<b>15,700,000</b>	<b>100.00</b>	<b>4,716</b>

*(xi) Company has not issued any ADR/GDR/FCCBs/QIPs during financial year ended 31<sup>st</sup> March, 2013.*

*(xii) Registrar and Share transfer Agent*

Cameo Corporate Services Limited  
 "Subramanian Building", 1, Club House Road, Chennai – 600 002. India  
 Phone : 044-2846 0390 (5 lines) Fax : 044-2846 0129

*(xiii) Share Transfer System*

All the shares related work is being undertaken by our R & T Agent, **Cameo Corporate Services Limited, Chennai**. To expedite the process of share transfer, transmission, split, consolidation, re-materialization and de-materialization etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's R & T Agent under the supervision and control of the Company Secretary Ms. Payal Jani who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Shareholders' & Investors' Grievance Committee.



Shares lodged for transfer at the R & T Agent's address in physical form are normally processed and approved within 21 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 21 days. The investors/shareholders grievances are also taken-up by our R & T Agent.

The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from M. Choraria & Co, Company Secretary in practice for due compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement.

*(xiv) Location of Plant:*

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

*(xv) Address for Correspondence*

Investors Correspondence for transfer / dematerialization of shares and any other query relating to the shares/ debentures of the company	Cameo Corporate Services Limited "Subramanian Building", 1, Club House Road, Chennai – 600 002. India Phone : 044-2846 0390 (5 lines) Fax : 044-2846 0129
Any Query on Annual Report.	Ms. Payal Jani, Company Secretary Circuit Systems (India) Limited B-24, GIDC Electrical Estate, Sector 25, Gandhinagar-382 044 Gujarat. India Email – cs@mysil.com Phone : 079- 23287086/87/88 Fax : 079- 23287089

*(xvi) Reconciliation of Share Capital Audit Report:*

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid-up capital of the Company were placed before the Shareholders' & Investors' Grievance Committee and Meeting of Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

Date : 25 May 2013  
Place : Gandhinagar

**(Mr. Paresh N. Vasani)**  
*(Managing Director)*

**(Mr. Jayesh H. Shah)**  
*(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 31<sup>st</sup> March, 2013, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

Dated : 25 May 2013  
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 31.03.2013 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.**

Place : Gandhinagar

Date : 25 May 2013

**(Mr. Paresh Vasani)**

*Managing Director*

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**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

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

We have examined the Compliance of conditions of Corporate Governance by Circuit Systems (India) Limited ("the Company") for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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, 2013, there were no investor grievance remaining unattended / pending for a period exceeding one month.

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

**For M. Choraria & Company**  
*Company Secretary*

**Monica M. Choraria**  
*Proprietor*

Place : Jaipur

Date : May 25, 2013

C.P. No. 7390

**INDEPENDENT AUDITOR'S REPORT****To the Members of Circuit Systems (India) Limited  
Report on the Financial Statements**

We have audited the accompanying financial statements of **Circuit Systems (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 ;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on 31 March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For. C.R. SHAREDALAL & CO.**  
**CHARTERED ACCOUNTANTS,**  
(Registration No.109943W)

**(C. R. SHAREDALAL)**  
PARTNER

Membership No.002571

**PLACE : AHMEDABAD**  
**DATE : 25-05-2013**

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

[Referred to in Paragraph 1 under the heading of “report on other legal and regulatory requirements” of our report of even date]

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.  
(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.  
(c) In our opinion, the Company has disposed of a substantial part of fixed assets as set out in Note 29 being the work-in-progress at SEZ Unit during the period. On the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, in our opinion, the disposal of the said assets work-in-progress has not affected the going concern status of the Company.
2. (a) The inventories have been physically verified during the year by management. In our opinion, the frequency of verification is reasonable.  
(b) According to the information and explanations given to us, in our opinion the 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) In our opinion and according to the information and explanations given to us the Company is maintaining proper records of inventory. According to the information and explanations given to us no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. (a) The Company has granted unsecured loans to two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount at any time during the year was Rs. 32,51,896/- and the year-end balance is NIL.  
(b) In our opinion and according to the information and explanations given to us, the terms and conditions on which loans have been granted to the above parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.  
(c) We are informed that the loans granted to the above parties, do not have any stipulation for the payment of principal and interest.  
(d) The Company has taken unsecured loans from three parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount at any time during the year was Rs.5,31,96,325/- and the year-end balance is NIL  
(e) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the company.  
(f) In respect of the aforesaid loans, the company is regular in repaying the principal amount which is repayable on demand.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books of account and records of the Company and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.
5. According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that needs to be entered in the register maintained under that section have been so entered. Transactions done in pursuance of such contracts or arrangements have made at prices which appear reasonable as per information available with the company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in Sections 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.
7. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of manufacturing activity of the Company and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues





including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax/Value Added Tax, Gratuity, Professional Tax, Income-tax, Wealth-tax, Custom Duty, Excise duty, Service Tax, Cess and any other applicable dues, during the year with the appropriate authorities. However, minor delay has been noticed in respect of Tax Deducted at Source (TDS) during the year. According to the information and explanation given to us no undisputed amounts payable in respect of statutory dues outstanding as at 31 March 2013 for a period of more than six months from the date they became payable other than a sum of Rs. 69,489/- of Tax Deducted at Source.

- (b) According to the information and explanation given to us, there are no dues of Provident Fund, Sales tax/ Value Added Tax, Professional tax, Income tax, Wealth-tax, Custom duty, Excise duty, Service tax, Cess and any other dues to the extent applicable, which have not been deposited on account of dispute. The following are the particulars of statutory dues not deposited by the Company on account of disputes as at 31 March 2013:

Nature of the Statute	Nature of the Dues	Amount* (Rs. In Lakhs)	Period to which amount relates pending	Forum where dispute is
GST/CST of GST Act.	Time limit of deferment	Matter is related to time limit, amount is not quantified	F. Y. 1998-99 to F. Y. 2001-02	Gujarat Value Added Tax, Tribunal, Ahmedabad
VAT Act	Demand of excess interest paid on refund	172284	F. Y. 2004-05	Deputy Commissioner of Commercial Tax (Appeal)
Income Tax Act	Demand for income tax & Interest thereon	2984020	F.Y. 2009-10 A. Y. 2010-11	CIT (Appeals)

10. The Company does not have any accumulated losses at the end of the year. During the year the Company has incurred cash loss. Further during the previous year the Company has not incurred any cash losses.
11. In our opinion and according to the information and explanation given to us, the Company has been generally regular in repayment of dues to Banks and Financial Institutions.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. The investment in shares and other securities have been held by the Company in its own name.
15. According to the information and explanations given to us, Company has not given any guarantee for loan taken by others from banks and Financial Institutions during the year.
16. During the period under audit, the company has not obtained any fresh term loans; hence the provisions of clause (xvi) are not applicable to the company.
17. On the basis of the information and explanations given to us and on an overall examination of the Financial Statements of the Company, in our opinion, there are no funds raised on a short-term basis which have been used for long-term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. During the year, the Company has not raised money by public issue.
21. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

**For. C.R. SHAREDALAL & CO.**  
**CHARTERED ACCOUNTANTS,**  
 (Registration No.109943W)

**(C. R. SHAREDALAL)**  
 PARTNER  
 Membership No.002571

**PLACE : AHMEDABAD**  
**DATE : 25-05-2013**

**BALANCE SHEET AS AT 31-03-2013**

(Amount in Rs.)

	Note No.	As at 31-03-2013	As at 31-03-2012
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	157000000	157000000
Reserves & surplus	3	196530492	241745591
		<b>353530492</b>	<b>398745591</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	-	53407756
Deferred tax liabilities (Net)	5	30340143	30440758
Long-term provisions	6	903635	1351837
		<b>31243778</b>	<b>85200351</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	65964811	52057022
Trade payables	8	17272640	34766226
Other current liabilities	9	5083111	48538207
Short-term provisions	10	2966729	3945920
		<b>91287291</b>	<b>139307375</b>
		<b>476061561</b>	<b>623253317</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
	11		
Tangible assets		180452629	188880574
Intangible assets		2872573	2104725
Capital work-in-progress		13813723	217899728
Non-current investments	12	64724872	536412
Long-term loans & advances	13	13059876	4902237
Other non-current assets	14	203445	657943
		<b>275127118</b>	<b>414981619</b>
<b>CURRENT ASSETS</b>			
Current investments	15	-	10500000
Inventories	16	75468065	65771789
Trade receivables	17	69484642	92211173
Cash and bank balances	18	9246488	8276719
Short-term loans and advances	19	46456792	31322172
Other current assets	20	278456	189845
		<b>200934443</b>	<b>208271698</b>
		<b>476061561</b>	<b>623253317</b>

**Significant Accounting Policies**

1

The accompanying note no. 1 to 40 are integral part of financial statements

As per our Report of even date

**For C.R.Sharedalal & Co.****Chartered Accountants**

Firm Registration No. 109943w

**(C.R. Sharedalal)****Partner**

Membership No.002571

Place : Ahmedabad

Date : 25th May, 2013

**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

**(Paresh N. Vasani)***Director***(Jayesh H. Shah)***Director*

Place : Gandhinagar

Date : 25th May, 2013



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED ON 31-03-2013

(Amount in Rs.)

	Note No.	Year Ended 31-03-2013	Year Ended 31-03-2012
<b>INCOME</b>			
Revenue from operations(Gross)	21	285354191	332759372
Less : Excise duty		24251790	28933443
Revenue from operations(Net)		261102401	303825929
Other Income	22	2517778	2652274
<b>Total Revenue</b>		<b>263620179</b>	<b>306478203</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	129510293	155673062
Changes in inventories of work-in-progress	24	(1879719)	682442
Employees benefit expenses	25	22488395	25858069
Finance costs	26	14401605	17722113
Depreciation and amortization expenses	27	14495342	13827421
Other expenses	28	89384791	88447556
<b>Total Expenses</b>		<b>268400708</b>	<b>302210662</b>
<b>Profit/(Loss) before tax</b>		<b>(4780529)</b>	<b>4267541</b>
<b>Tax Expenses</b>			
Current Income Tax		-	1450000
(Excess)/Short provision of income tax for earlier years		(114972)	-
Deferred Tax		(100615)	(1182316)
<b>Profit (Loss) for the period from continuing operations</b>		<b>(4564942)</b>	<b>3999857</b>
Profit (Loss) before tax from discontinuing operations	35	(40650157)	-
Tax Expense of discontinuing operations		-	-
<b>Profit (Loss) after tax from discontinuing operations</b>		<b>(40650157)</b>	<b>-</b>
<b>Profit (Loss) for the period</b>		<b>(45215099)</b>	<b>3999857</b>
<b>Earning per equity share</b>			
(a) Basic		(2.88)	0.25
(b) Diluted		(2.88)	0.25

## Significant Accounting Policies

1

The accompanying note no. 1 to 40 are integral part of financial statements

As per our Report of even date

For C.R.Sharedalal &amp; Co.

Chartered Accountants

Firm Registration No. 109943w

(C.R. Sharedalal)

Partner

Membership No.002571

Place : Ahmedabad

Date : 25th May, 2013

For and on behalf of the Board of Directors

Circuit Systems (India) Limited.

(Paresh N. Vasani)

Director

(Jayesh H. Shah)

Director

Place : Gandhinagar

Date : 25th May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2013**

(Amount in Rs.)

	<b>Year Ended 31-03-2013</b>	<b>Year Ended 31-03-2012</b>
<b>A Cash Flow from Operating Activities</b>		
<b>Net profit before taxation:</b>	(45430686)	4267541
<b>Adjustment for :</b>		
Depreciation and amortization	14495342	13827421
Preliminary expenses written off	89569	1582980
Sundry credit/debit balance written off	(9931789)	(6836698)
Sales tax deferrment loan written back	(5262929)	-
Unrealized foreign exchange loss/(gain)	(331145)	1072831
Interest Income	(2517778)	(2301992)
Loss on sale of fixed assets	460489	1046969
Loss on sale of investments	-	131440
Loss from discontinuing operations	40650157	-
Loan processing, guarantee & bank Charges	2768371	2758863
Interest expense	11633234	14963250
Bad debts	22235861	10749282
<b>Operating profit before working capital changes</b>	<b>28858697</b>	<b>41261887</b>
<b>Adjustment for:</b>		
Changes in inventories	(9696276)	1382189
Trade receivables	490670	30481434
Long-term and short-term loans & advances and other current and non-current assets	(23042843)	7957670
Trade payables, short & long-term provisions, other current & long-term liabilities	(12684308)	(49179943)
<b>Cash generated from continuing operations</b>	<b>(16074060)</b>	<b>31903237</b>
Direct Taxes paid	-	(1000000)
<b>Net cash from operating activities (A)</b>	<b>(16074060)</b>	<b>30903237</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(13494886)	(30553494)
Proceeds from sale of fixed assets	435000	11101769
Proceeds from discontinuing operations	150000000	-
Investment in equity shares	(44988460)	(500000)
Proceeds from sale of investment in equity shares	10500000	368500
Interest received	2339598	2201716
<b>Net cash used in investing activities (B)</b>	<b>104791252</b>	<b>(17381509)</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2013

(Amount in Rs.)

	Year Ended 31-03-2013	Year Ended 31-03-2012
<b>C Cash flow from financing activities</b>		
Loan processing, guarantee & bank Charges	(2768371)	(2758863)
Interest paid	(11755059)	(14747195)
Increase/(decrease) in short-term borrowings	13907789	(8530716)
Unrealized foreign exchange loss/(gain)	331145	(1072831)
Repayment of long-term borrowings(Net)	(87782979)	(51945782)
Proceeds from long-term borrowings(Net)	-	56924191
<b>Net cash from financing activities (C)</b>	<b>(88067475)</b>	<b>(22131196)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>649716</b>	<b>(8609468)</b>
Cash and cash equivalents at the beginning of the year	2829986	11439454
Cash and cash equivalents at the end of the year	<b>3479702</b>	<b>2829986</b>

**Notes :**

Cash and cash equivalents included in the Cash Flow Statement comprises the following:

	As at 31-03-2013	As at 31-03-2012
Cash on hand	1415765	1346619
Bank balance with scheduled bank	2063937	1483367
	<b>3479702</b>	<b>2829986</b>

The Cash flow statement has been prepared under the indirect method set out in AS-3 Companies(Accounting Standard) Rules, 2006.

As per our Report of even date  
**For C.R.Sharedalal & Co.**  
**Chartered Accountants**  
 Firm Registration No. 109943w  
**(C.R. Sharedalal)**  
**Partner**  
 Membership No.002571  
 Place : Ahmedabad  
 Date : 25th May, 2013

**For and on behalf of the Board of Directors**  
 Circuit Systems (India) Limited.

**(Paresh N. Vasani)**  
 Director

**(Jayesh H. Shah)**  
 Director

Place : Gandhinagar  
 Date : 25th May, 2013

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2013****General Company Information.**

The Company was incorporated on 08-02-1995, engaged in business of manufacturing printed circuit boards. The Company is having its manufacturing plants at Gandhinagar in the State of Gujarat, INDIA.

**1. Significant accounting policies****1.1 Basis of preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, on accrual basis in accordance with Generally Accepted Accounting Principle (GAAP), and comply with the Companies (Accounting Standard) Rules 2006 and relevant provisions of the Companies Act 1956 to the extent applicable.

**1.2 Use of Estimates**

The preparation of financial statements requires estimates and assumptions which affect the reporting amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

**1.3 Tangible Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss (if any). Cost comprises of purchase price, non refundable duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

**1.4 Intangible Fixed Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortization and impairment loss (if any). Cost of acquisition comprises of purchase price, non refundable duties, levies and any directly attributable cost of bringing the intangible assets to its working condition for the intended use.

**1.5 Depreciation and Amortization****(i) Tangible Fixed Assets**

Depreciation on fixed assets is provided on Straight Line Method in accordance with the rates and in manner specified in schedule XIV of the Companies Act, 1956.

Lease premium on leasehold land is written off over the period of lease except premium paid for acquiring leasehold land for lease period exceeding 99 years.

**(ii) Intangible Fixed Assets**

Computer Software is amortized over a period of 10 years on pro-rata basis commencing from the year in which software is put to use.

**1.6 Inventories**

Cost of inventories comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition.

(i) Raw Materials are valued at lower of cost (net of refundable taxes and duties) and net realizable values. Cost is derived on FIFO basis.

(ii) Work-in-Progress is valued at lower of conversion cost and net realizable values. Cost are derived on Standard Cost basis

(iii) Stores, Spares and Packing Materials are valued at cost.

**1.7 Revenue Recognition**

(i) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stand transferred to the customers. Sales include excise duty but exclusive of sales tax.

(ii) Dividend income is recognized when the company's right to receive the dividend is established.

(iii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

**1.8 Employee Benefits****(i) Short term Benefits**

Short-term employee benefits are recognized as expenses in the Statement of Profit and Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

**(ii) Defined Contribution Plans**

Defined contribution plans are those plans where the Company pays fixed contribution to a fund managed by independent trusts. Contributions are paid in return for service rendered by employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company provides Provident Fund facility to employees. The contributions are expenses as they are incurred in line with the treatment of wages and salaries.

**(iii) Defined Benefit Plans**

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The liability towards leave encashment is not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per requirement of Accounting Standards 15 – Employee Benefits. The liability recognized in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognized past service costs. All actuarial gain and losses are recognized in the Statement of Profit and Loss in full in the year in which they occur.

**1.9 Provision for Taxes on Income**

Tax expenses include current tax and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**1.10 Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

**1.11 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

**1.12 Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded on initial recognition using the exchange rates prevailing on the date of the transaction or that approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are restated at rates of exchange prevailing at the balance sheet date. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

**1.13 Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long- term investments. Current Investments are carried at lower of cost and fair value. Long Term Investments are stated at cost. However, Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

**1.14 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**2. SHARE CAPITAL**

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
<b>Authorised Shares</b> 16000000(31-03-2012:16000000) Equity shares of Rs.10/- each.	<b>160000000</b>	<b>160000000</b>
<b>Issued, Subscribed and fully paid-up</b> 15700000(31-03-2012:15700000) Equity shares of Rs. 10/- each.	157000000	157000000
	<b>157000000</b>	<b>157000000</b>

**2.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	As at 31-03-2013	As at 31-03-2012
<b>Equity share</b>		
At the beginning of the period	157000000	157000000
Issued during the period	-	-
Outstanding at the end of the period	<b>157000000</b>	<b>157000000</b>

**2.2 Terms/right attached to equity share**

The company has only class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. the distribution will be in proportion to the number of equity shares held by the shareholders.

**2.3 Details of shareholders holding more than 5% share in the company**

Name of shareholders	As at 31-03-2013		As at 31-03-2012	
	%	No. of Shares	%	No. of Shares
Mr. Paresh N. Vasani	69.06	10843180	69.06	10843180
Europrint N.V	14.33	2250000	14.33	2250000

**3. RESERVES AND SURPLUS**

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
<b>Securities Premium Reserve</b>		
Balance as per last financial statements	134670250	134670250
Addition during the year	-	-
<b>Closing balance</b>	<b>134670250</b>	<b>134670250</b>
<b>General Reserve</b>		
Balance as per last financial statements	19500000	19500000
Addition during the year	-	-
<b>Closing balance</b>	<b>19500000</b>	<b>19500000</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	87575341	83575484
Add: Profit/(Loss) for the year	(45215099)	3999857
<b>Net surplus/(deficit) in the statement of profit and loss</b>	<b>42360242</b>	<b>87575341</b>
<b>Total Reserves &amp; Surplus</b>	<b>196530492</b>	<b>241745591</b>




**4. LONG TERM BORROWINGS**
**(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>Secured</b>		
Term Loan		
From banks	-	42892356
<b>Unsecured</b>		
Loans from related parties		
From directors	-	111021
From Inter-corporates	-	5000000
Loans from others		
Sales tax deferment loan	-	5404379
	-	<b>53407756</b>

Notes:

1. Term loan of Rs. Nil (31.03.2012: Rs. 50038356) was secured by equitable mortgage of Unit No. 2 situated at plot no. 11,12,36 and 37 located at Gandhinagar GIDC Estate, Gandhinagar, Gujarat. The loan has been repaid on 22th June, 2012. Current maturity of long-term borrowings is Rs. Nil (31.03.2012: 7146000)
2. Sales tax deferment loan of Rs. Nil (31.03.2012 : Rs. 9487444) is interest free. Current maturity of long-term borrowings is Rs. Nil(31.03.2012: Rs. 4083065)
3. Loans from directors of Rs. Nil (31.03.2012 : Rs. 111021) was interest free. The loan has been repaid during the financial year 2012-13.
4. Inter-corporate loans of Rs. Nil (31.03.2012 : Rs. 33550537) includes loan of Rs. Nil (31.03.2012 : Rs.29465077) carried interest rate of 12%. The loan has been repaid during the financial year 2012-13. Current maturity of long-term borrowings is Rs. Nil (31.03.2012: Rs. 28550537)

**5. DEFERRED TAX LIABILITY**
**(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>(i) Deferred tax liability:</b>		
Arising on account of timing difference in:		
- Depreciation	31225008	31623074
<b>(ii) Deferred tax assets:</b>		
Arising on account of timing difference in :		
- Disallowance of expenses	884865	1182316
<b>Net deferred tax liability</b>	<b>30340143</b>	<b>30440758</b>

**6. LONG-TERM PROVISIONS**
**(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Provision for leave encashment	903635	1351837
	<b>903635</b>	<b>1351837</b>

**7. SHORT-TERM BORROWINGS****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Loans repayable on demand		
From banks(secured)		
Cash credit	52347258	14459900
Buyer's credit	13617553	37597122
	<b>65964811</b>	<b>52057022</b>

Notes: Cash credit and buyer's credit from bank is primarily secured by way of hypothecation on inventory, charge on book debts and current assets of the company. Further it is secondarily secured by way of equitable mortgage of land situated at GIDC, Gandhinagar and hypothecation of plant and machinery and other movable assets of the company excluding vehicles. Further it is secured by way of personal guarantee of a director and a relative of a director. Further buyer's credit is secured by way of margin money

**8. TRADE PAYABLES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Trade payables (refer note below for details of dues to micro and small enterprises)	17272640	34766226
	<b>17272640</b>	<b>34766226</b>

Note: The company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the act has not been given.

**9. OTHER CURRENT LIABILITIES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Current maturity of long term borrowings(Refer note no.4)	-	39779602
Advance received from customers	3717788	6027823
Interest accrued but not due on borrowings	94230	216055
Other payables		
Creditors for capital goods	-	1128663
Statutory dues	1271093	1386064
	<b>5083111</b>	<b>48538207</b>

**10. SHORT TERM PROVISIONS**

	As at 31-03-2013	As at 31-03-2012
Provision for employee benefits	1854728	2331444
Provision for leave encashment	47696	-
Provision for expenses	1064305	1614476
	<b>2966729</b>	<b>3945920</b>


**11. FIXED ASSETS**
**(Amount in Rs.)**

Sr. No.	Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 01-04-2012	Additions during the year	Sale /Transfer	As on 31-03-2013	Upto 31-03-2012	For the Year	Deletions/ Adjust-ments	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
<b>Tangible Assets</b>											
1	Leasehold Land	3212299	-	-	3212299	-	-	-	-	3212299	3212299
2	Factory Building	36288952	2994980	-	39283932	10995445	1303747	-	12299192	26984740	25293507
3	Plant & Equipment	240272884	2721002	1486154	241507732	88352027	11442486	698109	99096404	142411328	151920857
4	E.T.Plant	3045914	-	-	3045914	1815862	144681	-	1960543	1085371	1230052
5	Furniture & Fixtures	5018941	153776	-	5172717	3711024	319321	-	4030345	1142372	1307917
6	Vehicles	2007997	378520	496851	1889666	1151560	187485	389407	949638	940028	856437
7	Office Equipments	1729754	-	-	1729754	829809	82163	-	911972	817782	899945
8	Computer,Fax, Cellular	17346645	296224	-	17642869	16783514	250742	-	17034256	608613	563131
9	Electric Installation	7291196	-	-	7291196	3694767	346332	-	4041099	3250097	3596429
	<b>Total</b>	<b>316214582</b>	<b>6544502</b>	<b>1983005</b>	<b>320776078</b>	<b>127334008</b>	<b>14076957</b>	<b>1087516</b>	<b>140323449</b>	<b>180452629</b>	<b>188880574</b>
	Previous Year	(297779139)	(23170829)	(4735386)	(316214582)	(116533213)	(13418921)	(2618126)	(127334008)	(188880574)	(181245926)
<b>Intangible Assets</b>											
1	Computer Software	4085000	1186233	-	5271233	1980275	418385	-	2398660	2872573	2104725
	<b>Total</b>	<b>4085000</b>	<b>1186233</b>	<b>-</b>	<b>5271233</b>	<b>1980275</b>	<b>418385</b>	<b>-</b>	<b>2398660</b>	<b>2872573</b>	<b>2104725</b>
	Previous Year	(4085000)	-	-	(4085000)	(1571775)	(408500)	-	(1980275)	(2104725)	(2513225)
<b>Capital work in progress (Refer note no. 35)</b>											
1	Leasehold Land	28163359	3462693	31626052	-	-	-	-	-	-	28163359
2	Factory Building	90848059	6115501	96963560	-	-	-	-	-	-	90848059
3	Plant & Machinery	63817126	39306713	89310116	13813723	-	-	-	-	13813723	63817126
4	Unallocated Expenses	35071184	-	35071184	-	-	-	-	-	-	35071184
	<b>Total</b>	<b>217899728</b>	<b>48884907</b>	<b>252970912</b>	<b>13813723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13813723</b>	<b>217899728</b>
	Previous Year	(220548550)	(7382926)	(10031748)	(217899728)	-	-	-	-	(217899728)	(220548550)
	<b>Grand Total</b>	<b>538199310</b>	<b>56615642</b>	<b>254953917</b>	<b>339861034</b>	<b>129314283</b>	<b>14495342</b>	<b>1087516</b>	<b>142722109</b>	<b>197138925</b>	<b>408885027</b>
	Previous Year	(522412689)	(30553755)	(14767134)	(538199310)	(118104988)	(13827421)	(2618126)	(129314283)	(408885027)	(404307701)



**12. NON-CURRENT INVESTMENTS (Valued at cost) (Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>Trade investments(Unquoted)(Long-term)</b>		
Investment in subsidiaries		
86020 (31.03.2012: Nil) Equity shares of Rs. 10/- each fully paid up in PCB Power (India) Limited	44988460	-
1920000(31.03.2012: Nil) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Limited	19200000	-
<b>Non-trade investments(Unquoted)(Long-term)</b>		
400(31.03.2012: Nil) Equity shares of Rs 25/- each fully paid up in Mehsana Urban Co-operative Bank Ltd.	10000	10000
20000(31.03.2012 : Nil) Equity shares of Rs. 25/- each fully paid up in The Kalupur Commercial Co. Operative Bank Ltd.	500000	500000
<b>Other investments in government securities(Long-term)</b>		
Investments in National Savings Certificate	26412	26412
	<b>64724872</b>	<b>536412</b>
Aggregate amount of unquoted investment	<b>64698460</b>	<b>510000</b>

**13. LONG-TERM LOANS AND ADVANCES (Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Capital advances	10420840	820084
Security deposits	485245	1310245
Balances with statutory authorities	2153792	2771908
	<b>13059876</b>	<b>4902237</b>

**14. OTHER NON-CURRENT ASSETS (Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Margin money deposit(Pledged with banks)	203445	657943
	<b>203445</b>	<b>657943</b>

**15. CURRENT INVESTMENTS (Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>(Valued at lower of cost and fair value)</b>		
Investments in equity instruments (unquoted)		
Nil (31.03.2012: 1050000) Equity shares of Rs. 10/- each fully paid up in Apollo Industries & Projects Ltd.	-	10500000
	-	<b>10500000</b>
Aggregate amount of unquoted investments	-	10500000

**CIRCUIT SYSTEMS (INDIA) LIMITED****16. INVENTORIES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Valued at lower of cost and net realizable value)		
Raw Materials	57541829	42172389
Work-in-progress	12362170	10592273
Consumable stores & packing materials	5424239	12977122
Scraps	139827	30005
	<b>75468065</b>	<b>65771789</b>

**17. TRADE RECEIVABLES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	22344492	43635231
Other receivables	47140150	50859602
	<b>69484642</b>	<b>94494833</b>
Less : Provision for bad debts	-	2283660
	<b>69484642</b>	<b>92211173</b>

**18. CASH AND BANK BALANCES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>Cash and cash equivalents</b>		
<b>Balance with banks</b>		
- In current account	2063937	1483367
Cash on hand	1415765	1346619
<b>Other bank balances</b>		
Margin money deposit(Pledged with banks)	5766786	5446733
	<b>9246488</b>	<b>8276719</b>

**19. SHORT-TERM LOANS AND ADVANCES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Advance income tax (net of provision for taxation)	347617	7727
Prepaid expenses	352505	597287
Loan to others	18126473	102013
Staff Loan	1511276	1849292
Balance with statutory authorities	17568341	21650610
Advance to Suppliers	8550580	7115243
	<b>46456792</b>	<b>31322172</b>

**20. OTHER CURRENT ASSETS****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Interest accrued but not due on deposits	-	44550
Interest accrued on fixed deposits	278456	55726
Misc. expenditure (to the extent not written off )	-	89569
	<b>278456</b>	<b>189845</b>

**21. REVENUE FROM OPERATIONS****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
<b>Sale of products</b>		
Finished goods	267668625	321727213
<b>Other operating revenue</b>		
Scrap sales	2044734	3256094
Export Incentives	420144	908294
Sales tax deferrment loan written back	5262929	-
Jobwork income	25970	31073
Sundry credit/debit balance written back	9931789	6836698
Revenue from operations (Gross)	285354191	332759372
Less: Excise Duty	24251790	28933443
Revenue from operations (Net)	<b>261102401</b>	<b>303825929</b>

**21.1 Finished goods comprises****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
Printed Circuit Boards	267668625	321727213
	<b>267668625</b>	<b>321727213</b>

**22. OTHER INCOME****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
Interest income		
Bank deposits	696732	535844
Others	1807192	1766148
Prior period income	13854	-
Other income	-	350282
	<b>2517778</b>	<b>2652274</b>

**CIRCUIT SYSTEMS (INDIA) LIMITED****23. COST OF MATERIALS CONSUMED****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Inventory at the beginning of the year		
Copper Sheets	9030877	19460139
Chemicals	4608050	3366142
Others	28533462	16041233
	<b>42172389</b>	<b>38867514</b>
Add: Purchases		
Copper Sheets	60216892	42452703
Chemicals	20962897	17823494
Others	35268561	73070228
	<b>116448350</b>	<b>133346425</b>
Less :Inventory at the close of the year		
Copper Sheets	19053198	9030877
Chemicals	4338014	4608050
Others	34150617	28533462
	<b>57541829</b>	<b>42172389</b>
Raw Material Consumed		
Copper Sheets	50194571	52881965
Chemicals	21232933	16581586
Others	29651406	60577999
	<b>101078910</b>	<b>130041550</b>
Add: Consumption of stores and spares	28431383	25631512
<b>Total consumption of raw materials</b>	<b>129510293</b>	<b>155673062</b>

**24. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
<b>Inventories at the end of the year</b>		
Work-in-progress of printed circuit board	12362170	10592273
Scraps	139827	30005
	<b>12501997</b>	<b>10622278</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress of printed circuit board	10592273	11304720
Scraps	30005	-
	<b>10622278</b>	<b>11304720</b>
Changes in inventories	<b>(1879719)</b>	<b>682442.00</b>

**25. EMPLOYEE BENEFITS EXPENSE****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Salaries, wages and bonus	19900649	22399064
Leave encashment	-	1242349
Contributions to provident and other fund	1517505	1676253
Gratuity fund contributions	589785	25667
Staff welfare expenses	480456	514736
	<b>22488395</b>	<b>25858069</b>

**26. FINANCIAL COSTS****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Interest expense		
Interest on term loan	1450003	545310
Interest on working capital loan	7302048	8857895
Interest to others	1641610	5560045
Other borrowing cost		
Bank loan processing, commission & other bank charges	2768371	2758863
Applicable net gain/loss on foreign currency transaction and translation	1239574	-
	<b>14401605</b>	<b>17722113</b>

**27. DEPRECIATION AND AMORTIZATION OF EXPENSES****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Depreciation	14076957	13418921
Intangible assets written off	418385	408500
	<b>14495342</b>	<b>13827421</b>




**28. OTHER EXPENSES**
**(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
Power and fuel	23567626	22674066
Water charges	530189	567508
Freight and forwarding charges	4637326	8007688
Factory expenses	1727449	4444893
Labour, processing and production charges	15943392	19637824
Sales promotion and advertisement expenses	1729049	637077
Brokerage and commission	569388	1025067
Distribution expenses	5626628	6245074
Excise duty expenses	943880	-
Bad debts	22235861	10749282
Insurance	309356	172859
Rent	638963	344932
Rates & taxes	503539	451655
Foreign exchange differences (Net)	1561213	1131948
Repairs & Maintenance		
Plant & machinery	1223323	2048971
Buildings	417634	214138
Others	63166	68777
Travelling and conveyance expenses	1567390	2033835
Payment to auditors	450000	825000
Legal and professional fees	1820282	1714115
Loss on sale of fixed assets(net)	460489	1046969
Loss on sale of investments	-	131440
Vehicle running and maintenance	246928	250191
Communication expenses	619136	658449
Stationery, printing and other office expenses	1829306	1782819
Prior period expenses	73710	-
Preliminary expenses written off	89569	1582980
	<b>89384791</b>	<b>88447556</b>

**28.1 Payment to auditors (excluding service tax)**
**(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
<b>As auditor</b>		
Audit fees	350000	350000
Tax audit fees	50000	50000
<b>In other capacity</b>		
Taxation matters	50000	50000
Other services	-	375000
	<b>450000</b>	<b>825000</b>



**29. RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, the disclosure of transactions with the related parties as defined in accounting standard are given below:

- (i) List of related parties where control exist and related parties with whom transactions have taken place and their relationships

Sr. No.	Name of the Party	Relationship
1	Paresh N. Vasani	Key Managerial Personnel
2	PCB Power (India) Ltd.	Subsidiary company (Associates upto the date of becoming subsidiary company)
3	PCB Planet (India) Ltd.	Associates
4	Eurocircuits India Ltd. (Formerly known as Accumeg Circuits Ltd.)	Associates

- (ii) Transactions with the related parties (Amount in Rs.)

Sr. No.	Nature of transactions	Key Managerial Personnel	Subsidiary company	Associates
1	Loans taken	9500000 (6000000)	- (-)	32500000 (20417000)
2	Loans repaid	9500000 (6000000)	- (-)	63463537 (3100000)
3	Reimbursement of expenses	28536 (-)	- (-)	11311 (-)
4	Loans given	- (-)	300000 (-)	2951896 (300000)
5	Loans given received back	- (-)	300000 (-)	2951896 (300000)
6	Front-end engineering charges	- (-)	- (-)	2940000 (4040000)
7	Sales	- (-)	5888115 (-)	3920653 (26761743)
8	Jobwork income	- (-)	- (-)	- (20474)
9	Interest paid	679631 (123357)	- (-)	774412 (2861877)
10	Interest received	- (-)	- (-)	- (1211320)
11	Remuneration and perquisites	3435000 (4507790)	- (-)	- (-)
12	Purchase of Machinery	- (-)	18341 (-)	5750769 (1422208)
13	Sale of Assets located at SEZ Unit	- (-)	- (-)	217899728 (1300000)
14	Sales of machinery	- (-)	- (-)	- (334705)
15	Advances given	- (-)	- (-)	193358 (-)
16	Advances given received back	- (-)	- (-)	1314655 (-)
	<b>Outstanding Balances</b>			
1	Loans payable	- (111021)	- (-)	- (33550537)
2	Advances given	- (-)	- (-)	193358 (2143343)

**CIRCUIT SYSTEMS (INDIA) LIMITED****30. CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF:****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
i) Bank guarantee issued	-	3394000
ii) Tax matters,		
- Disputed Demand of excess interest paid by the sales tax department on refund	172284	172284
- Disputed liability in respect of Income-tax demands (including interest)(Matter under appeal)	2984020	-
- Disputed in respect of time limit for deferment of Sales Tax liability (Amount not quantified and Matter under appeal)	-	-
iii) Disputed labour matters of others for which company was served notice as a secondary party (Amount not quantified)		

**31. EARNING PER SHARE**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
i) Net profit/(Loss) after tax as per statement of profit and loss attributable to equity shareholders	(45215099)	3999857
ii) Weighted average number of shares used as denominator for calculating Eps	15700000	15700000
iii) Basic and diluted earning per share (Rs.)	(2.88)	0.25
iv) Face value per share (Rs.)	10	10

**32. VALUE OF IMPORTS AND VALUE OF RAW MATERIALS, STORES AND SPARE PARTS AND PACKING MATERIALS CONSUMED****(a) CIF Value of import****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Raw material imported	98995241	110334594
Stores, spares and packing materials	3651827	6729787
Capital goods	13290471	12164687

**(b) Consumption of raw materials and spare parts and components**

	Year ended 31-03-2013		Year ended 31-03-2012	
	Amount (Rs.)	% of consumption	Amount (Rs.)	% of consumption
Raw material consumed				
Imported	82430066	81.55	100174594	77.03
Indigenous	18648844	18.45	29866956	22.97
Spare parts and components				
Imported	7897797	27.78	10080787	39.33
Indigenous	20533586	72.22	15550725	60.67

**33. EXPENDITURE IN FOREIGN CURRENCY****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
(a) Sales commission	569388	1025067
(b) Repairs and maintenance	44040	2463600
(c) Interest on buyer's credit	621945	-
(d) Foreign bank charges	64551	65815
(e) Exhibition expenses	114551	-
	1414475	3554482

**34. EARNINGS IN FOREIGN CURRENCY**

	Year ended 31-03-2013	Year ended 31-03-2012
(a) FOB Value of exports	21008707	33713558
	21008707	33713558

**35. Discontinuing operations (Work In Progress Assets)**

During the year under review, The Board of Directors had announced a plan to dispose of Company's SEZ unit located SEZ Gandhinagar. The Company has a project work-in-progress comprising of Land, Building and Machinery at the SEZ unit, Gandhinagar to enhance the business and focus on export market. Due to global business recession and slow down, the Company could not implement the project in due time frame and the company has concentrated on domestic market. It is in the company's interest to sell the above assets at SEZ, Gandhinagar. The company foresight good opportunities in the domestic market and would like to utilize its resources to strengthen its position in the Indian market.



The following statement shows gain/loss on discontinuing operations:

Particular	Assets work-in-progress			Total
	Leasehold Land	Building Under Construction	Plant and Machinery Work-in-progress	
Carrying cost of CWIP after allocation of after allocation of unallocated expense	31626052	96963560	89310116	217899728
<b>Total Carrying cost at which asset was transferred</b>	<b>31626052</b>	<b>96963560</b>	<b>89310116</b>	<b>217899728</b>
Sale consideration received				
- Cash	56171352	93828648	-	150000000
- Shares in Eurocircuits India Limited	-	-	19200000	19200000
- Value of machinery bought back	-	-	8049571	8049571
<b>Gain/(Loss) recognised in the Statement of Profit and Loss</b>	<b>24545300</b>	<b>(3134912)</b>	<b>(62060545)</b>	<b>(40650157)</b>
Sale consideration pending to be received	Nil	Nil	Nil	Nil

36. As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:

		31-03-2013	
		Gratuity (Funded)	Leave Encashment (Unfunded)
<b>(I)</b>	<b>Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
	Defined Benefit Obligation at the beginning of year	1550577	1351837
	Current Service Cost	288623	269346
	Interest Cost	-	79441
	Actuarial (gain)/loss	18820	(749293)
	Benefit Paid	711976	-
	Defined Benefit obligation at year end	1146044	951331
<b>(II)</b>	<b>Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
	Fair value of Plan Assets at beginning of year	1550577	-
	Expected return on plan assets	-	-
	Actuarial (gain)/loss	18820	-
	Employer Contribution	288623	-
	Benefit Paid	711976	-
	Fair Value of plan assets at year end	1268413	-
	Actual return on plan assets	141189	-

**CIRCUIT SYSTEMS (INDIA) LIMITED**

		31-03-2013	
		Gratuity (Funded)	Leave Encashment (Unfunded)
<b>(III)</b>	<b>Reconciliation of fair value of assets and obligations</b>		
	Fair value of plan assets as at Balance Sheet date	1268413	-
	Present value of obligation as at Balance Sheet date	1146044	951331
	Amount recognized in Balance Sheet	Nil	951331
<b>(IV)</b>	<b>Expenses recognized during the year</b>		
	Current Service Cost	288623	269346
	Interest Cost	-	79441
	Expected return on plan assets	-	-
	Net Actuarial (gain)/loss	18820	(749293)
	Net Cost/(gain)	307443	(400506)
<b>(V)</b>	<b>Actuarial Assumptions</b>		
	Mortality Table (LIC)	1994-96	1994-96
	(Ultimate)	(Ultimate)	
	Discount rate(per annum)	8%	8%
	Expected rate of return on plan assets(per annum)	-	-
	Rate of escalation in salary(per annum)	8%	6.50%

37. The Company has considered manufacturing of various grade of PCB as Single Segment and hence Primary Segment Disclosure is not applicable. With respect to second geographical segment management has view that there is no material risk is attached with geographical operation of the Company and hence considered as single segment.
38. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
39. Balances in respect of trade receivables, loans and advances and trade payables are subject to confirmation from the respective parties and reconciliation, if any.
40. In the opinion of the management, the Current Assets, Loans and advances are realizable at the values stated in the financial statements in the ordinary course of business and adequate provision for all known liabilities has been made in the accounts.

As per our Report of even date  
**For C.R.Sharedalal & Co.**  
**Chartered Accountants**  
 Firm Registration No. 109943w

**(C.R. Sharedalal)**  
**Partner**  
 Membership No.002571  
 Place : Ahmedabad  
 Date : 25th May, 2013

**For and on behalf of the Board of Directors**  
 Circuit Systems (India) Limited.

**(Paresh N. Vasani)**  
*Director*

**(Jayesh H. Shah)**  
*Director*

Place : Gandhinagar  
 Date : 25th May, 2013

**INDEPENDENT AUDITOR'S REPORT****To The Board of Directors of Circuit Systems (India) Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Circuit Systems (India) Limited ("the Company"), and its subsidiaries (collectively referred to as "the group"), which comprise the Consolidated Balance Sheet as at 31 March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
- (b) in the case of Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**Other Matters**

We did not audit the financial statements of PCB Power (India) Limited whose financial statements reflect total assets of Rs. 1,53,69,944/- as at 31<sup>st</sup> March, 2013 and total revenue of Rs. 1,61,54,954/- The Financial Statements and Other Financial Information of this subsidiary have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of such other auditors.

Our opinion is not qualified in respect of other matter.

**For. C.R. SHAREDALAL & CO.**  
**CHARTERED ACCOUNTANTS,**  
(Registration No.109943W)

**(C. R. SHAREDALAL)**  
PARTNER

Membership No.002571

**PLACE : AHMEDABAD**  
**DATE : 25-05-2013**



## CONSOLIDATED BALANCE SHEET AS AT 31-03-2013

(Amount in Rs.)

	Note No.	As at 31-03-2013	As at 31-03-2012
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	157000000	157000000
Reserves & surplus	3	193306319	241745591
		<b>350306319</b>	<b>398745591</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	-	53407756
Deferred tax liabilities (Net)	5	31087012	30440758
Long-term provisions	6	903635	1351837
		<b>31990647</b>	<b>85200351</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	65964811	52057022
Trade payables	8	17368120	34766226
Other current liabilities	9	5083111	48538207
Short-term provisions	10	3277434	3945920
		<b>91693476</b>	<b>139307375</b>
		<b>473990442</b>	<b>623253317</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
	11		
Tangible assets		192826530	188880574
Intangible assets		30419972	2104725
Capital work-in-progress		14835523	217899728
Non-current investments	12	19736412	536412
Long-term loans & advances	13	13761698	4902237
Other non-current assets	14	277282	657943
		<b>271857416</b>	<b>414981619</b>
<b>CURRENT ASSETS</b>			
Current investments	15	-	10500000
Inventories	16	75468065	65771789
Trade receivables	17	69804313	92211173
Cash and bank balances	18	10106712	8276719
Short-term loans and advances	19	46456792	31322172
Other current assets	20	297143	189845
		<b>202133025</b>	<b>208271698</b>
		<b>473990442</b>	<b>623253317</b>

**Significant Accounting Policies**

1

The accompanying note no. 1 to 40 are integral part of financial statements

As per our Report of even date

**For C.R.Sharedalal & Co.****Chartered Accountants**

Firm Registration No. 109943w

**(C.R. Sharedalal)****Partner**

Membership No.002571

Place : Ahmedabad

Date : 25th May, 2013

**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

**(Paresh N. Vasani)***Director***(Jayesh H. Shah)***Director*

Place : Gandhinagar

Date : 25th May, 2013



**CIRCUIT SYSTEMS (INDIA) LIMITED****CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-03-2013**

(Amount in Rs.)

	Note No.	Year Ended 31-03-2013	Year Ended 31-03-2012
<b>INCOME</b>			
Revenue from operations(Gross)	21	289314261	332759372
Less : Excise duty		24251790	28933443
Revenue from operations(Net)		265062471	303825929
Other Income	22	2531778	2652274
<b>Total Revenue</b>		<b>267594249</b>	<b>306478203</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	129738374	155673062
Changes in inventories of work-in-progress	24	(1879719)	682442
Employees benefit expenses	25	24143935	25858069
Finance costs	26	14508967	17722113
Depreciation and amortization expenses	27	15098029	13827421
Other expenses	28	91069817	88447556
<b>Total Expenses</b>		<b>272679404</b>	<b>302210662</b>
<b>Profit/(Loss) before tax</b>		<b>(5085155)</b>	<b>4267541</b>
<b>Tax Expenses</b>			
Current Income Tax		-	1450000
(Excess)/Short provision of income tax for earlier years		(114972)	-
Deferred Tax		(172198)	(1182316)
<b>Profit (Loss) for the period from continuing operations</b>		<b>(4797985)</b>	<b>3999857</b>
Profit (Loss) before tax from discontinuing operations	35	(43641287)	-
Tax Expense of discontinuing operations		-	-
<b>Profit (Loss) after tax from discontinuing operations</b>		<b>(43641287)</b>	<b>-</b>
<b>Profit (Loss) for the period</b>		<b>(48439272)</b>	<b>3999857</b>
<b>Earning per equity share</b>			
(a) Basic		(3.09)	0.25
(b) Diluted		(3.09)	0.25

**Significant Accounting Policies**

1

The accompanying note no. 1 to 40 are integral part of financial statements

As per our Report of even date

**For C.R.Sharedalal & Co.****Chartered Accountants**

Firm Registration No. 109943w

**(C.R. Sharedalal)****Partner**

Membership No.002571

Place : Ahmedabad

Date : 25th May, 2013

**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

**(Paresh N. Vasani)***Director***(Jayesh H. Shah)***Director*

Place : Gandhinagar

Date : 25th May, 2013



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2013

(Amount in Rs.)

	Year Ended 31-03-2013	Year Ended 31-03-2012
<b>A Cash Flow from Operating Activities</b>		
Net profit before taxation:	(48726442)	4267541
Adjustment for :		
Depreciation and amortization	15098029	13827421
Pre-acquisition depreciation and Profit of subsidiary company	625009	-
Preliminary expenses written off	99775	1582980
Sundry credit/debit balance written off	(9931789)	(6836698)
Sales tax deferrment loan written back	(5262929)	-
Unrealized foreign exchange loss/(gain)	(331145)	1072831
Interest Income	(2517778)	(2301992)
Loss on sale of fixed assets	460489	1046969
Loss on sale of investments	-	131440
Loss from discontinuing operations	43641287	-
Loan processing, guarantee & bank Charges	2803708	2758863
Interest expense	11705259	14963250
Bad debts	22301775	10749282
<b>Operating profit before working capital changes</b>	<b>29965249</b>	<b>41261887</b>
Adjustment for:		
Changes in inventories	(9696276)	1382189
Trade receivables	2063024	30481434
Long-term and short-term loans & advances and other current and non-current assets	(23003484)	7957670
Trade payables, short & long-term provisions, other current & long-term liabilities	(12942084)	(49179943)
<b>Cash generated from continuing operations</b>	<b>(13613571)</b>	<b>31903237</b>
Direct Taxes paid	(41519)	(1000000)
<b>Net cash from operating activities (A)</b>	<b>(13655090)</b>	<b>30903237</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(25922982)	(30553494)
Proceeds from sale of fixed assets	7770190	11101769
Proceeds from discontinuing operations	155470760	-
Investment in equity shares	(44988460)	(500000)
Proceeds from sale of investment in equity shares	10500000	368500
Interest received	2339598	2201716
<b>Net cash used in investing activities (B)</b>	<b>105169106</b>	<b>(17381509)</b>


**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2013**

(Amount in Rs.)

	Year Ended 31-03-2013	Year Ended 31-03-2012
<b>C Cash flow from financing activities</b>		
Loan processing, guarantee & bank Charges	(2768371)	(2758863)
Loan processing, guarantee & bank Charges	(2803708)	(2758863)
Interest paid	(11827084)	(14747195)
Increase/(decrease) in short-term borrowings	13907789	(8530716)
Unrealized foreign exchange loss/(gain)	331145	(1072831)
Repayment of long-term borrowings(Net)	(91788266)	(51945782)
Proceeds from long-term borrowings(Net)	-	56924191
<b>Net cash from financing activities (C)</b>	<b>(92180124)</b>	<b>(22131196)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(666109)</b>	<b>(8609468)</b>
Cash and cash equivalents at the beginning of the year	2829986	11439454
Add: Cash and cash equivalents at the beginning of the year of subsidiary company	2176049	-
Cash and cash equivalents at the end of the year	<b>4339926</b>	<b>2829986</b>

**Notes :**

Cash and cash equivalents included in the Cash Flow Statement comprises the following:

	As at 31-03-2013	As at 31-03-2012
Cash on hand	1416056	1346619
Bank balance with scheduled bank	2923870	1483367
	<b>4339926</b>	<b>2829986</b>

The Cash flow statement has been prepared under the indirect method set out in AS-3 Companies (Accounting Standard) Rules, 2006.

As per our Report of even date

**For C.R. Sharedalal & Co.**

**Chartered Accountants**

Firm Registration No. 109943w

**(C.R. Sharedalal)**

**Partner**

Membership No.002571

Place : Ahmedabad

Date : 25th May, 2013

**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

**(Paresh N. Vasani)**

*Director*

Place : Gandhinagar

Date : 25th May, 2013

**(Jayesh H. Shah)**

*Director*

**General Company Information.**

The Consolidated Financial Statements (CFS) pertains to Circuit Systems (India) Limited and its subsidiary, PCB Power (India) Limited.

**1. Significant accounting policies****1.1 System of Accounting**

- i. Consolidated Financial Statements of Circuit Systems (India) Limited and its subsidiary company have been prepared in compliance with the mandatory Accounting Standards prescribed in Companies (Accounting Standard) Rules, 2006 and the relevant provisions of Companies Act, 1956.
- ii. Consolidated financial statements are based on historical cost convention and are prepared on accrual basis.

**1.2 Principles of consolidation**

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" prescribed in Companies (Accounting Standard) Rules, 2006.

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

- i. The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions, resulting in unrealized profits or unrealized losses.
- ii. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.
- iii. The excess of cost of investment in a subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the consolidated financial statements as goodwill.

**1.3 Use of Estimates**

The preparation of consolidated financial statements requires estimates and assumptions which affect the reporting amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

**1.4 Tangible Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss (if any). Cost comprises of purchase price, non refundable duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

**1.5 Intangible Fixed Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortization and impairment loss (if any). Cost of acquisition comprises of purchase price, non refundable duties, levies and any directly attributable cost of bringing the intangible assets to its working condition for the intended use.

**1.6 Depreciation and Amortization****(i) Tangible Fixed Assets**

Depreciation on fixed assets is provided on Straight Line Method in accordance with the rates and in manner specified in schedule XIV of the Companies Act, 1956.

Lease premium on leasehold land is written off over the period of lease except premium paid for acquiring leasehold land for lease period exceeding 99 years.

**(ii) Intangible Fixed Assets**

Computer Software is amortized over a period of 10 years on pro-rata basis commencing from the year in which software is put to use.

**1.7 Inventories**

Cost of inventories comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition.

- (i) Raw Materials are valued at lower of cost (net of refundable taxes and duties) and net realizable values. Cost is derived on FIFO basis.
- (ii) Work-in-Progress is valued at lower of conversion cost and net realizable values. Cost are derived on Standard Cost basis
- (iii) Stores, Spares and Packing Materials are valued at cost.

**1.8 Revenue Recognition**

- (i) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stand transferred to the customers. Sales include excise duty but exclusive of sales tax.
- (ii) Dividend income is recognized when the company's right to receive the dividend is established.



(iii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

#### **1.9 Employee Benefits**

##### **(i) Short term Benefits**

Short-term employee benefits are recognized as expenses in the Statement of Profit and Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

##### **(ii) Defined Contribution Plans**

Defined contribution plans are those plans where the Company pays fixed contribution to a fund managed by independent trusts. Contributions are paid in return for service rendered by employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company provides Provident Fund facility to employees. The contributions are expenses as they are incurred in line with the treatment of wages and salaries.

##### **(iii) Defined Benefit Plans**

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The liability towards leave encashment is not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per requirement of Accounting Standards 15 – Employee Benefits. The liability recognized in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognized past service costs. All actuarial gain and losses are recognized in the Statement of Profit and Loss in full in the year in which they occur.

#### **1.10 Provision for Taxes on Income**

Tax expenses include current tax and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

#### **1.11 Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the consolidated financial statements.

#### **1.12 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

#### **1.13 Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded on initial recognition using the exchange rates prevailing on the date of the transaction or that approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are restated at rates of exchange prevailing at the balance sheet date. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

#### **1.14 Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long- term investments. Current Investments are carried at lower of cost and fair value. Long Term Investments are stated at cost. However, Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

#### **1.15 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.


**2. SHARE CAPITAL**

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
<b>Authorised Shares</b> 16000000(31-03-2012:16000000) Equity shares of Rs.10/- each.	<b>160000000</b>	<b>160000000</b>
<b>Issued, Subscribed and fully paid-up</b> 15700000(31-03-2012:15700000) Equity shares of Rs. 10/- each.	157000000	157000000
	<b>157000000</b>	<b>157000000</b>

**2.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	As at 31-03-2013	As at 31-03-2012
<b>Equity share</b>		
At the beginning of the period	157000000	157000000
Issued during the period	-	-
Outstanding at the end of the period	<b>157000000</b>	<b>157000000</b>

**2.2 Terms/right attached to equity share**

The company has only class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. the distribution will be in proportion to the number of equity shares held by the shareholders.

**2.3 Details of shareholders holding more than 5% share in the company**

Name of shareholders	As at 31-03-2013		As at 31-03-2012	
	%	No. of Shares	%	No. of Shares
Mr. Paresh N. Vasani	69.06	10843180	69.06	10843180
Europrint N.V	14.33	2250000	14.33	2250000

**3. RESERVES AND SURPLUS**

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
<b>Securities Premium Reserve</b>		
Balance as per last financial statements	134670250	134670250
Addition during the year	-	-
<b>Closing balance</b>	<b>134670250</b>	<b>134670250</b>
<b>General Reserve</b>		
Balance as per last financial statements	19500000	19500000
Addition during the year	-	-
<b>Closing balance</b>	<b>19500000</b>	<b>19500000</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	87575341	83575484
Add: Profit/(Loss) for the year	(48439272)	3999857
<b>Net surplus/(deficit) in the statement of profit and loss</b>	<b>39136069</b>	<b>87575341</b>
<b>Total Reserves &amp; Surplus</b>	<b>193306319</b>	<b>241745591</b>

**CIRCUIT SYSTEMS (INDIA) LIMITED****4. LONG TERM BORROWINGS****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>Secured</b>		
Term Loan		
From banks	-	42892356
<b>Unsecured</b>		
Loans from related parties		
From directors	-	111021
From Inter-corporates	-	5000000
Loans from others		
Sales tax deferment loan	-	5404379
	-	<b>53407756</b>

Notes:

1. Term loan of Rs. Nil (31.03.2012: Rs. 50038356) was secured by equitable mortgage of Unit No. 2 situated at plot no. 11,12,36 and 37 located at Gandhinagar GIDC Estate, Gandhinagar, Gujarat. The loan has been repaid on 22th June, 2012. Current maturity of long-term borrowings is Rs. Nil (31.03.2012: 7146000)
2. Sales tax deferment loan of Rs. Nil (31.03.2012 : Rs. 9487444) is interest free. Current maturity of long-term borrowings is Rs. Nil(31.03.2012: Rs. 4083065)
3. Loans from directors of Rs. Nil (31.03.2012 : Rs. 111021) was interest free. The loan has been repaid during the financial year 2012-13.
4. Inter-corporate loans of Rs. Nil (31.03.2012 : Rs. 33550537) includes loan of Rs. Nil (31.03.2012 : Rs.29465077) carried interest rate of 12%. The loan has been repaid during the financial year 2012-13. Current maturity of long-term borrowings is Rs. Nil (31.03.2012: Rs. 28550537)

**5. DEFERRED TAX LIABILITY****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>(i) Deferred tax liability:</b>		
Arising on account of timing difference in:		
- Depreciation	31971877	31623074
<b>(ii) Deferred tax assets:</b>		
Arising on account of timing difference in :		
- Disallowance of expenses	884865	1182316
<b>Net deferred tax liability</b>	<b>31087012</b>	<b>30440758</b>

**6. LONG-TERM PROVISIONS****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Provision for leave encashment	903635	1351837
	<b>903635</b>	<b>1351837</b>

**7. SHORT-TERM BORROWINGS****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Loans repayable on demand		
From banks(secured)		
Cash credit	52347258	14459900
Buyer's credit	13617553	37597122
	<b>65964811</b>	<b>52057022</b>

Notes: Cash credit and buyer's credit from bank is primarily secured by way of hypothecation on inventory, charge on book debts and current assets of the company. Further it is secondarily secured by way of equitable mortgage of land situated at GIDC, Gandhinagar and hypothecation of plant and machinery and other movable assets of the company excluding vehicles. Further it is secured by way of personal guarantee of a director and a relative of a director. Further buyer's credit is secured by way of margin money

**8. TRADE PAYABLES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Trade payables (refer note below for details of dues to micro and small enterprises)	17368120	34766226
	<b>17368120</b>	<b>34766226</b>

Note: The company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the act has not been given.

**9. OTHER CURRENT LIABILITIES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
Current maturity of long term borrowings(Refer note no.4)	-	39779602
Advance received from customers	3717788	6027823
Interest accrued but not due on borrowings	94230	216055
Other payables		
Creditors for capital goods	-	1128663
Statutory dues	1271093	1386064
	<b>5083111</b>	<b>48538207</b>

**10. SHORT TERM PROVISIONS**

	As at 31-03-2013	As at 31-03-2012
Provision for employee benefits	1854728	2331444
Provision for leave encashment	47696	-
Provision for taxation	115356	-
Provision for expenses	1259654	1614476
	<b>3277434</b>	<b>3945920</b>



## 11. FIXED ASSETS

(Amount in Rs.)

Sr. No.	Description	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		As at 01-04-2012	As at 01-04-2012 (Subsidiary)	Additions during the year	Sale /Transfer	As on 31-03-2013	Upto 31-03-2012	Upto 01-04-2012 (Subsidiary)	For the Year	Deletions/ Adjust-ments	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
	<b>Tangible Assets</b>												
1	Leasehold Land	3212299	-	-	-	3212299	-	-	-	-	3212299	3212299	
2	Office Building	-	-	8828725	-	8,828,725	-	-	120149	-	120,149	8,708,576	-
3	Factory Building	36288952	-	2994980	-	39283932	10995445	-	1303747	-	12299192	26984740	25293507
4	Plant & Equipment	240272884	8903605	2721002	10389759	241507732	88352027	809464	11722020	1787107	99096404	14241328	151920857
5	E.T.Plant	3045914	-	-	-	3045914	1815862	-	144681	-	1960543	1085371	1230052
6	Furniture & Fixtures	5018941	479212	1910314	479212	6929255	3711024	29946	419550	47648	4112872	2816383	1307917
7	Vehicles	2007997	1014418	378520	496851	2904084	1151560	279955	283591	389407	1325699	1578385	856437
8	Office Equipments	1729754	194378	439,205	117196	2246141	829809	18298	103338	15101	936344	1309797	899945
9	Computer, Fax, Cellular	17346645	953828	320674	-	18621147	16783514	308185	401438	-	17493137	1128010	563131
10	Electric Installation	7291196	134808	357378	134808	7648574	3694767	16203	367146	21183	4056933	3591641	3596429
	<b>Total</b>	<b>316214582</b>	<b>11680249</b>	<b>17950798</b>	<b>11617826</b>	<b>334227803</b>	<b>127334008</b>	<b>1462051</b>	<b>14865660</b>	<b>2260446</b>	<b>141401273</b>	<b>192826530</b>	<b>188880574</b>
	Previous Year	(297779139)	-	(23170829)	(4735386)	(316214582)	(116533213)	-	(13418921)	(2618126)	(127334008)	(188880574)	(181245926)
	<b>Intangible Assets</b>												
1	Computer Software	4085000	-	1186233	-	5271233	1980275	-	418385	-	2398660	2872573	2104725
2	Goodwill on consolidation	-	-	27,547,399	-	27547399	-	-	-	-	-	27547399	-
	<b>Total</b>	<b>4085000</b>	<b>-</b>	<b>28733632</b>	<b>-</b>	<b>32818632</b>	<b>1980275</b>	<b>-</b>	<b>418385</b>	<b>-</b>	<b>2398660</b>	<b>30419972</b>	<b>2104725</b>
	Previous Year	(4085000)	-	-	-	(4085000)	(1571775)	(408500)	-	(1980275)	(2104725)	(2513225)	
	<b>Capital work in progress (*Refer note no. 35)</b>												
1	*Leasehold Land	28163359	-	3462693	31626052	-	-	-	-	-	-	-	28163359
2	*Factory Building	90848059	-	6115501	96963560	-	-	-	-	-	-	-	90848059
3	*Plant & Machinery	63817126	-	39306713	89310116	13813723	-	-	-	-	-	13813723	63817126
4	*Unallocated Expenses	35071184	-	-	35071184	-	-	-	-	-	-	-	35071184
5	Others	-	7,335,188	1021800	7,335,188	1021800	-	-	-	-	-	1021800	-
	<b>Total</b>	<b>217899728</b>	<b>7,335,188</b>	<b>49906707</b>	<b>260306100</b>	<b>14835523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14835523</b>	<b>217899728</b>
	Previous Year	(220548550)	-	(7382926)	(10031748)	(217899728)	-	-	-	-	-	(217899728)	(220548550)
	<b>Grand Total</b>	<b>538199310</b>	<b>19015437</b>	<b>96591137</b>	<b>271923926</b>	<b>381881957</b>	<b>129314283</b>	<b>1462051</b>	<b>15284045</b>	<b>2260446</b>	<b>143799933</b>	<b>238082024</b>	<b>408885027</b>
	Previous Year	(522412689)	-	(30553755)	(14767134)	(538199310)	(118104988)	-	(13827421)	(2618126)	(129314283)	(408885027)	(404307701)





## 12. NON-CURRENT INVESTMENTS (Valued at cost)

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
<b>Trade investments(Unquoted)(Long-term)</b> 1920000(31.03.2012: Nil) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Limited	19200000	-
<b>Non-trade investments(Unquoted)(Long-term)</b> 400(31.03.2012: Nil) Equity shares of Rs 25/- each fully paid up in Mehsana Urban Co-operative Bank Ltd.	10000	10000
20000(31.03.2012 : Nil) Equity shares of Rs. 25/- each fully paid up in The Kalupur Commercial Co. Operative Bank Ltd.	500000	500000
<b>Other investments in government securities(Long-term)</b> Investments in National Savings Certificate	26412	26412
	<b>19736412</b>	<b>536412</b>
Aggregate amount of unquoted investment	<b>19710000</b>	<b>510000</b>

## 13. LONG-TERM LOANS AND ADVANCES

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Capital advances	10420840	820084
Security deposits	512745	1310245
Balances with statutory authorities	2828114	2771908
	<b>13761698</b>	<b>4902237</b>

## 14. OTHER NON-CURRENT ASSETS

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Margin money deposit(Pledged with banks)	203445	657943
Deferred Tax Assets	73837	-
	<b>277282</b>	<b>657943</b>

## 15. CURRENT INVESTMENTS

(Amount in Rs.)

	As at 31-03-2013	As at 31-03-2012
<b>(Valued at lower of cost and fair value)</b>		
Investments in equity instruments (unquoted) Nil (31.03.2012: 1050000) Equity shares of Rs. 10/- each fully paid up in Apollo Industries & Projects Ltd.	-	1050000
	-	<b>1050000</b>
Aggregate amount of unquoted investments	-	1050000

**CIRCUIT SYSTEMS (INDIA) LIMITED****16. INVENTORIES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Valued at lower of cost and net realizable value)		
Raw Materials	57541829	42172389
Work-in-progress	12362170	10592273
Consumable stores & packing materials	5424239	12977122
Scraps	139827	30005
	<b>75468065</b>	<b>65771789</b>

**17. TRADE RECEIVABLES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	22344492	43635231
Other receivables	47459821	50859602
	<b>69804313</b>	<b>94494833</b>
Less : Provision for bad debts	-	2283660
	<b>69804313</b>	<b>92211173</b>

**18. CASH AND BANK BALANCES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
<b>Cash and cash equivalents</b>		
<b>Balance with banks</b>		
- In current account	2923870	1483367
Cash on hand	1416056	1346619
<b>Other bank balances</b>		
Margin money deposit(Pledged with banks)	5766786	5446733
	<b>10106712</b>	<b>8276719</b>

**19. SHORT-TERM LOANS AND ADVANCES****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Advance income tax (net of provision for taxation)	347617	7727
Prepaid expenses	352505	597287
Loan to others	18126473	102013
Staff Loan	1511276	1849292
Balance with statutory authorities	17568341	21650610
Advance to Suppliers	8550580	7115243
	<b>46456792</b>	<b>31322172</b>

**20. OTHER CURRENT ASSETS****(Amount in Rs.)**

	As at 31-03-2013	As at 31-03-2012
(Unsecured and considered good)		
Interest accrued but not due on deposits	-	44550
Prepaid expenses	18,687	-
Interest accrued on fixed deposits	278456	55726
Misc. expenditure (to the extent not written off )	-	89569
	<b>297143</b>	<b>189845</b>

**21. REVENUE FROM OPERATIONS****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
<b>Sale of products</b>		
Finished goods	271628695	321727213
<b>Other operating revenue</b>		
Scrap sales	2044734	3256094
Export Incentives	420144	908294
Sales tax deferment loan written back	5262929	-
Jobwork income	25970	31073
Sundry credit/debit balance written back	9931789	6836698
Revenue from operations (Gross)	289314261	332759372
Less: Excise Duty	24251790	28933443
Revenue from operations (Net)	<b>265062471</b>	<b>303825929</b>

**21.1 Finished goods comprises****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
Printed Circuit Boards	271628695	321727213
	<b>271628695</b>	<b>321727213</b>

**22. OTHER INCOME****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
Interest income		
Bank deposits	696732	535844
Others	1807192	1766148
Prior period income	13854	-
Other income	14000	350282
	<b>2531778</b>	<b>2652274</b>

**CIRCUIT SYSTEMS (INDIA) LIMITED****23. COST OF MATERIALS CONSUMED****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Inventory at the beginning of the year		
Copper Sheets	9030877	19460139
Chemicals	4608050	3366142
Others	28533462	16041233
	<b>42172389</b>	<b>38867514</b>
Add: Purchases		
Copper Sheets	60216892	42452703
Chemicals	20962897	17823494
Others	35496642	73070228
	<b>116676431</b>	<b>133346425</b>
Less :Inventory at the close of the year		
Copper Sheets	19053198	9030877
Chemicals	4338014	4608050
Others	34150617	28533462
	<b>57541829</b>	<b>42172389</b>
Raw Material Consumed		
Copper Sheets	50194571	52881965
Chemicals	21232933	16581586
Others	29879487	60577999
	<b>101306991</b>	<b>130041550</b>
Add: Consumption of stores and spares	28431383	25631512
<b>Total consumption of raw materials</b>	<b>129738374</b>	<b>155673062</b>

**24. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
<b>Inventories at the end of the year</b>		
Work-in-progress of printed circuit board	12362170	10592273
Scraps	139827	30005
	<b>12501997</b>	<b>10622278</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress of printed circuit board	10592273	11304720
Scraps	30005	-
	<b>10622278</b>	<b>11304720</b>
Changes in inventories	<b>(1879719)</b>	<b>682442.00</b>

**25. EMPLOYEE BENEFITS EXPENSE****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Salaries, wages and bonus	21542839	22399064
Leave encashment	3,611	1242349
Contributions to provident and other fund	1517505	1676253
Gratuity fund contributions	589785	25667
Staff welfare expenses	490195	514736
	<b>24143935</b>	<b>25858069</b>

**26. FINANCIAL COSTS****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Interest expense		
Interest on term loan	1450003	545310
Interest on working capital loan	7302048	8857895
Interest to others	1713635	5560045
Other borrowing cost		
Bank loan processing, commission & other bank charges	2803708	2758863
Applicable net gain/loss on foreign currency transaction and translation	1239574	-
	<b>14508967</b>	<b>17722113</b>

**27. DEPRECIATION AND AMORTIZATION OF EXPENSES****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Depreciation	14865660	13418921
Less : Transferred to goodwill on consolidation	186016	-
	14679644	13418921
Intangible assets written off	418385	408500
	<b>15098029</b>	<b>13827421</b>

**CIRCUIT SYSTEMS (INDIA) LIMITED****28. OTHER EXPENSES****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Power and fuel	23738631	22674066
Water charges	530189	567508
Freight and forwarding charges	4637326	8007688
Factory expenses	1727449	4444893
Labour, processing and production charges	15943392	19637824
Sales promotion and advertisement expenses	1920570	637077
Brokerage and commission	569388	1025067
Distribution expenses	5626628	6245074
Excise duty expenses	943880	-
Bad debts	22301775	10749282
Insurance	309636	172859
Rent	638963	344932
Rates & taxes	519038	451655
Foreign exchange differences (Net)	1561213	1131948
Repairs & Maintenance		
Plant & machinery	1235500	2048971
Buildings	417634	214138
Others	137295	68777
Travelling and conveyance expenses	1877786	2033835
Payment to auditors	460300	825000
Legal and professional fees	1905325	1714115
Loss on sale of fixed assets(net)	460489	1046969
Loss on sale of investments	-	131440
Vehicle running and maintenance	246928	250191
Communication expenses	646477	658449
Stationery, printing and other office expenses	2540521	1782819
Prior period expenses	73710	-
Preliminary expenses written off	99775	1582980
	<b>91069817</b>	<b>88447556</b>

**28.1 Payment to auditors (excluding service tax)****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
<b>As auditor</b>		
Audit fees	360000	350000
Tax audit fees	50000	50000
<b>In other capacity</b>		
Taxation matters	50000	50000
Other services	-	375000
	<b>460000</b>	<b>825000</b>



**29. RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, the disclosure of transactions with the related parties as defined in accounting standard are given below:

- (i) List of related parties where control exist and related parties with whom transactions have taken place and their relationships

Sr. No.	Name of the Party	Relationship
1	Paresh N. Vasani	Key Managerial Personnel
2	Jasmine P. Vasani	Relatives of Key Managerial Personnel
3	Disha Shah	Relatives of Key Managerial Personnel
4	PCB Planet (India) Ltd.	Associates
5	Eurocircuits India Ltd. (Formerly known as Accumeg Circuits Ltd.)	Associates

- (ii) Transactions with the related parties (Amount in Rs.)

Sr. No.	Nature of transactions	Key Managerial Personnel	Subsidiary company	Associates
1	Loans taken	9500000 (6000000)	- (-)	32500000 (20417000)
2	Loans repaid	9500000 (6000000)	- (-)	67526203 (3100000)
3	Reimbursement of expenses	28536 (-)	- (-)	11311 (-)
4	Loans given	- (-)	- (-)	2951896 (300000)
5	Loans given received back	- (-)	- (-)	2951896 (300000)
6	Front-end engineering charges paid	- (-)	- (-)	3319215 (4040000)
7	Consultancy charges paid	- (-)	93420 (-)	- (-)
8	Sales	- (-)	- (-)	3920653 (26761743)
9	Jobwork income	- (-)	- (-)	- (20474)
10	Interest paid	679631 (123357)	- (-)	831791 (2861877)
11	Interest received	- (-)	- (-)	- (1211320)
12	Remuneration and perquisites	5355000 (4507790)	- (-)	- (-)
13	Purchase of Machinery	- (-)	- (-)	5750769 (1422208)
14	Sale of Assets located at SEZ Unit	- (-)	- (-)	217899728 (1300000)
15	Sales of machinery	- (-)	- (-)	- (334705)
16	Advances given	- (-)	- (-)	193358 (-)
17	Advances given received back	- (-)	- (-)	1314655 (-)
	<b>Outstanding Balances</b>			
1	Loans payable	- (111021)	- (-)	- (33550537)
2	Advances given	- (-)	- (-)	193358 (2143343)



**CIRCUIT SYSTEMS (INDIA) LIMITED****30. CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF:****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
i) Bank guarantee issued	-	3394000
ii) Tax matters,		
- Disputed Demand of excess interest paid by the sales tax department on refund	172284	172284
- Disputed liability in respect of Income-tax demands (including interest)(Matter under appeal)	2984020	-
- Disputed in respect of time limit for deferment of Sales Tax liability (Amount not quantified and Matter under appeal)	-	-
iii) Disputed labour matters of others for which company was served notice as a secondary party (Amount not quantified)		

**31. EARNING PER SHARE**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
i) Net profit/(Loss) after tax as per statement of profit and loss attributable to equity shareholders	(48439272)	3999857
ii) Weighted average number of shares used as denominator for calculating Eps	15700000	15700000
iii) Basic and diluted earning per share (Rs.)	(3.09)	0.25
iv) Face value per share (Rs.)	10	10

**32. VALUE OF IMPORTS AND VALUE OF RAW MATERIALS, STORES AND SPARE PARTS AND PACKING MATERIALS CONSUMED****(a) CIF Value of import****(Amount in Rs.)**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Raw material imported	98995241	110334594
Stores, spares and packing materials	3651827	6729787
Capital goods	13290471	12164687

**(b) Consumption of raw materials and spare parts and components**

	Year ended 31-03-2013		Year ended 31-03-2012	
	Amount (Rs.)	% of consumption	Amount (Rs.)	% of consumption
Raw material consumed				
Imported	82430066	81.37	100174594	77.03
Indigenous	18876925	18.63	29866956	22.97
Spare parts and components				
Imported	7897797	27.78	10080787	39.33
Indigenous	20533586	72.22	15550725	60.67

**33. EXPENDITURE IN FOREIGN CURRENCY****(Amount in Rs.)**

	Year ended 31-03-2013	Year ended 31-03-2012
(a) Sales commission	569388	1025067
(b) Repairs and maintenance	44040	2463600
(c) Interest on buyer's credit	621945	-
(d) Foreign bank charges	64551	65815
(e) Exhibition expenses	114551	-
	1414475	3554482

**34. EARNINGS IN FOREIGN CURRENCY**

	Year ended 31-03-2013	Year ended 31-03-2012
(a) FOB Value of exports	21008707	33713558
	21008707	33713558

**35. Discontinuing operations (Work In Progress Assets)**

During the year under review, The Board of Directors had announced a plan to dispose of Company's SEZ unit located SEZ Gandhinagar. The Company has a project work-in-progress comprising of Land, Building and Machinery at the SEZ unit, Gandhinagar to enhance the business and focus on export market. Due to global business recession and slow down, the Company could not implement the project in due time frame and the company concentrated on Indian market. It is in the company's interest to sell the above assets at SEZ, Gandhinagar. The company foresight good opportunities in the domestic market and would like to utilize its resources to strengthen its position in the Indian market.

## CIRCUIT SYSTEMS (INDIA) LIMITED



The following statement shows gain/loss on discontinuing operations of parent company (Circuit Systems (India) Limited):

Particular	Assets work-in-progress			Total
	Leasehold Land	Building Under Construction	Plant and Machinery Work-in-progress	
Carrying cost of CWIP after allocation of after allocation of unallocated expense	31626052	96963560	89310116	217899728
<b>Total Carrying cost at which asset was transferred</b>	<b>31626052</b>	<b>96963560</b>	<b>89310116</b>	<b>217899728</b>
Sale consideration received				
- Cash	56171352	93828648	-	150000000
- Shares in Eurocircuits India Limited	-	-	19200000	19200000
- Value of machinery bought back	-	-	8049571	8049571
Gain/(Loss) recognised in the Statement of Profit and Loss	<b>24545300</b>	<b>(3134912)</b>	<b>(62060545)</b>	<b>(40650157)</b>
Sale consideration pending to be received	Nil	Nil	Nil	Nil

The following statement shows gain/loss on discontinuing operations of subsidiary company (PCB Power (India) Limited):

Particular	Disposal of assets				Total
	Plant & Machinery	Air Conditioners	Electric Installation	Furniture & Fixtures	
Cost of Assets	8903604	117195	134808	479212	9634819
Less: Depreciation	1088997	15102	21183	47648	1172930
Less :Sale consideration received	5426593	44167	-	-	5470760
Gain/(Loss) recognised in the Statement of Profit and Loss	<b>(2388014)</b>	<b>(57926)</b>	<b>(113625)</b>	<b>(431564)</b>	<b>(2991129)</b>
Sale consideration pending to be received	Nil	Nil	Nil	Nil	Nil

36. As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:

		31-03-2013	
		Gratuity (Funded)	Leave Encashment (Unfunded)
<b>(I)</b>	<b>Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
	Defined Benefit Obligation at the beginning of year	1550577	1351837
	Current Service Cost	288623	269346
	Interest Cost	-	79441
	Actuarial (gain)/loss	18820	(749293)
	Benefit Paid	711976	-
	Defined Benefit obligation at year end	1146044	951331

**CIRCUIT SYSTEMS (INDIA) LIMITED**

		31-03-2013	
		Gratuity (Funded)	Leave Encashment (Unfunded)
<b>(II)</b>	<b>Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
	Fair value of Plan Assets at beginning of year	1550577	-
	Expected return on plan assets	-	-
	Actuarial (gain)/loss	18820	-
	Employer Contribution	288623	-
	Benefit Paid	711976	-
	Fair Value of plan assets at year end	1268413	-
	Actual return on plan assets	141189	-
<b>(III)</b>	<b>Reconciliation of fair value of assets and obligations</b>		
	Fair value of plan assets as at Balance Sheet date	1268413	-
	Present value of obligation as at Balance Sheet date	1146044	951331
	Amount recognized in Balance Sheet	Nil	951331
<b>(IV)</b>	<b>Expenses recognized during the year</b>		
	Current Service Cost	288623	269346
	Interest Cost	-	79441
	Expected return on plan assets	-	-
	Net Actuarial (gain)/loss	18820	(749293)
	Net Cost/(gain)	307443	(400506)
<b>(V)</b>	<b>Actuarial Assumptions</b>		
	Mortality Table (LIC)	1994-96	1994-96
	(Ultimate)	(Ultimate)	
	Discount rate(per annum)	8%	8%
	Expected rate of return on plan assets(per annum)	-	-
	Rate of escalation in salary(per annum)	8%	6.50%

37. The Company has considered manufacturing of various grade of PCB as Single Segment and hence Primary Segment Disclosure is not applicable. With respect to second geographical segment management has view that there is no material risk is attached with geographical operation of the Company and hence considered as single segment.
38. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. This being the first year of consolidation previous year figures are not comparable.
39. Balances in respect of trade receivables, loans and advances and trade payables are subject to confirmation from the respective parties and reconciliation, if any.
40. In the opinion of the management, the Current Assets, Loans and advances are realizable at the values stated in the consolidated financial statements in the ordinary course of business and adequate provision for all known liabilities has been made in the accounts.

As per our Report of even date

**For C.R.Sharedalal & Co.**

**Chartered Accountants**

Firm Registration No. 109943w

**(C.R. Sharedalal)**

**Partner**

Membership No.002571

Place : Ahmedabad

Date : 25th May, 2013

**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

**(Paresh N. Vasani)**

*Director*

Place : Gandhinagar

Date : 25th May, 2013

**(Jayesh H. Shah)**

*Director*



## CIRCUIT SYSTEMS (INDIA) LIMITED

### Statement under section 212 of Companies Act, 1956 relating to subsidiary Companies

Particulars	PCB Power (India) Limited
Date from which they became subsidiary	10-Jun-12
Financial year of the subsidiary ended on	31-Mar-13
Shares of the subsidiary held by Circuit Systems (India) Limited on the above dates	
1. Number of shares Rs. 10 Each	86,020/-
2. Face value	100%
3. Extent of holding	
Net aggregate Profit/ (Loss) for the current year (in Rs.)	Rs. 28,98,282/-(Loss)
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company :	
1. for the financial year of the subsidiary	Nil
2. for the previous financial years of the subsidiary since it became its subsidiary	Nil
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is not dealt with in the accounts of holding company :	
1. for the financial year of the subsidiary	Nil
2. for the previous financial years of the subsidiary since it became its subsidiary	Nil

### Financial details of Subsidiary Companies

Particulars	PCB Power (India) Limited
Current Assets, Loans & Advances)Including Long Term Loans & Advances	1,974,241/-
Net Fixed Assets	13,395,703/-
Investment	Nil
Profit & Loss Account	Nil
Miscellaneous Expenditure	Nil
<b>Total Assets</b>	15,369,944/-
Current Liabilities & Provisions	406,185/-
Capital	860,200/-
Loans	Nil
Reserve & Surplus	13,356,690/-
Deferred Tax Liability	746,869/-
<b>Total Liabilities</b>	15,369,944/-
Turnover (Including other income)	15,860,862/-
Provision for Tax	41,519/-
Profit /(Loss) after Tax	(2,898,282/-)
Proposed Dividend	Nil

For, Circuit Systems (India) Limited

Date : 25 May 2013  
Place : Gandhinagar

Paresh Vasani  
Managing Director

Jayesh Shah  
Director



**CIRCUIT SYSTEMS (INDIA) LIMITED**

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

**EMAIL ADDRESS REGISTRATION FORM**

(For members who holds shares in Physical Form)

Ledger Folio No. : \_\_\_\_\_

No. of Share(s) held : \_\_\_\_\_

**NAME OF THE SHAREHOLDER/ JOINT HOLDER:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email Address : 1. \_\_\_\_\_ 2. \_\_\_\_\_

Contact No. : (R) \_\_\_\_\_ (M) \_\_\_\_\_

I hereby give my/our consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Signature of the shareholder(s)

**Note:**

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Cameo Corporate Services Limited.
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.

**CIRCUIT SYSTEMS (INDIA) LIMITED**



**CIRCUIT SYSTEMS (INDIA) LIMITED**

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

**ATTENDANCE SLIP**

**EIGHTEENTH ANNUAL GENERAL MEETING: Wednesday, 24<sup>th</sup> July, 2013 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 18th Annual General Meeting of the Company which will be held at B-24, GIDC Electronics Estate, Sector – 25, Gandhinagar – 382044 – on Wednesday, the 24<sup>th</sup> day of July, 2013 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**

**EIGHTEENTH ANNUAL GENERAL MEETING: Wednesday, 24<sup>th</sup> July, 2013 at 4.00 p.m.**

I/We \_\_\_\_\_ of \_\_\_\_\_

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

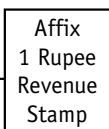
Of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of

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

our behalf at the 18th Annual General Meeting of the Company to be held on 24<sup>th</sup> July, 2013 at 4.00 p.m. and any

adjournment thereof.

Signature(s) \_\_\_\_\_



Date : \_\_\_\_\_

LF No./DP No. : \_\_\_\_\_

Client ID : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

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

**BOOK-POST**

*If undelivered, please return to :*



**CIRCUIT SYSTEMS (INDIA) LIMITED**

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

Ganapati (079) 26568111



25 July 2013

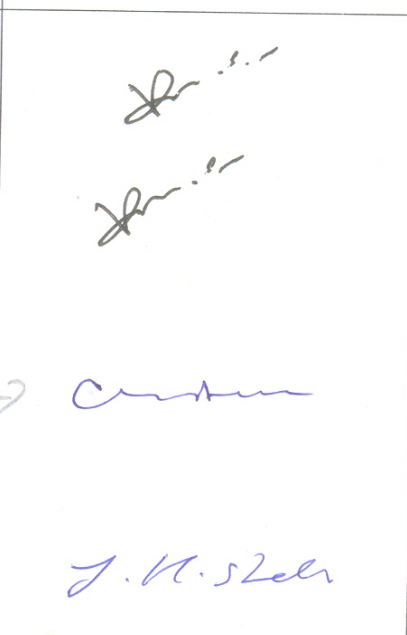
The Dept. of Corporate Services,  
Bombay Stock Exchange Ltd.  
Floor – 25, PJ Towers,  
Dalal Street,  
Mumbai – 400 001  
Scrip Code: 532913

**Sub : Submission of Form A and Form B**

As per Listing Agreement we are herewith attaching form A and Form B for your record.

**FORM A**

Covering letter of the Annual Audit Report to be filed with the Stock exchange

1.	Name of Company	Circuit Systems(India) Limited
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	N.A
5.	To be signed by <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the Company</li> <li>• Audit committee Chairman</li> </ul>	

**FACTORY :**  
B-24, GIDC, Electronics Estate,  
Sector-25, Gandhinagar-382044,  
Gujarat, India.

**OFFICE :**  
Block-A /1001/1002, 10th Floor,  
Titanium Square, Thaltej Cross Road,  
Thaltej, Ahmedabad-380054, Gujarat, India.

**Phone :** +91-79-2328 7086 /87  
**Fax :** +91-79-2328 7089  
**Email :** sales@mycsil.com  
sales@pcbpower.com

## FORM B

Covering letter of the Annual Audit Report to be filed with the Stock exchange

1.	Name of Company	N.A.
2.	Annual Financial statements for the year ended	N.A.
3.	Type of Audit Observation	N.A.
4.	Frequency of observation	N.A.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director report:	N.A.
6.	Additional comments from the board/audit committee chair:	N.A.
7.	To be signed by <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the Company</li> <li>• Audit committee Chairman</li> </ul>	N.A.

### FACTORY :

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

### OFFICE :

Block-A /1001/1002, 10th Floor,  
Titanium Square, Thaltej Cross Road,  
Thaltej, Ahmedabad-380054, Gujarat, India.

Phone : +91-79-2328 7086 / 87

Fax : +91-79-2328 7089

Email : sales@mycsil.com,  
sales@pcbpower.com