

15 July 2014

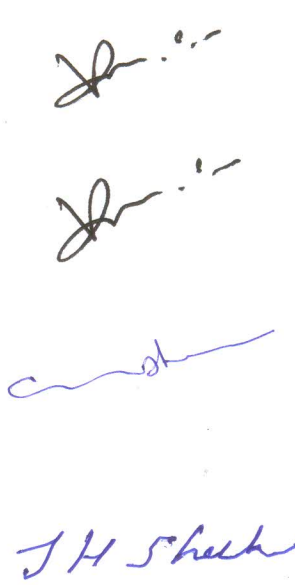
The Dept. of Corporate Services,
Bombay Stock Exchange Ltd.
Floor – 25, PJ Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 532913

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 st March 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	N.A
5.	To be signed by <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit committee Chairman	

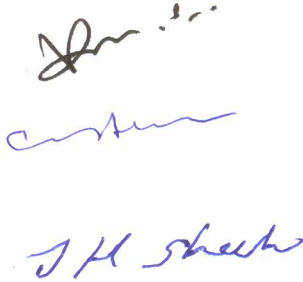
FACTORY :
B-24, GIDC, Electronics Estate,
Sector-25, Gandhinagar-382044,
Gujarat, India.

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">• CEO/Managing Director• CFO• Auditor of the Company• Audit committee Chairman	N.A. 

Kindly acknowledge the receipt.

Yours Faithfully,
For Circuit Systems (India) Ltd.



Amrita Chandwani
CS & Compliance Officer

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

OFFICE :
Block-A /1001/1002, 10th Floor,
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sales@pcbpower.com

ANNUAL REPORT
2013 - 2014



Circuit Systems (India) Limited

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

Mr. Paresh Vasani	Managing Director
Mr. Ambalal Patel	Independent Director
Mr. Jayesh Shah	Independent Director
Mr. Chetan Panchal	Independent Director

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

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

Bankers :

Corporation Bank

Regd. Office :

A-1001/1002, Titanium Square,
Thaltej Cross Road, S G Highway,
Ahmedabad – 380 054

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**

<u>Contents</u>	<u>Page No.</u>
Notice	01-04
Director’s Report	05-07
Management Discussion and Analysis	08-09
Corporate Governance Report	10-22
Auditor’s Report	23-25
Balance Sheet	26
Statement of Profit and Loss	27
Cash flow Statement	28-29
Notes to Financial Statement	30-46
Consolidated Financial Statement	47-68
Statement under Section 212	69
E-mail Address Registration Form	70

**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., A-1001/1002, Titanium Square, Thaltej Cross Road, S G Highway, Ahmedabad – 380 054 on **14th Day of July, 2014** on Monday at 03.30 p.m. to transact the following business.

Ordinary Businesses:-

1. To receive, consider and adopt the Audited Balance sheet as at **31st March, 2014**, 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 Baheti Bhadada and Associates, 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.

SPECIAL BUSINESS:

3. To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 2013, the consent of shareholders is herewith accorded to re-appointment of Mr. Paresh Vasani as Managing Director of the Company with effect from 1st February 2014 for a period of 5 years, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration") upon the term and conditions as detailed as under and on the other terms and conditions as contained in the agreement, to be entered into between the Company and Mr. Paresh N. Vasani, entered on 1 February 2014, provides as under :

- I. The appointment shall be for a period of 5 years with effect from 1st February, 2014 to 31st January 2019.
- II. The Managing Director shall be entitled to the following remuneration including salary and the perquisites:

- a. Salary:

Rs.30,00,000/- per annual i.e Rs. 2,50,000 per month, effective from 1st February, 2014. For period less than a year, limit shall be pro-rated.

- b. Perquisites:

In addition to above salary, managing director is entitled to following perquisites.

- c. Leave Travel Concession

Return passage for self and family, in accordance with rules made by the company on this behalf, subject to changes from time to time.

- d. Medical Reimbursement

Reimbursement of medical expenses or free medical services at the cost of company, for self or family members, either in India or any hospital abroad, as per the policy of the company.

- e. Use of Car, telephone, Club facility and other facilities

The company may provide facility of car, telephone, club or any other facility to managing director of the company for its business or personal use, from time to time, as per the policy of company.

Provided that total managerial remuneration including above perquisites shall not exceed limit prescribed under Section I of Part II of Schedule XIII to the Companies Act, 1956, or (as replaced by) Section I of Schedule V of Companies Act, 2013, as amended from time to time.



f. Contribution to Provident Fund, Superannuation Fund or Annuity Fund:

The contribution to Provident Fund, Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on remuneration to the extent these singly or put together are not taxable under the Income Tax Act, 1961 or any other enactment for taxation of income thereafter.

g. Gratuity:

Gratuity payable shall not exceed half month's salary for each year of completed service subject to a ceiling of Rs.10,00,000/- as per the Payment of Gratuity Act, 1972 or as amended from time to time.

h. Leave Encashment

The Managing Directors shall be entitled to one-month leave for every completed year of service. Leave not availed for will be allowed to be encashed, as per policy of the company.

i. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, the remuneration to the Managing Director shall be as per the provisions contained in Para 2 of Section II of Part II of Schedule XIII to the Companies Act, 1956 as may be replaced by Section II of Part II of Schedule V of Companies Act, 2013.

RESOLVED FURTHER THAT, notwithstanding anything herein above stated where in any financial year closing on or after March 31, 2014, during tenure of Mr. Paresh Vasani as Managing Director of the company, the company incurs loss or have inadequate profit for payment of above remuneration, the company shall pay the above remuneration as minimum remuneration but not exceeding limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limit as may be prescribed by central office from time to time as minimum remuneration.

RESOLVED FURTHER THAT, the Board is hereby authorized to alter and vary terms and conditions of appointment and/or remuneration subject to remuneration not exceeding limit specified under Section 197, read with Schedule V of Companies Act, 2013.

4. To consider and if thought fit to pass with or without modification, the following resolution as ordinary Resolution

"RESOLVED THAT, subject to provisions of Section 149 and other applicable provisions of Companies Act, 2013 including rules made there under including any notifications, circular or pronouncement made under said provisions, and subject to clause 49 of listing agreement including any pronouncement made by SEBI, the Board is hereby authorized to fill vacancy caused by retirement of Mr. Ambalal C Patel, Director, who retires by rotation and does not seek re-appointment. The said vacancy shall be filled within period of three months from passing this resolution and shall be subject to confirmation at general meeting of the company.

By the Order of Board of Directors

Place : Ahmedabad
Date : 3 June 2014

(Paresh N. Vasani)
Managing Director

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. During the period beginning 24 hours before the time fixed for the commencement of meeting and ending with conclusion of this meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company provided that not less than three days of notice in writings has been given to the company.



CIRCUIT SYSTEMS (INDIA) LIMITED

3. 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.
4. 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. Further, Companies (Management and Administration) Rules 2014 has empowered company to send notice and annual reports through electronic mode. Keeping in view the underlying theme and to support this green initiative of Government in right spirit, company has decided to send notice and annual report to all members in electronic mode to all members whose e-mail id is registered with company or depository participant unless any member has specifically requested for hard copy of Annual Report. The members 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 in case where they are holding shares in electronic forms. Other members are required to register their e-mail address with company in the form attached herewith either by post or e-mail. The said form is also available on the Company’s website www.mycsil.com
5. 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.
6. 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.
7. 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.
8. The register of members will remain closer from Monday, 7 July 2014 to Friday, 11 July 2014 (Both Days inclusive) for reckoning voting rights at ensuing Annual General Meeting.
10. 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.
11. Additional information in pursuant to clause 49 of the Listing Agreement with stock exchange in respect of directors seeking appointment or reappointment at the AGM is furnished and forms part of this notice. The Directors have furnished requisite consent for their appointment or re-appointment.
12. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic mode are requested to update their PAN to their Deposit Participant. Members holding shares in Physical mode shall send copy of their PAN to R & T Agent of the company.
13. All documents referred to in the notice shall be available for inspection at Company’s registered officer during 12 noon to 4 pm hours on working days up to the date of AGM. Members are requested to serve minimum 48 hours notice to inspect the same.

**EXPLANATORY STATEMENT
(Pursuant to Section 102(1) of the Companies Act, 2013)****Item No.3**

Mr. Paresh Vasani is Promoter of this company and working as director since 1995. He has completed his B.E. in Electronics and Communications from Gujarat University. He has completed M.S. in computer science from the University of Texas at Austin, USA. He has also served as Senior Design Engineer at Intel Corporation USA. He has been serving as Managing Director of the company since 1997. He has been over 33 years experience in various capacities in Printed Circuit Boards industry. He has been past president of Printed Circuit Board Association.

His term had been expiring on 31 January 2014. His re-appointment has been recommended by Remuneration committee in its meeting held on 23 January 2014. On the basis of these recommendations and acknowledging contributions of Mr. Paresh Vasani in the growth of Company, the Board has approved his re-appointment managing director from 1 February 2014 to 31 January 2019 subject to approval by members. The terms of his appointment has already specified in proposed resolution no 4. The company has executed formal agreement in writing with Mr. Paresh Vasani codifying his terms of appointment. Copy of this agreement will be open for inspection during annual general meeting of the company.

No other director, key managerial person or their relatives except Mr. Paresh Vasani is interested in this resolution.

Item 4

Mr. A C Patel is working as independent director of the company since 2005. He has completed his term of five years as independent director of the company. He has expressed his desire to retire at ensuing AGM. The Board considers need to fill vacancy cause by Mr. A C Patel at the earliest. The Board requires consent of the members for the same.

No other director except Mr. A C Patel is interested in this resolution.

By the Order of Board of Directors

Place : Ahmedabad
Date : 3 June 2014

(Paresh N. Vasani)
Managing Director

ANNEXURE TO THE NOTICE

NOTES ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 18TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF LISTING AGGEMENT ENTERED INTO WITH STOCK EXCHANGES.

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

Name of Director	Mr. Paresh Vasani
Date of Birth	6 th July 1967
Date of Appointment	8 February 1995
Qualification	M.S. in Computer Science
Expertise in Specific Functional Area	He has worked as Senior Design Engineer at intel Corporation, USA. He has served as president of Printed Circuit Board Association. He has rich experience in Printed Circuit business since last 20 years
Directorship in Other Companies (Excluding Private & Foreign Companies)	1. PCB Planet (India) Limited 2. Eurocircuits India Limited
Membership/Chairmanship of Committee (includes only Audit Committee & Investor Grievances Committee)	Nil
Shareholding as on March 14	98,93,180 Equity Shares



DIRECTORS' REPORT

To,
The Members,
Circuit Systems (India) Ltd.,
Your Directors have pleasure in presenting herewith the 18th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2014.

• **Financial Results:** (Rs. In Lacs)

Particulars	2013-14	2012-13
Income from Operation (Net of Excise)	2477.49	2611.02
Other Income	35.24	26.33
Profit before Interest, Depreciation and Tax	288.79	241.16
Less: Interest and Financial Charges	(92.49)	(144.01)
Less : Depreciation	(155.67)	(144.95)
Profit from operations	40.62	(46.66)
Exceptional Items	0.00	(406.50)
Profit for the year before tax	40.62	(453.16)
Add/(Less) : Provision for taxation	(9.55)	1.01
Profit for the year after Tax	31.07	(452.15)

• **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.

Even though, the company has moderate profit in the current year, your directors consider need of funds in future for capital expansion. Therefore, your directors do not recommend any dividend during the year under consideration.

• **BUSINESS SCENARIO:**

In recent years, the company has adopted a strategy to focus on small and medium volume segment. Due to this, there is marginal 5% fall of sales during current financial year. Your directors believe that with the help of ongoing operational improvement and cost reduction, company will consolidate its position in near future.

• **BUY BACK**

During the year, the company has bought back 18,30,984 equity shares at Rs. 8 per share having face value of Rs. 10 each. Buy back was authorized by Board of Directors in its meeting dated 23 October 2013 and completed on 31 December 2013. The Company has transferred Rs. 1,83,09,840 as Capital Redemption Reserve and Rs. 36,61,968 to capital reserve during current financial year.

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. Ambalal C. Patel, 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 retires at the ensuing Annual General Meeting. They have not opted for re-appointment.

Members are requested to appoint M/s Baheti Bhadada and Associates, Chartered Accountants as statutory auditor of the company from current annual general meeting till end of next annual general 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 31st March, 2014 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2014 and of the profit of the Company for the year ending on that date;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

- **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	2013-14	2012-13
1. Foreign Exchange Earned During the year :		
Exports	11686999	21008707
2. Foreign Exchange Outgo :		
Exhibition Expense	-	114551
Repairs and Maintenance – Machinery	512101	44040
Interest on Buyer’s Credit	103221	621945
Travelling Expense	764149	1414475
Sales Commission – Export	23928	569388
Foreign Bank charges	62097	64551
Imports (CIF)	87962803	115937539

- 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 2013-14. The Company will obtain cost audit report in due course.

- 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 : Ahmedabad
Date : 3 June 2014

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



CIRCUIT SYSTEMS (INDIA) LIMITED

Financial Risk:

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

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

Results of Operations for the year 2013-14:

The Company has earned revenues of Rs. **2477.49 Lacs** in 2013-14 as compared to Rs. 2611.02 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 27 of the Notes to the financial statement.

Internal Control:

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

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

Industrial Relations and Human Resource Management:

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

FOR AND ON BEHALF OF THE BOARD,

Place : Ahmedabad
Date : 3 June 2014

Paresh Vasani
Managing Director

Jayesh Shah
Director



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 lead on growth of overall business and penetrating true business opportunities at all levels.
- The details of attendance of each director at the last Annual General Meeting and details of number of other directorship and chairmanship/Membership of Board/Committee of each Director are as under:

Name of Director	Category & Designation	Attendance at the Last AGM	No. of Board Meetings attended	Directorships in other Indian Public Companies as at 31-03-2014 ¹	No. of Board/Committee ² membership as at 31 st March, 2014 (Other than Circuit Systems (India) Ltd.	
					Chairman	Member
Mr. Paresh N. Vasani	Promoter, Executive & Managing Director	Yes	5	2	Nil	Nil
Mr. Ambalal C. Patel	Non Executive & Independent Director	No	5	10	2	2
Mr. Jayesh H. Shah	Non Executive & Independent Director	Yes	6	3	Nil	Nil
Mr. Chetanbhai Panchal	Non Executive & Independent Director	No	5	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.


ii. Disclosure of Relationship between directors inter se

Name of Directors	Relationship with other Directors
Mr. Paresh N Vasani	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Ambalal C Patel	Not, in any way, concerned/ interested/ related with any of the other Directors 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, Six Board meetings were held, details of which are given in the table below:

Date of Board Meeting	25/05/13	10/08/13	23/10/13	30/12/13	09/01/14	23/01/14
No. of Directors present	4	3	4	3	4	3
Board Strength	4	4	4	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***(i) Brief Description of Terms of Reference :*

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

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.

(ii) Composition of Audit Committee:

Out of Audit Committee members, two are Independent - Non-executive Directors. The quorum for the Audit Committee Meeting is two members personally present. Mr. Jayesh Shah is the chairman of the Committee. He is having graduation in commerce and Diploma in Taxation Practice. He is having experience of about 22 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 28th July, 2008 than again reconstituted on 8th 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

(iii) 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	25/05/13	10/08/13	23/10/13	23/01/014
1.	Mr. Jayesh H Shah	Chairman	Yes	Yes	Yes	Yes
2.	Mr. Chetan J Panchal	Member	Yes	Yes	Yes	No
3.	Mr. Paresh N Vasani	Member	Yes	Yes	Yes	Yes

(iv) Internal Audit & Control

M/s Baheti Bhadada & Associates, Chartered Accountants were the internal Auditor of the company during the year. 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.

The Board is in the process of appointing new internal auditor

• **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.

(iii) *Composition of the Investors’ Grievance Committee*

The Shareholders Grievance Committee was constituted by the Board of Directors on 5th December 2005, 3rd December 2011, 8 February 2012 and reconstituted on 22nd December 2012. 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	Mr. Ambalal C Patel	Member	Non Executive Director

(iv) *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	25/05/13	10/08/13	23/10/13	23/01/13
1.	Mr. Chetan J Panchal	Chairman	Yes	Yes	Yes	Yes
2.	Mr. Jayesh H Shah	Member	Yes	Yes	Yes	Yes
4.	Mr. Ambalal C Patel	Member	Yes	No	Yes	No

*(v) 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 Mr. Paresh N. Vasani, Compliance Officer 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 Mr. Paresh Vasani 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 Mr. Paresh N. Vasani
 Managing Director
 Circuit Systems (India) Limited,
 A-1001/1002, Titanium Square,
 Thaltej Corss Road, S G High Way,
 Ahmedabad – 380 054.
 Mail : 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

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
6.	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 5th December, 2005, reconstituted on 28th July, 2008, on 3rd 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, two Remuneration committee meetings were held. The attendance of the meetings is as under:

No	Name of the Members	Designation	25/05/2013	23/01/2014
1.	Mr. Ambalal C. Patel	Chairman	Yes	Yes
2.	Mr. Chetankumar Panchal	Member	Yes	No
3.	Mr. Jayesh H. Shah	Member	Yes	Yes

(v) Remuneration paid to all directors during year:

The Remuneration Committee of the Directors is authorized to decide the remuneration of the Managing Director 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 01/04/2013 to 31/03/2014, 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	3,600,000	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 2014. He shall not be liable to retire by rotation during his tenure.
Remuneration	Subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 1956 as amended by Companies Act, 2013, 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 31st March, 2014.

Sr. No.	Name of the Non-Executive Directors	Sitting Fees Paid
1	Mr. Ambalal C. Patel	25,000/-
2	Mr. Jayesh H. Shah	30,000/-
3	Mr. Chetan J Panchal	25,000/-

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 31st March, 2014 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, 2014. The Company has not granted any stock options to any director.

• **GENERAL BODY MEETINGS:**

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

AGM	Date	Time	Venue	No. of special resolutions approved
2012-13	24 th July, 2013	04.00 pm	B-24, GIDC Electronic Estate, Sector – 25, Gandhinagar	1
2011-12	29 th September, 2012	04.00 p.m.	B-24, GIDC Electronic Estate, Sector – 25, Gandhinagar	Nil
2010-11	29 th September, 2011	04.00 pm	B-24, GIDC Electronic Estate, Sector – 25, Gandhinagar	Nil



CIRCUIT SYSTEMS (INDIA) LIMITED

(ii) *Special Resolutions passed at Last Annual General Meetings*

One special resolution was passed in 18th Annual General Meetings for transferring registered office of the company 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.

(iii) *Postal Ballot Resolution*

During the year ended March 31, 2014, the Company has not conducted any postal ballot.

(vi) *Extra-Ordinary General Meeting*

No Extra ordinary general meeting was held during financial year 2013-14.

(vii) *Buy back of shares*

During the year, the company has bought back 18, 30,984 equity shares having face value of Rs. 10 at buy back price of Rs. 8. The Buy Back was authorized by Board of directors and completed on 31 December 2013.

• 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 2013-14. Transactions with the related parties are disclosed in Note No 28 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 31st March 2014 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, 2014.

• 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 web-site 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 COMPLAINTS**

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) *Nineteenth Annual General Meeting*

Date & Time 14 July 2014 on Monday at 3.30 pm

Venue A-1001/1002, titanium Square, Thaltej Cross Road, S G highway, Ahmedabad-380 054.

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 2014-15*

Financial Year	1 st April, 2014 to 31 st March, 2015
Unaudited Results for the First quarter ending 30 th June, 2014	On or before 15 th August 2014
Unaudited Results for the second quarter ending 30 th September 2014	On or before 15 th November 2014
Unaudited Results for the third quarter ending 31 st December, 2014	On or before 15 th February 2015
Audited Results for the year ending 31 st March, 2015	On or before 30 th May 2015
Annual General Meeting	On or before 30 th September, 2015

(iv) *Date of book Closure*

The Register of members will remain closer from Monday, 7 July 2013 to Friday, 11 July 2013 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
April, 2013	5.74	4.69	2,271
May, 2013	5.25	4.57	5,102
June, 2013	5.04	4.46	1,777
July, 2013	4.45	4.02	367
August, 2013	4.01	3.81	2,783
September, 2013	4.15	3.60	7,733
October, 2013	5.26	3.90	17,255
November, 2013	8.25	5.48	10,239
December, 2013	8.80	7.15	17,368
January, 2014	8.31	6.76	13,262
February, 2014	8.59	6.02	13,715
March, 2014	9.73	7.06	27,254

(viii) Distribution Schedule as on 31 March 2014

RANGE OF EQUITY SHARES	SHARE HOLDERS		TOTAL NO OF SHARES	
	NUMBERS	% OF TOTAL	NUMBERS	% OF TOTAL
Between 1 and 5000	3794	84.42	738174	5.32
Between 5001 and 10000	491	10.93	326522	2.36
Between 10001 and 20000	120	2.67	178383	1.29
Between 20001 and 30000	42	0.94	107082	0.77
Between 30001 and 40000	13	0.29	44885	0.32
Between 40001 and 50000	8	0.18	37192	0.27
Between 50001 and 100000	11	0.24	74989	0.54
Above 100000	15	0.33	12361789	89.13
TOTAL	4,494	10.00	13,869,016	100.00

*(ix) Shareholding Pattern as on 31st March, 2014*

Category	Total Shares	% to Equity
Promoters	9,893,180	71.33
Directors and their Relatives	NIL	NIL
Corporate Bodies	2,311,815	16.68
NRIs/Foreign Nationals, Foreign Corporate Bodies	39,358	0.28
Indian Public	1,514,285	10.92
Clearing Members	1,065	0.00
Hindu Undivided Families	109,313	0.79
GRAND TOTAL	13,869,016	100.00

(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 31st March '14:

Particulars	No. of shares	% of total Capital	No. of Shareholder
National Securities Depository Ltd.	13335922	96.16	3,102
Central Depository Services(India)Ltd.	532762	3.84	1,387
TOTAL DEMATERIALISED	13868664	100.00	4,489
Physical	332	0.00	5
GRAND TOTAL	13,869,016	100.00	4,494

(xi) Company has not issued any ADR/GDR/FCCBs/QIPs during financial year ended 31st March, 2014.

(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 Managing Director Mr Paresh N. Vasani who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Shareholders' & Investors' Grievance Committee.



CIRCUIT SYSTEMS (INDIA) LIMITED

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.	Mr. Paresh N. Vasani, Managing Director Circuit Systems (India) Limited A-1001/1002, Titanium Square, Thaltej Cross Road, S G Highway, Ahmedabad – 380 054. Email – cs@mycsil.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 : 3 June 2014
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 31st March, 2014, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

Dated : 3 June 2014
Place : Ahmedabad

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 31.03.2014 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.

(Mr. Paresh Vasani)

Managing Director

Place : Gandhinagar

Date : 3 June 2014

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 2014, 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, 2014, 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

C.P. No. 7390

Place : Jaipur

Date : May 25, 2013

**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 31st March, 2014 and the Statement of Profit and Loss and the 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 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 : 15th May, 2014

**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) The fixed assets disposed of during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected to 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. 37,00,000/- (P.Y. Rs. 32,51,896/-) and the year-end balance is NIL (P.Y. 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. 3,66,81,084/- (P.Y. Rs. 5,31,96,325/-) and the year-end balance is NIL (P.Y. 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



CIRCUIT SYSTEMS (INDIA) LIMITED

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 31st March 2014 for a period of more than six months from the date they became payable.

- (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 31st March 2014:

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	1,72,284	F. Y. 2004-05	Deputy Commissioner of Commercial Tax (Appeal)
Income Tax Act	Demand for income tax & Interest thereon	29,84,020	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 and has not incurred cash losses in the current financial year. Company has incurred cash losses in the immediately preceding financial year.
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. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
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 : 15th May, 2014



BALANCE SHEET AS AT 31-03-2014

(Amount in Rs.)

	Note No.	As at 31-03-2014	As at 31-03-2013
EQUITY & LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	138690160	157000000
Reserves & surplus	3	203398220	196530492
		342088380	353530492
NON-CURRENT LIABILITIES			
Long-term borrowings	4	397082	-
Deferred tax liabilities (Net)	5	30441749	30340143
Long-term provisions	6	748448	903635
		31587279	31243778
CURRENT LIABILITIES			
Short-term borrowings	7	17292319	65964811
Trade payables	8	28907938	17272640
Other current liabilities	9	3065784	5224561
Short-term provisions	10	4261801	2825279
		53527842	91287291
		427203501	476061561
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible assets	11	187670252	180452629
Intangible assets		2345449	2872573
Capital work-in-progress		-	13813723
Non-current investments	12	64224872	64724872
Long-term loans & advances	13	3491457	13407493
Other non-current assets	14	812318	203445
		258544348	275474735
CURRENT ASSETS			
Inventories	15	84794287	75468065
Trade receivables	16	64039229	69484642
Cash and bank balances	17	3104855	9246488
Short-term loans and advances	18	16661566	46109175
Other current assets	19	59216	278456
		168659153	200586826
		427203501	476061561

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 : 15th May, 2014**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

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

Place : Ahmedabad

Date : 15th May, 2014



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-03-2014

(Amount in Rs.)

	Note No.	Year Ended 31-03-2014	Year Ended 31-03-2013
INCOME			
Revenue from operations(Gross)	20	272263805	285354191
Less : Excise duty		24515121	24251790
Revenue from operations(Net)		247748684	261102401
Other Income	21	3534268	2517778
Total Revenue		251282952	263620179
EXPENSES			
Cost of materials consumed	22	126891534	129510293
Changes in inventories of work-in-progress	23	3386341	(1879719)
Employees benefit expenses	24	23794803	22488395
Finance costs	25	9249296	14401605
Depreciation and amortization expenses	26	15567527	14495342
Other expenses	27	66887376	89384791
Total Expenses		245776877	268400708
Profit/(Loss) before exceptional items and tax		5506075	(4780529)
Exceptional items	34	1443709	-
Profit/(Loss) before tax		4062366	(4780529)
Tax Expenses			
Current Income Tax		1425000	-
Less: MAT Credit Entitlement		670000	-
Net Current tax		755000	-
(Excess)/Short provision of income tax for earlier years		-	(114972)
Deferred Tax		101606	(100615)
Profit (Loss) for the period from continuing operations		3205760	(4564942)
Profit (Loss) before tax from discontinuing operations		-	(40650157)
Tax Expense of discontinuing operations		-	-
Profit (Loss) after tax from discontinuing operations		-	(40650157)
Profit (Loss) for the period		3205760	(45215099)
Earning per equity share			
(a) Basic		0.21	(2.88)
(b) Diluted		0.21	(2.88)
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 : 15th May, 2014

For and on behalf of the Board of Directors

Circuit Systems (India) Limited.

(Paresh N. Vasani)

Director

(Jayesh H. Shah)

Director

Place : Ahmedabad

Date : 15th May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2014**

(Amount in Rs.)

	Year Ended 31-03-2014	Year Ended 31-03-2013
A Cash Flow from Operating Activities		
Net profit before taxation:	4062366	(45430686)
Adjustment for :		
Depreciation and amortization	15567527	14495342
Preliminary expenses written off	-	89569
Sundry credit/debit balance written off	870170	(9931789)
Sales tax deferrment loan written back	-	(5262929)
Unrealized foreign exchange loss/(gain)	(23289)	(331145)
Interest Income	(3534268)	(2517778)
(Gain)/Loss on sale of fixed assets	(282851)	460489
Loss from discontinuing operations	-	40650157
Loan processing, guarantee & bank Charges	1398164	2768371
Interest expense	7851132	11633234
Buy-back of equity shares expenses	1443709	-
Bad debts	2350847	22235861
Operating profit before working capital changes	29703507	28858696
Adjustment for:		
Changes in inventories	(9326221)	(9696276)
Trade receivables	3094566	838287
Long-term and short-term loans & advances and other current and non-current assets	23576248	(6542843)
Trade payables, short & long-term provisions, other current & long-term liabilities	13079474	(12684308)
Cash generated from continuing operations	60127573	773557
Direct Taxes paid	(1201078)	(347617)
Net cash from operating activities (A)	58926495	425940
B Cash flow from investing activities		
Purchase of fixed assets	(8872454)	(13494886)
Proceeds from sale of fixed assets	711000	435000
Proceeds from discontinuing operations	-	15000000
Investment in equity shares	-	(44988460)
Movement in loans and advances	16500000	(16500000)
Proceeds from sale of investment in equity shares	-	10500000
Proceeds from sale of long-term investments	500000	-
Interest received	3753508	2339598
Net cash used in investing activities (B)	12592054	88291252



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2014

(Amount in Rs.)

	Year Ended 31-03-2014	Year Ended 31-03-2013
C Cash flow from financing activities		
Buy-back of equity shares	(14647872)	-
Buy-back of equity shares expenses	(1443709)	-
Loan processing, guarantee & bank Charges	(1398164)	(2768371)
Interest paid	(7945362)	(11755059)
Increase/(decrease) in short-term borrowings	(48672492)	13907789
Unrealized foreign exchange loss/(gain)	-	331145
Net Proceeds/(Repayment) of long-term borrowings	615584	(87782979)
Net cash from financing activities (C)	(73,492,016)	(88067475)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1973466)	649716
Cash and cash equivalents at the beginning of the year	3479702	2829986
Cash and cash equivalents at the end of the year	1506236	3479702

Notes :

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

	As at 31-03-2014	As at 31-03-2013
Cash on hand	523657	1415765
Bank balance with scheduled bank	1005868	2063937
Effect of exchange rate changes	(23289)	-
	1506236	3479702

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 : 15th May, 2014

For and on behalf of the Board of Directors

Circuit Systems (India) Limited.

(Paresh N. Vasani)

Director

Place : Ahmedabad

Date : 15th May, 2014

(Jayesh H. Shah)

Director

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014****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, the relevant provisions of the Companies Act 1956 to the extent applicable and the provisions of the Companies Act, 2013 to the extent notified.

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. Premium or discount on forward contracts for hedging foreign currency transactions are amortized and recognized in the statement of profit and loss over the period of the contract.

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 31-03-2014	As at 31-03-2013
Authorised Shares 16000000(31-03-2013:16000000) Equity shares of Rs.10/- each.	160000000	160000000
Issued, Subscribed and fully paid-up 13869016(31-03-2013:15700000) Equity shares of Rs. 10/- each.	138690160	157000000
	138690160	157000000

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

	As at 31-03-2014	As at 31-03-2013
Equity share		
At the beginning of the period	157000000	157000000
Issued during the period	-	-
Bought back during the year (Refer Note No. 2.4)	1830984	-
Outstanding at the end of the period	13869016	157000000

2.2 Terms/right attached to equity share

The company has only one 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 31-03-2014		As at 31-03-2013	
	%	No. of Shares	%	No. of Shares
Mr. Paresh N. Vasani	71.33	9893180	69.06	10843180
Europrint N.V	16.22	2250000	14.33	2250000

2.4 Buy-back of equity shares:

As per the approval by way of resolution passed in the meeting of the Board of Directors of the Company on 23rd October, 2013 in accordance with the provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended), the Company offered to buy-back its equity shares of face value of Rs. 10/- each, to the extent of less than 10% of the paid-up equity share capital and free reserves of the Company, upto a maximum amount of Rs. 1,50,00,000/- at a maximum price of Rs. 8/- per share from open market. Pursuant to this, the Company has, during the year ended 31st March, 2014 bought-back 18,30,984 equity share at price of Rs. 8/- per equity share, utilizing a sum of Rs. 1,46,47,872 (excluding other expenses). On account of buy-back of shares, the Company has created :(a) Capital Redemption Reserve of Rs. 1,83,09,840/- towards the face value of 18,30,984 shares of Rs. 10/- each by way of appropriation against General Reserve and (b) Capital Reserves of Rs. 36,61,968/- towards the discount of Rs. 2/- per share. In terms of the provision of Section 77A of the Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations 1998 (as amended), the Company has completed extinguishment of 18,30,984 shares as on 31st December, 2013.

2.5 Aggregate number of shares bought back during the period of five years immediately preceding the reporting date is 1830984(31-03-2013 : Nil) equity shares.



CIRCUIT SYSTEMS (INDIA) LIMITED

3. RESERVES AND SURPLUS

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Capital Reserve		
Balance as per last financial statements	-	-
Addition during the year(Refer note no. 2.4)	3661968	-
Closing balance	3661968	-
Capital Redemption Reserve		
Balance as per last financial statements	-	-
Transfer from general reserve(Refer note no. 2.4)	18309840	-
Closing balance	18309840	-
Securities Premium Reserve		
Balance as per last financial statements	134670250	134670250
Addition during the year	-	-
Closing balance	134670250	134670250
General Reserve		
Balance as per last financial statements	19500000	19500000
Transfer to capital redemption reserve (Refer note no. 2.4)	(18309840)	-
Closing balance	1190160	19500000
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statement	42360242	87575341
Add: Profit/(Loss) for the year	3205760	(45215099)
Net surplus/(deficit) in the statement of profit and loss	45566002	42360242
Total Reserves & Surplus	203398220	196530492

4. LONG TERM BORROWINGS

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Secured		
Term Loan		
From banks	397082	-
	397082	-

Notes:

- Loan from Bank carries interest @ 10.66% p.a. The loan is repayable in 36 monthly instalments of Rs. 22805/- each along with interest, from the date of loan viz. 12-10-2013. The loan is secured by hypothecation of motor-car of the company. Current maturity of long-term borrowings is Rs. 218502 (31.03.2013: Rs. Nil)

5. DEFERRED TAX LIABILITY

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
(i) Deferred tax liability:		
Arising on account of timing difference in:		
- Depreciation	31279233	31225008
(ii) Deferred tax assets:		
Arising on account of timing difference in :		
- Disallowance of expenses	837484	884865
Net deferred tax liability	30441749	30340143

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

	As at 31-03-2014	As at 31-03-2013
Provision for leave encashment	748448	903635
	748448	903635

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

	As at 31-03-2014	As at 31-03-2013
Loans repayable on demand		
From banks(secured)		
Cash credit	17292319	52347258
Buyer's credit	-	13617553
	17292319	65964811

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 (both present and future). 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 (both present and future). 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 deposits.

8. TRADE PAYABLES (Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Trade payables (refer note below for details of dues to micro and small enterprises)	28907938	17272640
	28907938	17272640

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 31-03-2014	As at 31-03-2013
Current maturity of long term borrowings(Refer note no.4)	218502	-
Advance received from customers	1494989	3717788
Interest accrued but not due on borrowings	-	94230
Other payables		
Statutory dues	1352293	1412543
	3065784	5224561

10. SHORT TERM PROVISIONS

	As at 31-03-2014	As at 31-03-2013
Provision for employee benefits	1503176	1854728
Provision for leave encashment	53969	47696
Provision for gratuity	805618	-
Provision for expenses	1899038	922855
	4261801	2825279


11. FIXED ASSETS
(Amount in Rs.)

Sr. No.	Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 01-04-2013	Additions during the year	Sale /Transfer	As on 31-03-2014	Upto 31-03-2013	For the Year	Deletions/ Adjustments	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
	Tangible Assets										
1	Leasehold Land	3212299	-	-	3212299	-	-	-	-	3212299	3212299
2	Factory Building	39283932	-	-	39283932	12299192	1312083	-	13611275	25672657	26984740
3	Plant & Equipment	241507732	21041517	125000	262424249	99096404	12332625	36615	111392415	151031834	142411328
4	E.T.Plant	3045914	-	-	3045914	1960543	144681	-	2105224	940690	1085371
5	Furniture & Fixtures	5172717	186390	-	5359107	4030345	328145	-	4358490	1000617	1142372
6	Vehicles	1889666	1057272	403520	2543418	949638	205396	63756	1091278	1452140	940028
7	Office Equipments	1729754	190181	-	1919935	911972	87841	-	999813	920122	817782
8	Computer, Fax, Cellular	17642869	210817	-	17853686	17034256	283300	-	17317556	536129	608613
9	Electric Installation	7291196	-	-	7291195	4041099	346332	-	4387431	2903764	3250097
	Total	320776078	22686177	528520	342933735	140323449	15040404	100370	155263482	187670252	180452629
	Previous Year	(316214582)	(6544502)	(1983005)	(320776079)	(127334008)	(14076957)	(1087516)	(140323449)	(180452630)	(188880574)
	Intangible Assets										
1	Computer Software	5271233	-	-	5271233	2398660	527123	-	2925783	2345449	2872573
	Total	5271233	-	-	5271233	2398660	527123	-	2925783	2345449	2872573
	Previous Year	(4085000)	(1,186,233)	-	(5271233)	(1980275)	(418385)	-	(2398660)	(2872573)	(2104725)
	Capital work in progress (Refer note no. 35)										
1	Plant & Machinery	13813723	-	13813723	-	-	-	-	-	-	13813723
	Total	13813723	-	13813723	-	-	-	-	-	-	13813723
	Previous Year	(217899728)	(48884907)	252970912)	(13813723)	-	-	-	-	(13813723)	(217899728)
	Grand Total	339861034	22686177	14342243	348204967	142722109	15567527	100370	158189266	190015702	197138925
	Previous Year	(538199310)	(56615642)	254953917)	(339861035)	(129314283)	(14495342)	(1087516)	(142722109)	(197138926)	(408885027)


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

	As at 31-03-2014	As at 31-03-2013
Trade investments(Unquoted)(Long-term)		
In Subsidiaries		
86020 (31.03.2013: 86020) Equity shares of Rs. 10/- each fully paid up in PCB Power (India) Limited	44988460	44988460
In Others		
1920000(31.03.2013: 1920000) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Limited	19200000	19200000
Non-trade investments(Unquoted)(Long-term)		
400(31.03.2013: 400) Equity shares of Rs 25/- each fully paid up in Mehsana Urban Co-operative Bank Ltd.	10000	10000
Nil(31.03.2013 : 20000) Equity shares of Rs. 25/- each fully paid up in The Kalupur Commercial Co. Operative Bank Ltd.	-	500000
Other investments in government securities(Long-term)		
Investments in National Savings Certificate	26412	26412
	64224872	64724872
Aggregate amount of unquoted investment	64198460	64698460

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Capital advances	-	10420840
Security deposits	377400	485245
Balances with statutory authorities	2667979	2153792
Advance income tax (net of provision for taxation)	446078	347617
	3491457	13407493

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Margin money deposit(Pledged with banks)	812318	203445
	812318	203445

15. INVENTORIES
(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
(Valued at lower of cost and net realizable value)		
Raw Materials	42963178	30991903
Work-in-progress	9088952	12362170
Consumable stores & packing materials	32715453	31974165
Scraps	26704	139827
	84794287	75468065

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	20845933	22344492
Other receivables	43193296	47140150
	64039229	69484642

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

	As at 31-03-2014	As at 31-03-2013
Cash and cash equivalents		
Balance with banks		
- In current account	1005868	2063937
Cash on hand	523657	1415765
Other bank balances		
Margin money deposit(Pledged with banks)	1575330	5766786
	3104855	9246488

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Prepaid expenses	627845	352505
Loan to others	-	18126473
Staff Loan	947000	1511276
Balance with statutory authorities	9422708	17568341
Advance to Suppliers	5664013	8550580
	16661566	46109175

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Interest accrued on fixed deposits	59216	278456
	59216	278456

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

	Year ended 31-03-2014	Year ended 31-03-2013
Sale of products		
Finished goods	269709272	267668625
Other operating revenue		
Scrap sales	2343401	2044734
Export Incentives	211132	420144
Sales tax deferment loan written back	-	5262929
Jobwork income	-	25970
Sundry credit/debit balance written back	-	9931789
Revenue from operations (Gross)	272263805	285354191
Less: Excise Duty	24515121	24251790
Revenue from operations (Net)	247748684	261102401

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

	Year ended 31-03-2014	Year ended 31-03-2013
Printed Circuit Boards	269709272	267668625
	269709272	267668625

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

	Year ended 31-03-2014	Year ended 31-03-2013
Interest income		
Bank deposits	262429	696732
Others	2733910	1807192
Prior period income	-	13854
Dividend Income		
Long-term investments	68750	-
Other income	199953	-
Profit on sale of fixed assets (net)	269227	-
	3534268	2517778

**CIRCUIT SYSTEMS (INDIA) LIMITED****22. COST OF MATERIALS CONSUMED****(Amount in Rs.)**

	Year ended 31-03-2014	Year ended 31-03-2013
Inventory at the beginning of the year		
Copper Sheets	22028448	12006127
Chemicals	4338014	4608050
Others	4625442	6813779
	30991903	23427956
Add: Purchases		
Copper Sheets	46604621	60216892
Chemicals	21710252	20962897
Others	48299517	35268561
	116614390	116448350
Less :Inventory at the close of the year		
Copper Sheets	26936745	22028448
Chemicals	5560067	4338014
Others	10466366	4625442
	42963178	30991903
Raw Material Consumed		
Copper Sheets	41696324	50194571
Chemicals	20488199	21232933
Others	42458593	37456898
	104643116	108884403
Add: Consumption of stores and spares	22248419	20625890
Total consumption of raw materials	126891534	129510293

23. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

	Year ended 31-03-2014	Year ended 31-03-2013
Inventories at the end of the year		
Work-in-progress of printed circuit board	9088952	12362170
Scraps	26704	139827
	9115656	12501997
Inventories at the beginning of the year		
Work-in-progress of printed circuit board	12362170	10592273
Scraps	139827	30005
	12501997	10622278
Changes in inventories	3386341	(1879719)

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

	Year ended 31-03-2014	Year ended 31-03-2013
Salaries, wages and bonus	20008041	19900649
Leave encashment	917952	-
Contributions to provident and other fund	1404708	1517505
Gratuity fund contributions	1138403	589785
Staff welfare expenses	325699	480456
	23794803	22488395

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

	Year ended 31-03-2014	Year ended 31-03-2013
Interest expense		
Interest on term loan	29609	1450003
Interest on working capital loan	5351533	7302048
Interest to others	2024824	1641610
Other borrowing cost		
Bank loan processing, commission & other bank charges	1398164	2768371
Applicable net gain/loss on foreign currency transaction and translation	445166	1239574
	9249296	14401605

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

	Year ended 31-03-2014	Year ended 31-03-2013
Depreciation	15040404	14076957
Intangible assets written off	527123	418385
	15567527	14495342

**CIRCUIT SYSTEMS (INDIA) LIMITED****27. OTHER EXPENSES****(Amount in Rs.)**

	Year ended 31-03-2014	Year ended 31-03-2013
Power and fuel	19927226	23567626
Water charges	439126	530189
Freight and forwarding charges	3834014	4637326
Factory expenses	2243525	1727449
Labour, processing and production charges	15087347	15943392
Sales promotion and advertisement expenses	1623496	1729049
Brokerage and commission	23928	569388
Distribution expenses	5027947	5626628
Excise duty expenses	1316289	943880
Bad debts	2350847	22235861
Insurance	268323	309356
Rent	706433	638963
Rates & taxes	1139171	503539
Foreign exchange differences (Net)	(95014)	1561213
Repairs & Maintenance		
Plant & machinery	3845363	1223323
Buildings	801934	417634
Others	271608	63166
Travelling and conveyance expenses	1389425	1567390
Donation	10000	-
Payment to auditors	450000	450000
Legal and professional fees	2220724	1820282
Loss on sale of fixed assets(net)	-	460489
Vehicle running and maintenance	306952	246928
Communication expenses	507068	619136
Stationery, printing and other office expenses	2031513	1829306
Sundry credit/debit balance written off	870170	-
Prior period expenses	289962	73710
Preliminary expenses written off	-	89569
	66887376	89384791

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

	Year ended 31-03-2014	Year ended 31-03-2013
As auditor		
Audit fees	350000	350000
Tax audit fees	50000	50000
In other capacity		
Taxation matters	50000	50000
Other services	28000	-
	478000	450000



28. 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
3	PCB Planet (India) Ltd.	Company in which Key Managerial Personnel are directors
4	Eurocircuits India Ltd.	

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

Sr. No.	Nature of transactions	Key Managerial Personnel	Subsidiary company	Associates
1	Loans taken	16500000 (9500000)	- -	42000000 (32500000)
2	Loans repaid	16500000 (9500000)	- -	42000000 (63463537)
3	Reimbursement of expenses	- (28536)	146827 -	- (11311)
4	Loans given	-	2983925 (300000)	1500000 (2951896)
5	Loans given received back	-	2983925 (300000)	1500000 (2951896)
6	Front-end engineering charges	-	-	4402600 (2940000)
7	Sales	-	- (5888115)	- (3920653)
8	Interest paid	229348 (679631)	- -	1649353 (774412)
9	Remuneration and perquisites	3943333 (3435000)	- -	- -
10	Purchase of Fixed Assets	-	419998 (18341)	211453 (5750769)
11	Sale of Assets located at SEZ Unit	-	-	- (217899728)
12	Rent paid	-	600000	-
13	Advances given	-	-	- (193358)
14	Buy-back of equity shares	7600000	-	-
15	Collection of debtors on behalf of company	-	3333368 (1284973)	-
16	Advances given received back	-	-	- (1314655)
Outstanding Balances				
1	Trade payables	-	-	1936525
2	Advances given	-	-	- (193358)

**CIRCUIT SYSTEMS (INDIA) LIMITED****29. CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF:****(Amount in Rs.)**

	Year ended 31-03-2014	Year ended 31-03-2013
i) Tax matters,		
- Disputed liability in respect of Income-tax demands (including interest)(Matter under appeal)	2984020	2984020
- Disputed in respect of time limit for deferment of Sales Tax liability (Amount not quantified and Matter under appeal)	-	-
ii) Disputed labour matters of others for which company was served notice as a secondary party (Amount not quantified)		

30. EARNING PER SHARE

	Year ended 31-03-2014	Year ended 31-03-2013
i) Net profit/(Loss) after tax as per statement of profit and loss attributable to equity shareholders	3205760	(45215099)
ii) Weighted average number of shares used as denominator for calculating Eps	15700000	15700000
Weighted average number of equity shares bought back during the year 457746(1830984 shares x 3/12) (31-03-2013 : Nil)	457746	-
iii) Basic and diluted earning per share (Rs.)	0.21	(2.88)
iv) Face value per share (Rs.)	10	10

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

	Year ended 31-03-2014	Year ended 31-03-2013
Raw material imported	74757046	98995241
Stores, spares and packing materials	8662546	3651827
Capital goods	4543211	13290471

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

	Year ended 31-03-2014		Year ended 31-03-2013	
	Amount (Rs.)	% of consumption	Amount (Rs.)	% of consumption
Raw material consumed				
Imported	64640109	61.77	82430066	75.70
Indigenous	40003007	38.23	26454337	24.30
Spare parts and components				
Imported	6873923	30.90	7897797	38.29
Indigenous	15374496	69.10	12728093	61.71

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

	Year ended 31-03-2014	Year ended 31-03-2013
(a) Sales commission	23928	569388
(b) Repairs and maintenance	512101	44040
(c) Interest on buyer's credit	103221	621945
(d) Foreign bank charges	62097	64551
(e) Exhibition expenses	-	114551
(f) Travelling expenses	62802	-
	764149	1414475

34. EARNINGS IN FOREIGN CURRENCY

	Year ended 31-03-2014	Year ended 31-03-2013
(a) FOB Value of exports	11686999	21008707
	11686999	21008707



CIRCUIT SYSTEMS (INDIA) LIMITED

34. Exceptional item of Rs. 1443709/- pertains to expenditure incurred on Buy-back of equity shares during the year.

35. The company has hedged its foreign exchange exposure on imports through appropriate derivative contracts.

The information about outstanding derivative contracts for hedging is as under:

(Amount in Rs.)

Particulars

As at 31-03-2014

Forward contract (in Rs.)

14975679

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

	2013-14		2012-13	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
I) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit Obligation at the beginning of year	1146044	951331	1550577	1351837
Current Service Cost	327865	1043565	288623	269346
Interest Cost	172885	85620	-	79441
Actuarial (gain)/loss	837328	(211233)	18820	(749293)
Benefit Paid	(194964)	(1066866)	711976	-
Defined Benefit obligation at year end	2289158	802417	1146044	951331
II) Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at beginning of year	1268413	-	1550577	-
Expected return on plan assets	103416	-	-	-
Actuarial (gain)/loss	-	-	18820	-
Employer Contribution	306675	-	288623	-
Benefit Paid	(194964)	-	711976	-
Fair Value of plan assets at year end	1483540	-	1268413	-
Actual return on plan assets	103416	-	141189	-
III) Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at Balance Sheet date	1483540	-	1268413	-
Present value of obligation as at Balance Sheet date	2289158	802417	1146044	951331
Amount recognized in Balance Sheet	(805618)	(802417)	Nil	(951331)

**CIRCUIT SYSTEMS (INDIA) LIMITED**

	2013-14		2012-13	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
IV) Expenses recognized during the year				
Current Service Cost	327865	1043565	288623	269346
Interest Cost	172885	85620	-	79441
Expected return on plan assets	(103416)	-	-	-
Net Actuarial (gain)/loss	837328	(211233)	18820	(749293)
Net Cost/(gain)	1234662	917952	307443	(400506)
V) Actuarial Assumptions				
Mortality Table (LIC)	1994-96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate(per annum)	8%	9%	8%	8%
Expected rate of return on plan assets(per annum)	-	-	-	-
Rate of escalation in salary (per annum)	8%	7%	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 : 15th May, 2014

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

(Paresh N. Vasani)
Director

(Jayesh H. Shah)
Director

Place : Ahmedabad
 Date : 15th May, 2014

**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 31st March, 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 31st March, 2014;
- (b) in the case of Consolidated Statement of Profit and Loss, of the profit 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.

Emphasis of Matters

Without qualifying our opinion, we draw attention to note no. 38 of the consolidated financial statements regarding non-amortization of goodwill on consolidation.

Other Matters

We did not audit the financial statements of PCB Power (India) Limited whose financial statements reflect total assets of Rs. 1,53,65,720 /- as at 31st March, 2014 and total revenue of Rs. 7,62,857/- 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 : 15th May, 2014



CONSOLIDATED BALANCE SHEET AS AT 31-03-2014

(Amount in Rs.)

	Note No.	As at 31-03-2014	As at 31-03-2013
EQUITY & LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	138690160	157000000
Reserves & surplus	3	200054300	193306319
		338744460	350306319
NON-CURRENT LIABILITIES			
Long-term borrowings	4	397082	-
Deferred tax liabilities (Net)	5	31354605	31013175
Long-term provisions	6	748448	903635
		32500135	31916810
CURRENT LIABILITIES			
Short-term borrowings	7	17292319	65964811
Trade payables	8	29175548	17368120
Other current liabilities	9	3115134	5224561
Short-term provisions	10	4300565	3135984
		53883566	91693476
		425128161	473916605
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
	11		
Tangible assets		199643160	192826530
Intangible assets		29892849	30419972
Capital work-in-progress		1501800	14835523
Non-current investments	12	19236412	19736412
Long-term loans & advances	13	4235496	14109315
Other non-current assets	14	812318	203445
		255322035	272131197
CURRENT ASSETS			
Inventories	15	85567389	75468065
Trade receivables	16	64195316	69804313
Cash and bank balances	17	3312621	10106712
Short-term loans and advances	18	16661566	46109175
Other current assets	19	69234	297143
		169806126	201785408
		425128161	473916605

Significant Accounting Policies

1

The accompanying note no. 1 to 42 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 : 15th May, 2014**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

(Paresh N. Vasani)*Director*

Place : Ahmedabad

Date : 15th May, 2014**(Jayesh H. Shah)***Director*

**CIRCUIT SYSTEMS (INDIA) LIMITED****CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-03-2014**

(Amount in Rs.)

	Note No.	Year Ended 31-03-2014	Year Ended 31-03-2013
INCOME			
Revenue from operations(Gross)	20	272935888	289314261
Less : Excise duty		24515121	24251790
Revenue from operations(Net)		248420767	265062471
Other Income	21	3625042	2531778
Total Revenue		252045809	267594249
EXPENSES			
Cost of materials consumed	22	126891534	129510293
Purchases of Stock-in-Trade	23	1258061	228081
Changes in inventories of work-in-progress and Stock-in-trade	24	2613239	(1879719)
Employees benefit expenses	25	23794803	24143935
Finance costs	26	9255906	14508967
Depreciation and amortization expenses	27	15968520	15098029
Other expenses	28	66637594	91069817
Total Expenses		246419657	272679404
Profit/(Loss) before exceptional items and tax		5626152	(5085155)
Exceptional items	35	1443709	-
Profit/(Loss) before tax		4182443	(5085155)
Tax Expenses			
Current Income Tax		1425000	-
Less: MAT Credit Entitlement		670000	-
Net Current tax		755000	-
(Excess)/Short provision of income tax for earlier years		-	(114972)
Deferred Tax		341430	(172198)
Profit (Loss) for the period from continuing operations		3086013	(4797985)
Profit (Loss) before tax from discontinuing operations		-	(43641287)
Tax Expense of discontinuing operations		-	-
Profit (Loss) after tax from discontinuing operations		-	(43641287)
Profit (Loss) for the period		3086013	(48439272)
Earning per equity share			
(a) Basic		0.20	(3.09)
(b) Diluted		0.20	(3.09)

Significant Accounting Policies

1

The accompanying note no. 1 to 42 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 : 15th May, 2014**For and on behalf of the Board of Directors**

Circuit Systems (India) Limited.

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

Place : Ahmedabad

Date : 15th May, 2014

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2014**

(Amount in Rs.)

	Year Ended 31-03-2014	Year Ended 31-03-2013
A Cash Flow from Operating Activities		
Net profit before taxation:	4182443	(48726442)
Adjustment for :		
Depreciation and amortization	15968520	15098029
Pre-acquisition depreciation and profit of subsidiary company	-	625009
Preliminary expenses written off	-	99775
Sundry credit/debit balance written off	870170	(9931789)
Sales tax deferrment loan written back	-	(5262929)
Unrealized foreign exchange loss/(gain)	(23289)	(331145)
Interest Income	(3534268)	(2517778)
(Gain)/Loss on sale of fixed assets	(282851)	460489
Loss from discontinuing operations	-	43641287
Loan processing, guarantee & bank Charges	1404774	2803708
Interest expense	7851132	11705259
Buy-back of equity shares expenses	1443709	-
Bad debts	2372295	22301775
Operating profit before working capital changes	30252635	29965249
Adjustment for:		
Changes in inventories	(10099323)	(9696276)
Trade receivables	3236702	2410641
Long-term and short-term loans & advances and other current and non-current assets	23542699	(6503484)
Trade payables, short & long-term provisions, other current & long-term liabilities	13029013	(12942084)
Cash generated from continuing operations	59961726	3234046
Direct Taxes paid	(1201078)	(389136)
Net cash from operating activities (A)	58760648	2844910
B Cash flow from investing activities		
Purchase of fixed assets	(9352454)	(25922982)
Proceeds from sale of fixed assets	711000	7770190
Proceeds from discontinuing operations	-	155470760
Investment in equity shares	-	(44988460)
Movement in loans and advances	16500000	(16500000)
Proceeds from sale of investment in equity shares	-	10500000
Proceeds from sale of long-term investments	500000	-
Interest received	3753508	2339598
Net cash used in investing activities (B)	12112054	88669106


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
C Cash flow from financing activities		
Buy-back of equity shares	(14647872)	-
Buy-back of equity shares expenses	(1443709)	-
Loan processing, guarantee & bank Charges	(1404774)	(2803708)
Interest paid	(7945362)	(11827084)
Increase/(decrease) in short-term borrowings	(48672492)	13907789
Unrealized foreign exchange loss/(gain)	-	331145
Net Proceeds/(Repayment) of long-term borrowings	615584	(91788266)
Net cash from financing activities (C)	(73,498,626)	(92180124)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2625924)	(666109)
Cash and cash equivalents at the beginning of the year	4339926	2829986
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	1714002	4339926

Notes :

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

	As at 31-03-2014	As at 31-03-2013
Cash on hand	532133	1416056
Bank balance with scheduled bank	1205158	2923870
Effect of exchange rate changes	(23289)	-
	1714002	4339926

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 : 15th May, 2014

For and on behalf of the Board of Directors

Circuit Systems (India) Limited.

(Paresh N. Vasani)

Director

Place : Ahmedabad

Date : 15th May, 2014

(Jayesh H. Shah)

Director

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014****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, the relevant provisions of Companies Act, 1956 to the extent applicable and the provisions of the Companies Act, 2013 to the extent notified.
- 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, require 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. Premium or discount on forward contracts for hedging foreign currency transactions are amortized and recognized in the statement of profit and loss over the period of the contract.

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 31-03-2014	As at 31-03-2013
Authorised Shares 16000000(31-03-2013:16000000) Equity shares of Rs.10/- each.	160000000	160000000
Issued, Subscribed and fully paid-up 13869016(31-03-2013:15700000) Equity shares of Rs. 10/- each.	138690160	157000000
	138690160	157000000

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

	As at 31-03-2014	As at 31-03-2013
Equity share		
At the beginning of the period	157000000	157000000
Issued during the period	-	-
Bought back during the year (Refer Note No. 2.4)	1830984	-
Outstanding at the end of the period	13869016	157000000

2.2 Terms/right attached to equity share

The company has only one 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 31-03-2014		As at 31-03-2013	
	%	No. of Shares	%	No. of Shares
Mr. Paresh N. Vasani	71.33	9893180	69.06	10843180
Europrint N.V	16.22	2250000	14.33	2250000

2.4 Buy-back of equity shares:

As per the approval by way of resolution passed in the meeting of the Board of Directors of the Company on 23rd October, 2013 in accordance with the provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended), the Company offered to buy-back its equity shares of face value of Rs. 10/- each, to the extent of less than 10% of the paid-up equity share capital and free reserves of the Company, upto a maximum amount of Rs. 1,50,00,000/- at a maximum price of Rs. 8/- per share from open market. Pursuant to this, the Company has, during the year ended 31st March, 2014 bought-back 18,30,984 equity share at price of Rs. 8/- per equity share, utilizing a sum of Rs. 1,46,47,872 (excluding other expenses). On account of buy-back of shares, the Company has created :(a) Capital Redemption Reserve of Rs. 1,83,09,840/- towards the face value of 18,30,984 shares of Rs. 10/- each by way of appropriation against General Reserve and (b) Capital Reserves of Rs. 36,61,968/- towards the discount of Rs. 2/- per share. In terms of the provision of Section 77A of the Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations 1998 (as amended), the Company has completed extinguishment of 18,30,984 shares as on 31st December, 2013.

2.5 Aggregate number of shares bought back during the period of five years immediately preceding the reporting date is 1830984(31-03-2013 : Nil) equity shares.



CIRCUIT SYSTEMS (INDIA) LIMITED

3. RESERVES AND SURPLUS

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Capital Reserve		
Balance as per last financial statements	-	-
Addition during the year(Refer note no. 2.4)	3661968	-
Closing balance	3661968	-
Capital Redemption Reserve		
Balance as per last financial statements	-	-
Transfer from general reserve(Refer note no. 2.4)	18309840	-
Closing balance	18309840	-
Securities Premium Reserve		
Balance as per last financial statements	134670250	134670250
Addition during the year	-	-
Closing balance	134670250	134670250
General Reserve		
Balance as per last financial statements	19500000	19500000
Transfer to capital redemption reserve (Refer note no. 2.4)	(18309840)	-
Closing balance	1190160	19500000
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statement	39136069	87575341
Add: Profit/(Loss) for the year	3086013	(48439272)
Net surplus/(deficit) in the statement of profit and loss	42222082	39136069
Total Reserves & Surplus	200054300	193306319

4. LONG TERM BORROWINGS

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Secured		
Term Loan		
From banks	397082	-
	397082	-

Notes:

- Loan from Bank carries interest @ 10.66% p.a. The loan is repayable in 36 monthly instalments of Rs. 22805/- each along with interest, from the date of loan viz. 12-10-2013. The loan is secured by hypothecation of motor-car of the company. Current maturity of long-term borrowings is Rs. 218502 (31.03.2013: Rs. Nil)

5. DEFERRED TAX LIABILITY

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
(i) Deferred tax liability:		
Arising on account of timing difference in:		
- Depreciation	32192089	31898040
(ii) Deferred tax assets:		
Arising on account of timing difference in :		
- Disallowance of expenses	837484	884865
Net deferred tax liability	31354605	31013175

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

	As at 31-03-2014	As at 31-03-2013
Provision for leave encashment	748448	903635
	748448	903635

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

	As at 31-03-2014	As at 31-03-2013
Loans repayable on demand		
From banks(secured)		
Cash credit	17292319	52347258
Buyer's credit	-	13617553
	17292319	65964811

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 (both present and future). 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 (both present and future). 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 deposits.

8. TRADE PAYABLES (Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Trade payables (refer note below for details of dues to micro and small enterprises)	29175548	17368120
	29175548	17368120

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 31-03-2014	As at 31-03-2013
Current maturity of long term borrowings(Refer note no.4)	218502	-
Advance received from customers	1494989	3717788
Interest accrued but not due on borrowings	-	94230
Other payables		
Statutory dues	1401643	1412543
	3115134	5224561

10. SHORT TERM PROVISIONS

	As at 31-03-2014	As at 31-03-2013
Provision for employee benefits	1503176	1854728
Provision for leave encashment	53969	47696
Provision for taxation	-	115356
Provision for gratuity	805618	-
Provision for expenses	1937803	1118204
	4300565	3135984


11. FIXED ASSETS
(Amount in Rs.)

Sr. No.	Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 01-04-2013	Additions during the year	Sale /Transfer	As on 31-03-2014	Upto 31-03-2013	For the Year	Deletions/ Adjustments	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
	Tangible Assets										
1	Leasehold Land	3212299	-	-	3212299	-	-	-	-	3212299	3212299
2	Office Building	8828725	-	-	8828725	120149	143909	-	264058	8564667	8708576
3	Factory Building	39283932	-	-	39283932	12299192	1312083	-	13611275	25672657	26984740
4	Plant & Equipment	241507732	21041517	125000	262424249	99096404	12332625	36615	111392415	151031834	142411328
5	E.T.Plant	3045914	-	-	3045914	1960543	144681	-	2105224	940690	1085371
6	Furniture & Fixtures	6929255	186390	-	7115645	4112872	439334	-	4552206	2563439	2816383
7	Vehicles	2904084	1057272	403520	3557836	1325699	301766	63756	1563709	1994127	1578385
8	Office Equipments	2246141	190181	-	2436322	936344	112369	-	1048713	1387609	1309797
9	Computer,Fax, Cellular	18621147	210817	-	18831964	17493137	285675	-	17778812	1053151	1128010
10	Electric Installation	7648574	-	-	7648573	4056933	368954	-	4425887	3222686	3591641
	Total	334227803	22686177	528520	356385459	141401273	15441397	100370	156742299	199643160	192826530
	Previous Year	(327894831)	(17950798)	(11617826)	(334227803)	(128796059)	(14865660)	(2260446)	(141401273)	(192826530)	
	Intangible Assets										
1	Computer Software	5271233	-	-	5271233	2398660	527123	-	2925783	2345450	2872573
2	Goodwill on consolidation	27547399	-	-	27547399	-	-	-	-	27547399	27547399
	Total	32818632	-	-	32818632	2398660	527123	-	2925783	29892849	30419972
	Previous Year	(4085000)	28,733,632)	-	(32818632)	(1980275)	(418385)	-	(2398660)	(30419972)	
	Capital work in progress (Refer note no. 35)										
1	Plant & Machinery	13813723	-	13813723	-	-	-	-	-	-	13813723
2	Others	1021800	480000	-	1501800	-	-	-	-	1501800	1021800
	Total	14835523	480000	13813723	1501800	-	-	-	-	1501800	14835523
	Previous Year	(225234916)	(49906707)	260306100)	(14835523)	-	-	-	-	(14835523)	
	Grand Total	381881957	23166177	14342243	390705891	143799933	15968520	100370	159688083	231037808	238082024
	Previous Year	(557214747)	(96591137)	271923926)	(381881958)	(130776334)	(15284045)	(2260446)	(143799933)	(238082025)	

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

	As at 31-03-2014	As at 31-03-2013
Trade investments(Unquoted)(Long-term)		
In Others		
1920000(31.03.2013: 1920000) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Limited	19200000	19200000
Non-trade investments(Unquoted)(Long-term)		
400(31.03.2013: 400) Equity shares of Rs 25/- each fully paid up in Mehsana Urban Co-operative Bank Ltd.	10000	10000
Nil(31.03.2013 : 20000) Equity shares of Rs. 25/- each fully paid up in The Kalupur Commercial Co. Operative Bank Ltd.	-	500000
Other investments in government securities(Long-term)		
Investments in National Savings Certificate	26412	26412
	19236412	19736412
Aggregate amount of unquoted investment	19210000	19710000

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Capital advances	-	10420840
Security deposits	404900	512745
Balances with statutory authorities	3384518	2828114
Advance income tax (net of provision for taxation)	446078	347617
	4235496	14109315

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Margin money deposit(Pledged with banks)	812318	203445
	812318	203445

15. 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	42963178	30991903
Work-in-progress	9088952	12362170
Stock-in-Trade	773102	-
Consumable Raw Materials,Stores,Spares & Packing materials	32715453	31974165
Scraps	26704	139827
	85567389	75468065


16. TRADE RECEIVABLES
(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	20845933	22344492
Other receivables	43349383	47459821
	64195316	69804313

17. CASH AND BANK BALANCES
(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Cash and cash equivalents		
Balance with banks		
- In current account	1205158	2923870
Cash on hand	532133	1416056
Other bank balances	-	
Margin money deposit(Pledged with banks)	1575330	5766786
	3312621	10106712

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

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Prepaid expenses	627845	352505
Loan to others	-	18126473
Staff Loan	947000	1511276
Balance with statutory authorities	9422708	17568341
Advance to Suppliers	5664013	8550580
	16661566	46109175

19. OTHER CURRENT ASSETS
(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
(Unsecured and considered good)		
Interest accrued on fixed deposits	59216	278456
Prepaid expense	10018	18687
	69234	297143
	297143	189845



20. REVENUE FROM OPERATIONS

(Amount in Rs.)

	Year ended 31-03-2014	Year ended 31-03-2013
Sale of products		
Finished and Traded goods	270365688	271628695
Other operating revenue		
Scrap sales	2343401	2044734
Export Incentives	211132	420144
Sales tax deferrment loan written back	-	5262929
Jobwork income	-	25970
Foreign exchange fluctuation	15667	-
Sundry credit/debit balance written back	-	9931789
Revenue from operations (Gross)	272935888	289314261
Less: Excise Duty	24515121	24251790
Revenue from operations (Net)	248420767	265062471

20.1 Finished goods comprises

(Amount in Rs.)

	Year ended 31-03-2014	Year ended 31-03-2013
Printed Circuit Boards	270365688	271628695
	270365688	271628695

21. OTHER INCOME

(Amount in Rs.)

	Year ended 31-03-2014	Year ended 31-03-2013
Interest income		
Bank deposits	262429	696732
Others	2733910	1807192
Prior period income	-	13854
Dividend Income		
Long-term investments	68750	-
Other income	199953	14000
Profit on sale of fixed assets (net)	269227	-
Excess provision written off	90774	-
	3625042	2531778



CIRCUIT SYSTEMS (INDIA) LIMITED

22. COST OF MATERIALS CONSUMED

(Amount in Rs.)

	Year ended 31-03-2014	Year ended 31-03-2013
Inventory at the beginning of the year		
Copper Sheets	22028448	12006127
Chemicals	4338014	4608050
Others	4625442	6813779
	30991903	23427956
Add: Purchases		
Copper Sheets	46604621	60216892
Chemicals	21710252	20962897
Others	48299517	35268561
	116614390	116448350
Less :Inventory at the close of the year		
Copper Sheets	26936745	22028448
Chemicals	5560067	4338014
Others	10466366	4625442
	42963178	30991903
Raw Material Consumed		
Copper Sheets	41696324	50194571
Chemicals	20488199	21232933
Others	42458593	37456898
	104643116	108884403
Add: Consumption of stores and spares	22248419	20625890
Total consumption of raw materials	126891534	129510293

23. COST OF MATERIALS CONSUMED

(Amount in Rs.)

	Year ended 31-03-2014	Year ended 31-03-2013
Purchases of stock-in-trade		
Printed Circuit Boards	1258061	228081
	1258061	228081

23. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

	Year ended 31-03-2014	Year ended 31-03-2013
Inventories at the end of the year		
Work-in-progress of printed circuit board	9088952	12362170
Traded goods	773102	-
Scraps	26704	139827
	9888758	12501997
Inventories at the beginning of the year		
Work-in-progress of printed circuit board	12362170	10592273
Traded goods	-	-
Scraps	139827	30005
	12501997	10622278
Changes in inventories	2613239	(1879719)

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

	Year ended 31-03-2014	Year ended 31-03-2013
Salaries, wages and bonus	20008041	21542839
Leave encashment	917952	3611
Contributions to provident and other fund	1404708	1517505
Gratuity fund contributions	1138403	589785
Staff welfare expenses	325699	490195
	23794803	24143935

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

	Year ended 31-03-2014	Year ended 31-03-2013
Interest expense		
Interest on term loan	29609	1450003
Interest on working capital loan	5351533	7302048
Interest to others	2024824	1713635
Other borrowing cost		
Bank loan processing, commission & other bank charges	1404774	2803708
Applicable net gain/loss on foreign currency transaction and translation	445166	1239574
	9255906	14508967

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

	Year ended 31-03-2014	Year ended 31-03-2013
Depreciation	15441397	14865660
Less : Transferred to goodwill on consolidation	-	186016
	15441397	14679644
Intangible assets written off	527123	418385
	15968520	15098029

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

	Year ended 31-03-2014	Year ended 31-03-2013
Power and fuel	19927226	23738631
Water charges	439126	530189
Freight and forwarding charges	3834014	4637326
Factory expenses	2243525	1727449
Labour, processing and production charges	15087347	15943392
Sales promotion and advertisement expenses	1634671	1920570
Brokerage and commission	23928	569388
Distribution expenses	5027947	5626628
Excise duty expenses	1316289	943880
Bad debts	2372295	22301775
Insurance	283186	309636
Rent	250433	638963
Rates & taxes	1139171	519038
Foreign exchange differences (Net)	(95014)	1561213
Repairs & Maintenance		
Plant & machinery	3845363	1235500
Buildings	815496	417634
Others	271608	137295
Travelling and conveyance expenses	1389825	1877786
Donation	10000	-
Payment to auditors	483708	460300
Legal and professional fees	2306277	1905325
Loss on sale of fixed assets(net)	-	460489
Vehicle running and maintenance	306952	246928
Communication expenses	507068	646477
Stationery, printing and other office expenses	2057022	2540521
Sundry credit/debit balance written off	870170	-
Prior period expenses	289962	73710
Preliminary expenses written off	-	99775
	66637594	91069817

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

	Year ended 31-03-2014	Year ended 31-03-2013
As auditor		
Audit fees	380000	360000
Tax audit fees	50000	50000
In other capacity		
Taxation matters	50000	50000
Other services	28000	-
	460000	825000



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
3	PCB Planet (India) Ltd.	Company in which Key Managerial Personnel are directors
4	Eurocircuits India Ltd.	

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

Sr. No.	Nature of transactions	Key Managerial Personnel	Subsidiary company	Associates
1	Loans taken	16500000 (9500000)	- -	42000000 (32500000)
2	Loans repaid	16500000 (9500000)	- -	42000000 (67526203)
3	Reimbursement of expenses	- (28536)	- -	316839 (11311)
4	Loans given	- -	- -	1500000 (2951896)
5	Loans given received back	- -	- -	1500000 (2951896)
6	Front-end engineering charges	- -	- -	4402600 (3319215)
7	Consultancy charges paid	- -	- (93420)	- -
8	Sales	- -	- -	- (3920653)
9	Interest paid	229348 (679631)	- -	1649353 (831791)
10	Remuneration and perquisites	4423333 (5355000)	- -	- -
11	Purchase of Fixed Assets	- -	- -	211453 (5750769)
12	Sale of Assets located at SEZ Unit	- -	- -	- (217899728)
13	Advances given	- -	- -	- (193358)
14	Buy-back of equity shares	7600000 -	- -	- -
15	Advances given received back	- -	- -	- (1314655)
Outstanding Balances				
1	Trade payables	- -	- -	1936525 -
2	Advances given	- -	- -	- (193358)

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

	Year ended 31-03-2014	Year ended 31-03-2013
	Year ended 31-03-2014	Year ended 31-03-2013
i) Tax matters,		
- Disputed liability in respect of Income-tax demands (including interest)(Matter under appeal)	2984020	2984020
- Disputed in respect of time limit for deferment of Sales Tax liability (Amount not quantified and Matter under appeal)	-	-
ii) Disputed labour matters of others for which company was served notice as a secondary party (Amount not quantified)		

31. EARNING PER SHARE

	Year ended 31-03-2014	Year ended 31-03-2013
i) Net profit/(Loss) after tax as per statement of profit and loss attributable to equity shareholders	3086013	(48439272)
ii) Weighted average number of shares used as denominator for calculating Eps	15700000	15700000
Weighted average number of equity shares bought back during the year 457746(1830984 shares x 3/12) (31-03-2013 : Nil)	457746	-
iii) Basic and diluted earning per share (Rs.)	0.20	(3.09)
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.)**

	Year ended 31-03-2014	Year ended 31-03-2013
Raw material imported	74757046	98995241
Stores, spares and packing materials	8662546	3651827
Capital goods	4543211	13290471

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

	Year ended 31-03-2014		Year ended 31-03-2013	
	Amount (Rs.)	% of consumption	Amount (Rs.)	% of consumption
Raw material consumed				
Imported	64640109	61.77	82430066	75.70
Indigenous	40003007	38.23	26454337	24.30
Spare parts and components				
Imported	6873923	30.90	7897797	38.29
Indigenous	215374496	69.10	12728093	61.71

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

	Year ended 31-03-2014	Year ended 31-03-2013
(a) Sales commission	23928	569388
(b) Repairs and maintenance	512101	44040
(c) Interest on buyer's credit	103221	621945
(d) Foreign bank charges	62097	64551
(e) Exhibition expenses	-	114551
(f) Travelling expenses	62802	-
	764149	1414475

34. EARNINGS IN FOREIGN CURRENCY

	Year ended 31-03-2014	Year ended 31-03-2013
(a) FOB Value of exports	11686999	21008707
	11686999	21008707



CIRCUIT SYSTEMS (INDIA) LIMITED

35. Exceptional item of Rs. 1443709/- pertains to expenditure incurred on Buy-back of equity shares during the year.
36. The company has hedged its foreign exchange exposure on imports through appropriate derivative contracts. The information about outstanding derivative contracts for hedging is as under:

Particulars	(Amount in Rs.) As at 31-03-2014
Forward contract (in Rs.)	14975679

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

	2013-14		2012-13	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
I) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit Obligation at the beginning of year	1146044	951331	1550577	1351837
Current Service Cost	327865	1043565	288623	269346
Interest Cost	172885	85620	-	79441
Actuarial (gain)/loss	837328	(211233)	18820	(749293)
Benefit Paid	(194964)	(1066866)	711976	-
Defined Benefit obligation at year end	2289158	802417	1146044	951331
II) Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at beginning of year	1268413	-	1550577	-
Expected return on plan assets	103416	-	-	-
Actuarial (gain)/loss	-	-	18820	-
Employer Contribution	306675	-	288623	-
Benefit Paid	(194964)	-	711976	-
Fair Value of plan assets at year end	1483540	-	1268413	-
Actual return on plan assets	103416	-	141189	-
III) Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at Balance Sheet date	1483540	-	1268413	-
Present value of obligation as at Balance Sheet date	2289158	802417	1146044	951331
Amount recognized in Balance Sheet	(805618)	(802417)	Nil	(951331)

**CIRCUIT SYSTEMS (INDIA) LIMITED**

		2013-14		2012-13	
		Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
IV)	Expenses recognized during the year				
	Current Service Cost	327865	1043565	288623	269346
	Interest Cost	172885	85620	-	79441
	Expected return on plan assets	(103416)	-	-	-
	Net Actuarial (gain)/loss	837328	(211233)	18820	(749293)
	Net Cost/(gain)	1234662	917952	307443	(400506)
V)	Actuarial Assumptions				
	Mortality Table (LIC)	1994-96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
	Discount rate(per annum)	8%	9%	8%	8%
	Expected rate of return on plan assets(per annum)	-	-	-	-
	Rate of escalation in salary (per annum)	8%	7%	8%	6.50%

38. Management of the Company is of the view that considering the future economic benefit from Goodwill on consolidation, during the year no amortization of the same is required.
39. 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.
40. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
41. Balances in respect of trade receivables, loans and advances and trade payables are subject to confirmation from the respective parties and reconciliation, if any.
42. 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 : 15th May, 2014

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

(Paresh N. Vasani)
Director

(Jayesh H. Shah)
Director

Place : Ahmedabad
 Date : 15th May, 2014



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-14
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. 142,383/-(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	1,868,373/-
Net Fixed Assets	13,474,707/-
Investment	Nil
Profit & Loss Account	Nil
Miscellaneous Expenditure	Nil
Total Assets	15,343,080/-
Current Liabilities & Provisions	355,722/-
Capital	860,200/-
Loans	Nil
Reserve & Surplus	13,214,302/-
Deferred Tax Liability	912,856/-
Total Liabilities	15,343,080/-
Turnover (Including other income)	672,083/-
Provision for Tax	262,764/-
Profit /(Loss) after Tax	(142,383/-)
Proposed Dividend	Nil

For, Circuit Systems (India) Limited

Date : 15 May 2014
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, 24th 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 24th 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, 24th July, 2013 at 4.00 p.m.

I/We _____ of _____

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

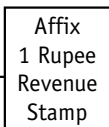
Of _____ or failing him/her _____ of _____

_____ 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 24th 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