

**21<sup>st</sup>  
Annual Report  
2015-2016**



**CIRCUIT SYSTEMS (INDIA) LIMITED**

**21<sup>st</sup> Annual Report 2015-16  
CORPORATE INFORMATION****BOARD OF DIRECTORS:**

Mr. Paresh N. Vasani	Managing Director
Ms. Jasmine P. Vasani	Director
Mr. Jayesh H. Shah	Independent Director
Mr. Sureshbhai M. Poojara	Independent Director

**MANAGEMENT TEAM:**

Ms. Preeti A. Chouksey	Chief Financial Officer
Ms. Amrita B. Chandwani	Company Secretary

**REGISTERED OFFICE:**

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

**STATUTORY AUDITORS :**

M/s. Baheti Bhadada & Associates  
Chartered Accountants,  
Ahmedabad

**BANKERS:**

HDFC Bank Limited

**REGISTRAR & SHARE TRANSFER AGENTS :**

Cameo Corporate Services Limited  
'Subramaniam Building' No.1,  
Club House Road, Chennai- 600 002

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

**FACTORY :**

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

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**NOTICE**

**NOTICE** is hereby given that the **21<sup>ST</sup> ANNUAL GENERAL MEETING** of the members of **CIRCUIT SYSTEMS (INDIA) LIMITED** will be held as scheduled below:

Date : 30<sup>th</sup> September, 2016

Day : Friday

Time : 4.00 p.m.

Place : Registered Office of the Company at:

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

to transact the following:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Paresh N. Vasani (DIN –01376786), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Rajendra D. Shah & Co., Chartered Accountants (Firm Registration No. 108363W), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this 21<sup>st</sup> Annual General Meeting (AGM) till the conclusion of the 26<sup>th</sup> AGM of the Company to be held in the year 2021 (subject to ratification of their appointment at every AGM) at such remuneration as shall be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

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

“RESOLVED that Ms. Jasmine P. Vasani (DIN: 01442297), who was appointed by the Board of Directors as Director of the Company, with effect from 6<sup>th</sup> April, 2016 and who holds office upto the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a Notice, in writing, from a Member under Section 160 of the Act, proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sureshbhai M. Poojara (DIN – 07526419), an Independent Director of the Company, who was appointed as an Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 as amended from time to time and in accordance with the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 21<sup>st</sup> Annual General Meeting upto the conclusion of the 26<sup>th</sup> Annual General Meeting to be held in the calendar year 2021.”

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any



statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jayesh H. Shah (DIN – 02559296), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 21<sup>st</sup> Annual General Meeting upto the conclusion of the 26<sup>th</sup> Annual General Meeting to be held in the calendar year 2021.”

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

“RESOLVED THAT in supersession of all earlier resolutions passed and pursuant to provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow monies for the purpose of business of the Company from any Bank, Financial Institution or any person, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed Rs. 100 Crores (Rupees Hundred Crores only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time.”

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

“RESOLVED THAT in supersession of all earlier resolutions passed, the consent of the Company be and is hereby accorded under Section 179 and Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company’s lenders on all or any of the movable & immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding Rs. 100 Crores (Rupees Hundred Crores only) at any one point of time from Financial Institutions/Banks and other agencies/ parties/person with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalize the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2014 (including any amendment thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate whether Indian or overseas up to maximum amount of Rs. 50 Crores (Rupees Fifty Crores only) outstanding at any point of time not withstanding that the aggregate amount of all the investments so far made together with the proposed investments to be made, exceeds the prescribed limits under the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above investment including the timing, amount and other terms and conditions of



## CIRCUIT SYSTEMS (INDIA) LIMITED

such investments and varying the same either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things as may deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the revision in terms and condition of appointment and increase in remuneration payable to Mr. Paresh N. Vasani, Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2016 till his remaining term as Managing Director i.e. up to 31<sup>st</sup> January, 2019 (liable to retire by rotation) (the revised terms have been approved by Nomination and Remuneration Committee) and that he be paid remuneration (even in the year of losses or inadequacy of profit) by way of Salary and perquisites not exceeding the amount thereof as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again.”

### Registered Office:

A-1001-1002, Titanium Square,  
Thaltej Cross Road, S. G. Highway,  
Ahmedabad – 380 054  
Date:1<sup>st</sup> August, 2016

### By Order of the Board

**Amrita B. Chandwani**  
Company Secretary

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from **23<sup>rd</sup> September, 2016 to 30<sup>th</sup> September, 2016** (both days inclusive) for the purpose of Annual General Meeting (AGM).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
5. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA).



6. Details under Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting is provided in the Explanatory Statement annexed thereto. The Directors have furnished the requisite declarations for their appointment / re-appointment.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
8. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
10. The Shareholders holding Shares in Physical form are advised to seek their shareholding changed to dematerialised form.
11. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
12. Members/Proxies are requested to bring duly filled attendance form along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.
13. All documents referred to in the Notice and Explanatory Statement shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
14. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2015-16 and this Notice inter alia indicating the process and manner of e-voting along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's website, [www.mycsil.com](http://www.mycsil.com) and that of Central Depository Services (India) Limited ("CDSL"), [www.cdslindia.com](http://www.cdslindia.com), [www.evotingindia.com](http://www.evotingindia.com)

### 17. VOTING THROUGH ELECTRONIC MEANS

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. E-voting facility will not be made available at the AGM venue.
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences at **9.00 a.m. on Tuesday, the 27<sup>th</sup> September, 2016 and ends at 5:00 p.m. on Thursday, the 29<sup>th</sup> September, 2016**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 23<sup>rd</sup> September, 2016**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.



- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

**The procedure and instructions for remote e-voting are, as follows:**

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Now click on “Shareholders” to cast your votes.
- iii) Now, fill up the following details in the appropriate boxes:

User ID	<ul style="list-style-type: none"> <li>a. For CDSL: 16 digits Beneficiary ID</li> <li>b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID</li> <li>c. Members holding shares in Physical Form should enter Folio Number registered with the Company</li> </ul>
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- iv) Next, enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are holding shares in demat form and has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (ii).</p>

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on Electronic Voting Sequence Number (EVSN) of CIRCUIT SYSTEMS (INDIA) LIMITED to vote.



- xii) On the voting page, you will see 'Resolution Description' and against the same, the option 'YES/ NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- xiv) After selecting the Resolution, you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
- xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii) Note for Non – Individual Members and Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (f) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (g) Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website- [www.mycsil.com](http://www.mycsil.com) and on the website of CDSL- [www.cdslindia.com](http://www.cdslindia.com) immediately after the result is declared by the Chairman.





**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 21<sup>ST</sup> ANNUAL GENERAL MEETING DATED 1<sup>ST</sup> AUGUST, 2016.**

**In respect of Item No. 4:**

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Jasmine P. Vasani (DIN: 01442297) as Director of the Company, with effect from 6<sup>th</sup> April, 2016. Ms. Jasmine P. Vasani holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

The Board is of the opinion that the knowledge and experience of Ms. Jasmine P. Vasani in the field of Administration & Management will be of great value to the Company and hence, recommends her appointment as a Director of the Company. The details of Ms Jasmine P. Vasani required under Secretarial Standard 2 issued by The Institute of Company Secretaries of India is annexed therewith.

The Company has received notice from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms Jasmine P. Vasani, as a Director of the Company.

The appointment of Ms Jasmine P. Vasani, as a Director liable to retire by rotation, is now being placed before the Members, for their approval.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Ms. Jasmine P. Vasani	Relates to her appointment as Director, she may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	-
3.	Relative of Director	Mr. Paresh N. Vasani	Relates to reappointment of Ms. Jasmine P. Vasani as Director, who is relative of Director and, therefore, he may be deemed to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-

The Board recommends the resolution for your approval as an Ordinary Resolution.

**In respect of Item No. 5:**

Pursuant to provisions of section 149 of the Companies Act, 2013 and pursuant to the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Sureshbhai M. Poojara as a Director with effect from 24<sup>th</sup> May, 2016. Mr. Sureshbhai M. Poojara is an Independent Director on the Board of the Company.

Pursuant to provisions of Section 161(1) of the Companies Act, 2013, Mr. Sureshbhai M. Poojara holds office only upto the date of this Annual General Meeting of the Company. A notice has been received from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 (hereinafter referred to as the Act) proposing Mr. Sureshbhai M. Poojara as a candidate for the office of the Director of the Company.

Mr. Sureshbhai M. Poojara is not disqualified from being appointed as Director in terms of section 164 of the Act and has given her consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and she shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Sureshbhai M. Poojara that he meets with criteria of independence as prescribed both under section 149(6) of the Act. Mr. Sureshbhai M. Poojara possesses appropriate skills and



experience in the field of Management & Administration. The details of Mr. Sureshbhai M. Poojara required under Secretarial Standard 2 issued by The Institute of Company Secretaries of India is annexed therewith.

In the opinion of the Board, Mr. Sureshbhai M. Poojara fulfills the conditions specified in the Act and rules made there under for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sureshbhai M. Poojara as an Independent Director.

Save and except Mr. Sureshbhai M. Poojara, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 5.

The Board recommends the resolution for your approval as an Ordinary Resolution.

**In respect of Item No. 6:**

Mr. Jayesh H. Shah is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 3<sup>rd</sup> December, 2011.

Mr. Jayesh H. Shah was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from 1<sup>st</sup> April, 2014, Mr. Jayesh H. Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 26<sup>th</sup> Annual General Meeting in the calendar year 2021. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Jayesh H. Shah as a candidate for the office of Director of the Company.

Mr. Jayesh H. Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Jayesh H. Shah that he meets with criteria of independence as prescribed both under section 149(6) of the Act. Mr. Jayesh H. Shah possesses appropriate skills and experience in the field of Finance & Taxation. The details of Mr. Jayesh H. Shah required under Secretarial Standard 2 issued by The Institute of Company Secretaries of India is annexed therewith.

In the opinion of the Board, Mr. Jayesh H. Shah fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jayesh H. Shah as an Independent Director.

Save and except Mr. Jayesh H. Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 6.

The Board recommends the resolution for your approval as an Ordinary Resolution.

**In respect of Item No. 7:**

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers, etc. in the ordinary course of business, except with the approval of the Company accorded by a Special Resolution.

The Company borrows funds from the Banks and Financial Institutions for its business and considering the growth of the business, the Board is of the opinion that the Company may require to borrow additional funds for both organic and inorganic growth. In view of the requirements of the increased borrowings and to comply with the requirements of section 180(1)(c) or other applicable provisions of the Companies Act, 2013, the members of the Company shall pass a Special Resolution as set out at item No. 7 of the Notice, to enable the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow the money up to Rs.100 Crores (Rupees Hundred Crores only) in excess of the aggregate of the paid-up share capital and free reserves of the Company.



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

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution for your approval as a Special Resolution.

### **In respect of Item No. 8:**

Section 180(1)(a) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 8, the Company may have to create further charges/mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs.100 crores (Rupees Hundred Crores only) at any point of time is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.8 of this Notice, to enable to the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 8.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution for your approval as a Special Resolution.

### **In respect of Item No. 9:**

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any investment(s) beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company. As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment(s).

The investment(s) will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under. These investments are proposed to be made out of own/ surplus funds/internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution for your approval as a Special Resolution.

### **In respect of Item No. 10:**

Shareholders may recall that in the 19<sup>th</sup> Annual General Meeting held on 14<sup>th</sup> July, 2014, Mr. Paresh N. Vasani was appointed as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> February, 2014 to 31<sup>st</sup> January, 2019.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 6<sup>th</sup> April, 2016 have decided to increase remuneration payable to Mr. Paresh N. Vasani, Managing Director of the Company and revise the other terms and conditions of his appointment as Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2016 till his remaining term as Managing Director i.e. up to 31<sup>st</sup> January, 2019.

The revised terms and conditions of his remuneration /appointment Managing Director are as under:

#### **I. PERIOD:**

The period for which remuneration/ terms and conditions of appointment have been revised w.e.f. 1<sup>st</sup> April, 2016 till remaining term as Managing Director i.e. up to 31<sup>st</sup> January, 2019.

**II. REMUNERATION:****A. SALARY:**

The Managing Director shall be entitled to monthly salary of Rs. 7,00,000/.

**B. PERQUISITES:**

- 1) Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- 3) Encashment of leave at the end of the tenure.
- 4) Free use of Company's car with driver for Company's business and free telephone facility at residence.

**III.** The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

**IV.** The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

**V. DUTIES:**

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Managing Director shall be at such place as the Board of Directors may decided from time to time.

**VI. TERMINATION:**

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a Special Resolution. The Managing Director may resign from his office by giving 90 days' notice to the Company.

**VII. COMPENSATION:**

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013.

As per the provisions of Sections 188,196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Mr. Paresh N. Vasani	Relates to revision in terms of his appointment as Managing Director, he may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	-
3.	Relative of Director	Ms. Jasmine P. Vasani	Relates to revision in terms appointment of Mr. Paresh N. Vasani, relative of Director and, therefore, she may be deemed to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-



## CIRCUIT SYSTEMS (INDIA) LIMITED

The following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

Sr. No	Particulars	Information
<b>I</b>	<b>GENERAL INFORMATION</b>	
1	Nature of industry	Printed Circuit Board
2	Date or expected date of commencement of commercial production	Already Commenced
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators	Rs.2380.00 lacs turnover (2015-16)
5	Exports performance and net foreign exchange collaborations	NIL
6	Foreign investments or collaborations, if any.	NIL
<b>II</b>	<b>INFORMATION ABOUT THE APPOINTEE</b>	
1	Background details	Mr. Paresh Vasani has obtained M.S. in Computer science and worked as senior designer at Intel Corporation, USA. He has rich experience in business of printed circuit board for 22 years. He has been working as Managing Director of the company.
2	Past remuneration	Rs. 30 lacs per annum + Perquisites
3	Recognition or awards	He has been worked as president of Printed Circuit Board Association.
4	Job profile and his suitability	He is working as Managing director of the company. The company has benefited from his skills in past and expected to benefit in future.
5	Remuneration proposed	Rs. 84 lacs per annum + Perquisites
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin.)	The remuneration is suitable considering his profile, industry standard and company requirement
7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	He is Managing Director and husband of another director Ms. Jasmine Vasani



## CIRCUIT SYSTEMS (INDIA) LIMITED

III	OTHER INFORMATION	
	1 Reasons of loss or inadequate profits	The Company is facing stiff competition in market. It has been cleaning its old debts and stocks to reflect its correct position.
	2 Steps taken or proposed to be taken for improvement	The company has reduced its working capital investments and focused on high profit items to generate revenue.
	3 Expected increase in productivity and profits in measurable terms	The company is expected to post operating profit before depreciation of around Rs. 1 crore this year
IV	DISCLOSURES	
	1 The shareholders of the Company shall be informed of the remunerations package of the managerial person	The shareholders have been informed in the notice of 21 <sup>st</sup> Annual General Meeting.
	2 The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:	NOT APPLICABLE
	i) All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc, of all the directors;	
	ii) Details of fixed component and performance linked incentives along with the performance criteria;	NOT APPLICABLE
	iii) Service contracts, notice period, severance fees;	
	iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;	

The Board recommends the resolution for your approval as a Special Resolution.

**Registered Office:**

A-1001-1002, Titanium Square,  
Thaltej Cross Road, S. G. Highway,  
Ahmedabad – 380 054  
Date: 1<sup>st</sup> August, 2016

**By Order of the Board**

**Amrita B. Chandwani**  
Company Secretary



## CIRCUIT SYSTEMS (INDIA) LIMITED

### THE DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AND/OR FIXATION OF REMUNERATION OF MANAGING DIRECTOR IN FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARD 2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

Name of Directors	Ms. Jasmine P. Vasani, Non-executive Director	Mr. Jayesh Shah, Independent Director	Mr. Suresh Poojara, Independent Director	Mr. Paresh N. Vasani, Managing Director
Date of Birth	10 <sup>th</sup> October, 1970	19 <sup>th</sup> June, 1965	4 <sup>th</sup> May, 1953	6 <sup>th</sup> July 1967
Date of Appointment	6 <sup>th</sup> April, 2016	3 <sup>rd</sup> December, 2011	24 <sup>th</sup> May, 2016	8 <sup>th</sup> February, 1995
Qualifications	B. Com.	B. Com.	B. Com.	M.S. in Computer Science
Experience	She has rich experience in Management & Administration.	He is having experience 25 year in the field of Finance & Taxation.	He is having wide experience in the field of business Management & Administration	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
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	-	-	-	As per the Special Resolution in the Notice of AGM & its Explanatory Statement attached therewith.
Remuneration last drawn by such person, if any.	-	-	-	Rs. 31.66 Lacs p.a.
Shareholding in the Company	NIL	NIL	37,883 Equity Shares	1,26,57,590 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company,	Related to Mr. Paresh N. Vasani, Managing Director of the Company	He is not related to any Directors, Manager & other Key Managerial Personnel of the Company	He is not related to any Directors, Manager & other Key Managerial Personnel of the Company	Related to Ms. Jasmine P. Vasani, Director of the Company
Number of Meetings of the Board attended during the year	As appointment is made after the closure of financial year, she has not attended any Meeting during the year under review.	9 meetings attended	As appointment is made after the closure of financial year, he has not attended any Meeting during the year under review.	9 meetings attended
List of Public Limited Companies in which Directorships held	PCB Power (India) Limited	PCB Power (India) Limited	-	PCB Power (India) Limited
List of Private Limited Companies in which Directorships held	1. Eurocircuits India Private Limited 2. PCB Planet (India) Private Limited	1. Eurocircuits India Private Limited 2. PCB Planet (India) Private Limited	-	1. Eurocircuits India Private Limited 2. PCB Planet (India) Private Limited
Chairman/Member of the Committees of Directors of other Companies	-	-	-	-
Justification for choosing the appointee for appointment as Independent Directors	N.A.	He is having wide experience in the field of Finance & Taxation.	He is having wide experience in the field of Management & Administration.	N.A.

**DIRECTORS' REPORT**

Dear Members,

Your Directors present the 21<sup>ST</sup> ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 201516 ended 31<sup>ST</sup> March, 2016.

**1. FINANCIAL RESULTS:**

(Rs. In Lacs)

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Income from Operation (Net of Excise)	2139.61	2424.95
Other Income	123.37	36.33
Profit before Finance Cost, Depreciation and Tax	429.72	317.26
Less: Finance Cost	126.04	105.90
Profit before Depreciation	303.68	211.36
Less: Depreciation	139.46	103.40
Profit before Exceptional Items	164.22	107.96
Less: Exceptional Items	-	677.24
Profit/ (Loss) before Tax	164.22	(569.28)
Less: Provision for Tax	-	(7.55)
Profit/ (Loss) after Tax	164.22	(561.73)

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2016 and date of this report.

**2. DIVIDEND:**

In view of accumulated losses, the Directors are unable to recommend any dividend on the Equity Shares for the year under review.

**3. BUSINESS SCENARIO:**

The Company has focused on margins since last 3 years instead of volumes. This policy has started showing benefits in terms of improved margins and profitability in spite of fall in turnover. The Company considers continuing the same policy in future and your directors expects that the same will result into improved profitability in future. During the year, the company has earned operating profit of Rs. 1.64 crore.

**4. DELISTING OF EQUITY SHARES OF THE COMPANY FROM BSE LIMITED:**

As informed to the Shareholders through Offer Letter for Delisting of Equity Shares, the management has decided to go for voluntary delisting the Company's Equity shares from the BSE Limited (BSE) in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of equity shares) (Amendments) Regulations, 2015. The objective of the delisting of shares of the Company was to increase ownership of Mr. Paresh N. Vasani, Promoter of the Company which would help the Promoter to exercise increased operational flexibility to support the Company's business and to provide an exit opportunity to the public shareholders of the Company, given the low liquidity in the Equity Shares of the Company.

The proposal to delist the Equity Shares of the Company from the Stock Exchange was approved by the Shareholders through Postal Ballot in November, 2015. Thereafter the Reverse Book Building (RBB) process for discovery of the exit price and acquiring the required number of shares i.e. 12,92,160 had been carried out in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of equity shares) (Amendments) Regulations, 2015. The discovered price arrived by RBB was Rs.14/- per equity share which Mr. Paresh N. Vasani, Promoter decided to accept and the shares offered within the discovered price under RBB were accepted by Mr. Paresh N. Vasani, Promoter. The procedural formalities in respect of delisting





## CIRCUIT SYSTEMS (INDIA) LIMITED

had been completed during March, 2016 and the trading in the equity shares of the Company at BSE Limited had been discontinued w.e.f 29<sup>th</sup> March, 2016 and Equity Shares of the Company has been delisted from BSE Limited with effect from 5<sup>th</sup> April, 2016.

The remaining public shareholders of the Company who did not or were not able to participate in the RBB process or who unsuccessfully tendered their Equity Shares in the RBB process, are be able to offer their Equity Shares to the Acquirer viz., Mr. Paresh N. Vasani, Promoter at the Exit Price of Rs. 14/- for a period of twelve (12) months from 5<sup>th</sup> April, 2016, 2016 to 4<sup>th</sup> April, 2017.

### 5. DIRECTORS:

- 5.1 Ms. Jasmine P. Vasani was appointed as Non Executive- Non Independent Director of the Company w.e.f. 6<sup>th</sup> April, 2016. Mr. Suresh M. Poojara was appointed as Independent Director of the Company w.e.f. 24<sup>th</sup> May, 2016.
- 5.2 Two of your Directors viz. Ms. Madhu Kejriwal and Mr. Chetankumar Panchal resigned from the office of the Director w.e.f. 6<sup>th</sup> April, 2016.
- 5.3 Mr. Jayesh H. Shah and Mr. Suresh M. Poojara, being Independent Directors, are being appointed for a term of 5 years as per provisions of the Companies Act, 2013.
- 5.4 Mr. Paresh N. Vasani, retires by rotation at this Annual General Meeting, being eligible offers himself for reappointment
- 5.5 The Board of Directors duly met 9 times during the financial year under review.
- 5.6 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

### 5.7 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2016 being end of the financial year 2015-16 and of the Profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 6. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

### 7. MANAGERIAL REMUNERATION:

REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the financial year 2015-16	Commission received from Holding/ Subsidiary
1.	Paresh Vasani, Managing Director	Rs. 31,66,667/-	N.A.

The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully.



All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy are available on the Company's website -www.mycsil.com.

**8. NET WORTH OF THE COMPANY:**

The Net worth as on 31st March, 2016 is Rs. 2156.09 Lacs compared to Rs. 1991.87 Lacs as on 31st March, 2015.

**9. PERSONNEL AND H. R. D.:****9.1 INDUSTRIAL RELATIONS:**

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

**9.2 PARTICULARS OF EMPLOYEES:**

There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

**10. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:**

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

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

The information required under Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of **Annexure- A**.

**12. EXTRACT OF ANNUAL RETURN:**

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure- B**.

**13. AUDIT COMMITTEE:**

13.1 The Board of Directors have constituted Audit Committee consisting of the following:

- |    |                    |          |
|----|--------------------|----------|
| 1. | Mr. Jayesh Shah    | Chairman |
| 2. | Mr. Suresh Poojara | Member   |
| 3. | Mr. Paresh Vasani  | Member   |

**13.2 VIGIL MECHANISM:**

The Board of Directors has laid down a policy on Vigil Mechanism for effective and smooth functioning of Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

**14. NOMINATION AND REMUNERATION COMMITTEE:**

The Company has also set up a Remuneration Committee of Directors, consisting of:

- |    |                      |          |
|----|----------------------|----------|
| 1. | Mr. Jayesh Shah      | Chairman |
| 2. | Mr. Suresh Poojara   | Member   |
| 3. | Mr. Jasmine P Vasani | Member   |

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.



The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

**15. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members as on the date of the Report:

1. Mr. Jayesh Shah Chairman
2. Mr. Paresh Vasani Member

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on date.

Ms. Amrita B. Chandwani, Company Secretary is the Compliance Officer for the above purpose.

**16. GENERAL:****16.1 AUDITORS:****STATUTORY AUDITORS:**

The present Auditors of the Company M/s. Baheti Bhadada & Associates, Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. The Company has received letter from them showing their unwillingness to continue as Auditors of the Company from the financial year 2016-17.

The Company has obtained from M/s. Rajendra D. Shah & Co., Chartered Accountants, Ahmedabad a written Certificate to the effect that their appointment as Auditors of the Company for period of 5 years commencing from the Financial Year 2016-17 to 2020-21, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013. The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

**16.2 INSURANCE:**

The movable and immovable properties of the Company including plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

**16.3 DEPOSITS:**

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

**16.4 SUBSIDIARIES/ ASSOCIATES/ JVS:**

The Company has only one subsidiary i.e. PCB Power (India) Limited. The Subsidiary Company has not started full fledged commercial operations yet. Your directors expect to start commercial operations from current financial year.

The information, pursuant to first proviso to Section 129(3) and rule 5 of Companies (Accounts) Rules, 2014, relating to the financial statement of subsidiaries/ associate companies/ joint ventures forms part of this report and is given by way of **Annexure-C**.

Financial accounts of our subsidiary for the financial year 2015-16 are available for inspection by any Member at the Registered Office of your Company, during normal business hours on working days, up to the date of the Annual General Meeting of the Company, a copy of which can also be sought by any Member on making a written request to the Secretarial Department of your Company in this regard.

The Company has prepared Consolidated Financial Statements of the Company and its subsidiary and is included in the Annual Report. The Financial Statements of the Subsidiary Company are not being attached with the Annual Report of the Company but are uploaded on website of the Company.

Apart from this, the Company has no other Subsidiaries/ Associates/ Jvs.

**16.5 RISKS MANAGEMENT POLICY:**

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

**16.6 CODE OF CONDUCT:**

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

**16.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There has been no significant and material order passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

**16.8 ENVIRONMENT AND SAFETY:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**16.9 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

**16.10 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

**17. DISCLOSURE OF ACCOUNTING TREATMENT:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**18. DEMATERIALIZATION OF EQUITY SHARES:**

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE720H01010.

**19. FINANCE:**

The Company is enjoying financial assistance from HDFC Bank Limited. The Company is regular in payment of interest and principal.

**20. ACKNOWLEDGMENT:**

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and cooperation. Your Directors also place on record their grateful appreciation and cooperation received from Bankers, Financial Institutions, Government Agencies and employees of the Company.

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

Place : Ahmedabad  
Date : 1<sup>st</sup> August, 2016

**Paresh Vasani**  
**Managing Director**

**Jayesh Shah**  
**Director**



## ANNEXURE - A

## FORM - A

## Disclosure of particulars with respect to Conservation of Energy

**(A) Conservation of energy-**

Steps taken or impact on conservation of energy	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.
Steps taken by the Company for utilising alternate sources of energy	-
Capital investment on energy conservation equipments	N.A.

**(B) TECHNOLOGY ABSORPTION:**

Efforts made in Research and Development and Technology Absorption as per Form B prescribed in the Rules is as under:

1. Research & Development (R & D)
  - (a) Specific areas in which R&D carried out by the Company. : Not Applicable
  - (b) Benefits derived as a result of the above R&D : -
  - (c) Future plan of action : -
  - (d) Expenditure on R&D : -
2. Technology absorption, adoption and innovation: The Company does not envisage any technology absorption.

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO:**

	2015-16(Rs.)	2014-15(Rs.)
Total Foreign exchange earnings	65,97,470	1,00,45,036
Total Foreign Exchange used	7,47,02,171	3,86,08,502

For and on behalf of the Board,

Place : Ahmedabad  
Date : 1<sup>st</sup> August, 2016

**Paresh Vasani**  
Managing Director

**Jayesh Shah**  
Director

**ANNEXURE – B  
FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016***[Pursuant to section 92(3) of the Companies Act, 2013 and  
rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

(i)	CIN	L74140GJ1995PLC024524
(ii)	Registration Date	8-Feb-95
(iii)	Name of Company	Circuit Systems (India) Limited
(iv)	Category/Sub Category of Company	Public Company-Limited by Shares
(v)	Address of Registered office and contact details	A-1001-1002, Titanium Square,Thaltej Cross Road, S. G. Highway,Ahmedabad – 380 054 Ph.: +91-79-3287086
(vi)	Whether company is listed?	NO
(vii)	Name, Address and Contact details of Registrar and Transfer Agent	M/s. Cameo Corporate Services Limited, 'Subramanian Building' 1, Club House Road, Chennai-600 002 Ph.: +91-44-28461073 Email: cameo@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Printed Circuit Boards	26104	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	PCB Power(India) Ltd.	U31909GJ2006PLC047552	Subsidiary	100%	2(87)(ii)


**IV. SHARE HOLDING PATTERN :**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held as on 1 <sup>st</sup> April, 2015				No. of Shares held as on 31 <sup>st</sup> March, 2016				% Change during the year 2015-16
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	9893180	-	9893180	71.33	12576856	-	12576856	90.68	19.35
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	9893180	-	9893180	71.33	12576856	-	12576856	90.68	19.35
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-



## CIRCUIT SYSTEMS (INDIA) LIMITED

Category of Shareholders	No. of Shares held as on 1 <sup>st</sup> April, 2015				No. of Shares held as on 31 <sup>st</sup> March, 2016				% Change during the year 2015-16
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	44975	-	44975	0.32	19623	-	19623	0.14	(0.18)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding <= Rs.1 lac	1180681	332	1181013	8.52	1014854	332	1015186	7.32	(1.20)
ii) Individuals holding > Rs. 1 lac	358135	-	358135	2.58	137918	-	137918	0.99	(1.59)
c) Others (specify)									
FCB	2250000	-	2250000	16.22	-	-	-	-	(16.22)
HUF	109244	-	109244	0.79	85134	-	85134	0.61	(0.17)
NRI	31121	-	31121	0.22	30431	-	30431	0.22	-
CM	1348	-	1348	0.01	3868	-	3868	0.03	0.01
Sub-total (B)(2):-	3975504	332	3975836	28.67	1291828	332	1292160	9.32	(19.35)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3975504	332	3975836	28.67	1291828	332	1292160	9.32	(19.35)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>13868684</b>	<b>332</b>	<b>13869016</b>	<b>100.00</b>	<b>13868684</b>	<b>332</b>	<b>13869016</b>	<b>100.00</b>	<b>-</b>

(ii) **Shareholding of Promoters**

SN	Shareholder's Name	Shareholding as on 01-04-2015			Share holding as on 31-03-2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Paresh Vasani	9893180	71.33	-	12576856	90.68	-	19.35




**(iii) Change in Promoters' Shareholding ( please specify, if there : is no change)**

Sl. No.	For Each of the Promoter and Promoter Group	Shareholding as on 1 <sup>st</sup> April, 2015		Changes during the year	Shareholding as on as on 31 <sup>st</sup> March, 2016	
		No. of shares	% of total shares of the company		No. of shares of the company	% of total shares
1	Paresh N. Vasani	9893180	0.92	2683676	12576856	90.68

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding as on 1 <sup>st</sup> April, 2015		Changes during the year	Shareholding as on as on 31 <sup>st</sup> March, 2016	
		No. of shares	% of total shares of the company		No. of shares of the company	% of total shares
	Top 10 as on 01-04-2015					
1	Europrint N. V.	2250000	16.22	(2250000)	-	-
2	Jay Ketan Shah	83905	0.60	(83905)	-	-
3	Rasesh H. Patel	50000	0.36	(50000)	-	-
4	S M Pujara	42740	0.31	(4857)	37883	0.27
5	Deval J Shah	42006	0.30	(42006)	-	-
6	Vimal P. Khandwala	27000	0.19	-	27000	0.19
7	Shah Nikita Jay	25945	0.19	(25945)	-	-
8	Manubhai P. Shah	16506	0.12	(16506)	-	-
9	Pananghat Muraleedharan	15000	0.01	-	15000	0.01
10	Deval Jigar Shah	26828	0.19	(26828)	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 1 <sup>st</sup> April, 2015		Changes during the year	Shareholding as on as on 31 <sup>st</sup> March, 2016	
		No. of shares	% of total shares of the company		No. of shares of the company	% of total shares
1	Paresh N. Vasani	9893180	71.33	2683676	12576856	90.68
2	Jayesh H. Shah	-	-	-	-	-
3	Chetan J. Panchal (Resigned on 06-04-2016)	-	-	-	-	-
4	Madhu N. Kejriwal (Resigned on 06-04-2016)	-	-	-	-	-
5	Preeti A. Chouksey, CFO	-	-	-	-	-
6	Amrita B. Chandwani, CS	-	-	-	-	-



**V. INDEBTEDNESS**

(Amt. in Rs.)

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A. Indebtedness as on 01-04-2015				
i) Principal Amount	8,33,95,454	-	-	8,33,95,454
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
B. Change in Indebtedness during 2015-16				
* Addition	-	2,76,39,558	-	2,76,39,558
* Reduction	1,97,51,217	-	-	1,97,51,217
<b>Net Change</b>	<b>(1,97,51,217)</b>	<b>2,76,39,558</b>	<b>-</b>	<b>78,88,341</b>
C. Indebtedness as on 31-03-2016				
i) Principal Amount	6,36,44,237	2,76,39,558	-	9,12,83,795
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,36,44,237</b>	<b>2,76,39,558</b>	<b>-</b>	<b>9,12,83,795</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Paresh Vasani	
1	Gross salary	31,66,667	31,66,667
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit		
	- others, specify...		
5	Others, please specify	0	0
	Total (A)	31,66,667	31,66,667
	Ceiling as per the Act	Rs.42,00,000/-	


**B. Remuneration to other directors:**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Chetankumar J. Panchal	Mr. Jayesh H. Shah	Madhu N. Kejriwal	
1	Fee for attending board committee meetings	30,000	35,000	35,000	1,00,000
2	Commission				
3	Others, please specify				
	<b>Total Managerial Remuneration</b>	<b>30,000</b>	<b>35,000</b>	<b>35,000</b>	<b>1,00,000</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Amrita B Chandwani - Company Secretary	Ms. Preeti Amit Chouksey - CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,31,051	2,54,400	<b>3,85,451</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, Please specify	-	-	-
	<b>Total</b>	<b>1,31,051</b>	<b>2,54,400</b>	<b>3,85,451</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

No disclosure is required as there are no such Penalties/ Punishment imposed on the Company and its Directors/KMP and no Compounding of Offences done by the Company and its Directors/ KMP.

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

Place : Ahmedabad  
Date : 1<sup>st</sup> August, 2016

**Paresh Vasani**  
Managing Director

**Jayesh Shah**  
Director

**ANNEXURE C  
FORM AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014)

**PART "A": SUBSIDIARIES**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiary Companies.

Sr. No.	Particulars	Details
1.	Name of the subsidiary	PCB Power (India) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	Rs. 8,60,200/-
5.	Reserves & surplus	Rs. 11,596,569/-
6.	Total assets	Rs. 13,557,018/-
7.	Total Liabilities	Rs. 11,00,251/-
8.	Investments	Nil
9.	Turnover	Rs. 13,33,832/-
10.	Loss before taxation	Rs.6,50,785/-
11.	Provision for taxation	Nil
12.	Loss after taxation	Rs.6,15,697/-
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

**PART "B": ASSOCIATES AND JOINT VENTURES**

The Company does not have any Associate companies/ JVs.

For and on behalf of the Board,

Place : Ahmedabad  
Date : 1<sup>st</sup> August, 2016

**Paresh Vasani**  
Managing Director

**Jayesh Shah**  
Director

**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 System (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

- **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at **31st March, 2016**, and its Profit and its cash flows for the year ended on that date.

- **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, Baheti Bhadada & Associates  
Chartered Accountants**

**Krutesh Patel  
Partner**

**Membership No. 140047**

**Place : Ahmedabad  
Date : 30 April 2016**

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date

**I. Fixed Assets: -**

- (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) The management has physically verified all the fixed assets at the year-end. No material discrepancies have been noticed on such verification.
- (c) The Company holds the title of Immovable Property held by the company.

**II. Inventory :**

- (a) The Physical Verification of the stock has been conducted by the management at reasonable time Intervals and no discrepancies have been noticed there in.

**III. Loan:**

According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or their parties covered in the register maintained under section 189 of the companies Act 2013.

IV. In our opinion and according to the information and explanations given to us, The company has complied with the provisions of section 185 and 186 of companies Act, 2013 in respect of loan, Investment, Guarantee and security.

V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the current financial year.

VI. The Central Government has not prescribed for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

VII. (a) According to the information and explanation given to us, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with a appropriate authorities.

(b) According to the information and explanation given to us, there were no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

(c) There is no dues of income tax, sales tax, service tax, duty of customs, duty of excise, VAT, outstanding on account of any dispute except as disclosed under No 29.

VIII. On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has taken fresh term loan from bank during year.

IX. Based on verification of records of the company, the terms loan were applied for the purpose for which loans were obtained.

X. Based on the Audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under Audit

XI. The company has paid/provided for managerial remuneration as per provisions of Section 197 read with Schedule V of Companies Act, 2013.

XII. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.



- XIII. According to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and section 188 of the companies act, 2013.
- XIV. The company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during financial year.
- XV. According to the information and explanation given to us, we Report that the company has not entered into any non-cash Transaction (u/s 192 companies act, 2013) with its Directors or the with the persons connected with it.
- XVI. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For, Baheti Bhadada & Associates  
Chartered Accountants**

**Krutesh Patel**

**Partner**

**Membership No. 140047**

**Place : Ahmedabad  
Date : 30 April 2016**

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**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CIRCUIT SYSTEMS 9INDIA) LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Circuit Systems (India) Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company/s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and





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

evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Baheti Bhadada & Associates  
Chartered Accountants**

**Place : Ahmedabad  
Date : 30 April 2016**

**Krutesh Patel  
Partner  
Membership No. 140047**



## STANDALONE BALANCE SHEET AS AT 31-03-2016

(Amount in Rs.)

	Note No.	As at 31-03-2016	As at 31-03-2015
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	138,690,160	138,690,160
Reserves & surplus	3	76,919,101	60,497,146
		<b>215,609,261</b>	<b>199,187,306</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	67,228,710	20,574,399
Deferred tax liabilities (Net)	5	-	-
Long-term provisions	6	1,585,088	2,028,494
		<b>68,813,798</b>	<b>22,602,893</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	24,055,085	62,821,055
Trade payables	8	3,514,181	2,365,813
Other current liabilities	9	13,970,560	8,115,720
Short-term provisions	10	6,349,461	24,813,906
		<b>47,889,287</b>	<b>98,116,493</b>
		<b>332,312,346</b>	<b>319,906,692</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
	11		
Tangible assets		120,949,522	99,237,643
Intangible assets		214,113	-
Capital work-in-progress			
Non-current investments	12	83,214,872	64,224,872
Long-term loans & advances	13	2,365,524	3,512,106
Other non-current assets	14	-	-
		<b>206,744,030</b>	<b>166,974,621</b>
<b>CURRENT ASSETS</b>			
Inventories	15	49,442,435	42,179,886
Trade receivables	16	24,153,529	38,797,246
Cash and bank balances	17	7,756,571	34,082,917
Short-term loans and advances	18	43,483,508	37,318,025
Other current assets	19	732,271	553,996
		<b>125,568,315</b>	<b>152,932,071</b>
		<b>332,312,346</b>	<b>319,906,692</b>

**Significant Accounting Policies**

1

The accompanying note no. 1 to 39 are integral part of financial statements

As per our Report of even date  
**For Baheti Bhadada & Associates**

Chartered Accountants

Firm Registration No. 100865W

**(Krutesh Patel)****Partner**

Membership No. 140047

Place : Ahmedabad

Date : 30 April, 2016

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

Circuit Systems (India) Limited.

**(Paresh N. Vasani)**

Managing Director

DIN No: 01376786

**(Jayesh H. Shah)**

Director

DIN No: 02559296

**(Preeti Chouksey)**

Chief Financial Officer

**(Amrita Chandwani)**

Company Secretary

Place : Ahmedabad

Date : 30 April, 2016

**CIRCUIT SYSTEMS (INDIA) LIMITED****STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-03-2016**

(Amount in Rs.)

	Note No.	Year Ended 31-03-2016	Year Ended 31-03-2015
<b>INCOME</b>			
Revenue from operations(Gross)	20	238,000,858	267,485,059
Less : Excise duty		(24,039,868)	(24,989,867)
Revenue from operations(Net)		213,960,990	242,495,192
Other Income	21	12,337,669	3,632,828
<b>Total Revenue</b>		<b>226,298,659</b>	<b>246,128,020</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	95,651,913	128,944,937
Purchase of Traded goods		3,075,482	-
Changes in inventories of work-in-progress	23	(2,973,799)	2,700,714
Employees benefit expenses	24	17,162,328	18,757,319
Finance costs	25	12,604,063	10,590,115
Depreciation and amortization expenses	26	13,945,840	10,339,578
Other expenses	27	70,482,046	63,999,333
<b>Total Expenses</b>		<b>209,876,704</b>	<b>235,331,996</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>16,421,955</b>	<b>10,796,024</b>
Exceptional items	34	-	(67,723,898)
<b>Profit/(Loss) before tax</b>		<b>16,421,955</b>	<b>(56,927,874)</b>
<b>Tax Expenses</b>			
Current Income Tax		-	755,000
Less: MAT Credit Entitlement		-	-
Net Current tax		-	755,000
(Excess)/Short provision of income tax for earlier years		-	-
Deferred Tax		-	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>16,421,955</b>	<b>(56,172,874)</b>
Profit (Loss) before tax from discontinuing operations	35	-	-
Tax Expense of discontinuing operations		-	-
<b>Profit (Loss) after tax from discontinuing operations</b>		<b>16,421,955</b>	<b>(56,172,874)</b>
<b>Profit (Loss) for the period</b>		<b>16,421,955</b>	<b>(56,172,874)</b>
<b>Earning per equity share</b>			
(a) Basic		1.18	(4.05)
(b) Diluted		1.18	(4.05)

**Significant Accounting Policies**

1

The accompanying note no. 1 to 39 are integral part of financial statements

As per our Report of even date  
**For Baheti Bhadada & Associates**

Chartered Accountants

Firm Registration No. 100865W

**(Krutesh Patel)****Partner**

Membership No. 140047

Place : Ahmedabad

Date : 30 April, 2016

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

Circuit Systems (India) Limited.

**(Pareesh N. Vasani)**

Managing Director

DIN No: 01376786

**(Preeti Chouksey)**  
Chief Financial Officer

Place : Ahmedabad

Date : 30 April, 2016

**(Jayesh H. Shah)**

Director

DIN No: 02559296

**(Amrita Chandwani)**  
Company Secretary

Place : Ahmedabad

Date : 30 April, 2016



## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2016

(Amount in Rs.)

	Year Ended 31-03-2016	Year Ended 31-03-2015
<b>A:- Cash Flow from Operating Activities</b>		
<b>Net profit before taxation:</b>	16,421,955	(56,927,874)
<b>Adjustment for :</b>		
Depreciation and amortization	13,945,840	10,339,578
Investment written off	10,000	
Unrealized foreign exchange loss/(gain)	165,330	(246,883)
Interest Income	(3,001,356)	(3,623,915)
(Gain)/Loss on sale of fixed assets	2,608,355	(331,452)
Finance Cost	12,604,063	10,590,115
Bad debts	642,980	(89,983)
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	<b>43,387,168</b>	<b>(40,290,414)</b>
Adjustment for:		
Changes in inventories	(7,262,549)	42,614,400
Trade receivables	14,000,737	25,331,966
Trade payables, short & long-term provisions, other current & long-term liabilities	(50,670,612)	339,961
	<hr/>	<hr/>
<b>Cash generated from continuing operations</b>	<b>(545,256)</b>	<b>27,995,913</b>
Direct Taxes paid	(420,364)	450,569
	<hr/>	<hr/>
<b>Net cash from operating activities (A)</b>	<b>(965,621)</b>	<b>28,446,482</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>B:- Cash flow from investing activities</b>		
Purchase of fixed assets	(41,104,011)	(40,358,515)
Proceeds from sale of fixed assets	2,587,884	3,958,500
Movement in loans and advances	(4,598,537)	(18,574,042)
Investment in shares	(19,000,000)	-
Interest received	3,001,356	3,623,915
	<hr/>	<hr/>
<b>Net cash used in investing activities (B)</b>	<b>(59,113,308)</b>	<b>(51,350,142)</b>
	<hr/> <hr/>	<hr/> <hr/>

**CIRCUIT SYSTEMS (INDIA) LIMITED****STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2016**

(Amount in Rs.)

	Year Ended 31-03-2016	Year Ended 31-03-2015
<b>C:- Cash flow from financing activities</b>		
Finance Cost	(12,604,063)	(10,590,115)
Increase/(decrease) in short-term borrowings	46,654,311	45,528,736
Net Proceeds/(Repayment) of long-term borrowings	-	20,177,317
<b>Net cash from financing activities (C)</b>	<b>34,050,248</b>	<b>55,115,938</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(10,708,949)</b>	<b>32,212,278</b>
Cash and cash equivalents at the beginning of the year	33,812,746	1,600,467
Cash and cash equivalents at the end of the year	<b>7,651,729</b>	<b>33,812,746</b>

**Notes :**

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

	As at 31-03-2016	As at 31-03-2015
Cash on hand	520,007	545,366
Bank balance	3,664,508	31,825,753
Fixed Deposits with Bank	3,572,056	1,711,799
Effect of exchange rate changes	(104,842)	(270,172)
	<b>7,651,729</b>	<b>33,812,746</b>

The Cash flow statement has been prepared under the indirect method setout in AS-3.

As per our Report of even date  
**For Baheti Bhadada & Associates**  
*Chartered Accountants*  
 Firm Registration No. 100865W  
**(Krutesh Patel)**  
**Partner**  
 Membership No. 140047  
 Place : Ahmedabad  
 Date : 30 April, 2016

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

<b>(Paresh N. Vasani)</b> <i>Managing Director</i> DIN No: 01376786	<b>(Jayesh H. Shah)</b> <i>Director</i> DIN No: 02559296
<b>(Preeti Chouksey)</b> <i>Chief Financial Officer</i>	<b>(Amrita Chandwani)</b> <i>Company Secretary</i>
Place : Ahmedabad	Date : 30 April, 2016

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2016****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, 2013.

**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 useful life specified in schedule II of the Companies Act, 2013. However useful life at the machine has been considered as estimated by management after obtains technical certificate for the same. 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**

The intangible fixed assets are amortized over useful life of assets specified under Schedule II of Companies Act, 2013.

**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. No tax provision has been for the F.Y. Due to loss arising in the book profits calculated according to 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. However, No Deferred tax asset is recorded for the year under consideration considering the low chances of reversal for the same.

**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. No asset is Impaired during the period under consideration.

**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 31-03-2016	As at 31-03-2015
<b>Authorised Shares</b> 16000000(31-03-2015:16000000) Equity shares of Rs.10/- each.	<b>160000000</b>	<b>160000000</b>
<b>Issued, Subscribed and fully paid-up</b> 13869016 Equity shares of Rs. 10/- each.	138,690,160	138,690,160
	<b>138,690,160</b>	<b>138,690,160</b>

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

	As at 31-03-2016	As at 31-03-2015
<b>Equity share</b>		
At the beginning of the year	13,869,016	13,869,016
Issued during the year	-	-
Bought back during the year (Refer note no. 2.4)	-	-
Outstanding at the end of the year	<b>13,869,016</b>	<b>13,869,016</b>

**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 31-03-2016		As at 31-03-2015	
	%	No. of Shares	%	No. of Shares
Mr. Paresh N. Vasani	90.68	12,576,856	71.33	9,893,180
Europrint N.V	-	-	16.22	2,250,000

**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 profit of Rs. 2/- per share on buy back of shares. 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 18,30,984/- (31-03-2015 : 18,30,984/-) equity shares.**




**3. RESERVES AND SURPLUS**

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
<b>Capital Reserve</b>		
Balance as per last financial statements	3,661,968	3,661,968
Addition during the year	-	-
<b>Closing balance</b>	3,661,968	3,661,968
<b>Capital Redemption Reserve</b>		
Balance as per last financial statements	18,309,840	18,309,840
Transfer from general reserve	-	-
<b>Closing balance</b>	18,309,840	18,309,840
<b>Securities Premium Reserve</b>		
Balance as per last financial statements	134,670,250	134,670,250
Addition during the year	-	-
<b>Closing balance</b>	134,670,250	134,670,250
<b>General Reserve</b>		
Balance as per last financial statements	-	1,190,160
Transfer to Capital Redemption Reserve	-	-
Transfer to Profit & Loss Account	-	(1,190,160)
<b>Closing balance</b>	-	-
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	(96,144,912)	45,566,003
Add: Transfer from General Reserve	-	1,190,160
	-	46,756,163
Less : Fixed Assets Written off	-	(86,728,201)
Add/Less: Profit/(Loss) for the year	16,421,955	(56,172,874)
<b>Net surplus/(deficit) in the statement of profit and loss</b>	(79,722,957)	(96,144,912)
<b>Total Reserves &amp; Surplus</b>	<b>76,919,101</b>	<b>60,497,146</b>

**4. LONG TERM BORROWINGS**

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
<b>Secured</b>		
Term Loan		
From banks	39,589,152	20,574,399
<b>Unsecured</b>		
Inter-corporate Loan	27,639,558	
	<b>67,228,710</b>	<b>20,574,399</b>

**Notes:**

- Loan from Bank carries includes loan of Nil (PY-Rs. 154,112/- )from axis bank which 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.It also includes term loan of Rs. Nil (PY-Rs. 2,0420,287/-) from corporation bank. The loan is payable in 60 equal monthly installments of Rs. 4,95,000/- from date of loan viz 8 August 2014. Current maturity of long-term borrowings is Rs. 12,183,519/- (PY-Rs.61,82,970/- ). The rate of interest is Base Rate + 5%.
- Current year's the Loan from Bank include term loan of Rs. 35,30,353/- (PY Nil) from corporation bank, repayable in 60 EMI of Rs. 83,660 @10.65% from May 2015. The above loan is secured by way of hypothecation of Car. It also includes working capital term loan from HDFC Bank worths Rs.67,67,889/- (PY Nil) repayable in 36 EMI of Rs.328336 @Base rate + 1.9% from March 2016. It also includes term loan from HDFC Bank worths Rs.17393850/- (PY Nil) repayable in 48 EMI of Rs.649,178 @Base rate + 1.9% from NOVEMBER 2015. It also includes term loan from HDFC Bank worths Rs.11897059/- (PY Nil) repayable in 48 EMI of Rs.328010 @Base rate + 1.9% from NOVEMBER 2015.
- All termloan has been secured against primary security against Plant and Machinery & colletral security of Land & Bulidning of the company.

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

	As at 31-03-2016	As at 31-03-2015
<b>(i) Deferred tax liability:</b> Arising on account of timing difference in:		
- Depreciation	-	-
<b>(ii) Deferred tax assets:</b> Arising on account of timing difference in :		
- Disallowance of expenses	-	-
<b>Net deferred tax liability</b>	<b>-</b>	<b>-</b>

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

	As at 31-03-2016	As at 31-03-2015
Provision for leave encashment	462,704	551,055
Provision for Gratuity	1,122,384	1,477,439
	<b>1,585,088</b>	<b>2,028,494</b>

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

	As at 31-03-2016	As at 31-03-2015
Loans repayable on demand		
From banks(secured)		
Cash credit	24,055,085	62,821,055
	<b>24,055,085</b>	<b>62,821,055</b>

Notes: Cash credit and buyer's credit from bank is primarily secured by way of hypothecation on inventory, charge on book debts and current assets of the company(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. Further buyer's credit is secured by way of margin money deposits. Interest is charged at Base Rate +1.90%, subject to revision from time to time.

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

	As at 31-03-2016	As at 31-03-2015
Trade payables (refer note below for details of dues to micro and small enterprises)	3,514,181	2,365,813
	<b>3,514,181</b>	<b>2,365,813</b>

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



# CIRCUIT SYSTEMS (INDIA) LIMITED

## 9. OTHER CURRENT LIABILITIES

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
Current maturity of long term borrowings	12,183,519	6,182,970
Advance received from customers	686,046	1,130,763
Unpaid TDS/Service tax/VAT	1,100,994	801,987
	<b>13,970,560</b>	<b>8,115,720</b>

## 10. SHORT TERM PROVISIONS

	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits	1,738,402	1,391,052
Provision for leave encashment	145,507	41,229
Provision for Gratuity	200,975	205,695
Provision for Audit fees	175,000	315,000
Provision for Expenses	4,089,577	22,860,930
	<b>6,349,461</b>	<b>24,813,906</b>

## 11. FIXED ASSETS

(Amount in Rs.)

Sr. No.	Description	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Opening Balance 4/1/2015	W.off as per co's act 2013 See Note 1.5	Additions during the year	Sale/ Transfer	Closing Balance 3/31/2016	Opening Balance 4/1/2015	W.off as per co's act 2013 See Note 1.5	For the Year	Deletions/ Adjustments	Closing Balance 3/31/2016	As at 3/31/2016	As at 4/1/2015
	<b>Tangible Assets</b>												
1	Leasehold Land	3,212,299	-	-	-	3,212,299	-	-	-	-	-	3,212,299	3,212,299
2	Factory Building	39,283,932	-	-	-	39,283,932	15,773,841	-	1,959,174	-	17,733,016	21,550,917	23,510,091
3	Plant & Equipment	95,126,140	-	34,062,624	6,262,914	122,925,850	27,072,774	-	10,040,961	1,066,675	36,047,060	86,878,791	68,053,366
4	E.T.Plant	1,437,851	-	-	-	1,437,851	23,964	-	95,857	-	119,821	1,318,030	1,413,887
5	Furniture & Fixtures	741,079	-	-	-	741,079	270,816	-	83,600	-	354,416	386,663	470,263
6	Vehicles	2,543,418	-	6,462,492	-	9,005,910	1,431,966	-	1,148,500	-	2,580,466	6,425,445	1,111,452
7	Office Equipments	348,239	-	205,204	-	553,443	132,039	-	96,442	-	228,482	324,961	216,200
8	Computer,Fax, Cellular	1,636,154	-	71,955	-	1,708,109	1,033,262	-	168,406	-	1,201,668	506,441	602,891
9	Electric Installation	1,684,405	-	-	-	1,684,405	1,037,214	-	301,218	-	1,338,432	345,973	647,191
	<b>Total</b>	<b>146,013,517</b>	<b>-</b>	<b>40,802,275</b>	<b>6,262,914</b>	<b>180,552,878</b>	<b>46,775,876</b>	<b>-</b>	<b>13,894,157</b>	<b>1,066,675</b>	<b>59,603,359</b>	<b>120,949,522</b>	<b>99,237,643</b>
	Previous Year	342,933,735	231,452,129	40,358,515	5,826,604	146,013,517	155,263,482	116,627,628	10,339,578	2,199,556	46,775,876	99,237,643	187,670,252
	<b>Intangible Assets</b>												
1	Computer Software (Useful life is 6 Years)	-	-	265,795	-	265,795	-	-	51,682	-	51,682	214,113	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>265,795</b>	<b>-</b>	<b>265,795</b>	<b>-</b>	<b>-</b>	<b>51,682</b>	<b>-</b>	<b>51,682</b>	<b>214,113</b>	<b>-</b>
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>146,013,517</b>	<b>-</b>	<b>41,068,070</b>	<b>6,262,914</b>	<b>180,818,673</b>	<b>46,775,876</b>	<b>-</b>	<b>13,945,840</b>	<b>1,066,675</b>	<b>59,655,041</b>	<b>121,163,635</b>	<b>99,237,643</b>
	Previous Year	342,933,735	231,452,129	40,358,515	5,826,604	146,013,517	155,263,482	116,627,628	10,339,578	2,199,556	46,775,876	99,237,643	187,670,252


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

	As at 31-03-2016	As at 31-03-2015
<b>Trade investments(Unquoted) (Long-term)</b>		
<b>In Subsidiaries</b>		
86020 (31.03.2014: 86020) Equity shares of Rs. 10/- each fully paid up in PCB Power (India) Limited	44,988,460	44,988,460
<b>In Others</b>		
3820000(31.03.2015: 1920000) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Pvt Limited	38,200,000	19,200,000
<b>Non-trade investments(Unquoted) (Long-term)</b>		
Nil (31.03.2015: 400) Equity shares of Rs 25/- each fully paid up in Mehsana Urban Co-operative Bank Ltd.	-	10,000
<b>In Government Securities (Unquoted) (Long-term)</b>		
Investments in National Savings Certificate	26,412	26,412
	<b>83,214,872</b>	<b>64,224,872</b>
Aggregate amount of unquoted investment	<b>83,214,872</b>	<b>64,224,872</b>

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

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Capital advances	-	-
Security deposits	79,400	79,400
Balances with statutory authorities	2,286,124	3,432,706
	<b>2,365,524</b>	<b>3,512,106</b>

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

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Margin money deposit(Pledged with banks)	-	-
	-	-

**15. INVENTORIES**
**(Amount in Rs.)**

	As at 31-03-2016	As at 31-03-2015
(Valued at lower of cost and net realizable value)		
Raw Materials	38,258,564	33,738,233
Work-in-progress	3,338,009	3,439,692
Consumable Raw Materials,Stores,Spares & Packing materials	4,770,380	5,001,961
Traded Goods	3,075,482	-
	<b>49,442,435</b>	<b>42,179,886</b>

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

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	6,494,556	3,675,555
Other receivables	17,658,973	35,121,691
	<b>24,153,529</b>	<b>38,797,246</b>

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

	As at 31-03-2016	As at 31-03-2015
<b>Cash and cash equivalents</b>		
<b>Balance with banks</b>		
- In current account	3,664,508	31,825,753
Cash on hand	520,007	545,366
<b>Other bank balances</b>		
Margin Money Deposit (Pledged with banks)	3,572,056	1,711,799
	<b>7,756,571</b>	<b>34,082,917</b>

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

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Capital Advances	15,452,067	-
Advance to Suppliers	3,140,837	2,813,496
Balance with statutory authorities	7,805,090	9,050,800
Intercorporate Loans	15,777,943	24,280,305
Staff Loan	1,307,571	1,173,424
	<b>43,483,508</b>	<b>37,318,025</b>

Intercorporate loans include Rs. 15,777,943/- (PY- Rs. 2,42,80,305/-) granted to Unispace Ventures u/s 186 of Companies Act, 2013. The said loan is granted for short term purpose to invest surplus funds of the company. The Company charges 12% interest p.a. on above loan. The borrower will utilize the said loan for the purpose of his business.

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

	As at 31-03-2016	As at 31-03-2015
Prepaid expenses	732,271	553,996
	<b>732,271</b>	<b>553,996</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
<b>Sale of products</b>		
Manufactured goods	236,900,620	265,932,646
<b>Other operating revenue</b>		
Scrap sales	890,455	1,276,302
Export Incentives	209,783	276,111
Revenue from operations (Gross)	238,000,858	267,485,059
Less: Excise Duty	(24,039,868)	(24,989,867)
Revenue from operations (Net)	<b>213,960,990</b>	<b>242,495,192</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Printed Circuit Boards	236,900,620	265,932,646
	<b>236,900,620</b>	<b>265,932,646</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Interest income		
Bank deposits & Others	3,001,356	3,623,915
Excess Provisions written back	6,549,012	-
Service tax refund	2,077,757	
Foreign Exchange Differences (Net)	-	
Other income	709,544	8,913
	<b>12,337,669</b>	<b>3,632,828</b>


**21. COST OF MATERIALS CONSUMED**

(Amount in Rs.)

	Year ended 31-03-2016	Year ended 31-03-2015
Inventory at the beginning of the year		
Copper Sheets	23,739,357	26,936,745
Chemicals	3,171,625	5,560,067
Others	6,827,251	10,466,366
	<b>33,738,233</b>	<b>42,963,178</b>
Add: Purchases		
Copper Sheets	19,652,128	32,364,476
Chemicals	31,605,242	33,001,491
Others	38,435,407	43,166,575
	<b>89,692,776</b>	<b>108,532,542</b>
Less :Inventory at the close of the year		
Copper Sheets	16,510,999	23,739,357
Chemicals	10,056,129	3,171,625
Others	11,691,436	6,827,251
	<b>38,258,564</b>	<b>33,738,233</b>
Raw Material Consumed		
Copper Sheets	26,880,486	35,561,864
Chemicals	24,720,738	35,389,933
Others	33,571,222	46,805,690
	<b>85,172,446</b>	<b>117,757,487</b>
Add: Consumption of stores and spares	10,479,467	11,187,450
<b>Total consumption of raw materials</b>	<b>95,651,913</b>	<b>128,944,937</b>

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

	Year ended 31-03-2016	Year ended 31-03-2015
<b>Inventories at the end of the year</b>		
Work-in-progress of printed circuit board	3,338,009	3,439,692
Traded Goods	3,075,482	-
Scraps	-	-
	<b>6,413,491</b>	<b>3,439,692</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress of printed circuit board	3,439,692	9,088,952
Less: Write off During Year	-	(2,975,250)
Traded Goods	-	-
Scraps	-	26,704
	<b>3,439,692</b>	<b>6,140,406</b>
<b>Changes in inventories</b>	<b>(2,973,799)</b>	<b>2,700,714</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Salaries, Wages, Bonus & Allowances	15,617,905	15,938,328
Leave Encashment	410,106	396,334
Contributions to Provident and other Funds	1,141,870	1,207,059
Gratuity fund contributions	(236,272)	1,060,111
Staff welfare expenses	228,719	155,487
	<b>17,162,328</b>	<b>18,757,319</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Interest expense		
Interest on term loan	4,516,688	1,956,612
Interest on working capital loan	4,046,050	6,911,170
Interest to others	1,303,802	177,284
Other borrowing cost		
Bank loan processing, commission & other bank charges	2,666,354	1,545,049
Applicable net gain/loss on foreign currency transaction and translation	-	-
	<b>12,604,063</b>	<b>12,604,063</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Depreciation & Amortization	13,945,841	10,339,578
	<b>13,945,841</b>	<b>10,339,578</b>





## CIRCUIT SYSTEMS (INDIA) LIMITED

### 27. OTHER EXPENSES

(Amount in Rs.)

	Year ended 31-03-2016	Year ended 31-03-2015
Bad debts	642,980	(89,983)
Communication expenses	419,443	451,575
Distribution expenses	5,260,736	5,019,442
Excise duty expenses	1,020,371	871,250
Factory expenses	2,208,207	2,287,094
Freight and forwarding charges	3,063,919	2,947,070
Insurance Expense	301,111	302,889
Labour, processing and production charges	16,800,801	15,598,471
Legal and Professional fees	4,445,235	3,517,312
Other Expense	480,100	352,913
Payment to Auditors	175,000	350,000
Power and Fuel	19,773,050	20,811,256
Prior period expenses	-	714,108
D-Listing Expenses	1,700,000	-
Loss on Sale of Fixed Assets	2,608,355	(331,452)
Subscription & Membership	861,949	324,561
Rent, Rates & taxes	1,447,597	1,178,440
Repairs & Maintenance		
- Buildings	556,547	474,299
- Others	1,304,320	793,608
- Plant & Machinery	622,277	2,819,309
Sales promotion and advertisement expenses	1,997,882	2,766,041
Stationery, printing and other office expenses	1,969,678	1,193,525
Travelling and Conveyance expenses	2,751,320	2,249,238
Foreign Exchange Loss	71,170	(601,633)
	<b>70,482,046</b>	<b>63,999,333</b>

#### 27.1 Payment to auditors (excluding service tax)

(Amount in Rs.)

	Year ended 31-03-2016	Year ended 31-03-2015
<b>As auditor</b>		
Audit fees	150,000	350,000
Tax audit fees	-	-
<b>In other capacity</b>		
Taxation matters	-	-
Other services	25,000	-
	<b>175,000</b>	<b>350,000</b>

### 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.	Associates
4	Eurocircuits India Ltd.	



(ii) Transactions with the related parties (Amount in Rs.)  
 The figures in brackets indicate value for previous year

Sr. No.	Nature of transactions	Key Managerial Personnel	Subsidiary company	Associates
1	Loans taken	-	2,000,000	60,500,000
		-	-	-
2	Loans repaid	-	-	36,100,000
		-	-	-
3	Reimbursement of expenses	-	132,241	-
		-	(1,517,720)	-
4	Loans given	-	-	-
		-	-	-
5	Loans given received back	-	-	-
		-	-	-
6	Front-end engineering charges	-	-	9,286,722
		-	-	(6,336,000)
7	Sales	-	-	-
		-	-	-
8	Interest paid	-	46,574	1,197,641
		-	-	-
9	Remuneration and perquisites	3,166,667	-	-
		(3,216,667)	-	-
10	Purchase	-	-	-
		-	-	-
11	Rent paid	-	600,000	-
		-	(600,000)	-
12	Advances given	-	-	-
		-	-	-
13	Buy-back of equity shares	-	-	-
		-	-	-
14	Collection of debtors on behalf of company	-	41,125	-
		-	(182,268)	-
15	Advances given received back	-	-	-
		-	-	-

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

	Year ended 31-03-2016	Year ended 31-03-2015
(i) Tax matters,		
- Disputed liability in respect of Income-tax demands (Penalty U/S 271(1) <sup>©</sup> of Income Tax Act, pending before CIT(A) Gandhinagar	300,000	-
- Disputed in respect of time limit for deferment of Sales Tax liability (Amount not quantified and Matter under appeal before taxation)	-	-



## CIRCUIT SYSTEMS (INDIA) LIMITED

### 30. EARNING PER SHARE

	Year ended 31-03-2016	Year ended 31-03-2015
i) Net profit/(Loss) after tax as per statement of profit and loss attributable to equity shareholders	16,421,955	(56,172,874)
ii) Equity shares at the beginning of the year	13,869,016	13,869,016
Weighted average number of equity shares bought back during the year Nil (31-03-2015 : NIL)(1830984 shares x 3/12)	-	-
Weighted average number of equity shares used as denominator for calculating EPS	13,869,016	13,869,016
iii) Basic and diluted earning per share (Rs.)	1.18	(4.05)
iv) Face value per share (Rs.)	10.00	10.00

### 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 31-03-2016	Year ended 31-03-2015
Raw material imported	36,531,255	54,583,828
Stores, spares and packing materials	7,270,323	2,102,533
Capital goods	29,590,767	37,887,221

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

	Year ended 31-03-2016		Year ended 31-03-2015	
	Amount (Rs.)	% of consumption	Amount (Rs.)	% of consumption
Raw material consumed				
Imported	43,631,982	51.23	64,585,464	56.27
Indigenous	41,540,464	48.77	50,196,774	43.73
Spare parts and components				
Imported	3,616,315	34.51	4,042,901	36.14
Indigenous	6,863,152	65.49	7,144,450	63.86

**32. EXPENDITURE IN FOREIGN CURRENCY**

(Amount in Rs.)

	Year ended 31-03-2016	Year ended 31-03-2015
(a) Sales commission	-	-
(b) Repairs and maintenance	388,809	945,199
(c) Interest on buyer's credit	-	-
(d) Foreign bank charges	30,060	23,142
(e) Exhibition expenses	-	-
(f) Travelling expenses	890,957	616,940
	<b>1,309,826</b>	<b>1,585,281</b>

**33. EARNINGS IN FOREIGN CURRENCY**

	Year ended 31-03-2016	Year ended 31-03-2015
(a) FOB Value of exports	6,597,470	10,045,036
	<b>6,597,470</b>	<b>10,045,036</b>

34. The company has hedged its foreign exchange exposure on imports and Export through appropriate derivative contracts.

The information about outstanding derivative contracts for hedging is as under: (Amount in Rs.)

Particulars	As at 31-03-2016	As on 31-03-2015
Forward contract (in Rs.)	NIL	NIL

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

	2015-16		2014-15	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>I) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Defined Benefit Obligation at the beginning of year	2507032	592284	2743236	802,417
Current Service Cost	186714	225396	319,071	276,226
Interest Cost	189369	45734	219,459	64,193
Actuarial (gain)/loss	(457454)	128198	69685	55,915
Benefit Paid	(56365)	(383401)	(844,419)	(606,467)
Defined Benefit obligation at year end	2368756	608211	25,07,032	592,284



		2015-16		2014-15	
		Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>II)</b>	<b>Reconciliation of opening and closing balances of fair value of Plan Assets</b>				
	Fair value of Plan Assets at beginning of year	823898	-	14,83,540	-
	Expected return on plan assets	61558	-	97,197	-
	Expense Deducted from fund	(3619)	-	-	-
	Actuarial (gain)/loss	(17085)	-	(23591)	-
	Employer Contribution	125010	-	185,076	-
	Benefit Paid	(56365)	-	(844,419)	-
	Adjustment of opening fund	77830	-	-	-
	Fair Value of plan assets at year end	1045397	-	823,898	-
	Actual return on plan assets	78643	-	97,197	-
<b>III)</b>	<b>Reconciliation of fair value of assets and obligations</b>				
	Fair value of plan assets as at Balance Sheet date	1045397	-	823,898	-
	Present value of obligation as at Balance Sheet date	2368756	-	25,07,032	-
	Amount recognized in Balance Sheet	1323359	608211	16,83,134	592,284
<b>IV)</b>	<b>Expenses recognized during the year</b>				
	Current Service Cost	186174	225396	319,071	2,76,226
	Interest Cost	189369	45734	219,459	64,193
	Expected return on plan assets	(61558)	-	(97,197)	-
	Net Actuarial (gain)/loss	474539	128198	93276	55,915
	Total charge to p& L	(234765)	399328	534609	3,96,334
<b>V)</b>	<b>Actuarial Assumptions</b>				
	Mortality Table (LIC)	1994-96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)	1994-96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)
	Discount rate(per annum)	7.95%	7.95%	8%	8%
	Expected rate of return on plan assets (per annum)	7.95%	-	-	-
	Rate of escalation in salary(per annum)	7.00%	7.00%	8%	7%

36. 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.
37. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
38. Balances in respect of trade receivables, loans and advances and trade payables are subject to confirmation from the respective parties and reconciliation, if any.
39. 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 Baheti Bhadada & Associates**

Chartered Accountants  
 Firm Registration No. 100865W

**(Krutesh Patel)**

**Partner**

Membership No. 140047

Place : Ahmedabad

Date : 30 April, 2016

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

**(Paresh N. Vasani)**

Managing Director

DIN No: 01376786

**(Preeti Chouksey)**

Chief Financial Officer

Place : Ahmedabad

Date : 30 April, 2016

**(Jayesh H. Shah)**

Director

DIN No: 02559296

**(Amrita Chandwani)**

Company Secretary

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
Circuit Systems (India) Limited

- **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Circuit System (India) Limited** ("the Company"), and its subsidiary (collectively referred to as "the group"), which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, 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 Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the consolidated financial statements.

- **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the state of affairs of the Group as at **31st March, 2016**, and its loss and its cash flows for the year ended on that date.



- **Other Matter**

We have not audited financial statements of PCB Power (India) Limited, whose financial statements reflect total assets of Rs. 1,35,57,018/- and total revenue of Rs. 19,90,407/-. The financial statements and other financial statements of this subsidiary was audited by other auditor whose report has been furnished to us and our opinion is solely based on the report of such other auditor.

Our opinion is not qualified in respect of the other matter.

**For, Baheti Bhadada & Associates  
Chartered Accountants**

**Krutesh Patel  
Partner  
Membership No. 140047**

**Place : Ahmedabad  
Date : 30 April 2016**

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CIRCUIT SYSTEM (INDIA) LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Circuit System (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and

if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;





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

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company which is companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For, Baheti Bhadada & Associates  
Chartered Accountants**

**Place : Ahmedabad  
Date : 30 April 2016**

**Krutesh Patel  
Partner  
Membership No. 140047**



## CONSOLIDATED BALANCE SHEET AS AT 31-03-2016

(Amount in Rs.)

	Note No.	As at 31-03-2016	As at 31-03-2015
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	138,690,160	138,690,160
Reserves & surplus	3	71,934,804	56,128,549
		<b>210,624,964</b>	<b>194,818,709</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	65,186,793	20,574,399
Deferred tax liabilities (Net)	5	835,459	870,547
Long-term provisions	6	1,585,088	2,028,494
		<b>67,607,340</b>	<b>23,473,440</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	24,055,085	62,821,055
Trade payables	8	3,520,608	5,812,855
Other current liabilities	9	14,158,922	8,152,410
Short-term provisions	10	6,419,461	21,439,943
		<b>48,154,076</b>	<b>98,226,262</b>
		<b>326,386,380</b>	<b>316,518,411</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
<b>11</b>			
Tangible assets		130,655,567	109,808,899
Intangible assets		27,831,123	27,771,255
Capital work-in-progress		-	-
Non-current investments	12	38,226,412	19,236,412
Long-term loans & advances	13	2,926,325	3,979,518
Other non-current assets	14	-	-
		<b>199,639,427</b>	<b>160,796,084</b>
<b>CURRENT ASSETS</b>			
Inventories	15	50,243,461	43,534,057
Trade receivables	16	24,198,037	38,802,496
Cash and bank balances	17	7,927,449	35,513,689
Short-term loans and advances	18	43,489,703	37,318,089
Other current assets	19	888,306	553,996
		<b>126,746,956</b>	<b>155,722,328</b>
		<b>326,386,380</b>	<b>316,518,411</b>

**Significant Accounting Policies**

1

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

As per our Report of even date  
**For Baheti Bhadada & Associates**

Chartered Accountants

Firm Registration No. 100865W

**(Krutesh Patel)****Partner**

Membership No. 140047

Place : Ahmedabad

Date : 30 April, 2016

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

Managing Director

DIN No: 01376786

**(Preeti Chouksey)**  
Chief Financial Officer

Place : Ahmedabad

Date : 30 April, 2016

**(Jayesh H. Shah)**

Director

DIN No: 02559296

**(Amrita Chandwani)**  
Company Secretary

Place : Ahmedabad

Date : 30 April, 2016


**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-03-2016**

(Amount in Rs.)

	Note No.	Year Ended 31-03-2016	Year Ended 31-03-2015
<b>INCOME</b>			
Revenue from operations(Gross)	20	239,334,690	268,938,548
Less : Excise duty		(24,039,868)	(24,989,867)
Revenue from operations(Net)		215,294,822	243,948,681
Other Income	21	12,347,669	4,584,259
<b>Total Revenue</b>		<b>227,642,491</b>	<b>248,532,940</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	95,651,913	128,944,937
Purchase of Stock in Trade		3,446,357	1,699,282
Changes in inventories of work-in-progress	23	(2,420,654)	2,119,645
Employees benefit expenses	24	17,642,328	19,237,319
Finance costs	25	12,488,930	10,600,811
Depreciation and amortization expenses	26	14,965,292	11,502,328
Other expenses	27	70,097,158	62,846,102
<b>Total Expenses</b>		<b>211,871,325</b>	<b>236,950,424</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>15,771,167</b>	<b>11,582,516</b>
Exceptional items	34	-	(67,723,898)
<b>Profit/(Loss) before tax</b>		<b>15,771,167</b>	<b>(56,141,382)</b>
<b>Tax Expenses</b>			
Current Income Tax		-	418,372
Less: MAT Credit Entitlement		-	-
Net Current tax		-	418,372
(Excess)/Short provision of income tax for earlier years			
Deferred Tax		35,088	42,309
<b>Profit (Loss) for the period from continuing operations</b>		<b>15,806,255</b>	<b>(55,680,701)</b>
Profit (Loss) before tax from discontinuing operations	35		
Tax Expense of discontinuing operations			
<b>Profit (Loss) after tax from discontinuing operations</b>			
<b>Profit (Loss) for the period</b>		<b>15,806,255</b>	<b>(55,680,701)</b>
<b>Earning per equity share</b>			
(a) Basic		1.14	(4.01)
(b) Diluted		1.14	(4.01)

**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 Baheti Bhadada & Associates**

Chartered Accountants

Firm Registration No. 100865W

**(Krutesh Patel)****Partner**

Membership No. 140047

Place : Ahmedabad

Date : 30 April, 2016

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

**(Paresh N. Vasani)**

Managing Director

DIN No: 01376786

**(Preeti Chouksey)**  
Chief Financial Officer**(Jayesh H. Shah)**

Director

DIN No: 02559296

**(Amrita Chandwani)**  
Company Secretary

Place : Ahmedabad

Date : 30 April, 2016



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2016

(Amount in Rs.)

	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>A Cash Flow from Operating Activities</b>		
<b>Net profit before taxation:</b>	15,771,167	(56,141,382)
<b>Adjustment for :</b>		
Depreciation and amortization	14,965,292	11,502,328
Unrealized foreign exchange loss/(gain)	165,330	(246,883)
Investment write off	10,000	
Interest Income	(3,001,356)	(3,623,915)
(Gain)/Loss on sale of fixed assets	2,608,355	(331,452)
Finance Cost	12,488,930	10,600,811
Bad debts	642,980	(173,503)
<b>Operating profit before working capital changes</b>	<b>43,650,698</b>	<b>(38,413,996)</b>
Adjustment for:		
Changes in inventories	(6,709,404)	42,033,331
Trade receivables	13,961,479	25,566,323
Trade payables, short & long-term provisions, other current & long-term liabilities	(11,749,622)	94,005
<b>Cash generated from continuing operations</b>	<b>39,153,151</b>	<b>29,279,663</b>
Direct Taxes paid	(420,364)	450,569
<b>Net cash from operating activities (A)</b>	<b>38,732,787</b>	<b>29,730,232</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(41,104,005)	(40,358,515)
Proceeds from sale of fixed assets	2,587,884	3,958,500
Movement in loans and advances	(4,698,057)	(18,529,858)
Increase in Non current Investments	(19,000,000)	
Interest received	3,001,356	3,623,915
<b>Net cash used in investing activities (B)</b>	<b>(59,212,822)</b>	<b>(51,305,958)</b>
<b>C Cash flow from financing activities</b>		
Finance Cost	(12,488,930)	(10,600,811)
Increase/(decrease) in short-term borrowings	(38,765,970)	45,528,736
Net Proceeds/(Repayment) of long-term borrowings	44,612,394	20,177,317
<b>Net cash from financing activities (C)</b>	<b>(6,642,506)</b>	<b>55,105,242</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(27,122,541)</b>	<b>33,529,516</b>
Cash and cash equivalents at the beginning of the year	35,243,517	1,714,002
Cash and cash equivalents at the end of the year	<b>7,822,607</b>	<b>35,243,517</b>


**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2016**

(Amount in Rs.)

**Notes :**

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

	As at 31/03/2016	As at 31/03/2015
Cash on hand	524,277	560,811
Bank balance	3,831,116	33,241,080
Fixed Deposits	3,572,056	1,711,799
Effect of exchange rate changes	(104,842)	(270,172)
	<b>7,822,607</b>	<b>35,243,517</b>
	<b>7,822,607</b>	<b>35,243,517</b>

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

As per our Report of even date  
**For Baheti Bhadada & Associates**  
*Chartered Accountants*  
 Firm Registration No. 100865W  
**(Krutesh Patel)**  
**Partner**  
 Membership No. 140047  
 Place : Ahmedabad  
 Date : 30 April, 2016

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

<b>(Paresh N. Vasani)</b> <i>Managing Director</i> DIN No: 01376786	<b>(Jayesh H. Shah)</b> <i>Director</i> DIN No: 02559296
<b>(Preeti Chouksey)</b> <i>Chief Financial Officer</i>	<b>(Amrita Chandwani)</b> <i>Company Secretary</i>
Place : Ahmedabad Date : 30 April, 2016	Place : Ahmedabad Date : 30 April, 2016

**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, 2013.
- 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 II of the Companies Act, 2013. However useful life at the



machine has been considered as estimated by management after obtains technical certificate for the same.

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. No Provision for current tax is made during the year under consideration due to losses arising in the book profits calculated according to 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. However, No Deferred tax asset is recorded during the F.Y. due to lack of Virtual certainty of Reversal for the same.

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

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

**1.12 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount. No asset has been impaired during the year under consideration.

**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 31-03-2016	As at 31-03-2015
<b>Authorised Shares</b> 16000000(31-03-2015:16000000) Equity shares of Rs.10/- each.	<b>160,000,000</b>	<b>160,000,000</b>
<b>Issued, Subscribed and fully paid-up</b> 13869016 Equity shares of Rs. 10/- each.	138,690,160	138,690,160
	<b>138,690,160</b>	<b>138,690,160</b>

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

	As at 31-03-2016	As at 31-03-2015
<b>Equity share</b>		
At the beginning of the period	13,869,016	13,869,016
Issued during the period	-	-
Bought back during the year (Refer Note No. 2.4)	-	-
Outstanding at the end of the period	<b>13,869,016</b>	<b>13,869,016</b>

**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 31-03-2016		As at 31-03-2015	
	%	No. of Shares	%	No. of Shares
Mr. Paresh N. Vasani	90.68	12,576,856	71.33	9,893,180
Europrint N.V	-	-	16.22	2,250,000

**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 profit of Rs. 2/- per share on buy back of shares. 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 18,30,984/- (31-03-2015 : 18,30,984/-) equity shares.**


**3. RESERVES AND SURPLUS**
**(Amount in Rs.)**

	As at 31-03-2016	As at 31-03-2015
<b>Capital Reserve</b>		
Balance as per last financial statements	3,661,968	3,661,968
Addition during the year(Refer note no. 2.4)	-	-
<b>Closing balance</b>	3,661,968	3,661,968
<b>Capital Redemption Reserve</b>		
Balance as per last financial statements	18,309,840	18,309,840
Transfer from general reserve(Refer note no. 2.4)	-	-
<b>Closing balance</b>	18,309,840	18,309,840
<b>Securities Premium Reserve</b>		
Balance as per last financial statements	134,670,250	134,670,250
Addition during the year	-	-
<b>Closing balance</b>	134,670,250	134,670,250
<b>General Reserve</b>		
Balance as per last financial statements	-	1,190,160
Transfer to Capital Redemption Reserve (Refer note no. 2.4)	-	-
Transfer to Profit & Loss Account	-	(1,190,160)
<b>Closing balance</b>	-	-
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	(100,513,509)	42,222,082
Add: Transfer from General Reserve	0	1,190,160
	(100,513,509)	43,412,243
Less : Fixed Assets Written off	-	(86,743,251)
Less: Inter Group Transactions	-	(1,501,800)
Add/Less: Profit/(Loss) for the year	15,806,255	(55,680,701)
<b>Net surplus/(deficit) in the statement of profit and loss</b>	(84,707,254)	(100,513,509)
<b>Total Reserves &amp; Surplus</b>	<b>71,934,804</b>	<b>56,128,549</b>

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

	As at 31-03-2016	As at 31-03-2015
<b>Secured</b>		
Term Loan		
From banks	39,589,152	20,574,399
<b>Unsecured</b>		
Inter corporate Deposit	25,597,641	
	<b>65,186,793</b>	<b>20,574,399</b>

**Notes:**

- Loan from Bank carries includes loan of Nil (PY-Rs. 154,112/-) from axis bank which 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. It also includes term loan of Rs. Nil (PY-Rs. 2,0420,287/-) from corporation bank. The loan is payable in 60 equal monthly installments of Rs. 4,95,000/- from date of loan viz 8 August 2014. Current maturity of long-term borrowings is Rs. 12,183,519/- (PY-Rs.61,82,970/-). The rate of interest is Base Rate + 5%.
- Current year's the Loan from Bank include term loan of Rs. 35,30,353/- (PY Nil) from corporation bank, repayable in 60 EMI of Rs. 83,660 @10.65% from May 2015. The above loan is secured by way of hypothecation of Car. It also includes working capital term loan from HDFC Bank worths Rs.67,67,889/- (PY Nil) repayable in 36 EMI of Rs.328336 @Base rate + 1.9% from March 2016. It also includes term loan from HDFC Bank worths Rs.17393850/- (PY Nil) repayable in 48 EMI of Rs.649,178 @Base rate + 1.9% from NOVEMBER 2015. It also includes term loan from HDFC Bank worths Rs.11897059/- (PY Nil) repayable in 48 EMI of Rs.328010 @Base rate + 1.9% from NOVEMBER 2015.
- All termloan has been secured against primary security against Plant and Machinery & colletral security of Land & Bulidning of the company.



## CIRCUIT SYSTEMS (INDIA) LIMITED

### 5. DEFERRED TAX LIABILITY

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
<b>(i) Deferred tax liability:</b> Arising on account of timing difference in: - Depreciation	835,459	870,547
<b>(ii) Deferred tax assets:</b> Arising on account of timing difference in : - Disallowance of expenses	-	-
<b>Net deferred tax liability</b>	<b>835,459</b>	<b>870,547</b>

### 6. LONG-TERM PROVISIONS

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
Provision for leave encashment	462,704	551,055
Provision for Gratuity	1,122,384	1,477,439
	<b>1,585,088</b>	<b>2,028,494</b>

### 7. SHORT-TERM BORROWINGS

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
Loans repayable on demand From banks(secured) Cash credit	24,055,085	62,821,055
	<b>24,055,085</b>	<b>62,821,055</b>

Notes: Cash credit and buyer's credit from bank is primarily secured by way of hypothecation on inventory, charge on book debts and current assets of the company (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. Further buyer's credit is secured by way of margin money deposits. Interest is charged at Base Rate +1.90%, subject to revision from time to time.

### 8. TRADE PAYABLES

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
Trade payables (refer note below for details of dues to micro and small enterprises)	3,520,608	5,812,855
	<b>3,520,608</b>	<b>5,812,855</b>

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


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

	As at 31-03-2016	As at 31-03-2015
Current maturity of long term borrowings(Refer note no.4)	12,183,519	6,182,970
Advance received from customers	873,526	1,167,089
Interest accrued but not due on borrowings	-	-
Other payables		
Unpaid TDS/Service tax/VAT	1,101,877	802,351
	<b>14,158,922</b>	<b>8,152,410</b>

**10. SHORT TERM PROVISIONS**

	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits	1,774,402	1,427,052
Provision for leave encashment	145,507	41,229
Provision for gratuity	200,975	205,695
Provision for Audit Fees	202,000	345,000
Provision for expenses	4,096,577	19,420,967
	<b>6,419,461</b>	<b>21,439,943</b>

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

Sr. No.	Description	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Opening Balance 4/1/2015	W.off as per co's act 2013 See Note 1.5	Additions during the year	Sale/ Transfer	Closing Balance 3/31/2016	Opening Balance 4/1/2015	W.off as per co's act 2013 See Note 1.5	For the Year	Deletions/ Adjustments	Closing Balance 3/31/2016	As at 3/31/2016	As at 4/1/2015
	<b>Tangible Assets</b>												
1	Leasehold Land	3,212,299	-	-	-	3,212,299	-	-	-	-	-	3,212,299	3,212,299
2	Factory Building	39,283,932	-	-	-	39,283,932	15,773,841	-	1,959,174	-	17,733,015	21,550,917	23,510,091
3	Plant & Equipment	95,126,140	-	34,062,624	6,262,914	122,925,850	27,072,174	-	10,040,961	1,066,675	36,047,060	86,878,790	68,053,367
4	E.T.Plant	1,437,851	-	-	-	1,437,851	23,964	-	95,857	-	119,821	1,318,030	1,413,887
5	Furniture & Fixtures	2,497,617	-	-	-	2,497,617	655,128	-	274,196	-	929,324	1,568,293	1,842,489
6	Vehicles	3,557,836	-	6,462,492	-	10,020,328	2,090,221	-	1,334,325	-	3,424,546	6,595,782	1,467,615
7	Office Equipments	864,626	-	205,204	-	1,069,830	359,697	-	230,767	-	590,464	479,366	504,929
8	Computer,Fax, Cellular	1,671,114	-	71,955	-	1,743,069	1,054,079	-	179,272	-	1,233,351	509,717	617,034
9	Electric Installation	2,041,783	-	-	-	2,041,783	1,114,401	-	339,948	-	1,454,349	587,434	927,382
10	Office Building	8,828,725	-	-	-	8,828,725	568,922	-	304,865	-	873,787	7,954,938	8,259,803
	<b>Total</b>	<b>158,521,923</b>	<b>-</b>	<b>40,802,275</b>	<b>6,262,914</b>	<b>193,061,284</b>	<b>48,713,027</b>	<b>-</b>	<b>14,759,365</b>	<b>1,066,675</b>	<b>62,405,717</b>	<b>130,655,567</b>	<b>109,808,899</b>
	Previous Year	(342,933,735)	-	(22,686,177)	(528,520)	(365,091,392)	(155,263,482)	-	(15,040,404)	(100,370)	(170,203,515)	(194,887,876)	(187,670,252)
	<b>Intangible Assets</b>												
1	Computer Software (Useful life is 6 Years)	928,268	-	265,795	-	1,194,063	704,412	-	205,927	-	910,339	283,724	223,856
2	Goodwill on Consolidation	27,547,399	-	-	-	27,547,399	-	-	-	-	-	27,547,399	27,547,399
	<b>Total</b>	<b>28,475,667</b>	<b>-</b>	<b>265,795</b>	<b>-</b>	<b>28,741,462</b>	<b>704,412</b>	<b>-</b>	<b>205,927</b>	<b>-</b>	<b>910,339</b>	<b>27,831,123</b>	<b>27,771,255</b>
	Previous Year	(5,271,233)	-	-	-	(5,271,233)	(2,925,783)	-	(527,123)	-	(3,452,906)	(1,818,326)	(2,345,449)
	<b>Grand Total</b>	<b>186,997,590</b>	<b>-</b>	<b>41,068,070</b>	<b>6,262,914</b>	<b>221,802,746</b>	<b>49,417,440</b>	<b>-</b>	<b>14,965,292</b>	<b>1,066,675</b>	<b>63,316,057</b>	<b>158,486,690</b>	<b>137,580,154</b>
	Previous Year	(348,204,968)	-	(22,686,177)	(528,520)	(370,362,625)	(158,189,265)	-	(15,567,527)	(100,370)	(173,656,421)	(196,706,202)	(190,015,710)



## CIRCUIT SYSTEMS (INDIA) LIMITED

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

	As at 31-03-2016	As at 31-03-2015
<b>(Valued at cost)</b>		
<b>In Others</b>		
3820000(31.03.2015: 1920000) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Pvt. Limited	38,200,000	19,200,000
<b>Non-trade investments(Unquoted)(Long-term)</b>		
Nil(31.03.2015: 400) Equity shares of Rs 25/- each fully paid up in Mehsana Urban Co-operative Bank Ltd.	-	10,000
<b>In Government Securities (Unquoted) (Long-term)</b>		
Investments in National Savings Certificate	26,412	26,412
	<b>38,226,412</b>	<b>19,236,412</b>
Aggregate amount of unquoted investment	<b>38,226,412</b>	<b>19,236,412</b>

### 13. LONG-TERM LOANS AND ADVANCES

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Capital advances	-	-
Security deposits	115,900	106,900
Balances with statutory authorities	2,810,425	3,872,618
Advance Income tax (net of provision for tax)		
	<b>2,926,325</b>	<b>3,979,518</b>

### 14. OTHER NON-CURRENT ASSETS

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Margin money deposit(Pledged with banks)	-	-
	-	-

### 15. INVENTORIES

(Amount in Rs.)

	As at 31-03-2016	As at 31-03-2015
(Valued at lower of cost and net realizable value)		
Raw Materials	38,258,564	33,738,233
Work-in-progress	3,338,009	3,439,692
Stock In Trade	3,876,508	1,354,171
Consumable Raw Materials,Stores,Spares & Packing materials	4,770,380	5,001,961
	-	-
	<b>50,243,461</b>	<b>43,534,057</b>

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

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	6,494,556	3,675,555
Other receivables	17,703,481	35,126,941
	<b>24,198,037</b>	<b>38,802,496</b>

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

	As at 31-03-2016	As at 31-03-2015
<b>Cash and cash equivalents</b>		
<b>Balance with banks</b>		
- In current account	3,831,116	33,241,080
Cash on hand	524,277	560,811
<b>Other bank balances</b>		
Margin Money Deposit (Pledged with banks)	3,572,056	1,711,799
	<b>7,927,449</b>	<b>35,513,689</b>

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

	As at 31-03-2016	As at 31-03-2015
(Unsecured and considered good)		
Capital Advances	15,452,067	
Advance to Suppliers	3,140,837	2,813,496
Balance with statutory authorities	7,811,285	9,050,800
Intercorporate Loans	15,777,943	24,280,305
Staff Loan	1,307,571	1,173,424
	<b>43,489,703</b>	<b>37,318,025</b>

Intercorporate loans include Rs. 15,777,943/- (P.Y. 2428035/-) granted to Unispace Ventures u/s 186 of Companies Act, 2013. The said loan is granted for short term purpose to invest surplus funds of the company. The Company charges 12% interest p.a. on above loan. The borrower will utilize the said loan for the purpose of his business.

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

	As at 31-03-2016	As at 31-03-2015
Prepaid expenses	888,306	553,996
	<b>888,306</b>	<b>553,996</b>

**CIRCUIT SYSTEMS (INDIA) LIMITED****20. REVENUE FROM OPERATIONS****(Amount in Rs.)**

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
<b>Sale of products</b>		
Manufactured Goods	236,900,620	265,932,646
Traded Goods	1,333,832	1,453,489
<b>Other operating revenue</b>		
Scrap sales	890,455	1,276,302
Export Incentives	209,783	276,111
Revenue from operations (Gross)	239,334,690	268,938,548
Less: Excise Duty	(24,039,868)	(24,989,867)
Revenue from operations (Net)	<b>215,294,822</b>	<b>243,948,681</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Printed Circuit Boards and Traded Goods	236,900,620	267,386,135
	<b>236,900,620</b>	<b>267,386,135</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Interest income		
Bank deposits	3,001,356	3,623,915
Others	-	-
Dividend Income		
Long-term investments	-	-
Other income	719,544	17,270
Profit on sale of fixed assets (net)	-	331,452
Excess provision written off	6,549,012	-
Service Tax Refund	2,077,757	-
Foreign Exchange Differences (Net)	-	611,623
	<b>12,347,669</b>	<b>4,584,259</b>



**22. COST OF MATERIALS CONSUMED**

(Amount in Rs.)

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Inventory at the beginning of the year		
Copper Sheets	23,739,357	26,936,745
Chemicals	3,171,625	5,560,067
Others	6,827,251	10,466,366
	<b>33,738,233</b>	<b>42,963,178</b>
Add: Purchases		
Copper Sheets	19,652,128	32,364,476
Chemicals	31,605,242	33,001,491
Others	38,435,407	43,166,575
	<b>89,692,777</b>	<b>108,532,542</b>
Less :Inventory at the close of the year		
Copper Sheets	16,510,999	23,739,357
Chemicals	10,056,129	3,171,625
Others	11,691,436	6,827,251
	<b>38,258,564</b>	<b>33,738,233</b>
Raw Material Consumed		
Copper Sheets	26,880,486	35,561,864
Chemicals	24,720,738	35,389,933
Others	33,571,222	46,805,690
	<b>85,172,446</b>	<b>117,757,487</b>
Add: Consumption of stores and spares	10,479,467	11,187,450
<b>Total consumption of raw materials</b>	<b>95,651,913</b>	<b>128,944,937</b>

**23. PURCHASE OF STOCK IN TRADE**

(Amount in Rs.)

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Traded Goods (Components for Electronic Industry)	3,446,357	1,699,282
	<b>3,446,357</b>	<b>1,699,282</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
<b>Inventories at the end of the year</b>		
Work-in-progress of printed circuit board	3,338,009	3,439,692
Traded Goods	3,876,508	1,354,171
Scraps	-	-
	<b>7,214,517</b>	<b>4,793,863</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress of printed circuit board	3,439,692	9,088,952
Less: Write off During Year	-	(2,975,250)
Traded Goods	1,354,171	773,102
Scraps	-	26,704
	<b>4,793,863</b>	<b>6,913,508</b>
<b>Changes in inventories</b>	<b>(2,420,654)</b>	<b>2,119,645</b>




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

	Year ended 31-03-2016	Year ended 31-03-2015
Salaries, Wages, Bonus & Allowances	16,097,905	16,418,328
Leave Encashment	410,106	396,334
Contributions to Provident and other Funds	1,141,870	1,207,059
Gratuity fund contributions	(236,272)	1,060,111
Staff welfare expenses	228,719	155,487
	<b>17,642,328</b>	<b>19,237,319</b>

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

	Year ended 31-03-2016	Year ended 31-03-2015
Interest expense		
Interest on term loan	4,516,688	1,956,612
Interest on working capital loan	4,046,050	6,911,170
Interest to others	1,257,227	183,144
Other borrowing cost		
Bank loan processing, commission & other bank charges	2,668,965	1,549,885
Applicable net gain/loss on foreign currency transaction and translation	-	-
	<b>12,488,930</b>	<b>10,600,811</b>

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

	Year ended 31-03-2016	Year ended 31-03-2015
Depreciation	14,759,365	11,250,680
Intangible assets written off	205,927	251,648
	<b>14,965,292</b>	<b>11,502,328</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Bad debts	642,980	(173,503)
Communication expenses	419,443	451,575
Distribution expenses	5,260,736	5,019,442
Excise duty expenses	1,020,371	871,750
Factory expenses	2,208,207	2,287,094
Freight and forwarding charges	3,063,919	2,947,070
Insurance Expense	310,688	312,919
Labour, processing and production charges	16,800,801	15,598,471
Legal and Professional fees	4,476,122	3,522,885
Other Expense	486,677	532,065
Payment to Auditors	201,292	383,708
Power and Fuel	19,773,050	20,811,256
Prior period expenses	-	714,108
Delisting Expense	1,700,000	
Loss on sale of Fixed Assets	2,608,355	
Subscription and Membership	861,949	
Rent, Rates & taxes	847,597	578,440
Repairs & Maintenance		
- Buildings	556,547	474,299
- Others	1,304,320	793,608
- Plant & Machinery	622,277	2,819,309
Sales promotion and advertisement expenses	1,997,882	1,264,241
Stationery, printing and other office expenses	1,969,678	1,527,556
Travelling and Conveyance expenses	2,893,099	2,109,810
Sundry credit/debit balance written off	71,170	-
	<b>70,097,158</b>	<b>62,846,102</b>

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

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
<b>As auditor</b>		
Audit fees	176,292	383,708
Tax audit fees	-	-
<b>In other capacity</b>		
Taxation matters	-	-
Other services	25,000	-
	<b>201,292</b>	<b>383,708</b>

**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

<b>Sr. No.</b>	<b>Name of the Party</b>	<b>Relationship</b>
1	Paresh N. Vasani	Key Managerial Personnel
2	PCB Power (India) Ltd.	Subsidiary company
3	PCB Planet (India) Ltd.	Associates
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	-	-	60,500,000
		-	-	-
2	Loans repaid	-	-	36,100,000
		-	-	-
3	Reimbursement of expenses	-	-	-
4	Loans given	-	-	-
		-	-	-
5	Loans given received back	-	-	-
		-	-	-
6	Front-end engineering charges	-	-	9,286,722
		-	-	(6,336,000)
7	Sales	-	-	-
		-	-	-
8	Interest paid	-	-	1,197,641
		-	-	-
9	Remuneration and perquisites	3,646,667	-	-
		(3,696,667)	-	-
10	Purchase of Fixed Assets	-	-	-
		-	-	-
11	Rent paid	-	-	-
		-	-	-
12	Advances given	-	-	-
		-	-	-
13	Buy-back of equity shares	-	-	-
		-	-	-
14	Collection of Debtors on behalf of company	-	-	-
		-	-	-
15	Advances given received back	-	-	-
		-	-	-

**30. CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF:**

(Amount in Rs.)

	Year ended 31-03-2016	Year ended 31-03-2015
i) Tax matters,		
- Disputed liability in respect of Income-tax demands (including interest)(Matter under appeal)	300,000	-
- Disputed in respect of time limit for deferment of Sales Tax liability (Amount not quantified and Matter under appeal) before Tribunal	-	-



**31. EARNING PER SHARE**

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
(i) Net profit/(Loss) after tax as per statement of profit and loss attributable to equity shareholders	15,806,255	(55,680,701)
(ii) Equity shares at the beginning of the year	13,869,016	13,869,016
Weighted average number of equity shares bought back during the year Nil (31-03-2015 : Nil) (1830984 shares x 3/12)	-	-
Weighted average number of equity shares used as denominator for calculating EPS	13,869,016	13,869,016
(iii) Basic and diluted earning per share (Rs.)	1.14	(4.01)
(iv) Face value per share (Rs.)	10.00	10.00

**32. VALUE OF IMPORTS AND VALUE OF RAW MATERIALS, STORES AND SPARE PARTS AND PACKING MATERIALS CONSUMED**

**(a) CIF Value of import**

**(Amount in Rs.)**

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
Raw material imported	36,531,255	54,583,828
Stores, spares and packing materials	7,270,323	2,102,533
Capital goods	29,590,767	37,887,221

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

	<b>Year ended 31-03-2016</b>		<b>Year ended 31-03-2015</b>	
	<b>Amount (Rs.)</b>	<b>% of consumption</b>	<b>Amount (Rs.)</b>	<b>% of consumption</b>
Raw material consumed				
Imported	43,631,982	51.23	64,585,464	56.27
Indigenous	41,540,464	48.77	50,196,774	43.73
Spare parts and components				
Imported	3,616,315	34.51	4,042,901	36.14
Indigenous	6,863,152	65.49	7,144,450	63.86

**33. EXPENDITURE IN FOREIGN CURRENCY**

**(Amount in Rs.)**

	<b>Year ended 31-03-2016</b>	<b>Year ended 31-03-2015</b>
(a) Sales commission	-	-
(b) Repairs and maintenance	388,809	945,199
(c) Interest on buyer's credit	-	-
(d) Foreign bank charges	30,060	23,142
(e) Exhibition expenses	-	-
(f) Travelling expenses	890,957	616,940
	1,309,826	1,585,281


**33. EARNINGS IN FOREIGN CURRENCY**

	Year ended 31-03-2016	Year ended 31-03-2015
(a) FOB Value of exports	6,597,470	10,045,036
	6,597,470	10,045,036

34. The company has hedged its foreign exchange exposure on imports and export through appropriate derivative contracts.

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

(Amount in Rs.)

Particulars	As at 31-03-2016	As on 31-03-2015
Forward contract (in Rs.)	NIL	NIL

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

	2015-16		2014-15	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>I) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Defined Benefit Obligation at the beginning of year	2507032	592284	2743236	802,417
Current Service Cost	186714	225396	319,071	276,226
Interest Cost	189369	45734	219,459	64,193
Actuarial (gain)/loss	(457454)	128198	69685	55,915
Benefit Paid	(56365)	(383401)	(844,419)	(606,467)
Defined Benefit obligation at year end	2368756	608211	25,07,032	592,284
<b>II) Reconciliation of opening and closing balances of fair value of Plan Assets</b>				
Fair value of Plan Assets at beginning of year	823898	-	14,83,540	-
Expected return on plan assets	61558	-	97,197	-
Expense Deducted from fund	(3619)	-	-	-
Actuarial (gain)/loss	(17085)	-	(23591)	-
Employer Contribution	125010	-	185,076	-
Benefit Paid	(56365)	-	(844,419)	-
Adjustment of opening fund	77830	-	-	-
Fair Value of plan assets at year end	1045397	-	823,898	-
Actual return on plan assets	78643	-	97,197	-
<b>III) Reconciliation of fair value of assets and obligations</b>				
Fair value of plan assets as at Balance Sheet date	1045397	-	823,898	-
Present value of obligation as at Balance Sheet date	2368756	-	25,07,032	-
Amount recognized in Balance Sheet	1323359	608211	16,83,134	592,284

**CIRCUIT SYSTEMS (INDIA) LIMITED**

	2015-16		2014-15	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>IV) Expenses recognized during the year</b>				
Current Service Cost	186174	225396	319,071	2,76,226
Interest Cost	189369	45734	219,459	64,193
Expected return on plan assets	(61558)	-	(97,197)	-
Net Actuarial (gain)/loss	474539	128198	93276	55,915
Net Cost/(gain)	(234765)	399328	534609	3,96,334
<b>V) Actuarial Assumptions</b>				
Mortality Table (LIC)	1994-96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)	1994-96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)
Discount rate(per annum)	7.95%	7.95%	8%	8%
Expected rate of return on plan assets(per annum)	7.95%	-	-	-
Rate of escalation in salary(per annum)	7.00%	7.00%	8%	7%

36. 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.
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 Baheti Bhadada & Associates**  
*Chartered Accountants*  
 Firm Registration No. 100865W  
**(Krutesh Patel)**  
**Partner**  
 Membership No. 140047  
 Place : Ahmedabad  
 Date : 30 April, 2016

**For and on behalf of the Board of Directors**  
 Circuit Systems (India) Limited.  
**(Paresh N. Vasani)** **(Jayesh H. Shah)**  
*Managing Director* *Director*  
 DIN No: 01376786 DIN No: 02559296  
**(Preeti Chouksey)** **(Amrita Chandwani)**  
*Chief Financial Officer* *Company Secretary*  
 Place : Ahmedabad  
 Date : 30 April, 2016



**CIRCUIT SYSTEMS (INDIA) LIMITED**

(CIN: L74140GJ1995PLC024524)

Registered Office: A-1001-1002, Titanium Square, Thaltej Cross Road, Thaltej, Ahmedabd-380054,

**FORM OF PROXY**

(Form MGT-11)

(Pursuant to section 105(6) of The Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**Name of the Member(s) :** \_\_\_\_\_

**Registered Address :** \_\_\_\_\_

**E-mail ID :** \_\_\_\_\_

**Folio No. / Client ID :** \_\_\_\_\_

**DP ID :** \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the Company, hereby appoint:

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

2. Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

3. Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

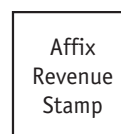
as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 21<sup>st</sup> Annual General Meeting of the Company, to be held on **Friday, the 30<sup>th</sup> September, 2016 at 4.00 p.m.** at the Registered Office of the Company at A-1001-1002, Titanium Square, Thaltej Cross Road, S. G. Highway, Ahmedabad – 380 054 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional) (please mention no. of shares)	
		For	Against
	<b>Ordinary Business:</b>		
1	Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2016, the reports of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Paresh N. Vasani, liable to retire by rotation and being eligible, offers himself for re-appointment.		
3	Appointment of Statutory Auditors of the Company. <b>Special Business</b>		
4	Appointment of Ms. Jasmine P. Vasani as a Director of the Company		
5	Appointment of Mr. Suresh M. Poojara as an Independent Director of the Company		
6	Appointment of Mr. Jayesh H. Shah as an Independent Director of the Company		
7	Authority to the Board of Directors to Borrow under Section 180(1)(c) of the Companies Act, 2013		
8	Authority to the Board of Directors to Create charge/mortgage under Section 180(1)(a) of the Companies Act, 2013		
9	Authority to the Board of Directors to make investment under section 186 of the Companies Act, 2013		
10	Modification to terms of appointment of Mr. Paresh Vasani, Managing Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_



**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





## CIRCUIT SYSTEMS (INDIA) LIMITED

(CIN: L74140GJ1995PLC024524)

Registered Office: 'A-1001/1002, Titanium Square, Thaltej Cross Road, Thaltej, Ahmedabd-380054,

## FORM MGT-12

## ATTENDANCE / BALLOT FORM

(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)

1	Name and Address of the Sole/ First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our attendance at the meeting and vote(s) in respect of the Resolutions set out in the Notice of 21 <sup>st</sup> Annual General Meeting (AGM) of the Company held on Friday, the 30 <sup>th</sup> September, 2016, by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR)I/We assent to the resolution	(AGAINST)I/We dissent the resolution
	<b>Ordinary Business</b>			
1	Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2016, the reports of the Board of Directors and Auditors thereon.			
2	Re-appointment of Mr. Paresh N. Vasani, liable to retire by rotation and being eligible, offers himself for re-appointment.			
3	Appointment of Statutory Auditors of the Company.			
	<b>Special Business</b>			
4	Appointment of Ms. Jasmine P. Vasani as a Director of the Company			
5	Appointment of Mr. Suresh M. Poojara as an Independent Director of the Company			
6	Appointment of Mr. Jayesh H. Shah as an Independent Director of the Company			
7	Authority to the Board of Directors to Borrow under Section 180(1)(c) of the Companies Act, 2013			
8	Authority to the Board of Directors to Create charge/mortgage under Section 180(1)(a) of the Companies Act, 2013			
9	Authority to the Board of Directors to make investment under section 186 of the Companies Act, 2013			
10	Modification to terms of appointment of Mr. Paresh Vasani, Managing Director of the Company			

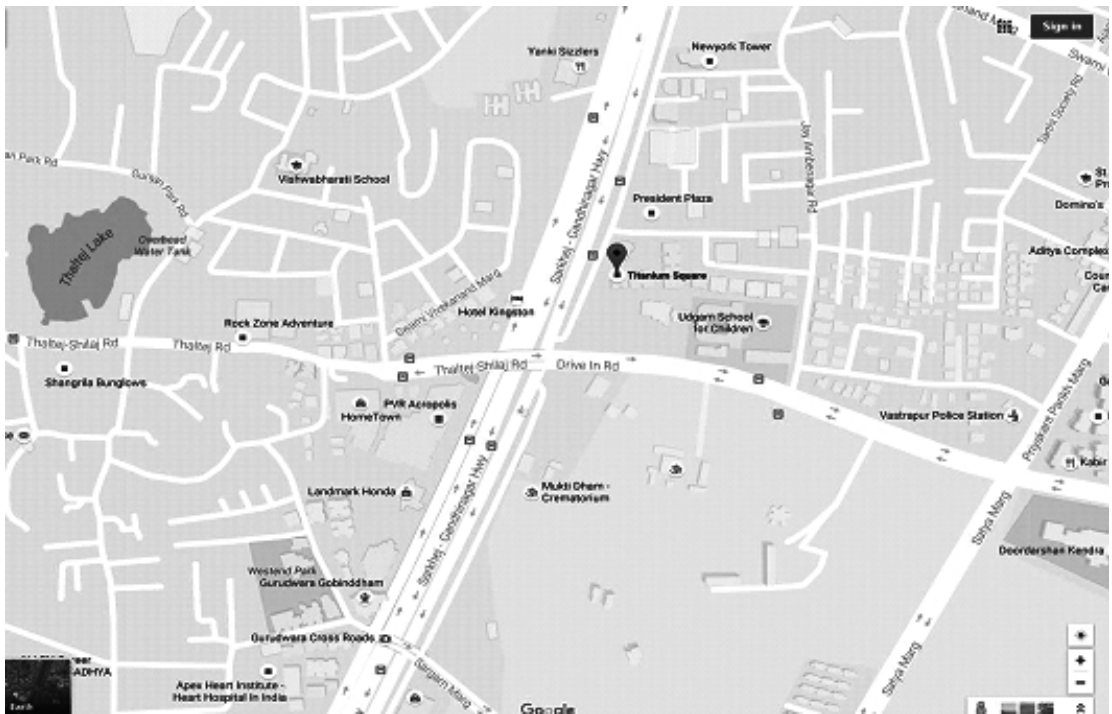
Place :

Date :

(Signature of the Shareholder/Proxy)

**Note: This Form is to be used for exercising attendance/voting at the time of 21<sup>st</sup> Annual General Meeting to be held on Friday, the 30<sup>th</sup> September, 2016 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.**

## ROUTE MAP FOR VENUE OF ANNUAL GENERAL MEETING





*If undelivered, please return to :*



**CIRCUIT SYSTEMS (INDIA) LIMITED**

CIN: L74140GJ1995PLC024524

Reg. Office: A-1001/1002, Titanium Square, S G High Way,  
Thaltej Cross Road, Ahmedabad - 380 054