

**26<sup>TH</sup> ANNUAL REPORT  
2020-21**

**CIRCUIT SYSTEMS (INDIA) LIMITED  
[CIN: U74140GJ1995PLC024524]**

| <b>CONTENTS</b>   | <b>PAGE NO.</b> |
|---|-----------------|
| Company Information   | 1               |
| Notice  | 2-16            |
| Directors' Report   | 17-23           |
| Form AOC-I  | 24              |
| Independent Auditors' Report                                    | 25-31           |
| Balance Sheet   | 32              |
| Statement of Profit & Loss                                      | 33              |
| Cash Flow Statement   | 34-35           |
| Notes Forming Part of Financial Statement                       | 36-54           |
| Consolidated Financial Statements<br>& Auditors' Report thereon | 55-83           |

**CIRCUIT SYSTEMS (INDIA) LIMITED**

**[CIN: U74140GJ1995PLC024524]**

**26<sup>TH</sup> ANNUAL REPORT 2020-21**

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|--|---|---|---|
| <b>BOARD OF DIRECTORS</b>                    | : | Mr. Paresh N. Vasani<br>Ms. Jasmine P. Vasani<br>Mr. Jayesh H. Shah<br>Mr. Sureshbhai M. Poojara  | Managing Director<br>Director<br>Independent Director<br>Independent Director |
| <b>MANAGEMENT TEAM</b>                       | : | Ms. Preeti A. Chouksey<br>Ms. Krupali H. Shah   | Chief Financial Officer<br>Company Secretary                                  |
| <b>REGISTERED OFFICE</b>                     | : | Unit No.1001, 10 <sup>th</sup> Floor, "ONE42" South Tower,<br>Nr. Ashok Vatika, Opp. Jayantilal Park BRTS,<br>Ambli Bopal Road, Ahmedabad - 380 058 |   |
| <b>STATUTORY AUDITORS</b>                    | : | M/s. Rajendra D. Shah & Co.<br>Chartered Accountants,<br>Ahmedabad  |   |
| <b>BANKERS</b>                               | : | HDFC Bank Limited   |   |
| <b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b> | : | Cameo Corporate Services Limited<br>'Subramanian Building' No.1, Club House Road,<br>Chennai- 600 002   |   |
|  |   | The ISIN of the Company's Equity Shares is INE720H01010   |   |
| <b>FACTORY</b>                               | : | B-24, GIDC Electronics Estate, Sector 25,<br>Gandhinagar - 382 044  |   |
| <b>WEBSITE</b>                               | : | <a href="http://www.mycsil.com">www.mycsil.com</a>  |   |

***Important Communication to Members***

*The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Compliances and has issued circulars stating that service of notice/ documents including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses. In respect of electronic holding with the Depository through concerned Depository Participant.*

### NOTICE

**NOTICE** is hereby given that the **26<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **CIRCUIT SYSTEMS (INDIA) LIMITED** will be held on **Thursday, the 30<sup>th</sup> September, 2021 at 4.00 p.m.** IST through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Jasmine P. Vasani (DIN - 01442297), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself 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. Hemanshu Shah & Co., Chartered Accountants (Firm Registration No. 122439W) be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of this 26<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 31<sup>st</sup> AGM of the Company to be held in the year 2026 at such remuneration as shall be fixed by the Board of Directors of the Company."

#### **SPECIAL BUSINESS:**

##### **4. Reduction of Share Capital of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Section 66, Section 52 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016 (including any statutory modification, amendment or re-enactment thereof for the time being in force) and Article 8 of Articles of Association of Circuit Systems (India) Limited ('the Company'); and subject to the confirmation of the Hon'ble National Company Law Tribunal ('NCLT'), and such other approvals as may be required and subject to the terms and conditions and modifications, if any, as may be prescribed by the NCLT and any other appropriate authority while granting approval or confirmation, and which may be agreed to by the Board of Directors of the Company, the consent of the shareholders ('Member/Members') of the Company be and is hereby accorded, by way of a Special Resolution, to reduce the issued, subscribed and paid up equity share capital of the Company from Rs. 13,86,90,160/- (Rupees Thirteen Crores Eighty Six Lakh Ninety Thousand One Hundred Sixty only) divided into 1,38,69,016 Equity Shares of Rs. 10 each to Rs. 12,92,70,740/- (Rupees Twelve Crore Ninety Two Lakh Seventy Thousand Seven Hundred Forty only) divided into 1,29,27,074 Equity Shares of Rs. 10/- each, by cancelling and extinguishing, in aggregate, 6.79% of the total issued, subscribed and paid-up equity share capital of the Company, comprising of 9,41,942 (Nine Lakh Forty One Thousand Nine Hundred and Forty Two Only) Equity Shares of Rs.10/- (Indian Rupees Ten Only) each held by the Public Shareholders of the Company i.e. the holders of the equity shares of the Company other than the Promoters and promoter group of the Company (the "Public Shareholders") by paying-off such Public Shareholders, the fair value for each equity share held by such Public Shareholders in the Company (the "Capital Reduction")."

"RESOLVED FURTHER THAT upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative and / or the receipt of such other approvals as may be required, the Public Shareholders of the Company appearing as registered equity shareholders of the Company as on the date to be determined by the Board of Directors (the "Board") (the "Record Date"), shall be paid a sum of Rs. 17/- (Rupees Seventeen only) per equity share being the face value of Rs. 10/-

(Rupees Ten only) and a premium of Rs. 7/- (Rupees Seven only) per equity share being the fair value of the equity shares of the Company, for the equity shares held by such public shareholders and thereby cancelling and extinguishing all such equity shares.”

“RESOLVED FURTHER THAT upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative and upon payment of consideration to the Public Shareholders, without any further act or deed by the equity shareholders, 9,41,942 (Nine Lakh Forty One Thousand Nine Hundred and Forty Two only) Equity Shares of Rs.10/- (Rupees Ten) each of the Company held by the Public Shareholders shall stand cancelled, extinguished and rendered invalid.”

“RESOLVED FURTHER THAT the payment of consideration to the Public Shareholders shall be made within 30 days or such number of days of the Record Date and subject to such approvals, if any, as may be required under the applicable law/s or as may be directed by the NCLT, on the Capital Reduction becoming effective, through any of the permissible modes, after payment of appropriate taxes by the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”) be and is hereby authorized to take all necessary steps and do all such acts, deeds, matters and things, as they may, in their absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company and its Members in connection with and relating to the Capital Reduction, including issuing any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the Capital Reduction, or to any modification thereof without being required to seek any further consent or approval of the Members or otherwise, (including but not limited to the following):

- a. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavits, applications, scheme, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all type of documents, petitions, affidavits, scheme and applications in relation to the matters aforesaid;
- b. To accept services of notices or other processes which may from time to time be issued in connection with the matters aforesaid;
- c. To produce all documents or other evidences in connection with the matters aforesaid and all and any of other proceedings incidental thereto or arising thereat;
- d. To make, prepare and submit any applications, petitions, schemes, appeals and judges summons before the NCLT, and / or any court, tribunal, or all relevant authorities and respond to the appropriate authorities;
- e. To file applications / petitions/ scheme, affidavits, vakalatnama and / or other legal documents with the NCLT, as may be required for confirmation of the Capital Reduction by the NCLT upon the Capital Reduction becoming effective and operative, and / or any other regulatory authorities for obtaining its approval;
- f. Withdraw the scheme/application/petition filed before the NCLT for the Capital Reduction at any stage, in case any change and/or modifications suggested/required to be made in the scheme/application/petition or any condition imposed, whether by any Public Shareholder, creditor, NCLT and/or any other regulatory authority are in their view, not in interest of the Company and/or if the scheme/application/petition cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto.
- g. To engage advocates, counsels and any other consultants, advisors, declare and file all pleadings, reports, and sign and issue public advertisements and notices in connection with the matters aforesaid;
- h. To take necessary certificates from the statutory auditors/ practicing chartered accountants/ practicing company secretaries, if required, for the completion of the process of capital reduction.
- i. To make any alterations / changes, modification or amendments in the application / petition

## ANNUAL REPORT 2020-21

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- / scheme as may be expedient or necessary, including any alteration, modification or amendment required to be made for complying with the requirements or conditions imposed by the NCLT and / or any other appropriate authorities, if any;
- j. To obtain approval/ consent from such other regulatory / statutory authority and the parties as may be considered necessary for the aforesaid Capital Reduction;
  - k. To prepare or get the interim financial statements prepared, if required, along with relevant annexures, schedules and other necessary supporting and to pass such accounting entries and / or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution;
  - l. To deposit the amount to be paid to the Public Shareholders in lieu of cancellation and extinguishment of the equity shares of the Company held by such Public Shareholders pursuant to the Capital Reduction in a separate account to be opened with a bank in this regard or as per the directions of the NCLT;
  - m. To make necessary applications, in accordance with applicable laws, with the Depositories and get executed necessary corporate action (in consultation with the Registrar and Share Transfer Agent of the Company) for extinguishment of the equity shares of the company held in demat mode by such Public Shareholders pursuant to the Capital Reduction confirmed by the NCLT and / or as per the directions of the NCLT;
  - n. To discharge the payment due to the Public Shareholders of the Company in lieu of and for cancellation and extinguishment of the equity shares of the Company held by such Public Shareholders pursuant to the Capital Reduction, in accordance with applicable laws, by payment through any of the permissible modes, after payment of appropriate taxes by the Company, as may be applicable;
  - o. To call for the bank account details and other personal details of the Public Shareholders of the Company for discharging consideration (viz. KYC documents, documents asked by bank, payment processing intermediaries, etc.);
  - p. To provide necessary declarations / certificates in relation to the Capital Reduction capturing the true and factual aspects of the Company;
  - q. To comply with all the necessary formalities, compliances and disclosures in this regard and to sign and file the necessary forms or documents with the relevant authorities, including the Registrar of Companies;
  - r. To authenticate all the necessary documents as 'certified copies' or in any other manner as may be required, including affixing the Common Seal of the Company on any documents in connection with this resolution;
  - s. To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise; and
  - t. To delegate any or all of the powers conferred upon it by this resolution to any committee of the Board, any other director(s), and / or officer(s) of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized, in its absolute discretion, to bring into effect the resolution on such other terms and conditions as it may consider appropriate and to accept such other conditions and modifications as may be prescribed by the NCLT and other appropriate bodies/authorities while according their sanction or consent to the Capital Reduction or to suspend, withdraw or revive the proposal for Capital Reduction from time to time as may be specified by any statutory authority or as the Board may suo-moto decide in its absolute discretion."

**Registered Office:**

Unit No.1001, 10th Floor,  
"ONE42" South Tower,  
Nr. Ashok Vatika,  
Opp. Jayantilal Park BRTS,  
Ambli Bopal Road, Ahmedabad - 380 058  
Date: 28<sup>th</sup> August, 2021

**By Order of the Board,**

**Krupali H. Shah**  
Company Secretary

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses in the Notice is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the 26<sup>th</sup> Annual General Meeting (AGM) will be held on Thursday, 30<sup>th</sup> September, 2021 at 4:00 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs' (MCA) General Circular no. 14/2020 dated 8<sup>th</sup> April, 2020, MCA General Circular no. 17/2020 dated 13<sup>th</sup> April, 2020, MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, MCA General Circular No. 22/2020 dated 15<sup>th</sup> June, 2020 and MCA General Circular No. 02/2021 dated 13<sup>th</sup> January 2021 and in compliance with the provisions of the Companies Act, 2013 ("Act"). The deemed venue for the 26<sup>th</sup> AGM shall be the Registered Office of the Company.
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** Members have to attend and participate in the ensuing AGM through VC/OAVM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on email [Idcs@mycsil.com](mailto:Idcs@mycsil.com), a certified copy of the Board Resolution/authorization letter authorising their representative to attend and vote on their behalf at AGM through E-voting.
5. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at [www.mycsil.com](http://www.mycsil.com) and on the website of CDSL (agency for providing remote e-voting facility) at [www.evotingindia.com](http://www.evotingindia.com). **Annual Report will not be sent in physical form.**
6. Members of the Company holding shares, either in physical form or in Dematerialised form, as on 20<sup>th</sup> August, 2021 will receive Annual Report for the financial year 2020-21 through electronic mode only.
7. The Register of Members and Share Transfer Books will remain closed from **24<sup>th</sup> September, 2021 to 30<sup>th</sup> September, 2021** (both days inclusive) for the purpose of Annual General Meeting (AGM).
8. 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) at its following address:  
Cameo Corporate Services Limited,  
'Subramanian Building' No.1, Club House Road, Chennai- 600002  
Email id: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)
9. Members holding shares in electronic form are 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.
10. 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

## ANNUAL REPORT 2020-21

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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.

11. As per relevant provisions of the Companies Act, 2013, as amended, securities of public companies can be transferred/ traded only in dematerialized form, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized.
12. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
13. Pursuant to the requirement of Secretarial Standard 2 issued by The Institute of Company Secretaries of India, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the AGM are stated at the end of the Explanatory Statement annexed hereto.
14. As the AGM is to be held through VC/ OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on [cs@mycsil.com](mailto:cs@mycsil.com). The same will be replied / made available by the Company suitably.
15. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given at Note No. 20 of this Notice.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
18. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice under Note No. 21.
19. **Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**
  - a) For Physical & Demat shareholders- please provide necessary details like Folio No. / DP Id-Client Id, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to our RTA, Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai- 600002 or by email on Email id: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)
  - b) The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
20. **INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:**
  - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business set out in the Notice to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.



- b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23<sup>rd</sup> September, 2021.
- c) Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the remote e-voting & e-voting process in a fair and transparent manner.
- d) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing.
- e) **The instructions for members for remote e-voting are as under:**
  - (i) The remote e-voting period begins on **at 9.00 a.m. on Monday, the 27<sup>th</sup> September, 2021 and ends at 5:00 p.m. on Wednesday, the 29<sup>th</sup> September, 2021**. During this period shareholders' 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, 2021** may cast their vote electronically (i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for 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.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

In order to increase the efficiency of the voting process, all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants, able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Pursuant to said SEBI Circular, **login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode** is given below:

| Type of Members  | Login Method  |
|--|---|
| Individual Members holding securities in Demat mode with <b>CDSL</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> |

|   |  |
|---|--|
|   | <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</p>  |
| <p>Individual Members holding securities in demat mode with <b>NSDL</b></p>                                     | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |
| <p>Individual Members (holding securities in demat mode) login through their <b>Depository Participants</b></p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>  |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| <b>Login type</b>   | <b>Helpdesk details</b>  |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30               |

**f) Login method of e-Voting for Members other than individual Members & physical Members:**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
2. Click on "Shareholders" module.
3. Now, fill up the following details in the appropriate boxes:  
 User ID      a. For CDSL: 16 digits Beneficiary ID  
                  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID  
                  c. Members holding shares in Physical Form should enter Folio Number registered with the Company

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

4. Next enter the Image Verification as displayed and Click on Login.
5. 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 e-voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB)                      | 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.<br><br>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 (v).   |

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Members holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for CIRCUIT SYSTEMS (INDIA) LIMITED.
- k) 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.
- l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m) 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.
- n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q) **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 in the 'Corporates' module.
  - 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 linked in the login 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.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address- [info@cskashyap.in](mailto:info@cskashyap.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**The instructions for members for e-voting during the AGM are as under:**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the members/shareholders through the e-voting available during the AGM and if the same members/shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such members/shareholders shall be considered invalid

as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- (iv) Members/Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. In case any Member who had voted through Remote E-voting, casts his vote again at the E- Voting provided during the AGM, then the Votes cast during the AGM through E-voting shall be considered as Invalid.

If you have any queries or issues regarding attending AGM & e-Voting from the e-voting system, 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) or contact CDSL officials viz. Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**21. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Members/Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- c) Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company's email id- [cs@mysil.com](mailto:cs@mysil.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at- [cs@mysil.com](mailto:cs@mysil.com). These queries will be replied by the Company suitably by email.
- f) Those members/shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- g) Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above - Meeting Id/Password/Email Address) and Join the Meeting.
- h) Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the RTA of the Company/DP, may get their email IDs registered as per the instructions provided in point No. 19 of this Notice.

## ANNUAL REPORT 2020-21

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 4

#### REDUCTION OF SHARE CAPITAL OF THE COMPANY

##### Background:

The Company is a public limited company incorporated under the Companies Act, 1956. As on date, the total paid-up share capital of the Company ('Share Capital') is Rs. 13,86,90,160/- comprising 1,38,69,016 Equity Shares of Rs.10/- each. The said Equity Shares were listed on the BSE Limited ("the Stock Exchange") up to March, 2016.

The proposed reduction of the equity share capital of Circuit Systems (India) Limited (the "Company") is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013, (including any statutory modification(s) or reenactment thereof for the time being in force) and the rules made thereunder (the "Act") and specifically the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("Reduction Rules"), which permit a Company to undertake a reduction of its share capital in any manner.

During the financial year 2015-16, Mr. Paresh Vasani, Promoter of the Company made a Delisting Offer ("Delisting Offer") to the Public Shareholders of the Company in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") and the said proposal to delist the Equity Shares of the Company from BSE Limited ("the only Stock Exchange, where the equity shares of the company were listed") was approved by the Shareholders through Postal Ballot in November, 2015. The procedural formalities in respect of delisting was completed during March, 2016 and the trading in the equity shares of the Company at BSE Limited were discontinued w.e.f 29<sup>th</sup> March, 2016 and the Equity Shares of the Company were delisted from BSE Limited with effect from 5<sup>th</sup> April, 2016.

During the post delisting exit offer period, public shareholders offer 2,99,851 equity shares to Mr. Paresh Vasani (Promoter).

Post delisting, Company's equity shares could not be traded on any of the stock exchanges in India. Since there is no trading platform available to the shareholders, the shares of the Company have lost marketability. This prevents the Public Shareholders from realizing the optimal value and returns on their investments in the Company. In view of this, many public shareholders have expressed their desire to tender the equity shares they hold in the Company.

Further, over a period of time, the management's focus on overall profitability and financial discipline including effective management of net working capital has significantly reduced the capital requirements of the Company.

Further, Management of the Company fills that the Company has the excess amount of Capital as compared to their current need for the Capital and the Company has sufficient Liquid funds available for such repayment of capital without affecting its normal business operations.

After detailed deliberations, the Board of Directors of the Company is of the view that the reduction of share capital in accordance with Section 66 of the Companies Act, 2013 is the best available practical approach, considering the interests of the minority shareholders, the need to provide a permanent liquidity option for illiquid shares, paying off the paid-up capital in excess of the Company's requirements and the operational and administrative flexibilities for the Company.

The current issued, subscribed and paid-up equity share capital and shareholding pattern of the Company is as under:

| Particulars                            | Shareholding              |                          |
|--|---------------------------|--------------------------|
|  | No. of Equity Shares held | % of total Share Capital |
| Promoter, Promoter's Group & Directors | 1,29,27,074               | 93.21                    |
| Public Shareholders                    | 9,41,942                  | 6.79                     |
| <b>Total</b>                           | <b>1,38,69,016</b>        | <b>100.00</b>            |

## CIRCUIT SYSTEMS (INDIA) LIMITED

With respect to Public Shareholding, as on 27<sup>th</sup> August, 2021, there were 3026 shareholders in totality out of which 3019 were Public Shareholders, holding in aggregate 6.79% of the total paid-up equity share capital of the Company. Out of these 3019 Public Shareholders, there were 3009 shareholders who did not individually hold more than 5000 equity shares (in number) in the Company. The details of Shareholders (Public + Promoter) as on 27<sup>th</sup> August, 2021 is enumerated in the table below:

| No. of shares held by shareholders<br>(Public + Promoter & Promoter's Group) | No. of shareholders<br>(Public + Promoter & Promoter's Group) |
|--|---|
| 1- 200   | 2056  |
| 201-500  | 584   |
| 501-1000   | 281   |
| 1001-5000  | 94  |
| Above 5000   | 11  |

Subject to the receipt of the requisite approval of the shareholders and confirmation by the Hon'ble National Company Law Tribunal ("**NCLT**") and such other approvals as may be required, it is proposed to reduce the issued, subscribed and paid up equity share capital of the Company from Rs. 13,86,90,160/- (Rupees Thirteen Crores Eighty Six Lakh Ninety Thousand One Hundred Sixty only) divided into 1,38,69,016 equity shares of Rs. 10 each to Rs. 12,92,70,740/- (Rupees Twelve Crore Ninety Two Lakh Seventy Thousand Seven Hundred Forty only) divided into 1,29,27,074 equity shares of Rs. 10/- each, by cancelling and extinguishing, in aggregate, 6.79 % of the total issued, subscribed and paid-up equity share capital of the Company, comprising of 9,41,942 (Nine Lakh Forty One Thousand Nine Hundred and Forty Two Only) equity shares of Rs. 10/- (Indian Rupees Ten Only) each held by the public shareholders of the Company i.e. the holders of the equity shares of the Company other than the promoters, promoter group & Directors of the Company (the "Public Shareholders") by paying-off such Public Shareholders, the fair value for each equity share held by such Public Shareholders in the Company(the "Capital Reduction")."

The aforesaid Capital Reduction will also give an opportunity to the Public Shareholders of the Company to exit from the Company at a fair valuation as the equity shares held by them in the Company are otherwise not marketable or tradable since the delisting of the shares of the Company in 2016.

As per Section 66 of the Act, the said resolution approving the Capital Reduction has to be passed by the members of the Company as a Special Resolution.

### Consideration:

To maintain fairness and transparency, Company engaged Mr. Jigar P. Shah, Chartered Accountant & Registered Valuer ("Independent Valuer") to undertake a valuation of the equity shares of the Company and issue valuation report, to assist the Board of Directors of the Company ("Board") in determining the fair value of the equity shares of the Company for the purposes of the proposed Capital Reduction.

The Audit Committee and the Board considered the Valuation Report dated 15<sup>th</sup> March, 2021 issued by the Independent Valuer ("Valuation Report").

The Board has undertaken detailed deliberations in relation to the valuation determined and provided in the Valuation Report (including on the valuation methodologies, techniques, principles considered and other relevant aspects). After due consideration in relation to the above, the Board was of the view that the valuation mentioned in the Valuation Report issued by Independent Valuer, i.e. Rs.17/- (Rupees Seventeen only) per equity share of the Company represents the fair value of the equity shares of the Company. Therefore, the Board considered this value and on that basis has proposed to reduce the equity share capital of the Company by way of cancelling and extinguishing 9,41,942 (Nine Lakh Forty One thousand Nine Hundred and Forty Two) equity shares of the Company held by the Public Shareholders by paying an amount of Rs. 17/- (Rupees Seventeen Only) per equity share so extinguished.

## ANNUAL REPORT 2020-21

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### **Effective Date of Reduction of Equity Share Capital:**

After the shareholders have passed the requisite resolution in their 26<sup>th</sup> Annual General Meeting, the Company will file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and the Reduction Rules, seeking confirmation of the Capital Reduction. Pursuant to section 66(5) of the Companies Act, 2013, this resolution will be effective on the date when the Registrar of Companies, Ahmedabad registers the NCLT order approving the Capital Reduction and issues a certificate to that effect.

### **Payment to Public Shareholders:**

The Company shall, upon the receipt of confirmation by NCLT to the capital reduction and upon the said capital reduction becoming effective and operative, deposit the whole of the consideration of Rs. 1,60,13,014/- (Rupees One Crore Sixty Lakh Thirteen Thousand and Fourteen only) in a special bank account.

Subject to the ensuing paragraphs, the consideration (monies) to be paid to the Public Shareholders in lieu of the extinguishment of the equity shares held by them ('the capital reduction') shall be discharged by any of the permissible modes. The consideration would be paid to those shareholders whose name appears as a registered equity shareholder as on the date (as determined by the Board) ("**Record Date**"), within 30 days or such number of days and subject to such approvals, if any, as may be permissible under applicable law or as may be directed by the NCLT, Ahmedabad Bench, on the Capital Reduction becoming effective.

In this regard, the shareholders of the Company are requested to update with DP where demat account are maintained /provide to the Registrar & Transfer Agent of the Company, their bank account details (including IFSC code) along with their addresses and self-attested proofs thereof failing which the monies will be paid by the Company to the last known address/bank details of the Public Shareholders of the Company.

In case, the consideration payable to the Public Shareholders, on Capital Reduction becoming effective and operative, remains unpaid or unclaimed for any reason, the Company may retain such consideration in a separate bank account for a period of 7 (Seven) years on behalf of the Public Shareholders, subject to applicable statutory enactment(s), and release the same on completion of necessary formalities by such shareholders. After the said period, the amount outstanding and lying in the separate bank account may be appropriated in a manner as may be permitted under any law then in force or the Company may decide to continue to retain the outstanding amount in the separate bank account or it may transfer the same to the Investor Education and Protection Fund or such fund which may be permitted under any law then in force or as per the applicable provisions of the Act.

### **Taxation:**

As per provisions of prevailing Income-tax Act, 1961:

Since the Company has sufficient accumulated profits, the payment towards proposed reduction would be considered as dividend as per the provisions of Section 2(22) (d) of the Income-tax Act, 1961, the Company will become liable to pay Tax Deductible at Source ('TDS') at an applicable rate in accordance with the provisions of the Income-tax Act, 1961.

Further, please note that in the event where the payment by the Company to such Public Shareholder exceeds the accumulated profits of the Company (at such point in time), then the same would need to be considered for calculation of capital gains by respective Public Shareholder.

Please note that the above implications may change depending on provisions of Income tax Act, 1961, as may be applicable, at the time of payment of consideration.

The Public Shareholder is advised to consider their own tax position, after due consultation from their tax advisors (if required) and pay appropriate tax (as may be applicable) on the amount received from the Company upon reduction of equity share capital.



**Payment to Non-resident Public Shareholders:**

In order to be eligible to receive any payments in respect of the shares cancelled on reduction of equity share capital, non resident Public Shareholders will also need to provide the Company on or before 15<sup>th</sup> October, 2021, a copy of the original permission received by them from the Reserve Bank of India in relation to the acquisition of their shares (as applicable), and

- a. If the shares held by non-resident Public Shareholders are on a non-repatriation basis, the non-resident Public Shareholder (excluding SEBI registered Foreign Institutional Investors (FIIs)) must obtain a letter from his/her/its authorised dealer/bank confirming that at the time of acquisition of such shares, payment for the same was made by the non-resident Public Shareholder from the appropriate account (e.g. NRE a/c) as specified by the Reserve Bank of India;

Or

- b. If the non-resident Public Shareholder (excluding SEBI registered FIIs) is not in a position to produce the letter referred to in paragraph (a) above, his/ her / its shares will be deemed to have been acquired on a non-repatriation basis and in this case, the non-resident shareholder must submit a consent letter addressed to the Company's Registrar and Share Transfer Agent (i.e. Cameo Corporate Services Limited) or the person/s authorised by the Board to carry out various activities in relation to the proposed Capital Reduction ("**Authorized Persons**"), allowing such Authorized Persons to make the payment on a non-repatriation basis.

If any of the documents referred to in paragraph (a) or (b) above are not provided to the Authorised Persons, on or before 15<sup>th</sup> October, 2021, then such Authorised Person shall be entitled to withhold the consideration in special bank account.

**General:**

The Board of Directors of the Company at their meeting held on 28<sup>th</sup> August, 2021 has approved the Capital Reduction as per the terms set out in the Resolution.

Article 8 of the Articles of Association of the Company provides for the reduction of capital of the Company in any way authorized by the applicable law. It would be necessary to obtain the approval of the members of the Company in a General Meeting by passing a Special Resolution for the Capital Reduction under Section 66 of the Act and such reduction of equity share capital would have to be confirmed by the NCLT as provided under Section 66 of the Act and the Reduction Rules.

A copy of the Memorandum of Association and Articles of Association of the Company as amended from time to time, copy of Valuation Report issued by the Independent Valuer are available for inspection at the Registered Office of the Company during 10.00 hours to 14.00 hours, on any working day till the date of the meeting.

The Board of Directors of the Company is of the view that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the Special Resolution as set out in the notice.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution.

**Registered Office:**

Unit No.1001, 10th Floor,  
"ONE42" South Tower,  
Nr. Ashok Vatika,  
Opp. Jayantilal Park BRTS,  
Ambli Bopal Road, Ahmedabad - 380 058  
Date: 28<sup>th</sup> August, 2021

**By Order of the Board,**

**Krupali H. Shah**  
Company Secretary

## ANNUAL REPORT 2020-21

### 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                                  |
| Date of Birth  | 10 <sup>th</sup> October, 1970   |
| Date of Appointment  | 6 <sup>th</sup> April, 2016  |
| Qualifications   | B. Com.  |
| Experience   | She has rich experience in Management & Administration.                        |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid | -  |
| Remuneration last drawn by such person, if any.  | -  |
| Shareholding in the Company  | 100 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              |
| Number of Meetings of the Board attended during the year   | 6 meeting attended   |
| List of Public Limited Companies in which Directorships held   | PCB Power (India) Limited  |
| List of Private Limited Companies in which Directorships held  | 1. Eurocircuits India Private Limited<br>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.   |

#### Registered Office:

Unit No.1001, 10th Floor,  
"ONE42" South Tower,  
Nr. Ashok Vatika,  
Opp. Jayantilal Park BRTS,  
Ambli Bopal Road, Ahmedabad - 380 058  
Date: 28<sup>th</sup> August, 2021

**By Order of the Board,**

**Krupali H. Shah**  
Company Secretary

**DIRECTORS' REPORT**

Dear Members,

Your Directors present the 26<sup>th</sup> ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2020-21 ended 31<sup>st</sup> March, 2021.

**1. FINANCIAL RESULTS:**

(Rs. In Lakh)

| Particulars                                      | 2020-21 | 2019-20  |
|--|---------|----------|
| Income from Operation                            | 3406.70 | 3109.87  |
| Other Income                                     | 52.99   | 53.48    |
| Profit before Finance Cost, Depreciation and Tax | 820.62  | 573.69   |
| Less: Finance Cost                               | 180.73  | 231.99   |
| Profit before Depreciation                       | 639.89  | 341.70   |
| Less: Depreciation                               | 542.51  | 529.02   |
| Profit/ (Loss) before Exceptional Items          | 97.38   | (187.32) |
| Less: Exceptional Items                          | -       | -        |
| Profit/ (Loss) before Tax                        | 97.38   | (187.32) |
| Less: Provision for Tax                          | 92.72   | 69.00    |
| Less/(Add): Deferred Tax Credit                  | (68.75) | (41.18)  |
| Less: MAT Credit reversal                        | -       | 10.27    |
| (Add): Tax expenses related to earlier year      | (3.28)  | (1.40)   |
| Profit/ (Loss) after Tax                         | 76.69   | (224.01) |

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2021 and date of this report.

**2. DIVIDEND:**

To conserve the resources and in view of accumulated losses, the Directors are unable to recommend any dividend on the Equity Shares for the year under review.

**3. SHARE CAPITAL:**

The paid up Share Capital of the Company as on 31<sup>st</sup> March, 2021 was Rs. 1386.90 Lakhs. As on 31<sup>st</sup> March, 2021, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

**4. RESERVES:**

Your Company does not propose to transfer any amount to general reserve.

**5. BUSINESS SCENARIO:**

The Company has focused on margins since last 4 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.

**6. COVID-19 PANDEMIC:**

Due to outbreak of Covid-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of Covid-19. There is slow down in the business of the Company due to lockdown which had impact on operations. However, the management does not see any medium to long term risks in the Company's ability to

## ANNUAL REPORT 2020-21

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continue as a going concern and meeting its liabilities and compliance with the debt covenants, applicable, if any.

### 7. DIRECTORS:

- 7.1 One of your Directors viz. Ms. Jasmine P. Vasani retires by rotation in terms of the Articles of Association of the Company. However, she being eligible offers herself for re-appointment.
- 7.2 The Board of Directors duly met 6 times during the financial year 2020-21 on 6<sup>th</sup> June, 2020, 9<sup>th</sup> June, 2020, 4<sup>th</sup> September, 2020, 15<sup>th</sup> October, 2020, 9<sup>th</sup> November, 2020 & 25<sup>th</sup> February, 2021 respectively.
- 7.3 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.
- 7.4 In terms of provisions of Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Amendment Rules, 2019 the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, Manesar ('IICA').
- 7.5 Brief profile of the Directors being re-appointed as required under Secretarial Standard on General Meetings are provided in the notice for the forthcoming AGM of the Company.

### 7.6 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 (IND-AS) 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, 2021 being end of the financial year 2020-21 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.

### 8. 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.

### 9. MANAGERIAL REMUNERATION:

REMUNERATION OF DIRECTORS:

| Sr. No. | Name of the Director & Designation   | Remuneration for the financial year 2020-21 | Commission received from Holding/ Subsidiary |
|---------|--------------------------------------|---|--|
| 1.      | Mr. Paresh Vasani, Managing Director | Rs. 76.40 Lakhs                             | 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](http://www.mycsil.com)

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

The Net worth as on 31<sup>st</sup> March, 2021 is Rs.2721.53 Lakh compared to Rs. 2644.84 Lakh as on 31<sup>st</sup> March, 2020.

**11. PERSONNEL AND H. R. D.:**

**11.1 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.

**11.2 PARTICULARS OF EMPLOYEES:**

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

**12. 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.

**13. 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**.

**14. ANNUAL RETURN:**

The Annual Return as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and can be accessed at [www.mycsil.com](http://www.mycsil.com).

**15. AUDIT COMMITTEE:**

15.1 The Board of Directors has constituted Audit Committee consisting of the following:

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

**15.2 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.

**16. 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   |

## ANNUAL REPORT 2020-21

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The Committee identifies and ascertains 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.

### 17. 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. Krupali H. Shah, Company Secretary is the Compliance Officer for the above purpose.

### 18. GENERAL:

#### 18.1. AUDITORS:

##### STATUTORY AUDITORS:

The present Auditors of the Company, M/s. Rajendra D. Shah & Co., Chartered Accountants, Ahmedabad, will retire at the ensuing 26<sup>th</sup> Annual General Meeting.

The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the Board of Directors has recommended the appointment of M/s. Hemanshu Shah & Co., Chartered Accountants, (Firm Regn. No. 122439W) as Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the ensuing 26<sup>th</sup> AGM till the conclusion of 31<sup>st</sup> AGM on remuneration to be decided by the Board or Committee thereof.

The Company has obtained consent from M/s. Hemanshu Shah & Co., Chartered Accountants to the effect that their appointment as Statutory Auditors of the Company for period of 5 years commencing from financial year 2021-22 to 2025-26, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

The Shareholders / members are requested to consider and approve the appointment of the Statutory Auditors of the Company.

#### 18.2 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.

#### 18.3 FIXED DEPOSITS:

The Company has not accepted any fixed deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 18.4 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company has two subsidiaries viz. PCB Power (India) Limited and PCB Power Inc. USA. The Subsidiary Company's Goodwill is helping parent company to increase its business.

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-B**.

Financial accounts of our subsidiary for the financial year 2020-21 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.

### 18.5 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.

### 18.6 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.

### 18.7 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.

### 18.8 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.

### 18.9 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.

### 18.10 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.

## ANNUAL REPORT 2020-21

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### 18.11 CREDIT RATINGS:

The Company has not obtained any Credit Rating during the financial year 2020-21.

### 18.12 SECRETARIAL STANDARDS:

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company.

### 18.13 CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

During this period under the provisions under section 135 in respect of CSR is not applicable to the Company. Hence, your Directors have not constituted the Corporate Social Responsibility (CSR) Committee.

## 19. **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.

## 20. **DISCLOSURE OF MAINTENANCE OF COST RECORDS:**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

## 21. **DEMATERIALISATION 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.

## 22. **FINANCE:**

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

## 23. **ACKNOWLEDGEMENT:**

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

Place : Ahmedabad  
Date : 28<sup>th</sup> August, 2021

**For and on behalf of the Board,**  
**Paresh Vasani**                      **Jayesh Shah**  
**Managing Director**                **Director**  
**DIN:01376786**                      **DIN:02559296**



**FORM - A**

**Disclosure of particulars with respect to Conservation of Energy**

|   |   |   |                      |
|---|---|---|----------------------|
| <b>(A) Conservation of energy-</b>                          | 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>(B) TECHNOLOGY ABSORPTION:</b>                           | 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.  |   |                      |
| <b>(C) FOREIGN EXCHANGE EARNINGS &amp; OUTGO:</b>           |   | <b>2020-21(Rs.)</b>   | <b>2019-20 (Rs.)</b> |
| Total Foreign exchange earnings                             |   | 1,71,53,630/-   | 64,63,122/-          |
| Total Foreign Exchange used                                 |   | 10,87,58,182/-  | 7,22,44,313/-        |

Place : Ahmedabad  
Date : 28<sup>th</sup> August, 2021

**For and on behalf of the Board,**  
**Paresh Vasani**                      **Jayesh Shah**  
**Managing Director**              **Director**  
**DIN:01376786**                      **DIN:02559296**

**FORMAOC-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                                   | PCB Power Inc. USA  |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021 | 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021 |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Not Applicable  | USD @ Rs. 73.5047   |
| 4.      | Share Capital   | Rs. 8,60,200/-  | Rs. 7,35,04,700/-   |
| 5.      | Reserves & surplus  | Rs.88,53,673/-  | Rs.(1,89,18,625)/-  |
| 6.      | Total assets  | Rs.1,06,06,592/-  | Rs. 8,11,79,326/-   |
| 7.      | Total Liabilities   | Rs.8,93,119/-   | Rs.1,89,36,648/-  |
| 8.      | Investments   | Nil   | Nil   |
| 9.      | Turnover  | Nil   | Rs.8,69,91,427/-  |
| 10.     | Loss before taxation  | Rs.5,74,258/-   | Rs.(51,92,560)/-  |
| 11.     | Provision for taxation  | Rs.89,985/-   | Nil   |
| 12.     | Loss after taxation   | Rs.4,84,273/-   | Rs.(51,92,560)/-  |
| 13.     | Proposed Dividend   | Nil   | Nil   |
| 14.     | % of shareholding   | 100%  | 100%  |

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

The Company does not have any Associate companies/ JVs.

Place : Ahmedabad  
Date : 28<sup>th</sup> August, 2021

**For and on behalf of the Board,**  
**Paresh Vasani**                      **Jayesh Shah**  
**Managing Director**                **Director**  
**DIN:01376786**                        **DIN:02559296**

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of Circuit systems (India) Ltd  
Ahmedabad

**Report on the Audit of Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Circuit systems (India) Ltd ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "standalone financial statements").

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 Companies Act, 2013 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 March 31, 2021, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the Standalone Financial statements and Auditor's report thereon.**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 no 29 to the financial statements;
    - II. The Company did not have any long-term contract including any derivative contract for which there were any material foreseeable losses.
    - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For, Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W  
Rajendra D Shah  
Proprietor  
Membership No. 4844  
UDIN: 21004844AAAAEQ2265

Place : Ahmedabad  
Date : 28<sup>th</sup> August, 2021

**Annexure A to the Independent Auditors' Report****(Refer to paragraph (1) on other Legal and Regulatory Requirements of our report of even date.)**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- b) In our opinion and according to the information and explanations given to us during the course of the audit, Property, Plant and Equipment have been physically verified by the management at regular intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information and explanations given to us during the course of the audit, title deeds of all immovable properties were in the name of Company.
- ii) a) The inventories other than that of with third parties have been physically verified by the management at reasonable intervals. There is a process of obtaining confirmation in respect of inventory with the third parties.
- b) In our opinion and according to the information and explanations given to us during the course of the audit, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As per the information and explanations given to us no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us during the course of the audit, the Company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause (iii) of paragraph 3 of the order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us during the course of the audit, in respect of loans, investments, guarantees and security provisions of section 185 and 186 of Companies Act, 2013 have been complied with.
- v) In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the order are not applicable to the Company.
- vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013 in respect of activities of the Company. We have broadly reviewed accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however, not made detailed examination of the same.
- vii) (a) In our opinion and according to the information and explanations given to us during the course of the audit, the Company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Duty of Customs, Cess, Goods and service tax and any other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.
- (b) Following are the details of disputed Income Tax, have not been deposited to the concerned authorities as on 31<sup>st</sup> March, 2021:

| Sr No | Name of the Statute | Nature of the dues | Forum where dispute is pending | Unpaid Amount (Rs.) |
|-------|---------------------|--------------------|--------------------------------|---------------------|
| 1     | Income Tax Act 1961 | Income Tax         | CIT - Appeal                   | 87,59,612           |

- viii) In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not defaulted in repayment of dues to financial institutions, banks, and government.

- ix) In our opinion and according to the information and explanations given to us during the course of the audit, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and the money raised by way of term loans were utilized for the purpose for which the same were raised.
- x) In our opinion and according to the information and explanations given to us during the course of the audit, we report that no material fraud by the Company and no material fraud on the Company have been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us during the course of the audit, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us during the course of the audit, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us during the course of the audit, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi) In our opinion and according to the information and explanations given to us during the course of the audit, the Company is not required to be registered under section 451A of the Reserve Bank of India Act 1934.

For, Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W  
Rajendra D Shah  
Proprietor  
Membership No. 4844  
UDIN: 21004844AAAAEQ2265

Place : Ahmedabad  
Date : 28<sup>th</sup> August, 2021

## **ANNUAL REPORT 2020-21**

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### **Annexure - B to the Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

We have audited the internal financial controls over financial reporting of CIRCUIT SYSTEMS (INDIA) LTD. ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 31<sup>st</sup> March 2021, 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.

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

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial 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 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 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 standalone 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 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.

For, Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W  
Rajendra D Shah  
Proprietor  
Membership No. 4844  
UDIN: 21004844AAAAEQ2265

Place : Ahmedabad  
Date : 28<sup>th</sup> August, 2021

# ANNUAL REPORT 2020-21

## BALANCE SHEET AS AT 31ST MARCH, 2021

|                                      | <u>NOTE</u> | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|--------------------------------------|-------------|--|--|
| <b>EQUITY AND LIABILITIES</b>        |             |  |  |
| <b>Shareholders' funds</b>           |             |  |  |
| Share Capital                        | 2           | 1386.90                                    | 1386.90                                    |
| Reserves and Surplus                 | 3           | 1334.63                                    | 1257.94                                    |
| <b>Non current Liabilities</b>       |             |  |  |
| Long term borrowings                 | 4           | 502.19                                     | 957.54                                     |
| Long term provision                  | 5           | 34.36                                      | 36.93                                      |
| <b>Current Liabilities</b>           |             |  |  |
| Short term borrowings                | 6           | 571.04                                     | 611.91                                     |
| Trade payables                       | 7           | 461.11                                     | 266.81                                     |
| Short term provision                 | 8           | 8.18                                       | 5.34                                       |
| Other current liabilities            | 9           | 716.76                                     | 414.99                                     |
| <b>TOTAL</b>                         |             | <b>5015.18</b>                             | <b>4938.35</b>                             |
| <b>ASSETS</b>                        |             |  |  |
| <b>Non Current Assets</b>            |             |  |  |
| <b>Property, Plant and Equipment</b> |             |  |  |
|                                      | 10          |  |  |
| Tangible assets                      |             | 1896.53                                    | 2271.92                                    |
| Intangible assets                    |             | 0.47                                       | 1.60                                       |
| Capital Work-in-Progress             |             | 18.16                                      | Nil  |
| <b>Investments</b>                   | 11          | <b>1465.26</b>                             | 1242.72                                    |
| <b>Other Non Current Assets</b>      | 12          | <b>Nil</b>                                 | 24.02                                      |
| <b>Long Term Loans and Advances</b>  | 13          | <b>100.66</b>                              | 2.00                                       |
| <b>Deferred Tax Asset( Net)</b>      | 14          | <b>99.17</b>                               | 30.43                                      |
| <b>Current Assets</b>                |             |  |  |
| Trade Receivables                    | 15          | 225.68                                     | 176.29                                     |
| Inventories                          | 16          | 891.04                                     | 721.36                                     |
| Short Term Loans and Advances        | 17          | 278.24                                     | 367.07                                     |
| Cash and bank balances               | 18          | 39.96                                      | 100.94                                     |
| <b>TOTAL</b>                         |             | <b>5015.18</b>                             | <b>4938.35</b>                             |
| Significant Accounting Policies      | 1           |  |  |
| Notes on Financial Statements        | 2 TO 38     |  |  |

As per our Report of even date  
For Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W  
(Rajendra D Shah)  
Proprietor  
Membership No. 4844

For and on behalf of the Board  
Paresh Vasani  
Managing Director  
DIN : 1376786  
Preeti Chouksey  
Chief Financial officer  
Jayesh Shah  
Director  
DIN : 2559296  
Krupali Shah  
Company Secretary

Place : Ahmedabad  
Date : 28th August, 2021

**CIRCUIT SYSTEMS (INDIA) LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

|   | <u>NOTE</u> | 2020-2021<br>(Rs. In lakh) | 2019-2020<br>(Rs. In lakh) |
|---|-------------|----------------------------|----------------------------|
| <b>INCOME</b>   |             |                            |                            |
| Revenue From Operations                                       | 19          | 3406.70                    | 3109.87                    |
| Other Income  | 20          | 52.99                      | 53.48                      |
| Changes in inventories of finished goods and work in progress | 21          | 35.60                      | 60.36                      |
| <b>TOTAL REVENUE</b>  |             | <b>3495.28</b>             | <b>3223.71</b>             |
| <b>EXPENDITURE</b>  |             |                            |                            |
| Cost of Raw Material Consumed                                 | 22          | 1123.66                    | 748.63                     |
| Purchase of Traded goods                                      |             | 51.51                      | 140.46                     |
| Employees Benefit Expenses                                    | 23          | 468.42                     | 425.50                     |
| Other Expenses  | 25          | 1031.06                    | 1335.43                    |
| <b>TOTAL EXPENSES</b>   |             | <b>2674.65</b>             | <b>2650.02</b>             |
| <b>Profit before Finance cost, Depreciation and Tax</b>       |             | <b>820.63</b>              | 573.69                     |
| Finance Cost  | 24          | 180.73                     | 231.99                     |
| Provision for Depreciation                                    | 10          | 542.51                     | 529.02                     |
| <b>(Loss)/Profit Before Tax</b>                               |             | <b>97.38</b>               | (187.32)                   |
| <b>Tax Expenses</b>   |             |                            |                            |
| Current Tax   |             | 92.72                      | 69.00                      |
| Deferred Tax Credit   |             | (68.75)                    | (41.18)                    |
| MAT credit entitlement  |             | Nil                        | Nil                        |
| MAT credit reversal during the year                           |             | Nil                        | 10.27                      |
| Tax expenses related to earlier year                          |             | (3.28)                     | (1.40)                     |
| <b>(Loss)/Profit for the year</b>                             |             | <b>76.69</b>               | (224.01)                   |
| <b>Earnings per equity share of face value of Rs. 10 each</b> |             |                            |                            |
| Basic and Diluted (in Rs.)                                    | 27          | 0.55                       | (1.62)                     |
| Significant Accounting Policies                               | 1           |                            |                            |
| Notes on Financial Statements                                 | 2 TO 38     |                            |                            |

As per our Report of even date  
For Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W

(Rajendra D Shah)  
Proprietor  
Membership No. 4844

Place : Ahmedabad  
Date : 28th August, 2021

For and on behalf of the Board  
Paresh Vasani  
Managing Director  
DIN : 1376786  
  
Preeti Chouksey  
Chief Financial officer  
  
Jayesh Shah  
Director  
DIN : 2559296  
  
Krupali Shah  
Company Secretary

## ANNUAL REPORT 2020-21

### CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021

|  | For the year<br>ended on<br>31st March, 2021<br>(Rs. In lakh) | For the year<br>ended on<br>31st March, 2020<br>(Rs. In lakh) |
|--|---|---|
| <b>A. Cash Flow from Operating activities</b>                    |   |   |
| Net (Loss)/Profit before Tax                                     | 97.38   | (187.32)  |
| <b>Add :-</b>  |   |   |
| Provision for Depreciation                                       | 542.51  | 529.02  |
| Impairment of Investments  | Nil   | 274.18  |
| Profit on sale of Asset  | 8.43  | (11.03)   |
| Sundry Balance Written Off                                       | 0.97  | 53.80   |
| Bad debts  | 1.03  | 4.09  |
| Fluctuation in Foreign Exchange                                  | (1.55)  | 0.10  |
|  | <b>648.76</b>   | 662.84  |
| Interest Income  | (2.17)  | (2.02)  |
| Interest Expense   | 180.73  | 231.99  |
| Operating profit before working capital changes                  | <b>827.33</b>   | 892.81  |
| <u>Adjustment for :</u>  |   |   |
| Trade payables, Provisions and other liabilities                 | 365.68  | 161.22  |
| Inventories  | (169.69)  | (187.54)  |
| Trade and Other receivables                                      | (49.84)   | 10.70   |
| <b>Cash Generated from Operations</b>                            | <b>146.15</b>   | (15.62)   |
| Direct tax paid  | (18.72)   | (31.30)   |
| <b>Net cash flow from operating activities</b>                   | <b>954.77</b>   | 845.89  |
| <b>B. Cash flow from Investing activities</b>                    |   |   |
| Purchase of Property, Plant and Equipment                        | (193.87)  | (291.03)  |
| Sale of Property, Plant and Equipment                            | 1.30  | 48.26   |
| Investment in shares of subsidiary                               | (222.54)  | (137.66)  |
| Interest received  | 1.03  | 0.89  |
| Investment in fixed deposit                                      | (2.22)  | Nil   |
| Fixed deposit matured  | 9.90  | Nil   |
| <b>Net Cash used in Investing activities</b>                     | <b>(406.40)</b>   | (379.54)  |
| <b>C. Cash flow from financing activities</b>                    |   |   |
| Changes in loans and advances                                    | (63.07)   | 20.01   |
| Repayment of long term borrowings                                | (496.40)  | (211.45)  |
| Proceeds from long term borrowings                               | 170.00  | Nil   |
| Repayment of short term borrowings                               | (1,735.00)  | (1,175.62)  |
| Proceeds from short borrowings                                   | 1,655.86  | 1,213.42  |
| Interest paid  | (140.74)  | (224.61)  |
| <b>Net Cash flow from financing activities</b>                   | <b>(609.36)</b>   | (378.25)  |
| <b>D. Net Increase in cash and cash equivalents (A+B+C)</b>      | <b>(60.99)</b>  | 88.10   |
| <b>E. Cash and cash Equivalents at the beginning of the year</b> | <b>100.94</b>   | 12.84   |

## CIRCUIT SYSTEMS (INDIA) LIMITED

|   | <b>For the year<br/>ended on<br/>31st March, 2021<br/>(Rs. In lakh)</b> | For the year<br>ended on<br>31st March, 2020<br>(Rs. In lakh) |
|---|---|---|
| F. Cash and cash Equivalents at the end of the year | <b>39.95</b>  | 100.94  |
| Components of Cash and Cash Equivalents             |   |   |
| Cash on Hand  | <b>4.46</b>   | 4.27  |
| <b><u>Balance with schedule banks</u></b>           |   |   |
| In current Accounts                                 | <b>6.40</b>   | 86.63   |
| In deposit account                                  | <b>29.10</b>  | 10.04   |
|   | <b>39.95</b>  | 100.94  |

Significant Accounting Policies **1**

### **Notes:**

Notes on Financial Statements **2 TO 38**

- 1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.
- 2 Purchase of Property , Plant & Equipments / CWIP are stated inclusive of movement of capital work in progress, creditors, project and other advances.
- 3 Figures in bracket indicate cash outflow.

As per our Report of even date  
For Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W

(Rajendra D Shah)  
Proprietor  
Membership No. 4844

Place : Ahmedabad  
Date : 28th August, 2021

For and on behalf of the Board  
Paresh Vasani  
Managing Director  
DIN : 1376786  
Preeti Chouksey  
Chief Financial officer  
Jayesh Shah  
Director  
DIN : 2559296  
Krupali Shah  
Company Secretary

## ANNUAL REPORT 2020-21

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### **Note 1 : Significant accounting policies**

(a) BASIS OF PREPARATION :

The Financial Statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Finance Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended]

USE OF ESTIMATES

The Preparation of financial statements requires estimates and assumption to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.

(b) Current-non current classification

All assets and liabilities are classified into current and non current.

Assets:

An asset is classified into current and non current.

- (i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realised within 12 months after the reporting date; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months from original maturity.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

Liability:

Liability is classified as current when it satisfies any of the following criteria:

- (i) It is expected to be settled in the company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is due to be settled within 12 months after the reporting date; or
- (iv) The Company does not have and an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current Liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

(c) Property, Plant & Equipment:

Property, Plant & Equipment

Property, Plant & Equipments 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.

Intangible 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.

(d) DEPRECIATION :

Depreciation on Property, Plant & Equipment has been provided on Straight Line Method based on useful life of the assets specified in part C of Schedule II of the Companies Act 2013, other than the following asset class based on the Company's estimated supported by technical assessment.

Certain Plant and Machinery- 5 to 15 years

Depreciation on additions is calculated from the date asset is put to use.

Intangible assets are amortized on a straight line basis over their estimated useful lives.

| <u>Assets</u> | <u>Estimated Useful Life</u> |
|---------------|------------------------------|
| Software      | 3 years                      |

(e) IMPAIREMENT OF ASSETS

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

(f) CAPITAL WORK IN PROGRESS

Project under commissioning and other Capital work in Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(g) INVESTMENT

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.

(h) CURRENT ASSETS :

Inventories are valued at lower of cost or net realisable value.

Stores and Spares : At cost

Raw Materials : On FIFO basis

Work in progress : At cost

Traded Goods : On FIFO basis

Sundry Debtors are stated after making adequate provision for Doubtful Bad Debts.

(i) REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sales of goods, services, Good and Service tax and sales during the trial run period, adjusted for discounts(net), Goods and Service tax and

## ANNUAL REPORT 2020-21

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gain/loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

(j) TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(k) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

(l) EMPLOYEE BENEFITS

(i) Short term employee benefits are recognized as an expenses at the undiscounted amount in the Statement of Profit & Loss for the period in which the related services is rendered.

(ii) Post-employment and other long term employee benefits are recognized as an expenses in the statement of Profit & Loss for the period in which employee has rendered services. The expenses are recognized at the present value of amount payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post-employment and other long term benefits are charged to Statement of Profit and Loss.

(m) CASH FLOW STATEMENT

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(n) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised 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 Profit and Loss account.

Borrowing costs includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(o) CONTINGENT LIABILITY AND PROVISIONS

Contingent liabilities are possible but not probable obligation as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

(p) Export benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustment in raw material consumption.



(q) SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with accounting policies of the company. Segment revenue, Segment expenses, Segment Assets and Segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(r) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earning per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares other than the conversion of potential equity shares that they have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(s) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency monetary assets and liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

(t) GOVERNMENT GRANTS

Government grants / subsidies received towards specific Property, Plant & Equipment have been deducted from the gross value of the concerned Property , Plant & Equipment.

## ANNUAL REPORT 2020-21

|   | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|---|--|--|
| <b>Note 2 : Share Capital</b>   |  |  |
| <b>Authorized Share Capital :</b>   |  |  |
| 1,60,00,000 Equity shares of Rs 10 each<br>(P.Y 16,000,000 Equity Shares of Rs 10 each)               | 1600.00                                    | 1600.00                                    |
|   | <b>1600.00</b>                             | 1600.00                                    |
| <b>Issued, subscribed and paid up :</b>   |  |  |
| 1,38,69,016 Equity shares of Rs 10 each fully paid up<br>(P.Y 13,869,016 Equity Shares of Rs 10 each) | 1386.90                                    | 1386.90                                    |
| <b>Total</b>  | <b>1386.90</b>                             | 1386.90                                    |

2.1 The details of Shareholders holding more than 5% shares :

| Name of the Shareholder | As at 31st March, 2021 |        | As at 31st March, 2020 |        |
|-------------------------|------------------------|--------|------------------------|--------|
|                         | No. of Shares          | % held | No. of Shares          | % held |
| Mr. Paresh N. Vasani    | 1,06,76,666            | 76.98% | 1,06,75,964            | 76.98% |
| Eurocircuits N.V.       | 22,50,000              | 16.22% | 22,50,000              | 16.22% |

2.2 **Rights Preferences and Restrictions attached to class of shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each member is eligible for one vote per share held. The dividend proposed by the board of Directors is subject to the approval of the members in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity members are eligible to receive the remaining assets of the company after distribution of all preferential amount, in the proportion to their shareholding.

2.3 **The Reconciliation of the number of shares outstanding is set out below :**

| Particulars                                | As at 31st March, 2021 |               | As at 31st March, 2020 |               |
|--|------------------------|---------------|------------------------|---------------|
|  | No. of Shares          | (Rs. In lakh) | No. of Shares          | (Rs. In lakh) |
| Equity Shares at the beginning of the year | 1,38,69,016            | 1,386.90      | 1,38,69,016            | 1,386.90      |
| Equity Shares at the end of the year       | 1,38,69,016            | 1,386.90      | 1,38,69,016            | 1,386.90      |

2.4 The Company does not have any holding company.

## CIRCUIT SYSTEMS (INDIA) LIMITED

|   | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|---|--|--|
| <b>Note 3 : Reserves And Surplus</b>  |  |  |
| <b>Capital Reserve</b>  |  |  |
| Balance as per last financial statement   | 36.62                                      | 36.62                                      |
| <b>Closing balance</b>  | <b>36.62</b>                               | <b>36.62</b>                               |
| <b>Capital Redemption Reserve</b>   |  |  |
| Balance as per last financial statement   | 183.10                                     | 183.10                                     |
| <b>Closing balance</b>  | <b>183.10</b>                              | <b>183.10</b>                              |
| <b>Securities Premium Reserve</b>   |  |  |
| Balance as per last financial statement   | 1346.70                                    | 1346.70                                    |
| <b>Closing balance</b>  | <b>1,346.70</b>                            | <b>1346.70</b>                             |
| <b>Balance in the statement of profit and loss</b>  |  |  |
| Balance as per last financial statement   | (308.48)                                   | (84.47)                                    |
| Add: (Loss)/Profit for the year   | 76.69                                      | (224.01)                                   |
| <b>Closing balance</b>  | <b>(231.79)</b>                            | <b>(308.48)</b>                            |
| <b>Total Reserves &amp; Surplus</b>   | <b>1,334.63</b>                            | <b>1257.94</b>                             |
| <b>Note 4: Long term Borrowings</b>   |  |  |
| <b>Secured</b>  |  |  |
| Term Loan - From banks (Refer note below)   | 502.19                                     | 957.54                                     |
| <b>Total</b>  | <b>502.19</b>                              | <b>957.54</b>                              |
| <b>Notes:</b>   |  |  |
|   | <b>Non-Current</b>                         | <b>Non-Current</b>                         |
| 1) Term loan secured by way of hypothecation of vehicle and the same is repayable in 60 Equal monthly installments of Rs. 1.02 lakh each from May 2016. Effective rate of interest is Base rate + 1.9% .  | Nil  | 1.03                                       |
| 2) Term Loan secured by way of hypothecation of Vehicle and the same is repayable in 84 Equal monthly installments of Rs. 0.85 lakh each from May 2015. Effective rate of interest is 10.65%  | Nil  | 9.19                                       |
| 3) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs.9.53 lakh from March 2017. Effective rate of interest is MCLR +0.80%.  | Nil  | 75.02                                      |
| 4) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs.5.87 lakh from March 2017 to September 2017 and thereafter Rs 9.39 lakh from October 2017 . Effective rate of interest is 8.25%. | 53.07                                      | 149.05                                     |
| 5) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs. 8.82 lakhs starting from Aug 2018. Effective rate of interest is 8.25%  | 168.17                                     | 245.34                                     |
| 6) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs. 4.54 lakhs starting from Nov 2018. Effective rate of interest is 8.25%.   | 149.60                                     | 197.72                                     |
| 7) Term Loan secured by way of hypothecation of property and the same is repayable in 84 Equal monthly installments of Rs. 5.52 lakhs starting from Jun 18. Effective rate of Interest is Base rate+ 0.10% .  | Nil  | 280.20                                     |
| 8) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 48 equal monthly installments of Rs. 5.35 lacs per month from July 2021 to June 2024. Effective rate of Interest is 8.25%.   | 131.35                                     | Nil  |
| <b>Total</b>  | <b>502.19</b>                              | <b>957.54</b>                              |

## ANNUAL REPORT 2020-21

|                                       | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|---------------------------------------|--|--|
| <b>Note 5: Long term provision</b>    |  |  |
| Employee Benefits (Refer note no. 33) | 34.36                                      | 36.93                                      |
| <b>Total</b>                          | <b>34.36</b>                               | <b>36.93</b>                               |

### **Note 6 : Short term Borrowings**

|   |               |               |
|---|---------------|---------------|
| Loans repayable on demand                                       |               |               |
| Secured   |               |               |
| From bank   |               |               |
| - Cash credit   | 161.49        | Nil           |
| Unsecured   |               |               |
| - Inter-corporate Loan from related party<br>(Refer note no 32) | 386.91        | 598.63        |
| - From bank   | 22.64         | 13.28         |
| <b>Total</b>  | <b>571.04</b> | <b>611.91</b> |

#### **Note**

- 1) In previous year, cash credit from bank is primarily secured by way of hypothecation of Stock, 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. It is also secured by way of personal guarantee of a director. Effective rate of interest is 8.25%.
- 2) Effective rate of interest for unsecured inter corporate deposit is 7% p.a from April 2020 to Nov 2020 and 6.5% from Dec 2020 onwards.
- 3) Unsecured loan from bank represents dues of credit cards. Effective rate of interest is 3.49% p.m. if paid after due date.

### **Note 7 : Trade payables**

|  |               |               |
|--|---------------|---------------|
| Trade Payables   | 442.30        | 242.71        |
| Dues to Micro, Small and Medium Enterprises (Refer note no 26) | 18.81         | 24.10         |
| <b>Total</b>   | <b>461.11</b> | <b>266.81</b> |

### **Note 8 : Short term provision**

|                                       |             |             |
|---------------------------------------|-------------|-------------|
| Employee Benefits (Refer note no. 33) | 8.18        | 5.34        |
| <b>Total</b>                          | <b>8.18</b> | <b>5.34</b> |

### **Note 9 : Other current liabilities**

|   |               |               |
|---|---------------|---------------|
| Statutory Dues  | 18.48         | 19.87         |
| Advances from Customers                               | 316.77        | 142.34        |
| Deposit from employees                                | 7.42          | 6.24          |
| Current maturity of long term debt (Refer note no. 4) | 374.09        | 246.54        |
| <b>Total</b>  | <b>716.76</b> | <b>414.99</b> |

## CIRCUIT SYSTEMS (INDIA) LIMITED

Note :- 10 Property, Plant and Equipment

As at 31/03/2021

(Rs. In lakh)

|                                     | GROSS BLOCK     |                                   |                                      | DEPRECIATION     |                 |   |                                      | NET BLOCK        |                  |                  |
|-------------------------------------|-----------------|-----------------------------------|--------------------------------------|------------------|-----------------|---|--------------------------------------|------------------|------------------|------------------|
|                                     | As on<br>1/4/20 | Addition<br>during<br>the<br>year | Dedu-<br>ction<br>during<br>the year | As on<br>31/3/21 | As on<br>1/4/20 | Deprec-<br>iation<br>during<br>the year | Deduc-<br>tion<br>during<br>the year | As on<br>31/3/21 | As on<br>31/3/20 | As on<br>31/3/21 |
| <b>Tangible Assets</b>              |                 |                                   |                                      |                  |                 |   |                                      |                  |                  |                  |
| Leasehold Land                      | 32.12           | Nil                               | Nil                                  | 32.12            | Nil             | Nil                                     | Nil                                  | Nil              | 32.12            | 32.12            |
| Factory Building                    | 1026.99         | Nil                               | Nil                                  | 1026.99          | 320.94          | 65.75                                   | Nil                                  | 386.69           | 706.05           | 640.31           |
| Plant & Equipment                   | 2545.42         | 92.58                             | 18.33                                | 2619.67          | 1393.47         | 403.21                                  | 10.04                                | 1786.64          | 1151.95          | 833.03           |
| Office Equipments                   | 114.50          | 6.30                              | Nil                                  | 120.80           | 61.86           | 19.30                                   | Nil                                  | 81.15            | 52.65            | 39.65            |
| Furniture & Fixtures                | 241.93          | 43.84                             | Nil                                  | 285.77           | 38.04           | 25.50                                   | Nil                                  | 63.54            | 203.88           | 222.22           |
| Vehicles                            | 227.46          | 32.98                             | 10.57                                | 249.87           | 102.20          | 27.63                                   | 9.14                                 | 120.68           | 125.27           | 129.19           |
| <b>Total (A)</b>                    | <b>4188.43</b>  | <b>175.71</b>                     | <b>28.90</b>                         | <b>4335.24</b>   | <b>1916.51</b>  | <b>541.38</b>                           | <b>19.18</b>                         | <b>2438.71</b>   | <b>2271.93</b>   | <b>1896.53</b>   |
| <b>Intangible Assets</b>            |                 |                                   |                                      |                  |                 |   |                                      |                  |                  |                  |
| Computer Software                   | 13.89           | Nil                               | Nil                                  | 13.89            | 12.28           | 1.13                                    | Nil                                  | 13.41            | 1.60             | 0.47             |
| <b>Total (B)</b>                    | <b>13.89</b>    | <b>Nil</b>                        | <b>Nil</b>                           | <b>13.89</b>     | <b>12.28</b>    | <b>1.13</b>                             | <b>Nil</b>                           | <b>13.41</b>     | <b>1.60</b>      | <b>0.47</b>      |
| <b>Capital work in progress (C)</b> |                 |                                   |                                      |                  |                 |   |                                      |                  |                  |                  |
|                                     | Nil             | 18.16                             | Nil                                  | 18.16            | Nil             | Nil                                     | Nil                                  | Nil              | Nil              | 18.16            |
| <b>Total (A+B+C)</b>                | <b>4202.32</b>  | <b>193.87</b>                     | <b>28.90</b>                         | <b>4367.29</b>   | <b>1928.79</b>  | <b>542.51</b>                           | <b>19.18</b>                         | <b>2452.12</b>   | <b>2273.53</b>   | <b>1915.17</b>   |

As at 31/03/2020

(Rs. In lakh)

|                                     | GROSS BLOCK     |                                   |                                      | DEPRECIATION     |                 |   |                                      | NET BLOCK        |                  |                  |
|-------------------------------------|-----------------|-----------------------------------|--------------------------------------|------------------|-----------------|---|--------------------------------------|------------------|------------------|------------------|
|                                     | As on<br>1/4/19 | Addition<br>during<br>the<br>year | Dedu-<br>ction<br>during<br>the year | As on<br>31/3/20 | As on<br>1/4/19 | Deprec-<br>iation<br>during<br>the year | Deduc-<br>tion<br>during<br>the year | As on<br>31/3/20 | As on<br>31/3/19 | As on<br>31/3/20 |
| <b>Tangible Assets</b>              |                 |                                   |                                      |                  |                 |   |                                      |                  |                  |                  |
| Leasehold Land                      | 32.12           | Nil                               | Nil                                  | 32.12            | Nil             | Nil                                     | Nil                                  | Nil              | 32.12            | 32.12            |
| Factory Building                    | 495.83          | 531.16                            | Nil                                  | 1026.99          | 258.77          | 62.17                                   | Nil                                  | 320.94           | 237.06           | 706.05           |
| Plant & Equipment                   | 2518.59         | 87.35                             | 60.51                                | 2545.43          | 1029.92         | 397.73                                  | 34.16                                | 1393.49          | 1488.68          | 1151.95          |
| Office Equipments                   | 87.67           | 26.83                             | Nil                                  | 114.50           | 41.45           | 20.41                                   | Nil                                  | 61.86            | 46.23            | 52.64            |
| Furniture & Fixtures                | 168.51          | 73.41                             | Nil                                  | 241.92           | 17.11           | 20.92                                   | Nil                                  | 38.03            | 151.40           | 203.89           |
| Vehicles                            | 170.98          | 56.48                             | Nil                                  | 227.46           | 79.69           | 22.50                                   | Nil                                  | 102.19           | 91.29            | 125.27           |
| <b>Total (A)</b>                    | <b>3473.70</b>  | <b>775.23</b>                     | <b>60.51</b>                         | <b>4188.42</b>   | <b>1426.94</b>  | <b>523.73</b>                           | <b>34.16</b>                         | <b>1916.51</b>   | <b>2046.78</b>   | <b>2271.92</b>   |
| <b>Intangible Assets</b>            |                 |                                   |                                      |                  |                 |   |                                      |                  |                  |                  |
| Computer Software                   | 12.84           | 1.04                              | Nil                                  | 13.88            | 6.99            | 5.29                                    | Nil                                  | 12.28            | 5.85             | 1.60             |
| <b>Total (B)</b>                    | <b>12.84</b>    | <b>1.04</b>                       | <b>Nil</b>                           | <b>13.88</b>     | <b>6.99</b>     | <b>5.29</b>                             | <b>Nil</b>                           | <b>12.28</b>     | <b>5.85</b>      | <b>1.60</b>      |
| <b>Capital work in progress (C)</b> |                 |                                   |                                      |                  |                 |   |                                      |                  |                  |                  |
|                                     |                 |                                   |                                      |                  |                 |   |                                      |                  | 10.88            | Nil              |
| <b>Total (A+B+C)</b>                | <b>3486.54</b>  | <b>775.23</b>                     | <b>Nil</b>                           | <b>4202.30</b>   | <b>1433.93</b>  | <b>529.02</b>                           | <b>Nil</b>                           | <b>1928.79</b>   | <b>2063.51</b>   | <b>2273.52</b>   |

## ANNUAL REPORT 2020-21

|  | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|--|--|--|
| <b>Note 11: Investments</b>  |  |  |
| <b>(Valued at cost)</b>  |  |  |
| <b>Trade investments (Unquoted) (Long-term)</b>  |  |  |
| <b>In Subsidiary Companies</b>   |  |  |
| 86,020 (P.Y 86,020) Equity shares of Rs. 10/- each fully paid up in PCB Power (India) Limited            | 449.88                                     | 449.88                                     |
| 2,00,000 (P.Y 1,40,000) Equity shares with par value of \$ 5 per share in PCB Power INC USA.             | 716.05                                     | 493.51                                     |
| <b>In Others</b>   |  |  |
| 49,85,000 (P.Y 49,85,000) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Pvt Limited | 498.50                                     | 498.50                                     |
| Less: Provision for Impairment   | (274.17)                                   | (274.17)                                   |
|  | 224.33                                     | 224.33                                     |
| 1,344 (P.Y. 1344) Equity shares of Rs. 10/- each fully paid up in Agilo Research private Limited         | 75.00                                      | 75.00                                      |
| <b>Aggregate amount of unquoted investment</b>   | <b>1465.26</b>                             | <b>1242.72</b>                             |
| <b>Aggregate amount of impairment in value of unquoted investment</b>                                    | <b>(274.17)</b>                            | <b>(274.17)</b>                            |
| <b>Note 12 : Other Non Current Assets</b>  |  |  |
| Bank deposit with original maturity more than 12 months (refer note no. 18)                              | Nil  | 24.02                                      |
|  | Nil  | 24.02                                      |
| <b>Note 13 : Long Term Loans and Advances</b>  |  |  |
| Capital advances   |  |  |
| Advance for land   | 100.00                                     | Nil  |
| Deposits   | 0.66                                       | 2.00                                       |
| <b>Total</b>   | <b>100.66</b>                              | <b>2.00</b>                                |
| <b>Note 14 : Deferred Tax Assets/Liabilities</b>   |  |  |
| <b>Deferred Tax Assets</b>   |  |  |
| Disallowance under Income Tax Act  | 14.75                                      | 8.34                                       |
| Related to Property, Plant & Equipment   | 84.42                                      | 22.09                                      |
| <b>Total</b>   | <b>99.17</b>                               | <b>30.43</b>                               |
| <b>Less :Deferred Tax Liabilities</b>  |  |  |
| Related to Property, Plant & Equipment   | Nil  | Nil  |
| <b>Net Deferred Tax Assets/Liability</b>   | <b>99.17</b>                               | <b>30.43</b>                               |

**CIRCUIT SYSTEMS (INDIA) LIMITED**

|  | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|--|--|--|
| <b>Note 15 : Trade Receivables</b>   |  |  |
| More than six months   |  |  |
| Unsecured, considered good   | 45.05                                      | 33.59                                      |
| Unsecured, considered doubtful   | 1.84                                       | 1.84                                       |
|  | <u>46.89</u>                               | <u>35.43</u>                               |
| Less: Provision for Impairment   | 1.84                                       | 1.84                                       |
|  | <u>45.05</u>                               | <u>33.59</u>                               |
| <b>Other Trade receivables</b>   |  |  |
| Unsecured considered good from related party( Refer note no 32)  | 88.70                                      | 32.26                                      |
| Others   | 91.93                                      | 110.44                                     |
|  | <u>225.68</u>                              | <u>176.29</u>                              |
| <b>Note 16 : Inventories</b>   |  |  |
| Raw Materials  | 551.71                                     | 474.58                                     |
| Raw material in transit  | 5.76                                       | Nil  |
| <b>Total</b>   | <u>557.47</u>                              | <u>474.58</u>                              |
| Stores and Spres   | 135.39                                     | 95.58                                      |
| Stores and Spares in transit   | 11.39                                      | Nil  |
| <b>Total</b>   | <u>146.78</u>                              | <u>95.58</u>                               |
| Work In Progress   | 102.90                                     | 48.24                                      |
| <b>Total</b>   | <u>102.90</u>                              | <u>48.24</u>                               |
| Traded goods   | 68.72                                      | 102.96                                     |
| Traded goods in transit  | 15.17                                      | Nil  |
| <b>Total</b>   | <u>83.89</u>                               | <u>102.96</u>                              |
| <b>Grand Total</b>   | <u>891.04</u>                              | <u>721.36</u>                              |
| <b>Note 17 : Short Term Loans And Advances</b>   |  |  |
| Advances to suppliers  | 117.09                                     | 30.82                                      |
| Receivable from revenue authorities  | 40.42                                      | 18.60                                      |
| Subsidy receivable   | 38.82                                      | 151.85                                     |
| Advance Income Tax (net of provision)  | 17.92                                      | 40.42                                      |
| MAT Credit Entitlement   | Nil  | 48.21                                      |
| Prepaid Expenses   | 21.11                                      | 25.75                                      |
| Other Loans and Advances   | 42.88                                      | 51.42                                      |
| <b>Total</b>   | <u>278.24</u>                              | <u>367.07</u>                              |
| <b>Note 18 : Cash and Bank balances</b>  |  |  |
| <b>Cash and Cash Equivalents</b>   |  |  |
| (a) Cash on hand   | 4.46                                       | 4.27                                       |
| (b) Balances with Banks:   |  |  |
| In current accounts  | 6.40                                       | 86.63                                      |
| In deposit account   | 12.85                                      | 10.04                                      |
| <b>Other Bank Balances</b>   |  |  |
| In deposit accounts( with original maturity more than 3 months)  | 16.25                                      | 24.02                                      |
| Less : Bank deposits with original maturity more than 12 months<br>(Transferred to other non current assets) | Nil  | 24.02                                      |
| <b>Total</b>   | <u>39.96</u>                               | <u>100.94</u>                              |
| <b>Notes :</b>   |  |  |
| I) Earmarked balances with Banks   | 17.02                                      | 26.15                                      |
| II) Earmarked balances with various Statutory Authorities  | 12.08                                      | 7.91                                       |

## ANNUAL REPORT 2020-21

|  | Accounting Year<br>2020-21<br>(Rs. In lakh) | Accounting Year<br>2019-20<br>(Rs. In lakh) |
|--|---|---|
| <b>Note 19 : Revenue From Operation</b>  |   |   |
| Sale of products   | 3334.44                                     | 3046.65                                     |
| Sale of traded Goods   | 57.47                                       | 49.93                                       |
| Other Operating Revenues   | 14.78                                       | 13.29                                       |
| <b>Total</b>   | <b>3406.70</b>                              | <b>3109.87</b>                              |
| <b>Details of goods sold</b>   |   |   |
| I) Sale of products  |   |   |
| Printed Circuit Board  | 3,334.44                                    | 2872.26                                     |
| Solar LED street light system  | Nil   | 174.40                                      |
| <b>Total</b>   | <b>3334.44</b>                              | <b>3046.66</b>                              |
| II) Sale of traded goods   |   |   |
| Electronic Products  | 57.47                                       | 49.93                                       |
| <b>Total</b>   | <b>57.47</b>                                | <b>49.93</b>                                |
| III) Other Operating Revenues  |   |   |
| Duty drawback and other export incentives                                      | 0.88  | 1.08  |
| Scrap Sales  | 13.90                                       | 12.21                                       |
| <b>Total</b>   | <b>14.78</b>                                | <b>13.29</b>                                |
| <b>Note 20 : Other Income</b>  |   |   |
| Interest income  | 2.17  | 2.01  |
| Gain on foreign exchange fluctuation (Net)                                     | 13.97                                       | Nil   |
| Recovery of Bad Debt   | Nil   | 3.00  |
| Revenue Subsidy from Government  | 32.64                                       | 33.16                                       |
| Miscellaneous Income   | 4.21  | 4.28  |
| Profit on sale of Property, Plant & Equipment                                  | Nil   | 11.03                                       |
| <b>Total</b>   | <b>52.99</b>                                | <b>53.48</b>                                |
| <b>Note 21 : Changes in inventories of finished goods and work in progress</b> |   |   |
| <b>Stock at the end of the year</b>  |   |   |
| Traded Goods   | 83.89                                       | 102.96                                      |
| Work in Progress   | 102.91                                      | 48.24                                       |
| <b>Total</b>   | <b>186.80</b>                               | <b>151.20</b>                               |
| <b>Less:</b>   |   |   |
| <b>Stock at the beginning of the year</b>                                      |   |   |
| Traded Goods   | 102.96                                      | 53.10                                       |
| Work in Progress   | 48.24                                       | 37.74                                       |
| <b>Total</b>   | <b>151.20</b>                               | <b>90.84</b>                                |
|  | <b>35.60</b>                                | <b>60.36</b>                                |



## CIRCUIT SYSTEMS (INDIA) LIMITED

|   | <b>Accounting Year<br/>2020-21<br/>(Rs. In lakh)</b> | Accounting Year<br>2019-20<br>(Rs. In lakh) |
|---|--|---|
| <b><u>Note 22 : Cost of Raw Material Consumed</u></b> |  |   |
| Cost of raw material consumed                         | <b>1123.66</b>                                       | 748.63                                      |
| <b>Total</b>  | <b>1123.66</b>                                       | 748.63                                      |
| <b>Details of Raw Material Consumed</b>               |  |   |
| Copper Sheets   | <b>255.72</b>  | 195.12                                      |
| Chemicals   | <b>140.94</b>  | 112.54                                      |
| Solar light system                                    | <b>Nil</b>   | 173.92                                      |
| Copper Anode  | <b>268.18</b>  | 100.77                                      |
| Others  | <b>458.82</b>  | 166.28                                      |
| <b>Total</b>  | <b>1123.66</b>                                       | 748.63                                      |

### Material consumed comprises:-

|              | <b>Acct. Year 2020-2021</b> |                         |
|--------------|-----------------------------|-------------------------|
|              | <b>% of consumption</b>     | <b>% of consumption</b> |
| Imported     | <b>62%</b>                  | <b>693.67</b>           |
| Indigenous   | <b>38%</b>                  | <b>429.99</b>           |
| <b>Total</b> | <b>100%</b>                 | <b>1123.66</b>          |

|              | <b>Acct. Year 2019-20</b> |                         |
|--------------|---------------------------|-------------------------|
|              | <b>% of consumption</b>   | <b>% of consumption</b> |
| Imported     | 44%                       | 329.96                  |
| Indigenous   | 56%                       | 418.67                  |
| <b>Total</b> | 100%                      | 748.63                  |

|  | <b>Accounting Year<br/>2020-21</b> | Accounting Year<br>2019-20 |
|--|------------------------------------|----------------------------|
| <b><u>Note 23 : Employees Benefit Expenses</u></b>           |                                    |                            |
| Salary expenses  | <b>419.09</b>                      | 378.97                     |
| Contribution to Provident and other funds (Refer note no.33) | <b>38.32</b>                       | 36.27                      |
| Staff Welfare expenses                                       | <b>11.01</b>                       | 10.26                      |
| <b>Total</b>   | <b>468.42</b>                      | 425.50                     |

|  |               |        |
|--|---------------|--------|
| <b><u>Note 24 : Financial Cost</u></b> |               |        |
| Bank Charges                           | <b>35.34</b>  | 22.80  |
| Interest expenses                      | <b>145.39</b> | 209.19 |
| <b>Total</b>                           | <b>180.73</b> | 231.99 |

## ANNUAL REPORT 2020-21

|   | Accounting Year<br>2020-21<br>(Rs. In lakh) | Accounting Year<br>2019-20<br>(Rs. In lakh) |
|---|---|---|
| <b>Note 25 : Other Expenses</b>           |   |   |
| Consumption of Stores                     | 213.88                                      | 188.63                                      |
| Labour, processing and production charges | 209.72                                      | 206.59                                      |
| Factory expenses                          | 24.05                                       | 28.97                                       |
| Electricity expenses                      | 212.96                                      | 212.87                                      |
| Repairs and Maintenance expenses :        |   |   |
| To Building                               | 18.71                                       | 11.48                                       |
| To Machinery                              | 43.91                                       | 62.44                                       |
| To Others                                 | 50.04                                       | 35.79                                       |
| Rent expenses                             | 2.56  | 18.36                                       |
| Professional Fees                         | 27.35                                       | 20.46                                       |
| Audit Fees                                | 2.25  | 2.25  |
| Travelling and Conveyance expenses        | 35.59                                       | 60.15                                       |
| Freight Outward expenses                  | 104.31                                      | 63.77                                       |
| Loss on Sale of Fixed Assets              | 8.43  | Nil   |
| Sundry balance written off (Net)          | 0.97  | 53.79                                       |
| Impairment of Investment                  | Nil   | 274.18                                      |
| Bad debt written off                      | 1.03  | 4.08  |
| Sales and promotion expenses              | 29.10                                       | 40.65                                       |
| Miscellaneous expense                     | 46.22                                       | 50.97                                       |
| <b>Total</b>                              | <b>1031.06</b>                              | <b>1335.43</b>                              |

### Details of Stores & Spares

|                                  | Acct. Year 2020-2021 |                  |
|----------------------------------|----------------------|------------------|
|                                  | % of consumption     | % of consumption |
| Value of Stores and Spares Parts |                      |                  |
| Imported                         | 61%                  | 129.96           |
| Indigenous                       | 39%                  | 83.92            |
|                                  | <b>100%</b>          | <b>213.88</b>    |

|                                  | Acct. Year 2019-2020 |                  |
|----------------------------------|----------------------|------------------|
|                                  | % of consumption     | % of consumption |
| Value of Stores and Spares Parts |                      |                  |
| Imported                         | 69%                  | 129.75           |
| Indigenous                       | 31%                  | 58.88            |
|                                  | <b>100</b>           | <b>188.63</b>    |

**Note : 26**

Due to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises, on the basis of the information and records available with the management, outstanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 is disclosed as below.

| <b>Particulars</b>  | <b>As at<br/>2020-2021<br/>Amount in Lakh</b> | <b>As at<br/>2019-2020<br/>Amount in Lakh</b> |
|---|---|---|
| Principle amount remaining unpaid to any supplier as at the year end.   | <b>18.81</b>                                  | 24.10   |
| Interest due thereon  | <b>Nil</b>                                    | Nil   |
| Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during year.                                 | <b>Nil</b>                                    | Nil   |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED. | <b>Nil</b>                                    | Nil   |
| Amount of interest accrued and remaining unpaid at the end of accounting year.  | <b>Nil</b>                                    | Nil   |

|   | <b>2020-2021<br/>Amount in Lakh</b> | <b>2019-2020<br/>Amount in Lakh</b> |
|---|-------------------------------------|-------------------------------------|
| <b>Note 27 : Earnings Per Share (EPS)</b>   |                                     |                                     |
| Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders. | <b>76.69</b>                        | (224.01)                            |
| Weighted Average number of equity shares used as denominator for calculating EPS              | <b>138.69</b>                       | 138.69                              |
| Basic and Diluted Earnings per share (Rs.)  | <b>0.55</b>                         | (1.62)                              |
| Face Value per equity share (Rs.)   | <b>10</b>                           | 10                                  |

**Note 28 : Earnings and Expenditure in Foreign Currency**

|                                 |               |        |
|---------------------------------|---------------|--------|
| C. I. F. value of Imports       |               |        |
| Raw Materials                   | <b>825.72</b> | 439.06 |
| Stores and Spares               | <b>59.36</b>  | 53.34  |
| Traded Goods                    | <b>47.29</b>  | 106.68 |
| Capital Goods                   | <b>140.05</b> | 60.54  |
| Expenditure in Foreign Currency |               |        |
| (a) Repair & Maintenance P&M    | <b>14.58</b>  | 19.09  |
| (b) Foreign Bank Charges        | <b>0.06</b>   | 0.01   |
| (c) Travelling Expenses         | <b>0.52</b>   | 0.91   |
| Earnings in foreign currency    |               |        |
| Export of goods                 | <b>171.54</b> | 64.63  |

## ANNUAL REPORT 2020-21

|   | As at<br>2020-21<br>Amount in Lakh | As at<br>2019-20<br>Amount in Lakh |
|---|------------------------------------|------------------------------------|
| <b>Note 29 : Contingent Liability</b>                   |                                    |                                    |
| (1) Income Tax matter                                   | 87.60                              | 78.37                              |
| (2) For capital expenditure commitment (Net of payment) | 6.39                               | 9.00                               |

### **Note 30 : Segment Reporting**

The Company has presented segment information in its consolidated financial statements which are part of the same annual report. Accordingly, in terms of provisions of Accounting standard of Segment reporting (AS-17) no disclosure related to the segment is presented in the standalone financial statements.

### **Note 31 :**

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

### **Note 32 : Related Party Disclosure**

As per the Accounting Standard 18, the Disclosure of transactions with the related parties are given below:

**(i) List of related parties where control exits and related parties with whom transactions have taken place and relationship.**

| Sr. No. | Name of the Party                                 | Nature of Relationship               |
|---------|---|--------------------------------------|
| 1       | Shri Paresh N. Vasani                             | Key Managerial Personnel             |
| 2       | Smt Jasmine P.Vasani<br>(From : 1st October 2019) | Relative of Key Managerial Personnel |
| 3       | Shri Aashay P Vasani                              | Relative of Key Managerial Personnel |
| 4       | Smt Preeti A. Chouksey                            | Chief Financial Officer              |
| 5       | Smt Krupali Shah (From 15th April 2019)           | Company Secretary                    |
| 6       | PCB Power Inc. USA                                | Wholly Owned Subsidiary              |
| 7       | PCB Power (India) Ltd.                            | Wholly Owned Subsidiary              |
| 8       | PCB Planet (India) Pvt. Ltd.                      | Associate                            |
| 9       | Eurocircuits India Pvt. Ltd.                      | Associate                            |

**CIRCUIT SYSTEMS (INDIA) LIMITED**

**(ii) Transactions during the year with the related parties (excluding reimbursement)**

| Sr. No.                          | Nature of Transaction         | Subsidiary companies | Associates      | Key Managerial Personnel | Relative of Key managerial Personnel |
|----------------------------------|-------------------------------|----------------------|-----------------|--------------------------|--------------------------------------|
| <b>(Excluding Reimbursement)</b> |                               |                      |                 |                          |                                      |
| 1                                | Investment in equity shares   | <b>222.54</b>        |                 |                          |                                      |
|                                  |                               | (137.66)             |                 |                          |                                      |
|                                  | PCB Power Inc. USA            | <b>222.54</b>        |                 |                          |                                      |
|                                  |                               | (137.66)             |                 |                          |                                      |
| 2                                | Loans taken                   | <b>Nil</b>           | <b>1,485.00</b> |                          |                                      |
|                                  |                               | (53.00)              | (1,245)         |                          |                                      |
|                                  | PCB Power (India) Ltd.        | <b>Nil</b>           |                 |                          |                                      |
|                                  |                               | (53.00)              |                 |                          |                                      |
|                                  | PCB Planet (India) Pvt. Ltd.  |                      | <b>1,485.00</b> |                          |                                      |
|                                  |                               |                      | (1,245.00)      |                          |                                      |
| 3                                | Loans repaid                  | <b>Nil</b>           | <b>1,735.00</b> |                          |                                      |
|                                  |                               | (0.50)               | (1,175.62)      |                          |                                      |
|                                  | PCB Power (India) Ltd.        | <b>Nil</b>           |                 |                          |                                      |
|                                  |                               | (0.50)               |                 |                          |                                      |
|                                  | PCB Planet (India) Pvt. Ltd.  |                      | <b>1,735.00</b> |                          |                                      |
|                                  |                               |                      | (1,175.62)      |                          |                                      |
| 4                                | Front-end engineering charges |                      | <b>131.06</b>   |                          |                                      |
|                                  |                               |                      | (151.05)        |                          |                                      |
|                                  | PCB Planet (India) Pvt. Ltd.  |                      | <b>131.06</b>   |                          |                                      |
|                                  |                               |                      | (151.05)        |                          |                                      |
| 5                                | Remuneration                  |                      |                 | <b>93.40</b>             | <b>50.41</b>                         |
|                                  |                               |                      |                 | (136.45)                 | (32.52)                              |
|                                  | Shri Paresh N. Vasani         |                      |                 | <b>76.40</b>             |                                      |
|                                  |                               |                      |                 | (120.96)                 |                                      |
|                                  | Smt Jasmine N. Vasani         |                      |                 |                          | <b>9.05</b>                          |
|                                  |                               |                      |                 |                          | (5.04)                               |
|                                  | Shri Aashay P Vasani          |                      |                 |                          | <b>41.36</b>                         |
|                                  |                               |                      |                 |                          | (27.48)                              |
|                                  | Smt Preeti A. Chouksey        |                      |                 | <b>15.61</b>             |                                      |
|                                  |                               |                      |                 | (14.18)                  |                                      |
|                                  | Smt Krupali H. Shah           |                      |                 | <b>1.40</b>              |                                      |
|                                  |                               |                      |                 | (1.31)                   |                                      |
| 6                                | Rent expense                  | <b>Nil</b>           |                 |                          |                                      |
|                                  |                               | (3.00)               |                 |                          |                                      |
|                                  | PCB Power (India) Ltd.        | <b>Nil</b>           |                 |                          |                                      |
|                                  |                               | (3.00)               |                 |                          |                                      |
| 7                                | Interest expense              | <b>6.38</b>          | <b>35.00</b>    |                          |                                      |
|                                  |                               | (4.20)               | (42.36)         |                          |                                      |
|                                  | PCB Power (India) Ltd.        | <b>6.38</b>          |                 |                          |                                      |
|                                  |                               | (4.20)               |                 |                          |                                      |
|                                  | PCB Planet (India) Pvt. Ltd.  |                      | <b>35.00</b>    |                          |                                      |
|                                  |                               |                      | (42.36)         |                          |                                      |

## ANNUAL REPORT 2020-21

| Sr. No.                                   | Nature of Transaction             | Subsidiary companies        | Associates                   | Key Managerial Personnel | Relative of Key managerial Personnel |
|---|-----------------------------------|-----------------------------|------------------------------|--------------------------|--------------------------------------|
| 8   | Purchase of Goods                 | <b>126.50</b><br>(7.99)     | <b>16.01</b><br>(7.22)       |                          |                                      |
|   | PCB Power Inc. USA                | <b>126.50</b><br>(7.99)     |                              |                          |                                      |
|   | Eurocircuit India Private Limited |                             | <b>16.01</b><br>(7.22)       |                          |                                      |
| 9   | Purchase of Assets                |                             | <b>43.73</b><br>(Nil)        |                          |                                      |
|   | Eurocircuit India Private Limited |                             | <b>43.73</b><br>(Nil)        |                          |                                      |
| 10  | Sale of Goods                     | <b>148.95</b><br>(28.88)    | <b>Nil</b><br>(2.29)         |                          |                                      |
|   | PCB Power Inc. USA                | <b>148.95</b><br>(28.88)    |                              |                          |                                      |
|   | Eurocircuit India Private Limited |                             | <b>Nil</b><br>(2.29)         |                          |                                      |
| 11  | Sale of Assets                    | <b>Nil</b><br>(27.38)       |                              |                          |                                      |
|   | PCB Power Inc. USA                | <b>Nil</b><br>(27.38)       |                              |                          |                                      |
| <b>(iii) Balance As 31st March, 2021.</b> |                                   | <b>99.33 Cr</b><br>(93.42)  | <b>398.26 Cr</b><br>(513.65) |                          |                                      |
| <b>(iii) Balance As 31st March, 2021.</b> |                                   | <b>88.70 Dr</b><br>(169.54) | <b>Nil</b><br>(0.37)         |                          |                                      |

Note: Figures in brackets are of previous year.

### Notes 33:-

As per accounting standard 15 "Employee Benefits " (Revised 2005) the disclosures of Employee benefits are defined in the accounting standard are given below

#### (i) Defined Contribution plan

|  | (Rs. In lakh) |         |
|--|---------------|---------|
|  | 2020-21       | 2019-20 |
| Employer's contribution to provident fund      | 18.03         | 20.20   |
| Employer's contribution to Superannuation fund | Nil           | Nil     |

**CIRCUIT SYSTEMS (INDIA) LIMITED**

- (ii) The present value of obligation is determined on actuarial valuation using the projected unit credit method, which recognises each period of service to build up the final obligation.

|   | (Rs. In lakh)   |   |   |   |
|---|---|---|---|---|
|   | 01.04.2020 To<br>31.03.2021                                     |   | 01.04.2019 To<br>31.03.2020                                     |   |
|   | Gratuity<br>(Funded)  | Leave<br>Encashment<br>(Unfunded)                               | Gratuity<br>(Funded)  | Leave<br>Encashment<br>(Unfunded)                               |
| <b>(a) Reconciliation of opening and closing balance of defined benefits obligation</b> |   |   |   |   |
| Defined Benefits obligation at beginning of the period                                  | 44.71   | 14.60   | 38.59   | 14.83   |
| Current Service Cost  | 4.31  | 3.98  | 3.33  | 4.03  |
| Interest Cost   | 2.89  | 0.97  | 2.77  | 1.10  |
| Actuarial gain/(loss)   | 3.83  | 1.62  | 1.73  | (0.94)  |
| Past service Cost   | Nil   | Nil   | Nil   | Nil   |
| Benefits paid   | Nil   | (4.72)  | (1.71)  | (4.42)  |
| Defined Benefits obligation at end of the year  | 55.74   | 16.45   | 44.71   | 14.60   |
| <b>(b) Reconciliation of opening and closing balance of fair value of plan assets</b>   |   |   |   |   |
| Fair value of plan assets at beginning of the year                                      | 17.05   | Nil   | 17.62   | Nil   |
| Expected return on plan assets  | 1.14  | Nil   | 1.29  | Nil   |
| Actuarial gain/(loss)   | 0.22  | Nil   | (0.15)  | Nil   |
| Employer contribution   | 11.25   | Nil   | Nil   | Nil   |
| Benefits paid   | Nil   | Nil   | (1.71)  | Nil   |
| Fair value of plan assets at year end   | 29.66   | Nil   | 17.05   | Nil   |
| <b>(c) Reconciliation of fair value of assets and obligation</b>                        |   |   |   |   |
| Fair value of plan assets   | 29.66   | Nil   | 17.05   | Nil   |
| Present value of funded obligation  | 55.74   | 16.45   | 44.71   | 14.60   |
| Amount recognised in Balance Sheet  | (26.08)   | (16.45)   | (27.66)   | (14.60)   |
| <b>(d) Expenses recognised during the period</b>  |   |   |   |   |
| Current Service Cost  | 4.31  | 3.98  | 3.33  | 4.03  |
| Interest Cost   | 2.89  | 0.97  | 2.77  | 1.10  |
| Expected return on plan assets  | (1.14)  | Nil   | (1.29)  | Nil   |
| Actuarial (gain)/loss   | 3.61  | 1.62  | 1.88  | (0.94)  |
| Recognised past Service Cost-Vested   | Nil   | Nil   | Nil   | Nil   |
| Recognised past Service Cost-Unvested   | Nil   | Nil   | Nil   | Nil   |
| Net Cost  | 9.66  | 6.57  | 6.69  | 4.19  |
| <b>(e) Investment details</b>   |   |   |   |   |
| Government of India Securities  | Nil   | Nil   | Nil   | Nil   |
| High Quality Corporate Bonds  | Nil   | Nil   | Nil   | Nil   |
| Equity shares of listed Companies   | Nil   | Nil   | Nil   | Nil   |
| Property  | Nil   | Nil   | Nil   | Nil   |
| Funds managed by insurer  | 100%  | Nil   | 100%  | Nil   |
| Bank Balance  | Nil   | Nil   | Nil   | Nil   |
| <b>(f) Principal Actuarial Assumptions</b>  |   |   |   |   |
| Discount rate   | 6.75%   | 6.85%   | 6.85%   | 6.85%   |
| Expected return on plan assets  | 6.75%   | Nil   | 6.85%   | Nil   |
| Annual increase in Salary costs   | 7.00%   | 7.00%   | 0% p.a. for<br>1 year and<br>7.00%<br>thereafter                | 0% p.a. for<br>1 year and<br>7.00%<br>thereafter                |
| Withdrawal Rates  | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages |

## ANNUAL REPORT 2020-21

### Note 34 : Foreign Currency Exposure

Foreign currency exposures remaining un hedged at the year end:

| Particulars                                   | Currency | 31.03.2021                            |                       |
|---|----------|---------------------------------------|-----------------------|
|   |          | (In lakh)<br>(In Foreign<br>Currency) | (In lakh)<br>(In INR) |
| (A) Against Export                            | USD      | 1.22                                  | 90.02                 |
|   | Euro     | (' 958)                               | 0.82                  |
| (B) Against Import (Including Capital Import) | USD      | 1.75                                  | 128.49                |
|   | Euro     | 0.03                                  | 11.33                 |
| 31.03.2020                                    |          |                                       |                       |
| Particulars                                   | Currency | (In lakh)<br>(In Foreign<br>Currency) | (In lakh)<br>(In INR) |
| (A) Against Export                            | USD      | 0.03                                  | 2.26                  |
| (B) Against Import (Including Capital Import) | USD      | 0.43                                  | 29.70                 |
|   | Euro     | 0.03                                  | 2.63                  |

### Note 35 : Disclosures as Required under section 186(4) of the companies Act,2013

| Particulars   | Rate of<br>interest | Amount (In lakh) |                                      |         |                                      |
|---|---------------------|------------------|--------------------------------------|---------|--------------------------------------|
|   |                     | 2020-21          | Closing<br>balance as<br>on 31.03.21 | 2019-20 | Closing<br>balance as<br>on 31.03.20 |
| <b>Loan given for short term business requirement</b> |                     |                  |                                      |         |                                      |
| Agilo research Pvt Ltd                                | 11%                 | 18.00            | Nil                                  | Nil     | Nil                                  |
| <b>Investment made in equity shares</b>               |                     |                  |                                      |         |                                      |
| PCB Power Inc USA                                     |                     | 222.54           | 716.05                               | 137.66  | 493.51                               |

### Note 36: Payments to Auditor

#### Amount (In lakh)

| Particulars  | 31.03.2021  | 31.03.2020  |
|--------------|-------------|-------------|
| Audit Fees   | 2.25        | 2.25        |
| <b>Total</b> | <b>2.25</b> | <b>2.25</b> |

### Note 37:

Figures of previous year have been regrouped wherever necessary.

### Note 38:

Figures have been presented in 'Lakh' of rupees with two decimals. Figures less than Rs. 10,000 have been shown actual in brackets.

|   |   |  |
|---|---|--|
| As per our Report of even date<br>For Rajendra D Shah & Co.<br>Chartered Accountants<br>Firm Registration No. 108363W | For and on behalf of the Board<br>Paresh Vasani<br>Managing Director<br>DIN : 1376786 | Jayesh Shah<br>Director<br>DIN : 2559296 |
| (Rajendra D Shah)<br>Proprietor<br>Membership No. 4844  | Preeti Chouksey<br>Chief Financial officer  | Krupali Shah<br>Company Secretary        |

Place : Ahmedabad

Date : 28th August, 2021



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of Circuit systems (India) Ltd  
Ahmedabad

**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Financial Statements of Circuit Systems (India) Ltd("hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31<sup>st</sup>, 2021, and the Consolidated statement of Profit and Loss(including other comprehensive income), and the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31<sup>st</sup>, 2021, and its Consolidated profit and its Consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters**

We Draw attention to the matter that

- A) Operation of foreign subsidiary is material.
- B) Financial Statements of foreign subsidiary are not audited by independent auditor.

Our opinion is not modified in respect of these matters.

**Information other than the Consolidated Financial statements and Auditor's report thereon.**

The Holding company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the group's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that

give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of holding company included in the consolidated financial statements of which we are the independent auditors.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

- a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 97.44 lakhs as at 31<sup>st</sup> March, 2021, total revenues of Rs. 6.38 lakhs and net cash out flows amounting to Rs. 1.23 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Holding company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.
- b) We did not audit the financial statements/financial information of one subsidiary whose financial statements/financial information reflect total assets of Rs. 735.23 lakhs as at 31<sup>st</sup> March, 2021, total revenues of Rs. 926.99 lakhs and net cash inflows amounting to Rs. 209.00 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information.
- c) One subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management.

Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the conversion adjustments prepared by the management of the Holding Company and audited by us.

## ANNUAL REPORT 2020-21

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### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit on separate financial statements and as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of the preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to financial statements of the holding company, its subsidiary company incorporated in India and operating effectiveness of such controls, refer to our separate report in "Annexure A"
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries as noted in the "other matters" paragraph:
  - I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 27 to the consolidated financial statements;
  - II. The Group, did not have any long-term contract including any derivative contract for which there were any material foreseeable losses.
  - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- h) With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act: In our opinion and according to the information and explanation given to us and based on the reports of the Statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For, Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W

Rajendra D Shah

Proprietor

Membership No. 4844

UDIN: 21004844AAAAER3929

Place : Ahmedabad  
Date : 28<sup>th</sup> August , 2021

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**Annexure - A to the Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

In conjunction with our audit of the consolidated financial statements of the Circuit System (India) Ltd (here in after referred to as "the Holding Company") as of and for the year ended 31st March 2021, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary company which are companies incorporated in India, as of that date.

In our opinion, the Holding Company and its subsidiary which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March 2021, based on the internal control with reference to Consolidated Financial Statements criteria established by such Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI ( the "Guidance note" ).

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

The Respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies 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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and 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 with reference to Consolidated Financial Statements were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 consolidated 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' of the relevant subsidiary company incorporated in India 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 internal financial controls system with reference to Consolidated Financial Statements.

## **ANNUAL REPORT 2020-21**

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

A company's internal financial control with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements 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.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates subsidiary company which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place : Ahmedabad  
Date : 28<sup>th</sup> August , 2021

For, Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W  
Rajendra D Shah  
Proprietor  
Membership No. 4844  
UDIN: 21004844AAAAER3929

**CIRCUIT SYSTEMS (INDIA) LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021**

|                                      | <u>NOTE</u> | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|--------------------------------------|-------------|--|--|
| <b>EQUITY AND LIABILITIES</b>        |             |  |  |
| <b>Shareholders' funds</b>           |             |  |  |
| Share Capital                        | 2           | 1386.90                                    | 1386.90                                    |
| Reserves and Surplus                 | 3           | 745.96                                     | 792.78                                     |
| <b>Non current Liabilities</b>       |             |  |  |
| Long term borrowings                 | 4           | 502.19                                     | 957.54                                     |
| Long term provision                  | 5           | 34.36                                      | 36.93                                      |
| <b>Current Liabilities</b>           |             |  |  |
| Short term borrowings                | 6           | 520.74                                     | 518.49                                     |
| Trade payables                       | 7           | 513.06                                     | 288.15                                     |
| Short term provision                 | 8           | 8.18                                       | 5.34                                       |
| Other current liabilities            | 9           | 716.76                                     | 419.01                                     |
| <b>TOTAL</b>                         |             | <b>4,428.14</b>                            | <b>4,405.14</b>                            |
| <b>ASSETS</b>                        |             |  |  |
| <b>Property, Plant and Equipment</b> |             |  |  |
| Tangible assets                      | 10          | 2,008.56                                   | 2,363.06                                   |
| Intangible assets                    |             | 17.65                                      | 26.75                                      |
| Capital Work-in-Progress             |             | 18.16                                      | Nil  |
| <b>Investments</b>                   | 11          | 299.32                                     | 299.32                                     |
| <b>Other Non Current Assets</b>      | 12          | Nil  | 24.02                                      |
| <b>Long Term Loans and Advances</b>  | 13          | 127.01                                     | 27.32                                      |
| <b>Deferred Tax Asset( Net)</b>      | 14          | 91.44                                      | 22.69                                      |
| <b>Current Assets</b>                |             |  |  |
| Trade Receivables                    | 15          | 336.49                                     | 336.99                                     |
| Inventories                          | 16          | 967.05                                     | 780.28                                     |
| Short Term Loans and Advances        | 17          | 281.48                                     | 390.54                                     |
| Cash and bank balances               | 18          | 280.98                                     | 134.17                                     |
| <b>TOTAL</b>                         |             | <b>4,428.14</b>                            | <b>4,405.14</b>                            |
| Significant Accounting Policies      | 1           |  |  |
| Notes on Financial Statements        | 2 TO 35     |  |  |

As per our Report of even date  
For Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W  
  
(Rajendra D Shah)  
Proprietor  
Membership No. 4844  
  
Place : Ahmedabad  
Date : 28th August, 2021

For and on behalf of the Board  
Paresh Vasani  
Managing Director  
DIN : 1376786  
  
Preeti Chouksey  
Chief Financial officer  
  
Jayesh Shah  
Director  
DIN : 2559296  
  
Krupali Shah  
Company Secretary

## ANNUAL REPORT 2020-21

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

|   | <u>NOTE</u> | 2020-2021<br>(Rs. In lakh) | 2019-2020<br>(Rs. In lakh) |
|---|-------------|----------------------------|----------------------------|
| <b>INCOME</b>   |             |                            |                            |
| Revenue From Operations                                       | 19          | 4,010.44                   | 3,719.95                   |
| Other Income  | 20          | 109.10                     | 54.77                      |
| Changes in inventories of finished goods and work in progress | 21          | (29.16)                    | 60.35                      |
| <b>TOTAL REVENUE</b>  |             | <b>4,090.38</b>            | <b>3,835.06</b>            |
| <b>EXPENDITURE</b>  |             |                            |                            |
| Cost of Raw Material Consumed                                 | 22          | 1,121.38                   | 839.09                     |
| Purchase of Traded goods                                      |             | 51.51                      | 137.88                     |
| Employees Benefit Expenses                                    | 23          | 683.28                     | 738.15                     |
| Other Expenses  | 25          | 1,513.47                   | 1,576.57                   |
| <b>TOTAL EXPENSES</b>   |             | <b>3,369.63</b>            | <b>3,291.69</b>            |
| <b>Profit before Finance cost, Depreciation and Tax</b>       |             | <b>720.75</b>              | <b>543.37</b>              |
| Finance Cost  | 24          | 177.11                     | 228.67                     |
| Provision for Depreciation                                    | 10          | 557.91                     | 652.98                     |
| <b>(Loss)/Profit Before Tax</b>                               |             | <b>(14.27)</b>             | <b>(338.27)</b>            |
| <b>Tax Expenses</b>   |             |                            |                            |
| Current Tax   |             | 94.21                      | 69.57                      |
| Deferred Tax  |             | (68.75)                    | (42.18)                    |
| MAT credit entitlement  |             | Nil                        | Nil                        |
| MAT credit reversal of earlier year                           |             | Nil                        | 10.27                      |
| Tax expense related to earlier year                           |             | (3.28)                     | (1.40)                     |
| <b>(Loss)/Profit for the year</b>                             |             | <b>(36.45)</b>             | <b>(374.53)</b>            |
| <b>Earnings per equity share of face value of Rs. 10 each</b> |             |                            |                            |
| Basic and Diluted (in Rs.)                                    | 27          | (0.26)                     | 0.24                       |
| Significant Accounting Policies                               | 1           |                            |                            |
| Notes on Financial Statements                                 | 2 TO 35     |                            |                            |

As per our Report of even date  
For Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W

(Rajendra D Shah)  
Proprietor  
Membership No. 4844

Place : Ahmedabad  
Date : 28th August, 2021

For and on behalf of the Board  
Paresh Vasani  
Managing Director  
DIN : 1376786  
Jayesh Shah  
Director  
DIN : 2559296  
Preeti Chouksey  
Chief Financial officer  
Krupali Shah  
Company Secretary



**CIRCUIT SYSTEMS (INDIA) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021**

|  | For the year<br>ended on<br>31st March, 2021<br>(Rs. In lakh) | For the year<br>ended on<br>31st March, 2020<br>(Rs. In lakh) |
|--|---|---|
| <b>A. Cash Flow from Operating activities</b>                    |   |   |
| Net (Loss)/Profit before Tax                                     | (14.27)   | (338.27)  |
| <b>Add :-</b>  |   |   |
| Provision for Depreciation                                       | 557.91  | 652.98  |
| Impairment of Investment   | Nil   | 274.18  |
| Profit on sale of Asset  | Nil   | (11.03)   |
| Loss on sale of Asset  | 8.43  | 23.81   |
| Sundry Balance Written Off (Net)                                 | (56.06)   | 53.78   |
| Bad debts  | 1.03  | 4.08  |
| Fluctuation in Foreign Exchange                                  | (1.55)  | 0.10  |
| Interest Income  | (2.22)  | (2.12)  |
| Interest Expense   | 177.11  | 228.67  |
| Operating gain before working capital changes                    | 670.38  | 886.17  |
| <u>Adjustment for :</u>  |   |   |
| Trade payables, Provisions and other liabilities                 | 392.19  | 168.21  |
| Inventories  | (186.78)  | (204.92)  |
| Trade and Other receivables                                      | (7.22)  | (46.48)   |
| <b>Cash Generated from Operations</b>                            | 198.19  | (83.18)   |
| Direct tax paid  | (19.32)   | (31.87)   |
| <b>Net cash flow from operating activities</b>                   | 849.25  | 771.13  |
| <b>B. Cash flow from Investing activities</b>                    |   |   |
| Purchase of Fixed Assets   | (225.30)  | (383.31)  |
| Proceeds from sale of fixed assets                               | 1.30  | 98.35   |
| Investment in Fixed deposit                                      | (2.22)  | Nil   |
| Maturity of Fixed deposit  | 9.90  |   |
| Interest received  | 1.08  | 2.12  |
| <b>Net Cash used in Investing activities</b>                     | (215.24)  | (282.84)  |
| <b>C. Cash flow from financing activities</b>                    |   |   |
| Changes in loans and advances                                    | (44.76)   | 17.03   |
| Repayment of long term borrowings                                | (496.38)  | (211.45)  |
| Proceeds from long term borrowings                               | 276.05  | Nil   |
| Proceeds of short borrowings                                     | 1,655.86  | 1,157.15  |
| Repayment of short borrowings                                    | (1,735.00)  | (1,175.62)  |
| Interest paid  | (142.96)  | (225.07)  |
| <b>Net Cash flow from financing activities</b>                   | (487.20)  | (437.96)  |
| <b>D. Net Increase in cash and cash equivalents (A+B+C)</b>      | 146.81  | 50.33   |
| <b>E. Cash and cash Equivalents at the beginning of the year</b> | 134.17  | 83.84   |

## ANNUAL REPORT 2020-21

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|   | <b>For the year<br/>ended on<br/>31st March, 2021<br/>(Rs. In lakh)</b> | For the year<br>ended on<br>31st March, 2020<br>(Rs. In lakh) |
|---|---|---|
| F. Cash and cash Equivalents at the end of the year | <b>280.98</b>   | 134.17  |
| Components of Cash and Cash Equivalents             |   |   |
| Cash on Hand  | 4.98  | 4.78  |
| <b><u>Balance with schedule banks</u></b>           |   |   |
| In current Accounts                                 | 276.00  | 129.39  |
|   | <b>280.98</b>   | 134.17  |

Significant Accounting Policies **1**

Notes on Financial Statements **2 TO 35**

### **Notes:**

- 1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.
- 2 Purchase of Fixed assets / CWIP are stated inclusive of movement of capital work in progress, creditors, project and other advances.
- 3 Figures in bracket indicate cash outflow.

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As per our Report of even date  
For Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W

(Rajendra D Shah)  
Proprietor  
Membership No. 4844

Place : Ahmedabad  
Date : 28th August, 2021

For and on behalf of the Board  
Paresh Vasani  
Managing Director  
DIN : 1376786  
Preeti Chouksey  
Chief Financial officer  
Jayesh Shah  
Director  
DIN : 2559296  
Krupali Shah  
Company Secretary

**Note 1 : Significant accounting policies**

(a) BASIS OF PREPARATION :

The Financial Statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Finance Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended]

USE OF ESTIMATES

The Preparation of financial statements requires estimates and assumption to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.

(b) Current-non current classification

All assets and liabilities are classified into current and non current.

Assets:

An asset is classified into current and non current.

- (I) It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (II) It is held primarily for the purpose of being traded;
- (III) It is expected to be realised within 12 months after the reporting date; or
- (IV) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months from original maturity.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

Liability:

Liability is classified as current when it satisfies any of the following criteria:

- (I) It is expected to be settled in the group's normal operating cycle;
- (II) It is held primarily for the purpose of being traded;
- (III) It is due to be settled within 12 months after the reporting date; or
- (IV) The Group does not have and an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current Liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

## ANNUAL REPORT 2020-21

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(c) Property, Plant and Equipment:

Tangible

Property, Plant and Equipment 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.

Intangible

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.

(d) DEPRECIATION :

Depreciation on Property, Plant and Equipment has been provided on Straight Line Method based on useful life of the assets specified in part C of Schedule II of the Companies Act 2013, other than the following asset class based on the Company's estimated supported by technical assessment.

Certain Plant and Machinery- 5 to 15 years

Depreciation on additions is calculated from the date asset is put to use.

Intangible assets are amortized on a straight line basis over their estimated useful lives.

| <u>Assets</u>             | <u>Estimated Useful Life</u> |
|---------------------------|------------------------------|
| Software                  | 3 years                      |
| Goodwill on Consolidation | 3 years                      |

(e) IMPAIREMENT OF ASSETS

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

(f) CAPITAL WORK IN PROGRESS

Project under commissioning and other Capital work in Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(g) INVESTMENT

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.

(h) CURRENT ASSETS :

Inventories are valued at lower of cost or net realisable value.

Stores and Spares : At cost

Raw Materials : On FIFO basis

Work in progress : At cost

Traded Goods : On FIFO basis

Sundry Debtors are stated after making adequate provision for Doubtful Bad Debts.

(i) REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sales of goods, services, sales during the trial run period, adjusted for discounts(net), Goods and service tax and gain/loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

(j) TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(k) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

(l) EMPLOYEE BENEFITS

- (i) Short term employee benefits are recognized as an expenses at the undiscounted amount in the Statement of Profit & Loss for the period in which the related services is rendered.
- (ii) Post-employment and other long term employee benefits are recognized as an expenses in the statement of Profit & Loss for the period in which employee has rendered services. The expenses are recognized at the present value of amount payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post-employment and other long term benefits are charged to Statement of Profit and Loss.

(m) CASH FLOW STATEMENT

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

(n) 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 Profit and Loss account.

Borrowing costs includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

(o) CONTINGENT LIABILITY AND PROVISIONS

Contingent liabilities are possible but not probable obligation as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

## ANNUAL REPORT 2020-21

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(p) Export benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustment in raw material consumption.

(q) SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with accounting policies of the group. Segment revenue, Segment expenses, Segment Assets and Segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(r) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the group's earning per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares other than the conversion of potential equity shares that they have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(s) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency monetary assets and liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Group's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

(t) GOVERNMENT GRANTS

Government grants / subsidies received towards specific Property, Plant and Equipment have been deducted from the gross value of the concerned Property, Plant and Equipment.

## CIRCUIT SYSTEMS (INDIA) LIMITED

|   | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|---|--|--|
| <b>Note 2 : Share Capital</b>   |  |  |
| <b>Authorized Share Capital :</b>   |  |  |
| 1,60,00,000 Equity shares of Rs 10 each<br>(P.Y 16,000,000 Equity Shares of Rs 10 each)               | 1,600.00                                   | 1,600.00                                   |
|   | 1,600.00                                   | 1,600.00                                   |
| <b>Issued, subscribed and paid up :</b>   |  |  |
| 1,38,69,016 Equity shares of Rs 10 each fully paid up<br>(P.Y 13,869,016 Equity Shares of Rs 10 each) | 1,386.90                                   | 1,386.90                                   |
| <b>Total</b>  | 1,386.90                                   | 1,386.90                                   |

2.1 The details of Shareholders holding more than 5% shares :

| Name of the Shareholder | As at 31st March, 2021 |        | As at 31st March, 2020 |        |
|-------------------------|------------------------|--------|------------------------|--------|
|                         | No. of<br>Shares       | % held | No. of<br>Shares       | % held |
| Mr. Paresh N. Vasani    | 1,06,76,666            | 76.98% | 1,06,73,310            | 76.96% |
| Eurocircuits N.V.       | 22,50,000              | 16.22% | 22,50,000              | 16.22% |

2.2 **Rights Preferences and Restrictions attached to class of shares**

The Parent company has one class of equity shares having a par value of Rs. 10 per share. Each member is eligible for one vote per share held. The dividend proposed by the board of Directors is subject to the approval of the members in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity members are eligible to receive the remaining assets of the Parent company after distribution of all preferential amount, in the proportion to their shareholding.

2.3 **The Reconciliation of the number of shares outstanding is set out below :**

| Particulars                                | As at 31st March, 2021 |               | As at 31st March, 2020 |               |
|--|------------------------|---------------|------------------------|---------------|
|  | No. of<br>Shares       | (Rs. In lakh) | No. of<br>Shares       | (Rs. In lakh) |
| Equity Shares at the beginning of the year | 1,38,69,016            | 1,386.90      | 1,38,69,016            | 1,386.90      |
| Equity Shares at the end of the year       | 1,38,69,016            | 1,386.90      | 1,38,69,016            | 1,386.90      |

2.4 The Parent company does not have any holding company.

## ANNUAL REPORT 2020-21

|   | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|---|--|--|
| <b>Note 3 : Reserves And Surplus</b>  |  |  |
| <b>Foreign currency translation reserve</b>   |  |  |
| Balance as per last financial statement   | 16.48                                      | (9.01)                                     |
| Addition during the year  | (10.38)                                    | 25.49                                      |
| <b>Closing balance</b>  | <b>6.10</b>                                | <b>16.48</b>                               |
| <b>Capital Reserve</b>  |  |  |
| Balance as per last financial statement   | 36.62                                      | 36.62                                      |
| <b>Closing balance</b>  | <b>36.62</b>                               | <b>36.62</b>                               |
| <b>Capital Redemption Reserve</b>   |  |  |
| Balance as per last financial statement   | 183.10                                     | 183.10                                     |
| <b>Closing balance</b>  | <b>183.10</b>                              | <b>183.10</b>                              |
| <b>Securities Premium Reserve</b>   |  |  |
| Balance as per last financial statement   | 1,346.70                                   | 1,346.70                                   |
| <b>Closing balance</b>  | <b>1,346.70</b>                            | <b>1,346.70</b>                            |
| <b>Balance in the statement of profit and loss</b>  |  |  |
| Balance as per last financial statement   | (790.12)                                   | (415.59)                                   |
| Add: (Loss)/Profit for the year   | (36.45)                                    | (374.53)                                   |
| <b>Closing balance</b>  | <b>(826.57)</b>                            | <b>(790.12)</b>                            |
| <b>Total Reserves &amp; Surplus</b>   | <b>745.96</b>                              | <b>792.78</b>                              |
| <b>Note 4: Long term Borrowings</b>   |  |  |
| <b>Secured</b>  |  |  |
| Term Loan - From banks (Refer note below)   | 502.19                                     | 957.54                                     |
| <b>Total</b>  | <b>502.19</b>                              | <b>957.54</b>                              |
| <b>Notes:</b>   |  |  |
|   | <b>Non-Current</b>                         | <b>Non-Current</b>                         |
| 1) Term loan secured by way of hypothecation of vehicle of parent Company and the same is repayable in 60 Equal monthly installments of Rs. 1.02 lakh each from May 2016. Effective rate of interest is Base rate + 1.9% .  | Nil  | 1.03                                       |
| 2) Term Loan secured by way of hypothecation of Vehicle of parent Company and the same is repayable in 84 Equal monthly installments of Rs. 0.85 lakh each from May 2015. Effective rate of interest is 10.65%  | Nil  | 9.19                                       |
| 3) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs.9.53 lakh from March 2017. Effective rate of interest is MCLR +0.80%.  | Nil  | 75.02                                      |
| 4) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs.5.87 lakh from March 2017 to September 2017 and thereafter Rs 9.39 lakh from October 2017 . Effective rate of interest is 8.25%. | 53.07                                      | 149.05                                     |
| 5) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs. 8.82 lakhs starting from Aug 2018. Effective rate of interest is 8.25%.   | 168.17                                     | 245.34                                     |
| 6) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 60 Equal monthly installments of Rs. 4.54 lakhs starting from Nov 2018. Effective rate of interest is 8.25%.   | 149.60                                     | 197.72                                     |



## CIRCUIT SYSTEMS (INDIA) LIMITED

|   | As at<br>31st March, 2021<br>(Rs. In lakh)<br>Non-Current | As at<br>31st March, 2020<br>(Rs. In lakh)<br>Non-Current |
|---|---|---|
| 7) Term Loan secured by way of hypothecation of property and the same is repayable in 84 Equal monthly installments of Rs. 5.52 lakhs starting from Jun 18. Effective rate of Interest is Base rate+ 0.10% .                      | Nil   | 280.20  |
| 8) Term loan secured by way of hypothecation of Stock, book debts and Plant and Machinery repayable in 48 equal monthly installments of Rs. 5.35 lacs per month from July 2021 to June 2024. Effective rate of Interest is 8.25%. | 131.35  | Nil   |
| <b>Total</b>  | <b>502.19</b>   | 957.54  |

|                                       | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|---------------------------------------|--|--|
| <b>Note 5: Long term provision</b>    |  |  |
| Employee Benefits (Refer note no. 28) | 34.36                                      | 36.93                                      |
| <b>Total</b>                          | <b>34.36</b>                               | 36.93                                      |

### **Note 6 : Short term Borrowings**

|  |               |        |
|--|---------------|--------|
| Loans repayable on demand                                    |               |        |
| Secured  |               |        |
| From bank  |               |        |
| - Cash credit  | 161.49        | Nil    |
| Unsecured  |               |        |
| - Inter-corporate Loan from related party (Refer note no 30) | 287.59        | 505.21 |
| - From bank  | 71.66         | 13.28  |
| <b>Total</b>   | <b>520.74</b> | 518.49 |

- 1) In previous year, cash credit from bank is primarily secured by way of hypothecation of Stock, 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. It is also secured by way of personal guarantee of a director. Effective rate of interest is 8.25%.
- 2) Effective rate of interest for unsecured inter corporate deposit is 7% p.a from April 2020 to Nov 2020 and 6.5% from Dec 2020 onwards.
- 3) Unsecured loan from bank represents dues of credit cards. Effective rate of interest is 3.49% p. m. if paid after due date.

### **Note 7 : Trade payables**

|                |               |        |
|----------------|---------------|--------|
| Trade Payables | 513.06        | 288.15 |
| <b>Total</b>   | <b>513.06</b> | 288.15 |

### **Note 8 : Short term provision**

|                                       |             |      |
|---------------------------------------|-------------|------|
| Employee Benefits (Refer note no. 28) | 8.18        | 5.34 |
| <b>Total</b>                          | <b>8.18</b> | 5.34 |

### **Note 9 : Other current liabilities**

|   |               |        |
|---|---------------|--------|
| Statutory Dues  | 18.48         | 23.89  |
| Advances from Customers                               | 316.77        | 142.34 |
| Deposit from employees                                | 7.42          | 6.24   |
| Current maturity of long term debt (Refer note no. 4) | 374.09        | 246.54 |
| <b>Total</b>  | <b>716.76</b> | 419.01 |

# ANNUAL REPORT 2020-21

## Note :- 10 Property, Plant and Equipment

2020-21  
(Rs. in Lakh)

|                                     | GROSS BLOCK     |                          |                           |                         |                           | DEPRECIATION    |                 |                              |                           |                         | NET BLOCK                 |                 |                 |                 |
|-------------------------------------|-----------------|--------------------------|---------------------------|-------------------------|---------------------------|-----------------|-----------------|------------------------------|---------------------------|-------------------------|---------------------------|-----------------|-----------------|-----------------|
|                                     | As on 1/4/20    | Addition during the year | Acquisition of Subsidiary | Translation Adjust-ment | Deduction during the year | As on 31/3/21   | As on 1/4/20    | Depreciation during the year | Acquisition of Subsidiary | Translation Adjust-ment | Deduction during the year | As on 31/3/21   | As on 31/3/20   | As on 31/3/21   |
| <b>Tangible Assets</b>              |                 |                          |                           |                         |                           |                 |                 |                              |                           |                         |                           |                 |                 |                 |
| Leasehold Land                      | 32.12           | Nil                      | Nil                       | Nil                     | Nil                       | 32.12           | Nil             | Nil                          | Nil                       | Nil                     | Nil                       | Nil             | 32.12           | 32.12           |
| Factory Building                    | 1,026.99        | Nil                      | Nil                       | Nil                     | Nil                       | 1,026.99        | 320.94          | 65.75                        | Nil                       | Nil                     | Nil                       | 386.69          | 706.05          | 640.30          |
| Plant & Equipment                   | 2,660.36        | 122.81                   | Nil                       | (3.25)                  | 18.33                     | 2,761.59        | 1,417.39        | 411.10                       | Nil                       | (0.69)                  | 10.04                     | 1,817.76        | 1,242.97        | 943.83          |
| Vehicles                            | 227.46          | 32.98                    | Nil                       | Nil                     | 10.57                     | 249.87          | 102.19          | 27.63                        | Nil                       | Nil                     | 9.14                      | 120.68          | 125.28          | 129.20          |
| Office Equipments                   | 114.50          | 7.51                     | Nil                       | (0.02)                  | Nil                       | 121.99          | 59.57           | 19.36                        | Nil                       | (.76)                   | Nil                       | 78.93           | 54.93           | 43.07           |
| Furniture and Fixture               | 241.92          | 43.84                    | Nil                       | Nil                     | Nil                       | 285.76          | 39.94           | 25.50                        | Nil                       | Nil                     | Nil                       | 65.44           | 201.98          | 220.32          |
| <b>Total (A)</b>                    | <b>4,303.35</b> | <b>207.14</b>            | <b>Nil</b>                | <b>(3.27)</b>           | <b>28.90</b>              | <b>4,478.32</b> | <b>1,940.02</b> | <b>549.34</b>                | <b>Nil</b>                | <b>(0.69)</b>           | <b>19.18</b>              | <b>2,469.49</b> | <b>2,363.33</b> | <b>2,008.83</b> |
| <b>Intangible Assets</b>            |                 |                          |                           |                         |                           |                 |                 |                              |                           |                         |                           |                 |                 |                 |
| Computer Software                   | 16.25           | Nil                      | Nil                       | (0.06)                  | Nil                       | 16.19           | 14.62           | 1.13                         | Nil                       | (0.06)                  | Nil                       | 15.69           | 1.63            | 0.50            |
| Goodwill on Consolidation           | 276.09          | Nil                      | Nil                       | Nil                     | Nil                       | 276.09          | 276.09          | Nil                          | Nil                       | Nil                     | Nil                       | 276.09          | Nil             | Nil             |
| Goodwill                            | 75.39           | Nil                      | Nil                       | (1.88)                  | Nil                       | 73.51           | 50.26           | 7.44                         | Nil                       | (1.35)                  | Nil                       | 56.35           | 25.13           | 17.15           |
| <b>Total (B)</b>                    | <b>367.73</b>   | <b>Nil</b>               | <b>Nil</b>                | <b>(1.94)</b>           | <b>Nil</b>                | <b>365.79</b>   | <b>340.97</b>   | <b>8.57</b>                  | <b>Nil</b>                | <b>(1.41)</b>           | <b>Nil</b>                | <b>348.13</b>   | <b>26.75</b>    | <b>17.65</b>    |
| <b>Capital work in progress (C)</b> | Nil             | 18.16                    | Nil                       | Nil                     | Nil                       | 18.16           | Nil             | Nil                          | Nil                       | Nil                     | Nil                       | Nil             | Nil             | 18.16           |
| <b>Total (A+B+C)</b>                | <b>4,671.08</b> | <b>225.30</b>            | <b>Nil</b>                | <b>(5.21)</b>           | <b>28.90</b>              | <b>4,862.27</b> | <b>2,281.00</b> | <b>557.91</b>                | <b>Nil</b>                | <b>(2.10)</b>           | <b>19.18</b>              | <b>2,817.63</b> | <b>2,390.08</b> | <b>2,044.65</b> |

2019-20  
(Rs. in Lakh)

|                                     | GROSS BLOCK     |                          |                           |                         |                           | DEPRECIATION    |                 |                              |                           |                         | NET BLOCK                 |                 |                 |                 |
|-------------------------------------|-----------------|--------------------------|---------------------------|-------------------------|---------------------------|-----------------|-----------------|------------------------------|---------------------------|-------------------------|---------------------------|-----------------|-----------------|-----------------|
|                                     | As on 1/4/19    | Addition during the year | Acquisition of Subsidiary | Translation Adjust-ment | Deduction during the year | As on 31/3/20   | As on 1/4/19    | Depreciation during the year | Acquisition of Subsidiary | Translation Adjust-ment | Deduction during the year | As on 31/3/20   | As on 31/3/19   | As on 31/3/20   |
| <b>Tangible Assets</b>              |                 |                          |                           |                         |                           |                 |                 |                              |                           |                         |                           |                 |                 |                 |
| Leasehold Land                      | 32.12           | Nil                      | Nil                       | Nil                     | Nil                       | 32.12           | Nil             | Nil                          | Nil                       | Nil                     | Nil                       | Nil             | 32.12           | 32.12           |
| Office building                     | 88.29           | Nil                      | Nil                       | Nil                     | 88.29                     | Nil             | 17.89           | 2.26                         | Nil                       | Nil                     | 20.15                     | Nil             | 70.40           | Nil             |
| Factory Building                    | 495.83          | 531.16                   | Nil                       | Nil                     | Nil                       | 1,026.99        | 258.77          | 62.17                        | Nil                       | Nil                     | Nil                       | 320.94          | 237.06          | 706.05          |
| Plant & Equipment                   | 2,535.86        | 177.71                   | Nil                       | 7.29                    | 60.51                     | 2,660.36        | 1,047.57        | 402.15                       | Nil                       | 1.83                    | 34.16                     | 1,417.39        | 1,488.29        | 1,242.97        |
| Vehicles                            | 181.13          | 56.48                    | Nil                       | Nil                     | 10.14                     | 227.46          | 89.83           | 22.50                        | Nil                       | Nil                     | 10.14                     | 102.19          | 91.30           | 125.28          |
| Office Equipments                   | 114.27          | 26.83                    | Nil                       | Nil                     | 26.61                     | 114.50          | 58.41           | 22.01                        | Nil                       | Nil                     | 20.85                     | 59.57           | 55.86           | 54.93           |
| Furniture and Fixture               | 168.51          | 73.41                    | Nil                       | Nil                     |                           | 241.92          | 19.02           | 20.92                        | Nil                       | Nil                     | Nil                       | 39.94           | 149.49          | 201.98          |
| <b>Total (A)</b>                    | <b>3,616.02</b> | <b>865.59</b>            | <b>Nil</b>                | <b>7.29</b>             | <b>185.55</b>             | <b>4,303.35</b> | <b>1,491.49</b> | <b>532.01</b>                | <b>Nil</b>                | <b>1.83</b>             | <b>85.30</b>              | <b>1,940.02</b> | <b>2,124.52</b> | <b>2,363.33</b> |
| <b>Intangible Assets</b>            |                 |                          |                           |                         |                           |                 |                 |                              |                           |                         |                           |                 |                 |                 |
| Computer Software                   | 24.30           | 1.04                     | Nil                       | 0.19                    | 9.28                      | 16.25           | 18.43           | 5.29                         | Nil                       | 0.19                    | 9.28                      | 14.62           | 5.87            | 1.63            |
| Goodwill on Consolidation           | 276.09          | Nil                      | Nil                       | Nil                     | Nil                       | 276.09          | 184.04          | 92.06                        | Nil                       | Nil                     | Nil                       | 276.09          | 92.06           | -               |
| Goodwill                            | 69.19           | Nil                      | Nil                       | 6.20                    | Nil                       | 75.39           | 23.06           | 23.63                        | Nil                       | 3.57                    | Nil                       | 50.26           | 46.13           | 25.13           |
| <b>Total (B)</b>                    | <b>369.58</b>   | <b>1.04</b>              | <b>Nil</b>                | <b>6.39</b>             | <b>9.28</b>               | <b>367.73</b>   | <b>225.53</b>   | <b>120.97</b>                | <b>Nil</b>                | <b>3.76</b>             | <b>9.28</b>               | <b>340.97</b>   | <b>144.06</b>   | <b>26.75</b>    |
| <b>Capital work in progress (C)</b> |                 |                          |                           |                         |                           |                 |                 |                              |                           |                         |                           |                 | 10.88           | Nil             |
| <b>Total (A+B+C)</b>                | <b>3,996.48</b> | <b>866.63</b>            | <b>Nil</b>                | <b>13.68</b>            | <b>205.71</b>             | <b>4,671.08</b> | <b>1,717.02</b> | <b>652.98</b>                | <b>Nil</b>                | <b>5.59</b>             | <b>94.59</b>              | <b>2,281.00</b> | <b>2,279.46</b> | <b>2,390.08</b> |

## CIRCUIT SYSTEMS (INDIA) LIMITED

|  | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|--|--|--|
| <b>Note 11: Investments</b>  |  |  |
| <b>(Valued at cost)</b>  |  |  |
| <b>Trade investments (Unquoted) (Long-term)</b>  |  |  |
| 49,85,000 (P.Y 49,85,000) Equity shares of Rs. 10/- each fully paid up in Eurocircuits India Pvt Limited | 498.50                                     | 498.50                                     |
| Less: Provision for Impairment   | (274.18)                                   | (274.18)                                   |
| 1,344 (P.Y. 1,344) Equity shares of Rs. 10/- each fully paid up in Agilo Research private Limited        | 75.00                                      | 75.00                                      |
| <b>Aggregate amount of unquoted investment</b>   | <b>299.32</b>                              | <b>299.32</b>                              |
| <b>Aggregate amount of impairment in value of unquoted investment</b>                                    | <b>(274.18)</b>                            | <b>(274.18)</b>                            |
| <br>   |  |  |
| <b>Note 12 : Other Non Current Assets</b>  |  |  |
| Bank deposit with original maturity more than 12 months (refer note no. 18)                              | Nil  | 24.02                                      |
| <b>Total</b>   | <b>Nil</b>                                 | <b>24.02</b>                               |
| <br>   |  |  |
| <b>Note 13 : Long Term Loans and Advances</b>  |  |  |
| Capital advances   |  |  |
| Advance for land   | 100.00                                     | Nil  |
| Deposits   | 22.12                                      | 23.40                                      |
| Balance with government authorities  | 4.89                                       | 3.92                                       |
| <b>Total</b>   | <b>127.01</b>                              | <b>27.32</b>                               |
| <br>   |  |  |
| <b>Note 14 : Deferred Tax Assets/Liabilities (Net)</b>   |  |  |
| <b>Deferred Tax Assets</b>   |  |  |
| Disallowance under Income Tax Act  | 14.75                                      | 8.34                                       |
| Related to Property, Plant & Equipment   | 84.42                                      | 14.36                                      |
| <b>Total</b>   | <b>99.17</b>                               | <b>22.69</b>                               |
| <b>Less :Deferred Tax Liabilities</b>  |  |  |
| Related to Property, Plant & Equipment   | 7.73                                       | Nil  |
| <b>Net Deferred Tax Assets/Liability (Net)</b>   | <b>91.44</b>                               | <b>22.69</b>                               |

## ANNUAL REPORT 2020-21

|  | As at<br>31st March, 2021<br>(Rs. In lakh) | As at<br>31st March, 2020<br>(Rs. In lakh) |
|--|--|--|
| <b>Note 15 : Trade Receivables</b>   |  |  |
| More than six months   |  |  |
| Unsecured, considered good   | 68.25                                      | 33.59                                      |
| Unsecured, considered doubtful   | 1.84                                       | 1.84                                       |
|  | <b>70.09</b>                               | 35.44                                      |
| Less: Provision for Doubtful debt  | 1.84                                       | 1.84                                       |
|  | <b>68.25</b>                               | 33.59                                      |
| <b>Other Trade receivables</b>   |  |  |
| Unsecured considered good  | Nil  | 0.37                                       |
| Other trade receivables  | 268.24                                     | 303.02                                     |
|  | <b>336.49</b>                              | 336.99                                     |
| <b>Note 16 : Inventories</b>   |  |  |
| Raw Materials  | 692.47                                     | 533.51                                     |
| Raw material in transit  | 5.76                                       | Nil  |
| <b>Total</b>   | <b>698.23</b>                              | 533.51                                     |
| Stores and Spares  | 135.39                                     | 95.58                                      |
| Stores and Spares in transit   | 11.39                                      | Nil  |
| <b>Total</b>   | <b>146.78</b>                              | 95.58                                      |
| Work In Progress   | 38.15                                      | 48.23                                      |
| <b>Total</b>   | <b>38.15</b>                               | 48.23                                      |
| Traded goods   | 68.72                                      | 102.95                                     |
| Traded goods in transit  | 15.17                                      | Nil  |
| <b>Total</b>   | <b>83.89</b>                               | 102.95                                     |
| <b>Grand Total</b>   | <b>967.05</b>                              | 780.28                                     |
| <b>Note 17 : Short Term Loans And Advances</b>   |  |  |
| Advances to suppliers  | 117.09                                     | 39.28                                      |
| Receivable from revenue authorities  | 40.64                                      | 18.71                                      |
| Subsidy receivable   | 38.82                                      | 151.84                                     |
| Advance Income Tax (net of provision)  | 17.02                                      | 40.42                                      |
| MAT Credit Entitlement   | Nil  | 48.21                                      |
| Prepaid Expenses   | 21.11                                      | 25.74                                      |
| Other Loans and Advances   | 46.80                                      | 66.33                                      |
| <b>Total</b>   | <b>281.48</b>                              | 390.54                                     |
| <b>Note 18 : Cash and Bank balances</b>  |  |  |
| <b>Cash and Cash Equivalents</b>   |  |  |
| (a) Cash on hand   | 4.98                                       | 4.78                                       |
| (b) Balances with Banks:   |  |  |
| In current accounts  | 246.90                                     | 119.35                                     |
| In deposit account   | 12.85                                      | 10.04                                      |
| In deposit accounts (with original maturity more than 3 months)  | 16.25                                      | 24.02                                      |
| Less : Bank deposits with original maturity more than 12 months<br>(Transferred to other non current assets) | Nil  | 24.02                                      |
| <b>Total</b>   | <b>280.98</b>                              | 134.17                                     |
| <b>Notes :</b>   |  |  |
| I) Earmarked balances with Banks   | 17.02                                      | 26.15                                      |
| II) Earmarked balances with various Statutory Authorities  | 12.08                                      | 7.92                                       |

## CIRCUIT SYSTEMS (INDIA) LIMITED

|   | <b>Accounting Year<br/>2020-21<br/>(Rs. In lakh)</b> | Accounting Year<br>2019-20<br>(Rs. In lakh) |
|---|--|---|
| <b><u>Note 19 : Revenue From Operation</u></b>  |  |   |
| Sale of products  | <b>3,938.18</b>                                      | 3,656.72                                    |
| Sale of traded Goods  | <b>57.48</b>   | 49.93                                       |
| Other Operating Revenues  | <b>14.78</b>   | 13.29                                       |
| <b>Total</b>  | <b>4,010.44</b>                                      | <b>3,719.95</b>                             |
| <b>Details of goods sold</b>  |  |   |
| I) Sale of products   |  |   |
| Printed Circuit Board   | <b>3,938.18</b>                                      | 3,482.33                                    |
| Solar LED street light system   | <b>Nil</b>   | 174.40                                      |
| <b>Total</b>  | <b>3,938.18</b>                                      | <b>3,656.72</b>                             |
| II) Sale of traded goods  |  |   |
| Electronic Products   | <b>57.48</b>   | 49.93                                       |
| <b>Total</b>  | <b>57.48</b>   | <b>49.93</b>                                |
| III) Other Operating Revenues   |  |   |
| Duty drawback and other export incentives   | <b>0.88</b>  | 1.08  |
| Scrap Sales   | <b>13.90</b>   | 12.21                                       |
| <b>Total</b>  | <b>14.78</b>   | <b>13.29</b>                                |
| <b><u>Note 20 : Other Income</u></b>  |  |   |
| Revenue Subsidy from Government   | <b>32.64</b>   | 33.16                                       |
| Interest income   | <b>2.22</b>  | 3.30  |
| Sundry Balance Write Off  | <b>56.06</b>   | Nil   |
| Bad Debt Recover Income   | <b>Nil</b>   | 3.00  |
| Gain on foreign exchange fluctuation (Net)  | <b>13.97</b>   | Nil   |
| Miscellaneous income  | <b>4.21</b>  | 4.28  |
| Profit on sale of Property, Plant and Equipment                                       | <b>Nil</b>   | 11.03                                       |
| <b>Total</b>  | <b>109.10</b>  | <b>54.77</b>                                |
| <b><u>Note 21 : Changes in inventories of finished goods and work in progress</u></b> |  |   |
| <b>Stock at the end of the year</b>   |  |   |
| Traded Goods  | <b>83.89</b>   | 102.96                                      |
| Work in Progress  | <b>38.15</b>   | 48.24                                       |
| <b>Total</b>  | <b>122.04</b>  | <b>151.19</b>                               |
| <b>Less:</b>  |  |   |
| <b>Stock at the beginning of the year</b>   |  |   |
| Traded Goods  | <b>102.96</b>  | 53.10                                       |
| Work in Progress  | <b>48.24</b>   | 37.74                                       |
| <b>Total</b>  | <b>151.20</b>  | <b>90.85</b>                                |
|   | <b>(29.16)</b>                                       | <b>60.35</b>                                |

## ANNUAL REPORT 2020-21

|  | Accounting Year<br>2020-21<br>(Rs. In lakh) | Accounting Year<br>2019-20<br>(Rs. In lakh) |
|--|---|---|
| <b>Note 22 : Cost of Raw Material Consumed</b>               |   |   |
| Cost of raw material consumed                                | 1,121.38                                    | 839.09                                      |
| <b>Total</b>   | <b>1,121.38</b>                             | <b>839.09</b>                               |
| <b>Details of Raw Material Consumed</b>                      |   |   |
| Copper Sheets  | 311.51                                      | 285.58                                      |
| Chemicals  | 194.35                                      | 112.54                                      |
| Solar light system   | Nil   | 173.92                                      |
| Copper Anode   | 268.18                                      | 100.77                                      |
| Others   | 347.34                                      | 166.28                                      |
| <b>Total</b>   | <b>1,121.38</b>                             | <b>839.09</b>                               |
| <b>Note 23. : Employees Benefit Expenses</b>                 |   |   |
| Salary expenses  | 620.99                                      | 685.71                                      |
| Contribution to Provident and other funds (Refer note no.28) | 38.32                                       | 36.27                                       |
| Staff Welfare expenses                                       | 23.97                                       | 16.17                                       |
| <b>Total</b>   | <b>683.28</b>                               | <b>738.15</b>                               |
| <b>Note 24 : Financial Cost</b>                              |   |   |
| Bank Charges   | 38.04                                       | 23.68                                       |
| Interest expenses  | 139.07                                      | 204.99                                      |
| <b>Total</b>   | <b>177.11</b>                               | <b>228.67</b>                               |
| <b>Note 25 : Other Expenses</b>                              |   |   |
| Consumption of Stores  | 222.47                                      | 196.66                                      |
| Labour, processing and production charges                    | 433.24                                      | 206.59                                      |
| Factory expenses   | 34.12                                       | 49.82                                       |
| Electricity expenses   | 257.64                                      | 247.07                                      |
| Repairs and Maintenance expenses                             | Nil   |   |
| To Building  | 18.71                                       | 11.48                                       |
| To Machinery   | 87.70                                       | 93.96                                       |
| To Others  | 50.04                                       | 35.79                                       |
| Rent expenses  | 77.67                                       | 55.67                                       |
| Professional Fees  | 42.65                                       | 34.19                                       |
| Audit Fees   | 2.55  | 2.55  |
| Travelling and Conveyance expenses                           | 39.82                                       | 61.83                                       |
| Freight Outward expenses                                     | 115.78                                      | 71.93                                       |
| Loss on Sale of Property, Plant and Equipment                | 8.43  | 23.81                                       |
| Bad debts  | 1.03  | 4.08  |
| Sales and promotion expenses                                 | 41.20                                       | 70.33                                       |
| Miscellaneous expense  | 80.42                                       | 82.81                                       |
| Insurance expense  | Nil   | 0.04  |
| Sundry balance written off (Net)                             | Nil   | 53.79                                       |
| Impairment of Investment                                     | Nil   | 274.18                                      |
| <b>Total</b>   | <b>1,513.47</b>                             | <b>1,576.57</b>                             |

**CIRCUIT SYSTEMS (INDIA) LIMITED**

|  | <b>Accounting Year<br/>2020-21<br/>(Rs. In lakh)</b> | Accounting Year<br>2019-20<br>(Rs. In lakh) |
|--|--|---|
| <b>Note 26 : Earnings Per Share (EPS)</b>  |  |   |
| Net (Loss)/Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders. | <b>(36.45)</b>                                       | (374.53)                                    |
| Weighted Average number of equity shares used as denominator for calculating EPS                     | <b>138.69</b>  | 138.69                                      |
| Basic and Diluted Earnings per share (Rs.)   | <b>(0.26)</b>  | (2.70)                                      |
| Face Value per equity share (Rs.)  | <b>10.00</b>   | 10.00                                       |

|   | <b>As at<br/>2020-21<br/>Rs.in lakhs</b> | As at<br>2019-20<br>Rs.in lakhs |
|---|--|---------------------------------|
| <b>Note 27 : Contingent Liability</b>                   |  |                                 |
| (1) Income Tax matter                                   | <b>87.60</b>                             | 78.37                           |
| (2) For capital expenditure commitment (Net of payment) | <b>6.39</b>                              | 9.00                            |

**Notes 28:-**

As per accounting standard 15 "Employee Benefits " (Revised 2005) the disclosures of Employee benefits are defined in the accounting standard are given below

**(i) Defined Contribution plan**

|  | <b>(Rs. In lakh)</b> |                |
|--|----------------------|----------------|
|  | <b>2020-21</b>       | <b>2019-20</b> |
| Employer's contribution to provident fund      | <b>18.03</b>         | 20.20          |
| Employer's contribution to Superannuation fund | Nil                  | Nil            |

## ANNUAL REPORT 2020-21

- (ii) The present value of obligation is determined on actuarial valuation using the projected unit credit method, which recognises each period of service to build up the final obligation.

| (Rs. In lakh)   |   |   |   |   |
|---|---|---|---|---|
|   | 01.04.2020 To<br>31.03.2021                                     |   | 01.04.2019 To<br>31.03.2020                                     |   |
|   | Gratuity<br>(Funded)  | Leave<br>Encashment<br>(Unfunded)                               | Gratuity<br>(Funded)  | Leave<br>Encashment<br>(Unfunded)                               |
| <b>(a) Reconciliation of opening and closing balance of defined benefits obligation</b> |   |   |   |   |
| Defined Benefits obligation at beginning of the period                                  | 44.71   | 14.60   | 38.59   | 14.83   |
| Current Service Cost  | 4.31  | 3.98  | 3.33  | 4.03  |
| Interest Cost   | 2.89  | 0.97  | 2.77  | 1.10  |
| Actuarial gain/(loss)   | 3.83  | 1.62  | 1.73  | (0.94)  |
| Past service Cost   | Nil   | Nil   | Nil   | Nil   |
| Benefits paid   | Nil   | (4.72)  | (1.71)  | (4.42)  |
| Defined Benefits obligation at end of the year  | 55.74   | 16.45   | 44.71   | 14.60   |
| <b>(b) Reconciliation of opening and closing balance of fair value of plan assets</b>   |   |   |   |   |
| Fair value of plan assets at beginning of the year                                      | 17.05   | Nil   | 17.62   | Nil   |
| Expected return on plan assets  | 1.14  | Nil   | 1.29  | Nil   |
| Actuarial gain/(loss)   | 0.22  | Nil   | (0.15)  | Nil   |
| Employer contribution   | 11.25   | Nil   | Nil   | Nil   |
| Benefits paid   | Nil   | Nil   | (1.71)  | Nil   |
| Fair value of plan assets at year end   | 29.66   | Nil   | 17.05   | Nil   |
| <b>(c) Reconciliation of fair value of assets and obligation</b>                        |   |   |   |   |
| Fair value of plan assets   | 29.66   | Nil   | 17.05   | Nil   |
| Present value of unfunded obligation  | 55.74   | 16.45   | 44.71   | 14.60   |
| Amount recognised in Balance Sheet  | (26.08)   | (16.45)   | (27.66)   | (14.60)   |
| <b>(d) Expenses recognised during the period</b>  |   |   |   |   |
| Current Service Cost  | 4.31  | 3.98  | 3.33  | 4.03  |
| Interest Cost   | 2.89  | 0.97  | 2.77  | 1.10  |
| Expected return on plan assets  | (1.14)  | Nil   | (1.29)  | Nil   |
| Actuarial (gain)/loss   | 3.61  | 1.62  | 1.88  | (0.94)  |
| Recognised past Service Cost-Vested   | Nil   | Nil   | Nil   | Nil   |
| Recognised past Service Cost-Unvested   | Nil   | Nil   | Nil   | Nil   |
| Net Cost  | 9.66  | 6.57  | 6.69  | 4.19  |
| <b>(e) Investment details</b>   |   |   |   |   |
| Government of India Securities  | Nil   | Nil   | Nil   | Nil   |
| High Quality Corporate Bonds  | Nil   | Nil   | Nil   | Nil   |
| Equity shares of listed Companies   | Nil   | Nil   | Nil   | Nil   |
| Property  | Nil   | Nil   | Nil   | Nil   |
| Funds managed by insurer  | 100%  | Nil   | 100%  | Nil   |
| Bank Balance  | Nil   | Nil   | Nil   | Nil   |
| <b>(f) Principal Actuarial Assumptions</b>  |   |   |   |   |
| Discount rate   | 6.75%   | 6.85%   | 6.85%   | 6.85%   |
| Expected return on plan assets  | 6.75%   | Nil   | 6.85%   | Nil   |
| Annual increase in Salary costs   | 7.00%   | 7.00%   | 0% p.a. for<br>1 year and<br>7.00%<br>thereafter                | 0% p.a. for<br>1 year and<br>7.00%<br>thereafter                |
| Withdrawal Rates  | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages | 10% at<br>younger<br>ages<br>reducing<br>to 2% at<br>older ages |



**Note No-29**  
**SEGMENT INFORMATION**

**(A) Description of segments and principal activities**

The Group's management, consisting of the managing director, the chief financial officer and the manager for corporate planning, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment and has identified three reportable segments of its business. Management monitors the performance of respective segments separately.

**(B)** Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

**(C) Information about Primary Business Segment as at and for the year ended on 31st March,2021**

|  | PRINTED CIRCUIT BOARD |          | SOLAR SYSTEM |         | UNALLOCATED |         | Total           |          |
|--|-----------------------|----------|--------------|---------|-------------|---------|-----------------|----------|
|  | 2020-21               | 2019-20  | 2020-21      | 2019-20 | 2020-21     | 2019-20 | 2020-21         | 2019-20  |
| <b>Segment revenue</b>                                     |                       |          |              |         |             |         |                 |          |
| External   | <b>4,010.44</b>       | 3,545.56 | <b>Nil</b>   | 174.39  | <b>Nil</b>  | Nil     | <b>4,010.44</b> | 3,719.95 |
| Intra segment  | <b>Nil</b>            | Nil      | <b>Nil</b>   | Nil     | <b>Nil</b>  | Nil     | <b>Nil</b>      | Nil      |
| Inter segment  | <b>Nil</b>            | Nil      | <b>Nil</b>   | Nil     | <b>Nil</b>  | Nil     | <b>Nil</b>      | Nil      |
| <b>Total revenue</b>                                       | <b>4,010.44</b>       | 3,545.56 | <b>Nil</b>   | 174.39  | <b>Nil</b>  | Nil     | <b>4,010.44</b> | 3,719.95 |
| <b>Segment Result</b>                                      |                       |          |              |         |             |         |                 |          |
| Segment result   | <b>(14.27)</b>        | (134.79) | <b>Nil</b>   | 21.88   | <b>Nil</b>  | Nil     | <b>(14.27)</b>  | (112.91) |
| Unallocated expenditure net of unallocated income          | <b>Nil</b>            | Nil      | <b>Nil</b>   | Nil     | <b>Nil</b>  | Nil     | <b>Nil</b>      | Nil      |
| Interest expenses  | <b>Nil</b>            | (268.09) | <b>Nil</b>   | Nil     | <b>Nil</b>  | 39.42   | <b>Nil</b>      | (228.67) |
| Interest income  | <b>Nil</b>            | Nil      | <b>Nil</b>   | Nil     | <b>Nil</b>  | 3.30    | <b>Nil</b>      | 3.30     |
| <b>(Loss)/Profit before tax</b>                            | <b>Nil</b>            | (402.88) | <b>Nil</b>   | 21.88   | <b>Nil</b>  | 42.72   | <b>Nil</b>      | (338.27) |
| <b>Tax Expenses</b>  |                       |          |              |         |             |         |                 |          |
| - Current tax  | <b>22.18</b>          | Nil      | <b>Nil</b>   | Nil     | <b>Nil</b>  | 68.17   | <b>90.93</b>    | 68.17    |
| - Mat credit utilised/ (Entitlement)                       | <b>Nil</b>            | Nil      | <b>Nil</b>   | Nil     | <b>Nil</b>  | 10.27   | <b>Nil</b>      | 10.27    |
| - Deferred tax   | <b>(68.75)</b>        | Nil      | <b>Nil</b>   | Nil     | <b>Nil</b>  | (42.18) | <b>(68.75)</b>  | (42.18)  |
| <b>Net (Loss)/Profit</b>                                   | <b>(36.45)</b>        | (402.88) | <b>Nil</b>   | 21.88   | <b>Nil</b>  | 6.47    | <b>(36.45)</b>  | (374.53) |
| <b>Other information</b>                                   |                       |          |              |         |             |         |                 |          |
| Segment assets   | <b>4,428.14</b>       | 4,404.27 | <b>Nil</b>   | 0.88    | <b>Nil</b>  | Nil     | <b>4,428.14</b> | 4,405.15 |
| Segment liabilities  | <b>2,295.28</b>       | 2,225.15 | <b>Nil</b>   | 0.31    | <b>Nil</b>  | Nil     | <b>2,295.28</b> | 2,225.46 |
| Capital expenditure  | <b>225.30</b>         | 880.31   | <b>Nil</b>   | Nil     | <b>Nil</b>  | Nil     | <b>225.30</b>   | 880.31   |
| Depreciation and amortisation                              | <b>557.91</b>         | 652.98   | <b>Nil</b>   | Nil     | <b>Nil</b>  | Nil     | <b>557.91</b>   | 652.98   |
| Non-cash expenses other than depreciation and amortisation | <b>9.46</b>           | 274.18   |              |         |             |         | <b>9.46</b>     | 274.18   |

## ANNUAL REPORT 2020-21

### (D) Information about secondary geographic segment

|   | India           |          | Outside India |         | Total           |          |
|---|-----------------|----------|---------------|---------|-----------------|----------|
|   | 2020-21         | 2019-20  | 2020-21       | 2019-20 | 2020-21         | 2019-20  |
| <b>Revenue*</b>   | <b>3217.73</b>  | 3648.74  | <b>792.71</b> | 655.57  | <b>4010.44</b>  | 3,766.66 |
| External  | <b>Nil</b>      | Nil      | <b>Nil</b>    | Nil     | <b>Nil</b>      | Nil      |
| Inter segment   | <b>Nil</b>      | Nil      | <b>Nil</b>    | Nil     | <b>Nil</b>      | Nil      |
| <b>Total revenue</b>  | <b>3217.73</b>  | 3648.74  | <b>792.71</b> | 655.57  | <b>4010.44</b>  | 3,766.66 |
| <b>Other information**</b>  |                 |          |               |         |                 |          |
| Carrying cost of segment non current assets@                        | <b>2,320.04</b> | 2,602.80 | <b>150.66</b> | 137.68  | <b>2,470.71</b> | 2,740.48 |
| Carrying cost of Segment Assets                                     | <b>3,781.62</b> | 4,001.95 | <b>646.53</b> | 403.20  | <b>4,428.14</b> | 4,405.15 |
| Addition to Property, Plant & Equipment including intangible Assets | <b>193.87</b>   | 775.23   | <b>31.43</b>  | 105.08  | <b>225.30</b>   | 880.31   |

\* Based on location of Customers

\*\* Based on location of Assets

@ Excluding deferred tax asset

### **Note 30 : Related Party Disclosure**

As per the Accounting Standard 18, the Disclosure of transaction with the related parties are given below:

#### (i) List of related parties where control exits and related parties with whom transactions have taken place and relationship.

| Sr. No. | Name of the Party                                  | Nature of Relationship   |
|---------|--|--|
| 1       | Shri Paresh N. Vasani                              | Key Managerial Personnel   |
| 2       | Smt Jasmine P. Vasani<br>(From : 1st October 2019) | Relative of Key Managerial Personnel                                       |
| 3       | Shri Aashay P Vasani                               | Relative of Key Managerial Personnel                                       |
| 4       | Smt Preeti A. Chouksey                             | Chief Financial Officer  |
| 5       | Smt Krupali Shah (From 15th April 2019)            | Company Secretary  |
| 6       | PCB Planet (India) Pvt. Ltd.                       | Associate  |
| 7       | Eurocircuits India Pvt. Ltd.                       | Associate  |
| 8       | Eurocircuits N. V.                                 | Enterprise over which promoter and his relative have significant influence |
| 9       | Shri Paresh N. Vasani HUF                          | Related party of subsidiary  |

**CIRCUIT SYSTEMS (INDIA) LIMITED**

**(ii) Transactions during the year with the related parties (excluding reimbursement)**

| Sr. No. | Nature of Transaction<br><br>(Excluding Reimbursement) | Associates                                  | Key Managerial Personnel                | Relative of Key managerial Personnel | Enterprise over which promoter and his relative have significant influence |
|---------|--|---|---|--------------------------------------|--|
| 1       | Loans taken  | <b>1,485.00</b>                             |   |                                      |  |
|         | PCB Planet (India) Pvt. Ltd.                           | (1,245.00)<br><b>1,485.00</b><br>(1,245.00) |   |                                      |  |
| 2       | Loans repaid   | <b>1,735.00</b>                             |   |                                      |  |
|         | PCB Planet (India) Pvt. Ltd.                           | (1,175.62)<br><b>1,735.00</b><br>(1,175.62) |   |                                      |  |
| 3       | Front-end engineering charges                          | <b>131.06</b>                               |   |                                      |  |
|         | PCB Planet (India) Pvt. Ltd.                           | (151.05)<br><b>131.06</b><br>(151.05)       |   |                                      |  |
| 4       | Remuneration   |   | <b>126.16</b>                           | <b>72.73</b>                         |  |
|         | Shri Paresh N. Vasani                                  |   | (136.45)<br><b>109.16</b><br>(120.96)   | (32.52)                              |  |
|         | Smt Jasmine N. Vasani                                  |   |   | 9.05                                 |  |
|         | Shri Aashay P Vasani                                   |   |   | <b>(5.04)</b><br>63.69               |  |
|         | Smt Preeti A. Chouksey                                 |   | 15.61                                   | <b>(74.55)</b>                       |  |
|         | Smt Krupali H. Shah                                    |   | <b>(14.18)</b><br>1.40<br><b>(1.31)</b> |                                      |  |
| 5       | Perquisite   |   | <b>7.53</b>                             | <b>3.03</b>                          |  |
|         | Shri Pareshbhai N. Vasani                              |   | (Nil)<br><b>7.53</b><br>(Nil)           | (3.72)                               |  |
|         | Shri Ashay P Vasani                                    |   |   | <b>3.03</b><br>(3.72)                |  |
| 6       | Interest Paid  | <b>35.00</b>                                |   |                                      |  |
|         | PCB Planet (India) Pvt. Ltd.                           | (42.36)<br><b>35.00</b><br>(42.36)          |   |                                      |  |
| 7       | Purchase of Capital Goods                              | <b>46.23</b>                                |   |                                      | <b>1.26</b>  |
|         | Eurocircuits N.V.                                      | (Nil)                                       |   |                                      | (Nil)  |
|         | Eurocircuit India Private Limited                      | <b>46.23</b><br>(Nil)                       |   |                                      | <b>1.26</b><br>(Nil)   |

## ANNUAL REPORT 2020-21

| Sr. No.      | Nature of Transaction<br>(Excluding Reimbursement) | Associates       | Key Managerial Personnel | Relative of Key managerial Personnel | Enterprise over which promoter and his relative have significant influence |
|--------------|--|------------------|--------------------------|--------------------------------------|--|
| 8            | Purchase of Goods                                  | 18.73            |                          |                                      | <b>3.98</b>  |
|              | Eurocircuits N.V.                                  | (7.22)           |                          |                                      | (Nil)  |
|              | Eurocircuit India Private Limited                  | 18.73            |                          |                                      | <b>3.98</b>  |
|              |  | (7.22)           |                          |                                      | (Nil)  |
| 9            | Sale of Goods                                      | Nil              |                          |                                      |  |
|              | Eurocircuit India Private Limited                  | (2.29)           |                          |                                      |  |
|              |  | Nil              |                          |                                      |  |
|              |  | (2.29)           |                          |                                      |  |
| 10           | Sale of Assets                                     |                  |                          |                                      | <b>Nil</b>   |
|              | Shri Paresh N. Vasani HUF                          |                  |                          | (48.00)                              | (48.00)  |
|              |  |                  |                          | <b>Nil</b>                           | <b>Nil</b>   |
|              |  |                  |                          | (48.00)                              | (48.00)  |
| <b>(iii)</b> | <b>Balance As 31st March, 2021.</b>                | <b>398.26 Cr</b> |                          |                                      |  |
| <b>(iii)</b> | <b>Balance As 31st March, 2020.</b>                | <b>513.65 Cr</b> |                          |                                      |  |
|              |  | <b>498.87 Dr</b> |                          |                                      |  |

Note: Figures in brackets are of previous year.

### Note: 31 : Basis of Consolidation

The consolidated financial statements relate to Circuit System (India) Limited and its subsidiary company. The Company and its subsidiaries company constitute the Group.

#### a) Basis of Accounting :

- The Financial statements of the associate company used where in the consolidation are drawn up to the year ended on 31.03.2021
- The Financial statements of the Group have been prepared in accordance with the applicable Accounting Standard in India and other generally accepted principles.

#### b) Principles of Consolidation :

The Consolidated Financial Statements related to Pcb Power (India) Limited and its associate company and PCB Power Inc. The Consolidated Financial statements have been prepared on the following basis.

- In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of asset, liabilities, income and expenses, after fully eliminating the intra group balances and unrealised profits / losses on intra group transactions as per Accounting Standard 21 on consolidated Financial Statements issued by Institute of Chartered Accountant of India.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

#### c) The significant Subsidiaries companies considered in the consolidated financial statement is as under:

| Sr No | Name of the Subsidiary Company | Country of incorporation | Proportion of Ownership Interest |
|-------|--------------------------------|--------------------------|----------------------------------|
| 1     | PCB Power (India) Ltd.         | India                    | 100%                             |
| 2     | PCB Power Inc.                 | USA                      | 100%                             |

## CIRCUIT SYSTEMS (INDIA) LIMITED

### D) Disclosure mandated by Schedule III of Companies Act, 2013 by way of additional information

(Rs. In lakh)

| Subsidiaries                    | Net Assets i.e. Total Assets<br>minus total liabilities |                |                 |                 | Share in profit                    |                |                |                 |
|---------------------------------|---|----------------|-----------------|-----------------|------------------------------------|----------------|----------------|-----------------|
|                                 | As % of consolidated<br>net assets                      |                | Amount          |                 | As % of consolidated<br>net profit |                | Amount         |                 |
|                                 | As at   | As at          | As at           | As at           | 2020-21                            | 2019-20        | 2020-21        | 2019-20         |
|                                 | 31.03.21  | 31.3.20        | 31.03.21        | 31.3.20         |                                    |                |                |                 |
| <b>Parent:</b>                  |   |                |                 |                 |                                    |                |                |                 |
| Circuit Systems (India) Limited | 127.60%   | 121.34%        | 2,721.53        | 2,644.84        | -210.40%                           | 59.81%         | 76.69          | (224.01)        |
| <b>Subsidiaries</b>             |   |                |                 |                 |                                    |                |                |                 |
| PCB Power (India) Ltd.          | 4.55%   | 4.23%          | 97.14           | 92.29           | -13.31%                            | 6.43%          | 4.85           | (24.07)         |
| PCB Power Inc.                  | 25.59%  | 17.72%         | 545.86          | 386.26          | 149.44%                            | 10.02%         | (54.47)        | (37.53)         |
| Elimination/ Adjustments        | -57.75%   | -43.29%        | (1,231.67)      | (943.66)        | 174.27%                            | 23.74%         | (63.52)        | (88.92)         |
| <b>Grand Total</b>              | <b>100.00%</b>  | <b>100.00%</b> | <b>2,132.86</b> | <b>2,179.73</b> | <b>100.00%</b>                     | <b>100.00%</b> | <b>(36.45)</b> | <b>(374.54)</b> |

#### Note 32 :

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions.

#### Note 33: Payments to Auditor

| Particulars  | Amount (In lakh) |             |
|--------------|------------------|-------------|
|              | 31.03.2021       | 31.03.2020  |
| Audit Fees   | 2.25             | 2.25        |
| <b>Total</b> | <b>2.25</b>      | <b>2.25</b> |

#### Note 34:

Figures of previous year have been regrouped wherever necessary.

#### Note 35:

Figures have been presented in 'Lakh' of rupees with two decimals. Figures less than Rs. 10,000 have been shown actual in brackets.

As per our Report of even date  
For Rajendra D Shah & Co.  
Chartered Accountants  
Firm Registration No. 108363W  
  
(Rajendra D Shah)  
Proprietor  
Membership No. 4844

For and on behalf of the Board  
Paresh Vasani  
Managing Director  
DIN : 1376786  
  
Preeti Chouksey  
Chief Financial officer  
  
Jayesh Shah  
Director  
DIN : 2559296  
  
Krupali Shah  
Company Secretary

Place : Ahmedabad  
Date : 28th August, 2021

**E-COMMUNICATION REGISTRATION FORM**  
(Only for members holding shares in physical form)

Date:

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

**UNIT - CIRCUIT SYSTEMS (INDIA) LIMITED**

Dear Sir,

**Sub: Registration of E-mail ID for serving of Notices / Annual Reports through electronic mode by Company**

We hereby register our E-mail ID for the purpose of receiving the notices, Annual Reports and other documents / information in electronic mode to be sent by the Company.

|  |  |
|--|--|
| <b>Folio No.:</b>                            |  |
| <b>E-mail ID:</b>                            |  |
| <b>Name of the First / Sole Shareholder:</b> |  |
| <b>Signature:</b>                            |  |

Note: Shareholder(s) are requested to notify the Company as and when there is any change in the e-mail address.

Enclosures: Self Attested copy of PAN & Address proof

**CIRCUIT SYSTEMS (INDIA) LIMITED**

Unit No.1001, 10<sup>th</sup> Floor, "ONE42" South Tower,  
Nr. Ashok Vatika, Opp. Jayantilal Park BRTS,  
Ambli Bopal Road, Ahmedabad - 380 058