

**TRANSCRIPT OF THE PROCEEDINGS OF THE 26<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF CIRCUIT SYSTEMS (INDIA) LIMITED HELD ON THURSDAY, 30<sup>TH</sup> SEPTEMBER, 2021 AT 4.00 P.M. THROUGH VIDEO-CONFERENCING (‘VC’) / OTHER AUDIO VIDEO MEANS (‘OAVM’)**

**Paresh Vasani:** I, Paresh Vasani, welcome Shareholders and Panelist at this AGM of the Company conducted through Video Conference /OAVM through the CDSL Platform. I also thank all the participants for sparing their valuable time to attend this meeting in current Covid scenario.

This AGM is being conducted through VC due to this Covid-19 pandemic and is as per the Circulars and directives of Ministry of Corporate Affairs.

I introduce Mr. Jayesh Vasani, Ms. Jasmine P Vasani and Mr. Suresh M. Poojara as Directors of the Company who are on the panel.

Please note that the Auditors of the Company and Scrutineer for e-voting are also present at this e-AGM.

Please note that the Company Secretary and CFO are also present at the meeting.

As necessary quorum is present, I now begin with the formal items of this 26<sup>th</sup> AGM.

The Company has circulated the Annual Report and the Notice of 26th AGM well in time through electronic mode (email) to those Shareholders/ members whose email addresses are registered with the Depositories/ RTA of the Company in compliance with the MCA Circulars relating thereto. And I hope that members must have gone through the same.

**Paresh Vasani:** I direct Mr. Harshal Darji, Secretarial Executive to read the items of Notice of 26<sup>th</sup> AGM dated 28<sup>th</sup> August, 2021 and remarks of the Auditors on the financial statements for the financial year 2020-21, if any. I further request him to highlight the business performance as detailed in the Directors' Report.

**Harshal Darji:** Thank you, Sir.

Dear Shareholders, Good Afternoon.

I hope all of you are safe and in good health. Due to continuing COVID-19 Pandemic and social distancing norms, we are for holding this Annual General Meeting through video conference.

The Company has taken all the feasible steps to ensure that the shareholders are provided with the opportunity to participate in the Annual General Meeting and vote.

I convey my sincere thanks to all of you for participating in this AGM.

Dear all,

The Notice dated 28<sup>th</sup> August, 2021 of this AGM has already been circulated to the members electronically in compliance with MCA circulars to transact the following businesses:

The Ordinary Businesses to be transacted at this AGM are:

**Business No. 1**

Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the financial year 2020-21, the Reports of the Board of Directors & Auditors thereon – by way of passing Ordinary Resolution.

The Resolution proposed for this business is:

**Harshal Darji:** “RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2021 including Reports of the Directors and Auditors thereon, which have already been circulated to the Members/shareholders and laid before this 26th Annual General Meeting be and are hereby approved and adopted.”

### **Business No. 2**

Re-appointment of Ms. Jasmine P. Vasani, liable to retire by rotation – by way of passing Ordinary Resolution.

The Resolution proposed for this business is:

“RESOLVED THAT the retiring Director Ms. Jasmine P. Vasani (DIN: 01442297) in terms of Section 152(6) of the Companies Act, 2013 be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### **Business No. 3**

Appointment of M/s. Hemanshu Shah & Co., Chartered Accountants as Statutory Auditors of the Company for a period of 5 years w.e.f. the conclusion of this 26<sup>th</sup> AGM – by way of passing Ordinary Resolution.

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.

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 Registration 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.

**Harshal Darji:** The Resolution proposed is:

“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.”

The Special Business to be transacted at this AGM is:

**Business No. 4**

To accord approval / consent for Reduction of Share Capital of the Company – by way of passing Special Resolution.

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

In view of the difficulties faced by the public shareholders in post De-listing scenario and for providing an exit opportunity to the Public equity shareholders of the Company, the proposal of Capital reduction is placed before this AGM.

Several requests have been received from the public shareholders for such exit opportunity by repaying the fair value of their shares.

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.

**Harshal Darji:** The proposal for 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.

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.

To maintain fairness and transparency, Company obtained "Valuation Report" dated 15<sup>th</sup> March, 2021 from Mr. Jigar P. Shah, Chartered Accountant & Registered Valuer ("Independent Valuer") to undertake a valuation of the equity shares of the Company.

And based on the said Valuation Report, the Board determine Rs.17/- per Equity Share as a fair value of the equity shares of the Company for the purpose of the proposed Capital Reduction.

**Harshal Darji:** Upon receipt of requisite approval of members/ shareholders, the Company will file the requisite application with the NCLT for their approval for the proposed Capital Reduction.

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.

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 for passing of the said Special Resolution as set out in the Notice of AGM.

The detailed Special Resolution mentioned at item no. 4 of the Notice of 26<sup>th</sup> AGM and Explanatory Statement under Section 102 relating thereto has been annexed to the Notice of 26<sup>th</sup> AGM, which is being taken as read.

The Members/shareholders may note that there are no adverse remarks by the Auditors of the Company on the financial statement for the year 2020-21.

**Harshal Darji:** The Statutory Auditors, M/s. Rajendra D. Shah & Co. have expressed their unqualified opinion in the audit reports for the financial year 2020-21. There were no qualifications, observations or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company. The Statutory Auditors' Report on Standalone & Consolidated Financial Statements are available on Pages numbers 25 to 31 and Pages numbers 55 to 60 of the Annual Report 2020-21 respectively.

With the permission of the Chair, I will now proceed with the highlights of the business performance during the year under review.

As reported in the Directors' Report, the Company generated revenue and other income of Rs. 34.06 crores during the financial year 2020-21 compared to Rs. 31.09 crores during 2019-20. The Profit before tax stood at Rs. 0.97 crores during the financial year 2020-21 under review compared to Loss of Rs. 1.87 crores during 2019-20. After taking into account the provision of taxation the Net Profit for the financial year 2020-21 stood at Rs. 76.69 Lakhs during 2020-21.

In view to conserve the resources and also in view of accumulated losses, the Board of Directors are unable to recommend any dividend for the financial year ended on 31st March, 2021 under review.

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 continue as a going concern and meeting its liabilities and compliance with the debt covenants.

As stated earlier, this 26<sup>th</sup> AGM is being conducted by way of VC pursuant to MCA Circulars and hence the voting is only through e-voting for all the items of Notice.

Members voted through remote e-voting between e-voting period from 27<sup>th</sup> September, 2021 to 29<sup>th</sup> September, 2021. The remote e-voting has already been completed yesterday.

**Harshal Darji:** Members may note that the facility for voting on CDSL platform is open for the members/ shareholders who have not voted through remote e-voting earlier and the e-voting facility will continue to be available to the members/shareholders till 15 minutes after the conclusion of this 26<sup>th</sup> AGM.

Members are requested to vote as voting line is open.

The Board of Directors has appointed Mr. Kashyap R Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries, as the scrutinizer to supervise the e-voting process.

The result on e-voting will be declared within 48 hours of the conclusion of this AGM.

Please note that the resolutions, as set forth in the 26<sup>th</sup> Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

I now request Chairman Sir to proceed further and give concluding remarks.

Thank you very much.

**Paresh Vasani:** As the businesses of the meeting are over, I declare this 26<sup>th</sup> Annual General Meeting as concluded and once again thanks to all the participants for attending this AGM.

Now I request Mr. Harshal Darji to give final instructions for voting.

Namaste....

**Harshal Darji:** The meeting is concluded at 4.19 p.m.

Further, shareholders may note that the voting lines are open for another 15 minutes from now. I request the shareholders to vote on all the resolutions.

Thank you.

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