DRAFT LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered equity shareholder(s) of Circuit Systems (India) Limited, as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Buyback i.e. PL Capital Markets Pvt. Ltd. or the Registrar to the Buyback i.e. Cameo Corporate Services Ltd.

CIRCUIT SYSTEMS (INDIA) LIMITED
Registered Office: A/1001-1002, 10th Floor, Titanium Square, Thaltej Cross Road, Thaltej, Ahmedabad -380054, Gujarat, India
Tel. No.: 079-23287086; Fax No.: 079-23287089; E-mail: cs@mycsil.com
Contact Person: Ms. Payal Jani, Company Secretary & Compliance Officer;

Cash offer to buyback up to maximum of 18,75,000 (‘Maximum Number of Equity Shares’) fully paid-up equity shares of face value of Rs.10 each (‘Equity Shares’ or ‘Shares’), at a price of Rs. 8.00 (‘Buyback Price’) per Equity Share for an aggregate maximum amount of Rs. 1,50,00,000 (Rupees One Crore Fifty Lac Only) (‘Buy Back’/’Buyback’) which represents 4.25% of the aggregate of Company’s share capital and free reserves as on March 31, 2013, through the Tender Offer process, on a proportionate basis (‘Buyback Offer’ or ‘Offer’). The Maximum Number of Equity Shares constitutes 11.95% of issued, subscribed and paid up equity share capital of the Company.

This Letter of Offer is being sent to the shareholder(s) / beneficial owner(s) of Equity Shares of the Company as on the Record Date i.e. November 8, 2013 (Friday). The payment of consideration shall be made through NECS (subject to availability of all information for crediting the funds), demand drafts / pay order, or similar instruments payable at par at all the centers where the Company is accepting applications.

The Buyback Offer is pursuant to Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 including any statutory modifications or re-enactments thereof (‘Buyback Regulations’/’Regulations’) as well as in accordance with the provisions of Sections 77A, 77AA and 77B and all other applicable provisions, if any, of the Companies Act, 1956, Sections 68, 69 & 70 of the Companies Act, 2013 as amended (the Companies Act 1956 and the Companies Act 2013 collectively referred to as “Act”) and in accordance with the provisions contained in Article 8A of the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India (‘SEBI’), Stock Exchange, etc.

A copy of the Public Announcement and of this Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) will also be available on SEBI’s website at www.sebi.gov.in.

Equity shareholders are advised to refer to Clause 17 on Details of the Statutory Approvals and Clause 21 on Note on Taxation of this Letter of Offer before tendering their Equity Shares in the Buyback Offer.

<table>
<thead>
<tr>
<th>BUYBACK OPENS ON: [*]</th>
<th>BUYBACK CLOSES ON: [*]</th>
</tr>
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<tr>
<td>LAST DATE/TIME OF RECEIPT OF COMPLETED APPLICATION FORMS: BY 5 P.M. ON [*]</td>
<td></td>
</tr>
<tr>
<td>MANAGER TO THE BUYBACK</td>
<td>REGISTRAR TO THE BUYBACK</td>
</tr>
</tbody>
</table>

PL CAPITAL MARKETS PVT. LTD.
3rd Floor, Sadhana House, 570, P.B.Marg,
Worli, Mumbai - 400 018
Tel:+91 - 22 - 6632 2222; Fax:+91-22-6632 2229;
Website: www.plindia.com
Email: cslbuyback@plindia.com
Contact person: Mr. Bhavin Shah /Mr. Ajesh Dalal
SEBI Registration No.: INM000011237
Validity Period: Permanent unless suspended by SEBI

CAMEO CORPORATE SERVICES LTD.
Subramanian Building, No.1,
Club House Road, Chennai – 600 002
Tel: +91- 44 - 2846 0390; Fax: +91-44 - 2846 0129
Website: www.cameoindia.com
E-mail: investor@cameoindia.com
Contact person: Ms. Sreepriya K.
SEBI Registration No.: INR000003753
Validity Period: Permanent unless suspended by SEBI
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<th>Page No.</th>
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<td>From 27 onwards</td>
</tr>
</tbody>
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1. **SCHEDULE OF ACTIVITIES**

<table>
<thead>
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<th>Activity</th>
<th>Day</th>
<th>Date</th>
</tr>
</thead>
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<tr>
<td>Date of Board Meeting approving the Buyback</td>
<td>Wednesday</td>
<td>October 23, 2013</td>
</tr>
<tr>
<td>Date of Public Announcement for the Buyback</td>
<td>Friday</td>
<td>October 25, 2013</td>
</tr>
<tr>
<td>Record Date for determining the Entitlement and the names of Eligible Shareholders</td>
<td>Friday</td>
<td>November 8, 2013</td>
</tr>
<tr>
<td>Buyback opens on / Date of Opening of Buyback</td>
<td>[*]</td>
<td>[*]</td>
</tr>
<tr>
<td>Buyback closes on / Date of Closing of Buyback</td>
<td>[*]</td>
<td>[*]</td>
</tr>
<tr>
<td>Last date of verification</td>
<td>[*]</td>
<td>[*]</td>
</tr>
<tr>
<td>Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares</td>
<td>[*]</td>
<td>[*]</td>
</tr>
<tr>
<td>Last date of dispatch of consideration / share certificate(s)/demat instruction(s)</td>
<td>[*]</td>
<td>[*]</td>
</tr>
<tr>
<td>Last date of Extinguishment of Equity Shares</td>
<td>[*]</td>
<td>[*]</td>
</tr>
</tbody>
</table>

2. **DEFINITION OF KEY TERMS**

| Acceptance | Acceptance of Equity Shares, tendered by Eligible Persons in the Buyback Offer |
| Act        | The Companies Act, 1956, as amended; as also The Companies Act, 2013              |
| Additional Shares / Additional Equity Shares | Additional Eligible Equity Shares tendered by an Eligible Person over and above the Buyback Entitlement of such shareholder. |
| Company / CSIL | Circuit Systems (India) Limited                                                   |
| Board of Directors / Board | Board of Directors of the Company, or the Committee of Directors or Buyback Committee for the purpose of the Buyback. |
| BSE        | BSE Limited                                                                      |
| Buyback Entitlement | The number of Equity Shares that a shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that shareholder, on the Record date and the Ratio of Buyback applicable in the category, to which such shareholder belongs to. |
| Buyback Offer / Buyback / Offer | Offer by Circuit Systems (India) Limited to buy back up to maximum of 18,75,000 fully paid-up Equity Shares of face value of Rs. 10 each at a price of Rs. 8.00 per Equity Share from the shareholders of the Company through Tender Offer process, on a proportionate basis |
| Buyback Offer period | The period starting from the date of opening of the buyback till closing date of the buyback (both days inclusive) |
| CDSL       | Central Depository Services (India) Limited                                       |
| DP         | Depository Participant                                                            |
| Eligible Person (s) | Person(s) eligible to participate in the Buyback Offer and would mean all shareholders / beneficial owner(s) of Equity Shares of the Company as on the Record Date i.e. Friday, November 8, 2013 |
| Eligible Equity Shares | Eligible Equity Shares means the lower of:                              |
| | - Total number of Shares tendered by an Eligible Person  |
| | - Total number of Shares held by such shareholder as on the Record Date           |
| Equity Shares / Shares | Fully paid up equity shares of face value of Rs. 10 each of Circuit Systems (India) Limited |
| Escrow Account | The Escrow Account opened with Corporation Bank, Ahmedabad |
| Form / Tender Form | Form of Acceptance–cum–Acknowledgement                                           |
| LoF/ Offer Document | Letter of Offer                                                                 |
| Non-Resident Shareholders | Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and Overseas Corporate Bodies (OCB) |
| NECS       | National Electronic Clearing Services                                            |
| NSDL       | National Securities Depository Limited                                           |
| Offer Price / Buyback Price | Price of Rs. 8.00 per fully paid up Equity Share at which Equity Shares will be bought back from the shareholders, payable in cash |
| Offer Size / Buyback Size | Number of Equity Shares proposed to be bought back (i.e. 18,75,000 Equity Shares) multiplied by the Offer Price (i.e. Rs. 8.00 per Equity Share) aggregating to Rs. 1,50,00,000 (Rupees One Crore Fifty Lac Only) |
| PA / Public Announcement | Public Announcement of the Buyback published on October 25, 2013 |
| PLCM/ Manager to the Buyback | PL Capital Markets Private Limited                                             |
RBI | Reserve Bank of India
---|---
Record Date | The date for the purpose of determining the entitlement and the names of the shareholders, to whom the Letter of Offer and Tender Offer Form will be sent and who are eligible to participate in the Buyback Offer in accordance with the Regulations. The Record Date in this Buyback Offer is Friday, November 8, 2013
Registrar to the Buyback | Cameo Corporate Services Limited
Regulations / Buyback Regulations | Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 including any statutory modifications or re-enactments thereof
SEBI | The Securities and Exchange Board of India
Small Shareholder | A shareholder, who holds Equity Shares whose market value, on the basis of closing price on the BSE as on Record Date i.e. November 8, 2013 is not more than two lakh rupees.
Stock Exchange | BSE, being the only Stock Exchange where the shares of the Company are listed.
Tender Offer | The method of Buyback opted for by the Board of Directors of CSIL in which the Company will buyback its Shares through a letter of offer from persons holding shares as on the record date

### 3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to the Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI, does not take any responsibility either for the financial soundness of the Company to meet the buy back commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buyback, PL Capital Markets Private Limited has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act, 1956, Companies Act, 2013 and SEBI (Buy Back of Securities) Regulations, 1998, as amended. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, PL Capital Markets Private Limited has furnished to SEBI a Due Diligence Certificate dated October 31, 2013, in accordance with SEBI (Buy Back of Securities) Regulations, 1998, as amended which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer;
- all the legal requirements connected with the said offer including SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been complied with;
- the disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback offer.
- Funds used for buy back shall be as per the provisions of the Companies Act.”

The filing of Offer Document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 1956, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters / Directors declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to misstatement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement/ mis-representation, the Promoters / Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 1956, Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998, as amended.

Promoters / Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.
4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through a tender offer has been duly authorised by a resolution passed by the Board of Directors of the Company at their meeting held on October 23, 2013. The text of the relevant resolution passed is given below.

“RESOLVED THAT pursuant to the authority vested by Article 8A of the Articles of Association of the Company provisions of section 77A, 77AA and 77B and all other applicable provisions, if any, of the Companies Act, 1956 section 68, 69, and 70 of the Companies Act 2013 (“the Companies Act 1956 and the Companies Act 2013 collectively referred to as “Act”), and in compliance of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, including any statutory modifications or reenactments thereof (“Buyback Regulations”) and such other approvals, permissions and sanctions as may be necessary, consent of the Board of the Directors be and is hereby accorded in accordance with the provisions of the Act to the purchase of up to 18,75,000 fully paid-up equity shares of face value of Rs. 10 each of the Company (“Equity Shares”) for an aggregate amount not exceeding Rs. 150 Lac (Rupees One Hundred and Fifty Lacs Only) (“Maximum Buyback Size”) and at a maximum price of Rs. 8 per Equity Share (“Buy Back Price”), payable in cash (“Buy Back”).

RESOLVED FURTHER that such Buy Back should involve such number of Equity Shares not exceeding 18,75,000 Equity Shares i.e. less than 11.95% of the paid-up equity share capital of the Company up to the Buy Back Price, payable in cash so that the aggregate value of the Buy Back does not exceed 10% of the paid-up share capital and free reserves, as is permissible under the Act.

RESOLVED FURTHER that such Buy Back may be made out of the Company’s accumulated free reserves and should be done on a proportionate basis, through the tender offer process (“Tender Offer”) in accordance with the provisions of the Buyback Regulations and Listing Agreement entered with the BSE Limited.

RESOLVED FURTHER that as required by Regulation 6 of the Buyback Regulations, the Company may buy back Equity Shares from the shareholders on a proportionate basis under the Tender Offer, provided 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per the shareholding of small shareholders at Record Date, whichever is higher, shall be reserved for the small shareholders, as defined in the Buyback Regulations.

RESOLVED FURTHER that the Buyback from non-resident shareholders, Overseas Corporate Bodies (OCB’s), Foreign Institutional Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

RESOLVED FURTHER that the Board of Directors do hereby take on record the audited financial position of Assets and Liabilities of the Company as on March 31, 2013 and statement of Assets and Liabilities of the Company as on March 31, 2013 prepared for the sole purpose of Declaration of Solvency to be filed with the Registrar of Companies under the applicable provisions of the Act and in terms of the Buyback Regulations.

RESOLVED FURTHER that the draft of the Declaration of Solvency prepared in the prescribed format placed before the meeting be and is hereby approved.

RESOLVED FURTHER that the Board hereby ratifies the appointment of PL Capital Markets Pvt Ltd, Mumbai made on September 21, 2013 as the Merchant Bankers / Manager to the Buyback offer in terms of the Buyback Regulations.

RESOLVED FURTHER that the Company must create an Escrow Account with Corporation Bank, Ahmedabad, being a scheduled commercial bank for a sum of Rs 37,50,000 being 25% of the Maximum Buyback Size placed in the said Escrow Account by way of a deposit before the release of the Public Announcement in compliance with the requirements of the Buyback Regulations.

RESOLVED FURTHER that Mr. Paresh Vasani Managing Director and Mr Jayesh Shah, Director of the Company be and are hereby authorized to make changes in the Declaration of Solvency as may be necessary, to sign and to file the same with the Registrar of Companies and with the Securities and Exchange Board of India.

RESOLVED FURTHER that the powers of the Board of Directors in respect of the Buy Back be delegated to a committee (“Buy Back Committee”) consisting of the following two Directors of the Company namely Mr Paresh Vasani, Managing Director and Mr. Jayesh Shah, Director.
RESOLVED FURTHER that the Buy Back Committee is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper as the Buy Back Committee may consider to be in the best interests of the shareholders, including but not limited to finalizing the terms of the Buy Back, the specific price for the Buy Back, the actual number of Equity Shares to be bought back, mechanism for the Buy Back, opening of Escrow Bank Account and Special Bank Account or Special Demat Account, authorizing the persons to operate the said accounts, appointment of other intermediaries or agencies for the implementation of the Buy Back and sign and execute the incidental documentation as also to prefer applications to the appropriate authorities for their requisite approvals and to initiate all necessary actions for preparation and issue of various documents including but not limited to Public Announcement, Declaration of Solvency, Draft Letter of Offer, Letter of Offer, Corporate Actions with Depositories, extinguishment of Share Certificates and Certificates of extinguishment required to be filed with the appropriate authorities in connection with the Buy Back on behalf of Board of Directors.

RESOLVED FURTHER that the Buy Back Committee be and is hereby authorized to delegate all or any of the authorities conferred upon it to Company Secretary or any Director or Officer or authorized representative of the Company.

RESOLVED FURTHER that the Company Secretary, Ms Payal Jani, be and is hereby nominated as the Compliance Officer for compliance with the Buyback Regulations and to redress the grievances, if any, of the investors”

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

As per Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement (‘PA’) dated October 24, 2013 for the Buyback of Equity Shares published on October 25, 2013 in the following newspapers which is within two working days from October 23, 2013 i.e. the date of passing the board resolution approving the Buyback:

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<thead>
<tr>
<th>Publications/Newspapers</th>
<th>Language</th>
<th>Editions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Financial Express</td>
<td>English</td>
<td>All</td>
</tr>
<tr>
<td>Jansatta</td>
<td>Hindi</td>
<td>All</td>
</tr>
<tr>
<td>The Financial Express, being the regional language newspaper of the place where the Registered Office of the Company is situated.</td>
<td>Gujarati</td>
<td>Ahmedabad</td>
</tr>
</tbody>
</table>

(A copy of the PA is also available on the SEBI website at website)

6. DETAILS OF THE BUYBACK

6.1 Circuit Systems (India) Limited (‘Company’ or ‘CSIL’) hereby announces the buy back of 18,75,000 fully paid-up equity shares of the face value of Rs. 10 each (‘Equity Shares’/‘Shares’) from the shareholders of the Company through a tender offer, in accordance with Sections 77A 77AA, 77B and other applicable provisions of the Companies Act, 1956, Sections 68, 69 & 70 of the Companies Act, 2013, the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (‘Regulations’), the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, at a price of Rs. 8.00 per Equity Share (“Buyback Price”) payable in cash, for an aggregate amount upto Rs. 1,50,00,000 (Rupees One Crore Fifty Lac Only) (‘Buyback’/‘Buy Back’). The Buyback Size represents 4.25 % of the aggregate of the Company’s total paid-up equity share capital and free reserves as per the audited Accounts of the Company for the year ended on March 31, 2013 being the date of the last Audited Balance Sheet of the Company prior to the board resolution dated October 23, 2013 approving the Buyback. The Shares proposed to be bought back constitute 11.95 % of the issued, subscribed and paid up Equity Capital of the Company.

6.2 The Buyback is proposed to be implemented by the Company through Tender Offer route from the shareholders on a proportionate basis, provided 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per the shareholding of Small Shareholders at Record Date, whichever is higher, shall be reserved for Small Shareholders.

6.3 The shareholding of the Promoters and Promoter Group being Persons in Control is as under:

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of Equity Shares</th>
<th>% of Equity Paid-up Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Paresh N. Vasani</td>
<td>1,08,43,180</td>
<td>69.06</td>
</tr>
<tr>
<td>Total</td>
<td>1,08,43,180</td>
<td>69.06</td>
</tr>
</tbody>
</table>

6.4 No Equity Shares were either purchased or sold by the Promoters and by the directors of the Promoters, where the Promoter is a company being persons who are in control of the Company during the period of last 12 months preceding the date of the Board Meeting i.e. October 23, 2013.
6.5 The Promoter of the Company Mr. Paresh N. Vasani has expressed his intention to participate in the Buyback and offer up to an aggregate maximum of 16,50,000 Equity Shares in the Buyback Offer. The details of the acquisition of Equity Shares by Mr. Paresh N. Vasani (who is the only person forming part of the Promoter and persons in control of the Company) are as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Date of Acquisition</th>
<th>No. of Equity Shares acquired</th>
<th>Price per Equity Share (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>November 12, 2007</td>
<td>18,090</td>
<td>10.00</td>
</tr>
<tr>
<td>2.</td>
<td>March 31, 1999</td>
<td>1,10,000</td>
<td>10.00</td>
</tr>
<tr>
<td>3.</td>
<td>March 31,2000</td>
<td>70,000</td>
<td>10.00</td>
</tr>
<tr>
<td>4.</td>
<td>March 31, 2007</td>
<td>4,00,000</td>
<td>35.00</td>
</tr>
<tr>
<td>5.</td>
<td>October 27,2007</td>
<td>50,000</td>
<td>35.00</td>
</tr>
<tr>
<td>6.</td>
<td>March 31, 2010</td>
<td>20,00,000</td>
<td>14.00</td>
</tr>
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<td>8.</td>
<td>June 30,2011</td>
<td>6,00,000</td>
<td>14.13</td>
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<tr>
<td>10.</td>
<td>December 12, 2011</td>
<td>31,40,000</td>
<td>16.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,08,43,180</td>
<td></td>
</tr>
</tbody>
</table>

6.6 Pursuant to the proposed Buy Back and depending on the response to the Buy Back, the voting rights of the Promoters in the Company may increase by more than 5% over the existing 69.06% holding in the total equity capital and voting rights of the Company. The Promoters of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters will not result in any change in control over the Company. Mr Paresh N Vasani has undertaken that in case there is an increase in voting rights of the Promoters by 5% or more, he as the Promoters will take steps to reduce his shareholding such that his voting rights fall below the level at which the obligation to make an open offer would be attracted under sub-regulation (2) of regulation 3 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 within 90 days from the date on which the voting rights so increase as is provided for in terms of the last proviso of regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Company and the Promoters have undertaken to comply with the Minimum Public Shareholding requirements even after the Buyback.

7. AUTHORITY FOR THE BUYBACK

Pursuant to Section 77A and other applicable provisions of the Companies Act, 1956 and Sections 68, 69 & 70 of the Companies Act, 2013, the Regulations and in terms of Article 8A of the Articles of Association of the Company, the Buyback through a tender offer has been duly authorised by:

- A resolution passed by the Board of Directors of the Company at the meeting held on October 23, 2013.
- Other resolutions in relation to the Buyback passed by the Committee of Directors

8. NECESSITY OF THE BUYBACK

8.1 The Company has changed its operations policy during the previous year from “quantity” (or growth in volumes) to “quality” (or growth in profits) by accepting only such contracts which are margin accretive. During the financial year 2012 – 13, the Company has sold its SEZ unit at Gandhinagar due to which there will not be any additional fund requirement for capital expenditure in the SEZ Unit. These steps have made available surplus cash with the Company which has resulted in a favourable liquidity position. The total paid up capital of the Company being Rs. 1,570 lacs appears very large for the size of its operations. Simultaneously, it is observed that there has been an unwarranted deep fall in the market capitalization of the Company. These facts when reviewed against the management’s overall objective of maximization of shareholders wealth, has lead the management to consider buy back of the equity shares of the Company so as to reduce the share capital of the Company and also make an effective utilization of such cash which is in excess of what is needed for regular business operations. The Buyback through the tender offer route gives an option to all the shareholders of the Company, including the promoters, to offer their Equity Shares in the Buyback.

8.2 The Buyback is expected to:

- reduce outstanding number of Equity Shares and consequently increase Earnings Per Share over a period of time;
- effectively utilize surplus cash; and
- make the Balance Sheet leaner and more efficient to improve key return ratios like Return on Net Worth, Return on Assets etc.
9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

9.1 The Buyback is not likely to cause any material impact on the profitability / earnings of the Company.

9.2 Mr. Paresh N. Vasani (who is the only entity forming part of the Promoters and person in control of the Company) has expressed his intention to participate in the Buyback and may offer upto 16,50,000 Equity Shares in the Buyback Offer.

9.3 Presently Promoter and Promoter Group being persons in control i.e. Mr. Paresh N. Vasani, is holding 69.06% of the equity share capital of the Company. Pursuant to the proposed Buy Back and depending on the response to the Buy Back, the voting rights of the Promoters in the Company may increase by more than 5% over the existing 69.06% holding in the total equity capital and voting rights of the Company.

9.4 Pre- Buyback, the aggregate shareholding of the Public in the Company is 30.94% and assuming response to the Buyback, the aggregate shareholding of the Public may reduce post Buyback. The Company and the Promoters have undertaken to comply with the Minimum Public Shareholding requirements even after the Buyback.

9.5 The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

9.6 Consequent to the Buyback and based on the number of Shares bought back from the non-resident shareholders, foreign institutional investors, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change.

9.7 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 as prescribed in the Act, even if the response to the Buyback is to the extent of 100% (Full Acceptance).

9.8 The Buyback is not expected to impact growth opportunities for the Company.

9.9 The Promoter and Promoter Group of the Company shall not deal in the Equity Shares during the period of the Buyback.

9.10 The Company shall not issue any bonus Shares during the period of the Buyback.

9.11 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2013 are as under:

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Pre-Buyback*</th>
<th>Post-Buyback*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Networth (excluding revaluation reserves) (Rs. in lac)</td>
<td>3,535.30</td>
<td>3,385.31</td>
</tr>
<tr>
<td>Return on Networth (excluding revaluation reserves) (%)</td>
<td>(1.29)</td>
<td>(1.35)</td>
</tr>
<tr>
<td>Earnings per Share (Rs.)</td>
<td>(0.29)</td>
<td>(0.33)</td>
</tr>
<tr>
<td>Book Value per Share (Rs.)</td>
<td>22.52</td>
<td>24.49</td>
</tr>
<tr>
<td>P/E as per the latest audited financial results**</td>
<td>N/a</td>
<td>N/a</td>
</tr>
<tr>
<td>Total Debt/Equity Ratio (Total Debt/Networth)</td>
<td>0.19</td>
<td>0.19</td>
</tr>
</tbody>
</table>

* Pre and Post Buyback Calculations are based on financial numbers as on March 31, 2013. The post Buyback numbers are calculated by reducing the net worth as on March 31, 2013 by the proposed Buyback Size (assuming full acceptance) without factoring any impact on the profit & loss account.

**P/E Ratio not applicable as EPS is negative. The market price as on October 30, 2013 is Rs. 4.98 (BSE)

Note: The Post Buyback figures are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance). Simultaneously outstanding Equity Shares (for calculating the EPS) have been calculated by reducing the Maximum Number of Equity Shares from the pre-buy back number of shares.

10. BASIS OF CALCULATING THE BUYBACK PRICE

10.1 The Buyback Price i.e. Rs. 8.00 per Equity Share has been arrived at after taking into account the trends in the market price of the Equity Shares during the last six months prior to the Board Meeting. The closing market price of the Equity Shares on October 18, 2013 being the date of intimation of the date of the Board Meeting for considering the Buy-back was Rs. 4.30 on the BSE Limited.

10.2 The Buyback Price is at discount of about 64.48 % to the book value per Equity Share, which pre-Buyback, as on March 31, 2013, is Rs. 22.52.
10.3 The EPS (excluding Exceptional items) of the Company pre-Buyback as on March 31, 2013 is Rs. (0.29), which will change to Rs. (0.33) post Buyback assuming full acceptance of the Buyback. (Please refer to paragraph 9.11)

10.4 The Return on Networth (excluding Exceptional items) of the Company pre-Buyback as on March 31, 2013 is (1.29)% which will change to (1.35)% post Buyback assuming full acceptance of the Buyback (please refer to paragraph 9.11).

11. SOURCES OF FUNDS FOR THE BUYBACK

11.1 Assuming full acceptance, the funds that would be utilized by the Company for the purpose of Buyback would be Rs. 1,50,00,000 (Rupees One Crore Fifty Lac Only).

11.2 The Company hereby declares that it proposes to meet the fund requirement for the Buy-back through internal accruals.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

12.1 In accordance with Regulation 10 of the Buyback Regulations, an Escrow Agreement dated October 23, 2013 has been entered into between the Company, PL Capital Markets Private Limited and Corporation Bank (‘Escrow Agent’) through Corporate Banking Branch, Ashram Road, Ahmedabad and in accordance with the same the Company has opened an escrow account in the name and style “CSIL - Buyback Offer Escrow Account” bearing account number 048901601000158 in the form of cash deposit of a sum of Rs. 37.50 Lac (Rupees Thirty Seven Lac Fifty Thousand Only) (‘Escrow Amount’) and PL Capital Markets Private Limited being the Manager to the Buyback has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.

12.2 The Company has adequate and firm financial resources to fulfill the obligations under the Buyback Offer and the same has been certified by C.R. Sharedalal & Co., Chartered Accountants having their office at 101-102, Parishram, 5-B, Rashmi Society, Mithakali Six Roads, Navrampura, Ahmedabad- 380 009; Tel. No. 079-26446560; (Firm Registration Number : 10943W) (Membership No : 002571), vide its certificate dated October 29, 2013.

12.3 Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and the Company has the ability to implement the Buyback Offer in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 The present capital structure of the Company is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Pre-Buyback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Share Capital</td>
<td></td>
</tr>
<tr>
<td>1,60,00,000 Equity Shares of Rs.10 each</td>
<td>1,600.00</td>
</tr>
<tr>
<td>Issued, Subscribed and Paid-up Share Capital</td>
<td></td>
</tr>
<tr>
<td>1,57,00,000 Equity Shares of Rs.10 each</td>
<td>1,570.00</td>
</tr>
</tbody>
</table>

13.2 Assuming full acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Post-Buyback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Share Capital</td>
<td></td>
</tr>
<tr>
<td>1,60,00,000 Equity Shares of Rs.10 each</td>
<td>1,600.00</td>
</tr>
<tr>
<td>Issued and Subscribed Share Capital</td>
<td></td>
</tr>
<tr>
<td>1,38,25,000 Equity Shares of Rs.10 each</td>
<td>1,382.50</td>
</tr>
</tbody>
</table>

13.3 There are no partly paid up Shares or outstanding convertible instruments or preferential shares or calls in arrears as on the date of the Public Announcement or this Letter of Offer.

13.4 The aggregate shareholding of Promoter and Promoter Group and of the directors of the Promoters, where the Promoter is a company, being persons who are in control of the Company as on October 25, 2013 being the date of publication of the PA is 1,08,43,180 Equity Shares constituting about 69.06% of the Equity Share capital of the Company. The Post Buyback shareholding of the Promoters and Promoter Group will change to 1,03,67,717 Equity Shares (the details of which are given in paragraph 13(6)) constituting 74.99 % of the post Buyback Equity Share capital.
13.5 Prior to the present Buyback, the Company did not have any buy back programme after the listing of its Equity Shares.

13.6 The shareholding pattern of the Company pre-Buyback, as well as the post Buyback Shareholding, is as shown below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Pre-Buyback</th>
<th>Post Buyback</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>% to the existing Equity Share capital</td>
</tr>
<tr>
<td>Promoters and persons acting in concert (Collectively &quot;the Promoters&quot;)</td>
<td>1,08,43,180</td>
<td>69.06</td>
</tr>
<tr>
<td>Foreign Investors (Including Non Resident Indians, FIIs and Foreign Mutual Funds)</td>
<td>24,36,532</td>
<td>15.52</td>
</tr>
<tr>
<td>Financial Institutions/Banks &amp; Mutual Funds promoted by Banks/Institutions</td>
<td>Nil</td>
<td>0.00</td>
</tr>
<tr>
<td>Others (Public, Public Bodies Corporate etc.)</td>
<td>24,20,288</td>
<td>15.42</td>
</tr>
<tr>
<td>Total</td>
<td>1,57,00,000</td>
<td>100.00</td>
</tr>
</tbody>
</table>

# Assuming full acceptance of Equity Shares in the Buyback from Public as well as the Promoters in the ratio of their entitlement, based on the proportionate method of acceptance.

13.7 The Buyback will be implemented from the shareholders as on Record Date, including that of the Promoters and Promoter Group, being persons who are in control of the Company, who intend to tender upto 16,50,000 Equity Shares in the proposed Buyback.

13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

14. BRIEF INFORMATION OF THE COMPANY

14.1 The Company was incorporated on February 08, 1995 as Circuit Systems (India) Limited under Companies Act 1956. Thereafter on August 1, 2001 the Company was converted into a Private Limited Company and consequently its name was changed to Circuit Systems (India) Private Limited. Subsequently, on October 7, 2005, the Company was reconverted into a public Limited company and its name was changed to Circuit Systems (India) Limited. The registered office of the Company is located at A/1001-1002, 10th Floor, Titanium Square, Thaltej Cross Road, Thaltej, Ahmedabad – 380 054, Gujarat, India. The Corporate Identification Number (CIN) of the Company is L74140GJ1995PLC024524.

14.2 The Company is currently engaged in the business of manufacturing of printed circuit boards (‘PCB’). This activity has been carried out by the Company for more than a decade. The existing manufacturing plant of the Company is located at B-24, GIDC Electronic Estate, Sector-25, Gandhinagar with an annual manufacturing capacity of about 93,000 square meters. The total land area on which the manufacturing plant is located is about 10,000 square meters while its built-up area is 7000 sq meters. The Company has a contract demand of power supply for 1000 KW while its billing demand (connected-load) for power supply from Torrent Power Ltd is of 850 KW. The Company receives water supply from GIDC which is augmented through water available at its own bore-well.

14.2.1 Growth of the Business over a period of time:

CSIL has not been able to attain growth since last few years due to various reasons. The Total Income of the Company has reduced from Rs 38.12 cr in 2010-11 to Rs 31.20 cr in 2011-12 and to Rs 26.36 cr in 2012-13. The market of Printed Circuit Board has completely changed in recent years. Although demand is on the rise, input cost and other overheads are not fully absorbed in sales values and hence there is pressure on margins earned. The Imports from other Asian countries have increased the competition since past few years. The supply chain scenario has worsened in recent past, hence the cost of inputs has risen significantly. Due to such factors and off late the steep Rupee depreciation has impacted the growth of the Company and it could not position itself for volume business and in key segments.

14.2.2 Details of the Listing of the shares of the Company:

The Equity Shares of the Company got listed with Bombay Stock Exchange (now BSE Limited) in the year 2007 and remains listed till date.
### 14.2.3 Capital Build-up of the Equity Share Capital:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Date of Allotment/(Extinguishment) of Shares</th>
<th>No. of Equity Shares Issued /(Extinguished) of Face Value of Rs. 10 each</th>
<th>Reasons of Allotment/ (Extinguishment)</th>
<th>Cumulative paid up capital (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>February 8, 1995</td>
<td>800</td>
<td>Subscription to Memorandum</td>
<td>8,000</td>
</tr>
<tr>
<td>2.</td>
<td>December 11, 1997</td>
<td>14,40,740</td>
<td>Preferential allotment</td>
<td>1,44,15,400</td>
</tr>
<tr>
<td>4.</td>
<td>March 31, 1999</td>
<td>4,10,000</td>
<td>Preferential allotment</td>
<td>7,12,68,780</td>
</tr>
<tr>
<td>5.</td>
<td>March 31, 2000</td>
<td>6,50,000</td>
<td>Preferential allotment</td>
<td>7,77,68,780</td>
</tr>
<tr>
<td>6.</td>
<td>October 3, 2000</td>
<td>20,000</td>
<td>Preferential allotment</td>
<td>7,79,68,780</td>
</tr>
<tr>
<td>7.</td>
<td>October 19, 2001</td>
<td>2,03,122</td>
<td>Preferential allotment</td>
<td>8,00,00,000</td>
</tr>
<tr>
<td>8.</td>
<td>September 30, 2002</td>
<td>(7,94,810)*</td>
<td>buy back by the Company</td>
<td>7,20,51,900</td>
</tr>
<tr>
<td>9.</td>
<td>October 10, 2006</td>
<td>5,50,000</td>
<td>Preferential allotment</td>
<td>7,75,51,900</td>
</tr>
<tr>
<td>10.</td>
<td>February 14, 2007</td>
<td>1,00,000**</td>
<td>Promoter contribution as a part of Initial Public Offer (‘IPO’)</td>
<td>7,85,51,900</td>
</tr>
<tr>
<td>11.</td>
<td>March 30, 2007</td>
<td>4,00,000**</td>
<td>Promoter contribution as a part of IPO</td>
<td>8,25,51,900</td>
</tr>
<tr>
<td>12.</td>
<td>October 27, 2007</td>
<td>37,44,810</td>
<td>IPO</td>
<td>12,00,00,000</td>
</tr>
<tr>
<td>13.</td>
<td>March 31, 2010</td>
<td>37,00,000</td>
<td>Preferential allotment</td>
<td>15,70,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,57,00,000</td>
<td></td>
<td>15,70,00,000</td>
</tr>
</tbody>
</table>

* The Company has bought back 7,94,810 Equity Shares vide special resolution passed at the Extra Ordinary General Meeting dated September 30, 2002 at a price of Rs. 15 per Equity Share from the shareholders as on record date i.e. September 30, 2002 on proportionate basis.

** The Promoters were allotted 5,00,000 Equity Shares against their contribution toward IPO.

### 14.2.4 The Details of the Board of Directors of the Company are as follows:

<table>
<thead>
<tr>
<th>Name, Age and DIN</th>
<th>Designation</th>
<th>Qualifications and Occupation</th>
<th>Date of Appointment/ Reappointment</th>
<th>Other Directorships</th>
</tr>
</thead>
</table>
| Mr. Paresh Vasani Age: 46 Years DIN: 01376786 | Managing Director | BE (Electronics and Communication) and MS (Computer Engineering) | Appointed on February 8, 1995 | • PCB Planet (India) Ltd.  
• Eurocircuits India Ltd. |
| Mr. Ambalal Patel Age: 69 Years DIN: 00037870 | Independent Director | BE (Metallurgy) | Appointed on December 5, 2005 and reappointed on September 29, 2012. | • Jindal Hotels Limited  
• S A L Steel Limited  
• Vishal Malleables Limited  
• Sumeru Industries Limited  
• Laffans Petrochemicals Limited  
• Ajmera Reality & Infra India Limited  
• Karnavati Hospital Pvt. Ltd.  
• Chiripl Industries Limited  
• Nandan Denin Limited  
• Shree Precoated Steels Limited  
• CIIL Nova Petrochemical Limited |
| Mr. Jayesh Shah Age: 48 Years DIN: 02559296 | Independent Director | B.Com, Diploma in Taxation Practice | Appointed on December 3, 2011 and reappointed on September 29, 2012. | • PCB Planet (India) Ltd.  
• Eurocircuits India Ltd.  
• PCB Power (India) Limited |
14.2.5 The details of changes in the Board of Directors during the last 3 years are as under:

<table>
<thead>
<tr>
<th>Name</th>
<th>Appointment / Resignation</th>
<th>Effective Date</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Niranjan R. Dave</td>
<td>Resignation</td>
<td>28/09/2011</td>
<td>Resigned as Non Executive and Independent Director</td>
</tr>
<tr>
<td>Mr. Sharad R. Shah</td>
<td>Resignation</td>
<td>28/09/2011</td>
<td>Resigned as Executive and Non-Independent Director</td>
</tr>
<tr>
<td>Mrs. Jasmin P. Vasani</td>
<td>Appointment</td>
<td>03/12/2011</td>
<td>Appointment as Executive and Non-Independent Director</td>
</tr>
<tr>
<td></td>
<td>Resignation</td>
<td>11/12/2012</td>
<td>Resigned as Executive and Non-Independent Director</td>
</tr>
<tr>
<td>Mr. Jayesh Shah</td>
<td>Appointment</td>
<td>03/12/2011</td>
<td>Appointment as Non Executive and Independent Director</td>
</tr>
<tr>
<td>Mr. Chetan Panchal</td>
<td>Appointment</td>
<td>03/12/2011</td>
<td>Appointed on December 3, 2011 as an additional Director</td>
</tr>
<tr>
<td>Mr. Somabhai H Patel</td>
<td>Resignation</td>
<td>08/02/2012</td>
<td>Resigned as Executive and Non-Independent Director</td>
</tr>
<tr>
<td>Mr. Dilip Vyas</td>
<td>Resignation</td>
<td>08/02/2012</td>
<td>Resigned as Non Executive and Independent Director</td>
</tr>
<tr>
<td>Mr. Ishwar H. Patel</td>
<td>Resignation</td>
<td>08/02/2012</td>
<td>Resigned as Non Executive and Independent Director</td>
</tr>
<tr>
<td>Mr. Anil T. Patel</td>
<td>Resignation</td>
<td>08/02/2012</td>
<td>Resigned as Executive and Non-Independent Director</td>
</tr>
<tr>
<td>Mr. Magan H. Patel</td>
<td>Resignation</td>
<td>08/02/2012</td>
<td>Resigned as Executive and Non-Independent Director</td>
</tr>
</tbody>
</table>

14.2.6 The Buyback will not result in any benefit to any Promoters, Promoter Group being in control of the Company or to any director or to any group company except to the extent of their intention to participate in the Buyback Offer and the change in their shareholding as per the response received in the Buyback Offer as a result of the cancellation of Equity Shares which will lead to a reduced Equity Share capital post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company, as extracted from the audited results for the last three financial years and unaudited results for six months ended September 30, 2013 is given below:

(Rs. in Lacs)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For six Months ended September 30, 2013 (Unaudited)</th>
<th>For the year ended March 31, 2013 (Audited)</th>
<th>For the year ended March 31, 2012 (Audited)</th>
<th>For the year ended March 31, 2011 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income</td>
<td>1,260.68</td>
<td>2,636.20</td>
<td>3,120.46</td>
<td>3,812.66</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>1,119.62</td>
<td>2,395.04</td>
<td>2,769.62</td>
<td>3,524.61</td>
</tr>
<tr>
<td>Interest</td>
<td>40.63</td>
<td>144.02</td>
<td>154.07</td>
<td>96.43</td>
</tr>
<tr>
<td>Depreciation</td>
<td>77.71</td>
<td>144.95</td>
<td>154.10</td>
<td>156.23</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>22.72</td>
<td>(47.81)</td>
<td>42.67</td>
<td>35.39</td>
</tr>
<tr>
<td>Provision for tax (including Deferred Tax)</td>
<td>(1.86)</td>
<td>(2.16)</td>
<td>2.67</td>
<td>52.05</td>
</tr>
<tr>
<td>Profit / (Loss) after tax</td>
<td>24.58</td>
<td>(45.65)</td>
<td>40.00</td>
<td>(16.66)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>-</td>
<td>(360.85)</td>
<td>-</td>
<td>37.01</td>
</tr>
<tr>
<td>Profit / (Loss) after tax and exceptional items</td>
<td>24.58</td>
<td>(406.50)</td>
<td>40.00</td>
<td>20.35</td>
</tr>
<tr>
<td>Equity Share capital</td>
<td>1,570.00</td>
<td>1,570.00</td>
<td>1,570.00</td>
<td>1,570.00</td>
</tr>
<tr>
<td>Reserve &amp; Surplus*</td>
<td>1,989.88</td>
<td>1,965.31</td>
<td>2,417.46</td>
<td>2,377.46</td>
</tr>
<tr>
<td>Net worth*</td>
<td>3,559.88</td>
<td>3,535.31</td>
<td>3,987.46</td>
<td>3,947.46</td>
</tr>
<tr>
<td>Total Debt (excluding working capital loans)</td>
<td>-</td>
<td>-</td>
<td>534.08</td>
<td>34.55</td>
</tr>
</tbody>
</table>

* excluding revaluation reserves and miscellaneous expenditure to the extent not written off
15.2 Financial Ratios for the last three financial years and for six months ended September 30, 2013 are as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the period Six months ended September 30, 2013 (Unaudited)</th>
<th>For the year ended March 31, 2013 (Audited)</th>
<th>For the year ended March 31, 2012 (Audited)</th>
<th>For the year ended March 31, 2011 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per Share (Rs.)</td>
<td>0.16*</td>
<td>0.25</td>
<td>0.26</td>
<td>0.38</td>
</tr>
<tr>
<td>Debt Equity Ratio (Total Debt / Networth)</td>
<td>0.18</td>
<td>0.19</td>
<td>0.26</td>
<td>0.38</td>
</tr>
<tr>
<td>Book Value (Rs. per Share)</td>
<td>22.67</td>
<td>22.52</td>
<td>25.40</td>
<td>25.14</td>
</tr>
<tr>
<td>Return on Networth (%)</td>
<td>0.69*</td>
<td>(1.29)</td>
<td>1.00</td>
<td>(0.42)</td>
</tr>
</tbody>
</table>

* Not annualized

15.3 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Section 77A (2) (c), (d), 77B (1) 77B (2) of the Act.

16. STOCK MARKET DATA

16.1 The Company’s Equity Shares are listed only on BSE Limited. The high, low and average market prices in preceding three calendar years and the monthly high, low and average market prices for the six months preceding the date of Public Announcement and the corresponding volumes on BSE are as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>High Price (Rs.)</th>
<th>Date of High Price and No. of shares traded on that date</th>
<th>Low Price (Rs.)</th>
<th>Date of Low Price and No. of shares traded on that date</th>
<th>Average Price (Rs.)</th>
<th>Total Volume Traded in the period (No. of Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preceding 3 Years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calendar Year 2010</td>
<td>17.30</td>
<td>05/07/2010 (9,550)</td>
<td>9.00</td>
<td>03/12/2010 (2,066)</td>
<td>13.45</td>
<td>6,90,559</td>
</tr>
<tr>
<td>Calendar Year 2011</td>
<td>15.85</td>
<td>03/11/2011 (3,910)</td>
<td>7.20</td>
<td>01/04/2011 (1,856)</td>
<td>11.55</td>
<td>56,05,733</td>
</tr>
<tr>
<td>Calendar Year 2012</td>
<td>10.50</td>
<td>25/01/2012 (400)</td>
<td>6.36</td>
<td>06/09/2012 (750)</td>
<td>8.33</td>
<td>1,66,534</td>
</tr>
<tr>
<td>Preceding 6 Months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 2013</td>
<td>4.15</td>
<td>30/09/2013 (2,659)</td>
<td>3.60</td>
<td>18/09/2013 (200)</td>
<td>3.76</td>
<td>7733</td>
</tr>
<tr>
<td>August 2013</td>
<td>4.01</td>
<td>23/08/2013 (200)</td>
<td>3.81</td>
<td>30/08/2013 (900)</td>
<td>3.91</td>
<td>2,783</td>
</tr>
<tr>
<td>July 2013</td>
<td>4.45</td>
<td>12/07/2013 (200)</td>
<td>4.02</td>
<td>22/07/2013 (67)</td>
<td>4.23</td>
<td>367</td>
</tr>
<tr>
<td>June 2013</td>
<td>5.04</td>
<td>14/06/2013 (300)</td>
<td>4.46</td>
<td>19/06/2013 (22)</td>
<td>4.67</td>
<td>1,777</td>
</tr>
<tr>
<td>May 2013</td>
<td>5.25</td>
<td>15/05/2013 (900)</td>
<td>4.57</td>
<td>28/05/2013 (100)</td>
<td>4.93</td>
<td>5,102</td>
</tr>
<tr>
<td>April 2013</td>
<td>5.74</td>
<td>22/04/2013 (100)</td>
<td>4.69</td>
<td>1/04/2013 (500)</td>
<td>5.33</td>
<td>2,271</td>
</tr>
<tr>
<td>March 2013</td>
<td>5.75</td>
<td>05/03/2013 (2,250)</td>
<td>4.62</td>
<td>15/03/2013 (701)</td>
<td>5.18</td>
<td>8,569</td>
</tr>
</tbody>
</table>

(Source: www.bseindia.com)

16.2 The closing market price of the Equity Shares on October 22, 2013 being the last trading date before the date of the Board Meeting was Rs.3.90 on BSE, being the only Stock Exchange where the Equity Shares are listed. The closing market price on the date of Board meeting i.e. October 23, 2013, was Rs. 4.09 on BSE. The closing market price of the Equity Shares on October 24, 2013 being the immediate next trading day after the date of Board Meeting was Rs. 4.29 on BSE.
17. DETAILS OF THE STATUTORY APPROVALS

17.1 The Buyback is subject to approval, if any required, under the provisions of the Act, the Regulations and/or such other applicable rules and regulations in force for the time being.

17.2 Non-Resident Indians (‘NRI’) and erstwhile Overseas Corporate Bodies (‘OCB’) must obtain approval required, if any, to tender the Equity Shares held by them in this Buyback Offer (including without limitation the approval from the RBI). The Company will have the right to make payment to the shareholders in respect of whom no prior RBI approval is required and not accept Shares from the shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

17.3 In case of delay in receipt of the RBI approval, the Company has the option to make payment to those shareholders, whose Shares are accepted in the Buyback, in respect of whom no RBI approval is required. After the receipt of RBI approval, the payment shall be made to the shareholders in respect of whom prior RBI approval is required.

17.4 As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory / regulatory approvals are delayed, changes to the proposed timetable of the Buyback, if any, shall be intimated to the BSE.

18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES

18.1 REGISTRAR TO THE BUYBACK:
Cameo Corporate Services Ltd.,
Unit: Circuit Systems (India) Limited - Buy Back,
Address: Subramanian Building, No.1, Club House Road, Chennai – 600 002;
Tel: +91 - 44 - 2846 0390; Fax: +91 - 44 - 2846 0129;
Email: investor@cameoindia.com;
Contact Person: Ms. Sreepriya K

18.2 COLLECTION CENTRES:
The tender forms can be submitted on any working day during the period of the Buyback Offer i.e. from [*] to [*] (both days inclusive), except Saturday, Sundays & Public Holidays, at collection centres mentioned in below table between 10.00 AM to 5.00 PM. The shareholders should send the tender form and relevant documents to the Registrar to the Buyback by mode of delivery mentioned in below table:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>City</th>
<th>Contact Person</th>
<th>Address</th>
<th>Telephone/email/fax</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ahmedabad</td>
<td>Mr. M Bala Subramanian</td>
<td>Cameo Corporate Services Limited, C/o. Shree Vidhya Consultancy, No.4, II Floor, Prasiddhi Complex-1, Opp.: Ambedkar Hall, Saraspur, Ahmedabad – 380018</td>
<td>Ph: 079-22920024 <a href="mailto:bhavani0811@gmail.com">bhavani0811@gmail.com</a></td>
<td>Hand delivery</td>
</tr>
<tr>
<td>2</td>
<td>Chennai</td>
<td>Ms. K Sreepriya</td>
<td>Cameo Corporate Services Limited, Subramanian Building, V floor, No. 1, Club House Road, Chennai – 600002</td>
<td>Ph:044-2846 0390/ 1989 <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> Fax: 044-2846 0129</td>
<td>Post and Hand delivery</td>
</tr>
<tr>
<td>3</td>
<td>Mumbai</td>
<td>Mr. Ashish Binsale</td>
<td>Cameo Corporate Services Limited, 304, Sai Sadan, 76-78 Mody Street, Fort, Mumbai – 400001</td>
<td>022-2264 4325 <a href="mailto:ashish@cameoindia.com">ashish@cameoindia.com</a> Fax :022-2264 4325</td>
<td>Hand delivery</td>
</tr>
</tbody>
</table>

Note: Shareholders residing at a location where there is no collection centre, as also Shareholders in cities where there are collection centres, may also send the tender form by registered post to Registrar to Buyback i.e. Cameo Corporate Services Limited, at the Chennai address given above by super-scribing the envelope as “CSIL - BUYBACK”. The tender form should reach Registrar to Buyback before 5.00 PM on [*], failing which the same will be rejected.
19. PROCESS AND METHODOLOGY FOR THE BUYBACK

a) The Company proposes to buy back up to a maximum of 18,75,000 Equity Shares from the shareholder(s) / beneficial owner(s) of Equity Shares on Record Date through the Tender Offer route in accordance with Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act 1956, Sections 68, 69 & 70 of the Companies Act, 2013 and the Buyback Regulations at a price of Rs. 8.00 per Equity Share payable in cash for an aggregate amount of Rs. 1,50,00,000 (Rupees One Crore Fifty Lac Only). The Buyback Size represents 4.25% of the share capital and free reserves of the Company as on March 31, 2013. The maximum number of Equity Shares proposed to be bought back is 18,75,000 Equity Shares of Rs. 10 each, being 11.95% of the total paid up Equity capital of the Company.

b) Mr Paresh N Vasani, being the only person in the Promoter and Promoter Group and also being the person in control, has expressed his intention to participate in the Buyback and offer upto an aggregate maximum of 16,50,000 Equity Shares held by him as on the Record Date. The aggregate shareholding of the Promoters and Promoter Group being the persons in control is 1,08,43,180 Equity Shares i.e. 69.06% of the existing Equity Share capital of the Company. Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the aggregate shareholding of the Promoter post Buyback will increase to 74.99% of the post Buyback Equity Share capital of the Company.

c) Record Date and Ratio of Buyback as per the entitlement in each Category:

- The buyback committee of the Board of Directors in its meeting held on October 25, 2013 announced November 8, 2013 as the Record Date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the proposed Buyback Offer.

- The Shares to be bought back as a part of this Buyback Offer are divided into two categories:
  (a) Reserved category for Small Shareholders, and
  (b) The General Category for other shareholders

- As defined in the Buyback Regulations, Small Shareholder includes a shareholder, who holds Shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than two lakh rupees. As on Record Date, the closing price on BSE was Rs. [•].

- Based on the above definition, there are [•] Small Shareholders with aggregate shareholding of [•] Shares, as on the Record Date, which constitutes [•]% of the outstanding number of Equity Shares and [•]% of the Maximum Number of Equity Shares which the Company proposes to buy back as a part of this Buyback Offer.

- Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the Maximum Number of Equity Shares which the Company proposes to buy back as part of this Buyback Offer i.e. 15% of 18,75,000 Equity Shares is [•] (Rounded off) Equity Shares have been reserved for Small Shareholders.

- Accordingly, General Category for other shareholders shall consist of [•] Equity Shares.

- Based on the above entitlements, the ratio of Buyback for both categories is decided as below:

<table>
<thead>
<tr>
<th>Category of shareholders</th>
<th>Ratio of Buyback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved category for Small Shareholders</td>
<td>[•] Equity Shares for every [•] Equity Shares held on the Record Date</td>
</tr>
<tr>
<td>General category of other shareholders</td>
<td>[•] Equity Shares for every [•] Equity Shares held on the Record Date</td>
</tr>
</tbody>
</table>

- **Fractional Entitlements:**

  a. **Reserved Category for Small Shareholders:**

  For Equity Shares proposed to be bought back by the Company under this Buyback Offer, if the number of Shares held by any of the Small Shareholders in the Reserved Category is less than [•] Equity Shares or is not in multiple of [•], the fractional entitlement of such Small Shareholders shall be ignored for computation of their entitlement to tender Shares in the Buyback Offer. On account of ignoring the fractional entitlement, those Small Shareholders who are entitled to tender zero Equity Share in the Buyback Offer will be dispatched a Form of Acceptance-cum-Acknowledgement with zero entitlement. In case there are any Shares left to be bought back in the Reserved Category for Small Shareholders, such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer. Such Small Shareholders will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares as part of the Buyback Offer.
b. **General Category of other shareholders:**

For Equity Shares proposed to be bought back under this Buyback Offer, if the shareholding of any of the shareholders in General category is not in multiple of \([\star]\), the fractional entitlement of such shareholders shall be ignored for computation of entitlement in this Buyback Offer.

d) **Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

1. Full Acceptance of Equity Shares from Small Shareholders in the Reserved Category for Small Shareholders who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.

2. Post the acceptance as described in Clause 19.d.1 above, in case there are any Shares left to be bought back in the Reserved Category for Small Shareholders, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered additional Shares as part of the Buyback Offer, shall be given preference and one Share each from the Additional Shares applied by these Small Shareholders shall be bought back in the Reserved Category.

3. Post the acceptance as described in Clause 19.d.2 above, in case there are any Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by the other shareholders i.e. valid acceptances per other shareholder shall be equal to the Additional Equity Shares validly tendered by the other shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Shares to be accepted in General Category.

4. Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.d.3 above:

   - For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

   - For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

e) **Basis of Acceptance of Shares validly tendered in the General Category for other shareholders:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the other shareholders in the General Category in the following order of priority:

1. Full Acceptance of Equity Shares from other shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.

2. Post the acceptance as described in Clause 19.e.1 above, in case there are any Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Shares to be accepted in General Category.

3. Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.e.2 above:

   - For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

   - For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.
f) **Basis of Acceptance of Shares between categories**

1. In case there are any Shares left to be bought back in one category (‘Partially filled Category’) after acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately i.e. valid acceptances per shareholder from such Additional Equity Shares shall be equal to the Additional outstanding Shares validly tendered by a shareholder in the second category divided by the total Additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Shares to be bought back in the Partially filled Category.

2. If the Partially filled Category is the General Category for other shareholders and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Share has been accepted in accordance with Clause 19.d.2, shall be reduced by one.

3. Adjustment for fraction results in case of proportionate acceptance, as defined in Clause 19.f.1 above:
   - For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
   - For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

4. For avoidance of doubt, it is clarified that the Shares accepted under the Buyback from each shareholder, in accordance with Clause 19.c, 19.d, 19.e and 19.f above, shall not exceed the number of Shares tendered by the respective shareholder, and will not exceed the number of Shares held by the respective shareholder, as on the Record Date.

5. For the avoidance of doubt, it is clarified that the Equity Shares tendered by any shareholder over and above the number of Shares held by such shareholder as on the Record Date shall not be considered for the purpose of acceptance in accordance with Clause 19.c, 19.d, 19.e and 19.f above.

**20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT**

1. The Buyback is open to all Eligible Person(s) holding Equity Shares as on the Record Date.

2. The Company shall comply with Regulation 19(5) of the Regulations which states that the Company shall not buy back the locked-in Shares and non-transferable Shares till the pendency of the lock-in or till the Shares become transferable. As on the date of the Letter of Offer, there are no Shares which are locked-in or are non-transferable.

3. The Company proposes to effect the Buyback through a tender offer, on a proportionate basis.

4. The Buyback shall be open for the period as shown in the proposed timeline. The shareholders who propose to tender in the Buyback must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5.00 p.m. on the date of closure of the Buyback. The shareholders must also ensure that the credit of dematerialized Shares in the Company Depository Account must take place before 5:00 pm on the date of closure of the Buyback.

5. A Letter of Offer and Form of Acceptance-cum-Acknowledgement, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Regulations, will be mailed to shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Shares as per the records of National Securities Depository Limited / Central Depository Services (India) Limited, on the Record Date. The Letter of Offer will be sent to shareholders so as to reach them before the date of opening of the Buyback.

6. The Company will consider all the Shares validly tendered for the Buyback by shareholders, for acceptance under the Buyback.

7. Shareholders may submit the Form duly signed (by all shareholders in case the Shares are in joint names) at the specified collection centres along with the share certificate(s) / copy of DP instruction slip and other relevant documents as specified in the Letter of Offer. Multiple applications tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.
8. Shareholders may offer in the Buyback their full holding or any part of their holding of Shares of the Company, as they desire.

9. The Company will not accept any Equity Shares offered for buy back which are under lock-in or where there exists any restraint order of a Court for transfer / disposal / sale or where loss of share certificates has been notified to the Company or where the title to the Shares is under dispute or otherwise not clear or where any other restraint subsists.

10. Where the Form is signed under Power of Attorney or by Authorized Signatory(ies) on behalf of a company / body corporate, the Power of Attorney/Signing Authority along with the specimen signatures must have been previously registered with the Company. The registration serial number of such documents should be mentioned below the relevant signature. Where the relevant document is not so registered, a copy of the same duly certified by a Notary / Gazetted Officer should be enclosed with the Form.

11. In case one or more of the joint holders is deceased, the Form must be signed by all surviving holder(s) and submitted along with a certified or attested true copy of the Death Certificate(s). If the sole shareholder is deceased, the Form must be signed by the legal representatives of the deceased and submitted along with the certified or attested true copy of Probate / Letters of Administration / Succession Certificate and all other relevant documentation while tendering their Shares in the Buyback.

12. Where a joint shareholder is deceased, the Shares will be consolidated with the Shares, if any, held and tendered by the surviving shareholder(s) for the purpose of reckoning the aggregate number of Shares to be bought back from the surviving shareholders.

13. In case of any lacunae and / or defect, incomplete information, late receipt or modifications in the documents / Forms submitted, the Form(s) are liable to be rejected.

14. All the shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form is being sent. Such documents may include (but not be limited to):

   - No objection certificate from any lender, if the Shares in respect of which the Form is sent, were under any charge, lien or encumbrance.
   - Duly attested Power of Attorney, if any person other than the shareholder has signed the Form.
   - In case of companies, the necessary certified corporate authorizations (including board of directors and/or general meeting resolutions).

15. It is mandatory for the shareholders to indicate the bank account where consideration will be payable at the appropriate place in the Form.

16. Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any person who is eligible to receive the Letter of Offer, shall not invalidate this Buyback Offer in any way.

17. In case of non-receipt of the Letter of Offer / Form:

   a. In case the Shares are in dematerialized form: An eligible shareholder may send an application in writing on plain paper stating name, address, number of Shares held, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered in the Buyback, bank account particulars for the payment of the Buyback consideration etc., enclosing a photocopy of the delivery instruction in “Off-market” duly acknowledged by the DP, in favour of the Company Depository Account and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5.00 pm on the date of closure of the Buyback. Shareholders must also ensure that credit of dematerialized Shares in the Company Depository Account must take place on or before the date of closure of the Buyback.

   b. In case the Shares are in physical form: An eligible shareholder may send an application in writing on a plain paper signed by shareholder or all shareholders, in case of joint shareholders, stating name, address, folio number, number of Equity Shares held, certificate number, number of Equity Shares tendered in the Buyback and the distinctive numbers thereof, bank account particulars for payment of consideration, etc. enclosing the original share certificate(s), copy of shareholders’ PAN card and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5.00 pm on the date of closure of the Buyback.
18. For Shares held in the dematerialised form by eligible shareholders

a. The Company has designated a depository account named “CAMEO CORPORATE SERVICES LTD ESCROW A/C CSIL BUYBACK” with Stock Holding Corporation of India Ltd. in NSDL (‘Company Depository Account’). The beneficial owners are required to execute an off-market trade by submitting the Delivery Instructions for debiting his/her beneficiary account with their concerned Depository Participant (‘DP’). The date of execution entered in the delivery instruction should be on or after the date of opening of the Buyback and on or before the last date of submission of the Form to the collection centers or on or before mailing the Form to the Registrar to the Buyback as the case may be, but not later than 5.00 p.m. on the date of closure of the Buyback. A photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions duly acknowledged by their DP shall be attached to the Form while submitting the same. The beneficial owner may note that the Delivery Instructions to be made to their Depository Participant should be in the “Off-market trade” mode, and as per the details provided below:

<table>
<thead>
<tr>
<th>DP Name</th>
<th>Stock Holding Corporation of India Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP ID Number</td>
<td>IN301080</td>
</tr>
<tr>
<td>Beneficiary Account Name</td>
<td>CAMEO CORPORATE SERVICES LTD ESCROW A/C CSIL BUYBACK</td>
</tr>
<tr>
<td>Beneficiary Account No. /Client ID</td>
<td>22835786</td>
</tr>
<tr>
<td>Market</td>
<td>Off-Market</td>
</tr>
<tr>
<td>Execution Date</td>
<td>On or before [*]</td>
</tr>
</tbody>
</table>

Please note that the Shares cannot be allowed to be credited in the aforementioned account after the end of the day on the date of closure of the Buyback. Beneficial owners are requested to ensure the credit of their Shares to the aforementioned account before the date of closure of the Buyback.

b. The ISIN of the Company is INE720H01010. Shareholders having their beneficiary account in CDSL will have to use inter-depository instructions slip for the purpose of crediting their Shares in favour of the Company Depository Account.

c. If the Registrar to the Buyback does not receive the documents listed in the Letter of Offer by 5.00 p.m. on the date of closure of the Buyback, then, notwithstanding the credit of the Shares in the Company Depository Account, the Company will have the right to reject such Shares tendered. Conversely, if the Shares are not credited to the Company Depository Account by 5.00 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the Form alongwith relevant documents by the Registrar to the Buyback by or before 5.00 pm on the date of closure of the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.

d. In the event, that any Shares have to be returned to the shareholders and if the returned Shares are not credited to the shareholder’s beneficiary account for any reason whatsoever, the said Shares will be rematerialized and kept in physical form with the Company in trust for the shareholders until the Company receives specific directions from the respective shareholder(s) with regard to those Shares.

e. The Company shall accept / return the tendered Shares from the Eligible Persons in the following manner:

- In case all the Shares tendered in the Buyback are accepted by the Company, the consideration will be paid to the concerned shareholder as specified earlier.

- In case all the Shares tendered in the Buyback are not accepted by the Company, then the Shares held in dematerialized form, to the extent not accepted for the Buyback will be returned to the beneficial owner to the credit of the beneficial owner’s depository account with their respective DP as per details furnished by the beneficial owner in the Form / as per those received electronically from the shareholder’s DP, under intimation to the first named beneficial owner by Registered /Speed Post. The Shares shall be returned back within the time period as permissible under the Regulations. In the event that there is a conflict between the details provided in the Form and those received electronically from the shareholder’s DP, the details received electronically shall prevail. However, the Shares so received are liable to be rejected and returned to the depository account as per the details provided electronically by the shareholder’s DP.

19. For Shares held in the Physical form by eligible shareholders

a. Eligible shareholders holding Shares in physical form are required to enclose a copy of the PAN card and the original share certificate(s) while submitting the Form(s).
b. Shares held in physical form to the extent not accepted in the Buyback will be returned to them after suitable splitting of share certificates, if any, in order to facilitate acceptance of share certificates tendered by them, through Registered/Speed Post at the shareholders’ sole risk.

c. If the Registrar to the Buyback does not receive the documents listed above by 5.00 pm on the Date of Closure of the Buyback, then, notwithstanding the receipt of the share certificates, the Company has right to reject such Shares and the share certificates shall be returned to such shareholder within the time period as permissible under the Regulations. Also, if the share certificates are not received by the Registrar to the Buyback by 5.00 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the Form along with the relevant documents by the Registrar to the Buyback on or before 5.00 pm on the date of closure of the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.

20. For Shares held by Non-resident shareholders

a. Non-resident shareholders (excluding FII) should also enclose a copy of the permission received by them from RBI if applicable, to acquire the Shares held by them.

b. In case the Shares are held on repatriation basis, the non-resident shareholder should obtain and enclose a letter from its authorized dealer/bank confirming that at the time of acquiring the said Shares, payment for the same was made by the non-resident shareholder from the appropriate account as specified by RBI in its approval or from out of funds remitted from outside India. In case the non-resident shareholder do not produce the said certificate, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the Shares accepted under the Buyback.

c. If any of the above stated documents, as applicable, are not enclosed along with the Form, the Shares tendered under the Buyback are liable to be rejected.

21. Settlement Procedure:

Subject to Clause 17 of the Letter of Offer, the Company will pay the consideration to the shareholders, in respect of the Shares bought back within seven working days of the date of closing of the Buyback i.e. [•], in accordance with the Regulations, as under:

1) The payment of consideration for accepted Shares shall be made by the Company to the sole / first shareholder, the details of which are recorded with the Company / DP as applicable. Payment shall be made electronically through National Electronic Clearing Service (‘NECS’) (subject to availability of all information for crediting the funds), Direct Credit, Real Time Gross Settlement (‘RTGS’), National Electronic Fund Transfer (‘NEFT’), other modes as may be opted in the Form. For physical Shares/all other cases other than above, through Demand drafts / Pay Order/similar instruments payable at par at all the centres where the Company is accepting applications. In the event that the amount payable to a shareholder exceeds Rs. 1,500, the instrument for such payment shall be sent by registered/speed post.

2) In order to avail NECS, shareholders holding Shares in physical form are requested to submit the NECS mandate form duly filled in and signed while submitting the Form if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agents or there is a change in bank account details. Shareholders holding Shares in dematerialized form are requested to instruct their respective DP regarding bank accounts in which they wish to receive consideration before the close of the Buyback. The Company / Registrar & Share Transfer Agents will not act on any direct request received from shareholders holding Shares in dematerialized form for change / deletion of such bank details.

3) The payment to the shareholders would be done through various electronic modes including but not restricted to the below in the following order of preference as may be applicable.

- National Electronic Clearing System (‘NECS’) - By NECS for shareholders having a bank account at the designated centers. This mode of payment of consideration amount would be subject to availability of complete bank account details including the MICR code, IFSC code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. Payment would be done through NECS for shareholders having an account at any of the designated centres. The payment through NECS is mandatory for shareholders having a bank account at any of the designated centres, except where the shareholder, being eligible, opts to receive payment through Direct Credit or RTGS.
- Direct Credit - Shareholders having bank accounts with the Escrow Agent, as mentioned in the Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Agent for the same would be borne by the Company.

- Real Time Gross Settlement (‘RTGS’) - Shareholders having a bank account at any of the RBI mandated centers and whose amount exceeds Rs. 2 Lac, have the option to receive the payment through RTGS. Such eligible shareholders who indicate their preference to receive payment through RTGS are required to provide the Indian Financial System Code (‘IFSC’) code in the Form. In the event the same is not provided, payment shall be made through NECS/other modes. Charges, if any, levied by the Shareholder’s bank receiving the credit would be borne by the Shareholder.

- National Electronic Fund Transfer (‘NEFT’) - Payment shall be undertaken through NEFT wherever the shareholder’s bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the shareholder through this method. The payments by way of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

4) The Shares lying to the credit of the Company Depository Account will be extinguished in the manner specified in the Regulations.

5) All documents sent by shareholders and all remittances to shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

21. NOTE ON TAXATION

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Following is the extract of the view on “applicable sections of Income Tax Act, 1961 relating to treatment of income tax in case of Buyback of Shares” given by Jigar Shah & Associates, Chartered Accountants vide their letter dated October 23, 2013.

Shares can be classified under the following two categories:

- Shares held as **investment** (Taxable under the head “Capital Gains”)
- Shares held as **stock-in-trade** (Taxable under the head “Business Income”)

1.1 Based on the provisions of the Income Tax Act, 1961 (‘IT Act’) shareholders can be classified under the following categories:

a. **Resident shareholders** being
   - Individuals, HUF, AOP and BOI
   - Others

b. **Non resident shareholders** being
   - Non-Resident Indians (NRIs)
   - Foreign Institutional Investors (FIIs)
   - Others
     - Company
     - Other than Company

2.0 SHARES HELD AS INVESTMENT:

2.1 Capital Gains on buyback of shares are governed by the provisions of section 46A of the IT Act. As per the provisions of section 46A, buyback of shares would attract capital gains in the hands of shareholders subject to the provisions of section 48 of the IT Act.
2.2.0 Resident Shareholders:

2.2.1 For Individuals, HUF, AOP and BOI, Long Term Capital Gains (‘LTCG’) is taxable at **lower of following:**
- @ 20% (with indexation)
- @ 10% (without indexation)

For Individuals, HUF, AOP and BOI, Short Term Capital Gains (STCG) is taxable at applicable slab rates.

2.2.2 In any other case of persons except those mentioned in 2.2.1 above, **LTCG** would be taxable at **lower of following:**
- @ 20% (with indexation)
- @ 10% (without indexation)

Further, **STCG** in these cases would be taxable @ 30%.

2.2.3 In addition, surcharge at the rate of 5% is leviable in case of **companies** if the total income exceeds Rs. 1 crore subject to marginal relief.

Education Cess at the rate of 2% and Secondary and Higher Education Cess at the rate of 1% is leviable in all cases.

2.2.4 The payments made by a company to any person resident in India on buyback of its shares in terms of Section-77A of the Companies Act, 1956 is not liable to deduction of tax at source, hence the Company will not deduct any tax on any payments made to persons resident in India pursuant to the said buyback.

2.3.0 Non-resident shareholders:

2.3.1 For **NRIs**, **LTCG** would be leviable under Section 115E of the IT Act at the rate of 10% (without indexation benefit). However, for section 115E of IT Act to apply, it is imperative that the transaction is in foreign currency. **STCG** would be taxable at slab rates.

In case the transaction is not in foreign currency, then the provisions of section 115E of IT Act would not apply. In such cases **LTCG** would be taxable @ 20% (after indexation) or 10% (without indexation), whichever is lower. It may further be stated that for the purpose of computation of LTCG, the benefit of basic exemption limit would not be allowed in case of NRIs. Further, **STCG** would be taxed at slab rates.

2.3.2 In case of **FIIs**, both **LTCG** and **STCG** would be taxable in accordance with section 115AD of the IT Act at the rate of 10% and 30% respectively.

It may further be noted that for FIIs, both first as well as second proviso to section 48 of the IT Act would not apply.

2.3.3 In case of **Foreign Companies**, **LTCG** would be taxable @ 20% (without indexation) where transaction is in foreign currency. However, if transaction is not in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of 20% (with indexation) and 10% (without indexation). Further, **STCG** would be taxable @ 40%.

2.3.4 In case of all non-resident assesses except those mentioned in 2.3.1, 2.3.2 and 2.3.3 above, **LTCG** would be taxable @ 20% (without indexation) where transaction is in foreign currency. However, if transaction is not in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of 20% (with indexation) and 10% (without indexation). **STCG** would be taxable as per the slab rates or maximum marginal rate as applicable.

2.3.5 In addition, surcharge at the rate of 2% is leviable in case of **foreign companies** if the total income exceeds Rs. 1 crore subject to marginal relief.

Education Cess at the rate of 2% and Secondary and Higher Education Cess at the rate of 1% is leviable in all cases.

3.0 SHARES HELD AS STOCK IN TRADE:

3.1 If the shares are held as stock in trade by any of the shareholders, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the IT Act would not apply.

3.2 For resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.

3.3 For resident persons other than individuals, HUF, AOP, BOI profits would be taxable at the rate of 30%
3.4 No benefit of indexation by virtue of period of holding would be available in any case.

3.5 For non-residents, taxability of profits as business income would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreements (‘DTAA’).

3.6 In case no DTAA provisions are applicable, then for non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates and in case of foreign companies, profits would be taxed in India at the rate of 40%.

3.7 Surcharge would be applicable in case of domestic companies @ 5% and in case of foreign companies @ 2% in case the total income exceeds Rs. 1 Crore subject to marginal relief. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% would be applicable in all cases.

4.0 Notes

4.1 In the case of non-resident shareholders, first proviso to section 48 of IT Act would apply only in case the transactions are in foreign currency.

4.2 There are conflicting views on the applicability of second proviso of section 112 of IT Act (beneficial rate of 10% when indexation is not applied) in case where first proviso to section 48 of IT Act is applicable. We understand that the matter is subjudice:

   **In Favour**
   - Mcleod Russel India Limited (AAR No. 763 of 2007)
   - Timken France SAS (AAR No. 739 of 2006)

   **Against**
   - Basf Aktiengesellschaft –vs.- Deputy DIT (2006) 293 ITR 001 (Mum-Tri)
   - Cairn UK Holdings Ltd (AAR No. 950 of 2010)

4.3 All the above rates (especially for non-residents) are to be read subject to the provisions of section 206AA of the IT Act.

5.0 TAX DEDUCTION AT SOURCE:

5.1 Tax to be deducted in case of non resident shareholders including NRIs

5.1.1 As per the provisions of section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge and education cess).

5.1.2 The consideration payable under the buyback offer would be chargeable to tax as capital gains or business profits, as the case may be. Accordingly except as provided in paragraph 5.0 titled “Tax Deduction at Source”, the Company shall deduct tax at the prescribed rate (including applicable surcharge and education cess) on the gross consideration payable to the non-resident shareholders based on the information requested and submitted along with the Tender Form.

5.1.3 In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the non-resident shareholders, the tax shall be deducted at the maximum rate prescribed for such non resident shareholder.

5.1.4 If the non-resident shareholders not being a tax resident of a country which has executed a Tax Treaty with India, require the Company not to deduct tax or to deduct tax at a lower rate or on a lower amount for any reason, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the IT Act, and submit the same to the Company while submitting the Form. In absence of such certificate from the Income Tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.

5.1.5 Notwithstanding anything contained herein, in case where non-resident shareholder is the tax resident of a country which has entered into a Tax Treaty with India, it may be possible for the non-resident shareholder to avail the beneficial provisions, if any, under the Tax Treaty. If the non-resident shareholder opts to avail the beneficial provisions as per Tax Treaty, a certificate from the tax authorities, of the country of which such person is the tax resident, certifying the tax residence of such person needs to be provided to the Company along with the Form. In absence of such certificate, the Company shall deduct the tax as per clauses 5.1.1 to 5.1.4 above.
5.1.6 In case of an individual non-resident shareholder, who is either a citizen of India or a person of Indian Origin, who has acquired Equity Shares of the Company in convertible foreign exchange and has also held such shares for at least twelve months prior to the date of tender offer in the Buy Back of such shares, the applicable rate of tax deduction at source would be 10.30% on entire consideration payable to such shareholder.

5.2 Implication of Tax deduction at source for Foreign Institutional Investor (‘FII’)

5.2.1 As per the provisions of Section 196D(2) of the IT Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a FII as defined in section 115AD of the IT Act.

5.2.2 FII should certify the nature of its income arising from the tendering of shares in the Buy Back (whether capital gains or business profits). In absence of certification to the effect that the income from tendering of shares in the Buy Back is in the nature of capital gains, the Company shall deduct tax at the prescribed rate under the IT Act, on the gross consideration payable. Should FII submit a Certificate from the Income Tax authorities along with the Tender Form indicating the amount or rate of tax to be deducted, the Company shall deduct tax in accordance with the same.

5.2.3 In the absence of FII Certificate to the effect that their income from tendering of shares in the Buy Back is in the nature of capital gains, the Company will deduct tax at the rate applicable to the category to which such FII belongs on the entire consideration payable to such FII.

5.3 Tax to be deducted in case of Resident shareholders

5.3.1 In absence of any specific provision under the IT Act, the Company shall not deduct tax on the consideration payable to resident shareholders for buying back of shares.

5.4 Other Information

5.4.1 Non-resident Shareholders (including FII) are required to submit their Permanent Account Number (‘PAN’) for income-tax purposes. In case of Non-Residents (including FII), if PAN is not submitted or is invalid or does not belong to the shareholder, Company will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher in accordance with provisions of Section 206AA of the IT Act.

5.4.2 Under no circumstances will the Company accept or act upon any request from any shareholder for non-deduction of tax at source or deduction of tax at lower rate on the basis of any self computation / computation by any tax consultant of capital gain and tax payable thereon.

5.4.3 The Company shall issue a certificate in the prescribed form to the shareholders (resident and non resident) who have been paid the consideration after deducting of tax on the same certifying the amount of tax deducted and other prescribed particulars.

5.4.4 For the purpose of computing the tax deduction at source, shareholders who wish to tender their shares must submit the information as required along with the Form.

5.4.5 The tax deducted under this buyback offer is not the final liability of the shareholders or in no way discharges the obligation of shareholders to disclose the amount received pursuant to this offer to their applicable Tax Authorities.

5.4.6 The tax rate and other provisions may undergo changes.
22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Regulations, as under:

i. The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or Preference Shares or repayment of term loans to any financial institutions or banks.

ii. The Board of Directors of the Company hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:

a. Immediately following the date of the Letter of Offer, there are no grounds on which the Company can be found unable to pay its debts;

b. As regards the Company’s prospects for the year immediately following the date of the Letter of Offer that, having regard to the Board of Directors’ intention with respect to the management of Company’s business during that year, and to the amount and character of the financial resources which will in the Board of Director’s view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on October 23, 2013.

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

Sd/-      Sd/-
Paresh N. Vasani    Jayesh Shah
Managing Director    Director

23. AUDITORS CERTIFICATE

The text of the report dated October 23, 2013 received from C.R. Sharedalal & Co., the Statutory Auditors of the Company addressed to the Board of Directors is reproduced below:

“To,

The Board of Directors
Circuit Systems (India) Limited
A/1001-1002, 10th Floor,
Titanium Square, Thaltej Cross Road,
S. G. Highway, Ahmedabad -380054.

Dear Sirs,

Sub: Proposed Buy Back of Equity Shares of Circuit Systems (India) Limited (“Company”)

We have been informed that the Board of Directors in their meeting held on 23rd October, 2013 have decided to buy back Company’s Equity Shares as allowed under Section 77A of the Companies Act, 1956, Section 68 of the Companies Act 2013 at a maximum price of Rs. 8.00 per Equity Share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, we confirm as under:

1. We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended 31st March, 2013, as approved by the Board of Directors.

2. The amount of permissible capital payment towards buy back of Equity Shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 77 A(2)(b) of the Companies Act, 1956 and Section 68(2) of the Companies Act, 2013:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount (Rs. in Lac)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Up Equity Share Capital as on 31st March, 2013</td>
<td>1,570.00</td>
</tr>
<tr>
<td>Free Reserves as on 31st March, 2013</td>
<td>1,965.30</td>
</tr>
<tr>
<td>Total</td>
<td>3,535.30</td>
</tr>
<tr>
<td>Maximum amount permitted for Buy back (i.e. 10% of the Total Paid up Capital and Free Reserves)</td>
<td>353.53</td>
</tr>
</tbody>
</table>
3. Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that:

   a) the Board of Directors have formed the opinion as specified in clause (x) of Part A of Schedule II of the Buy Back Regulations, on reasonable grounds and that the company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date, and

   b) we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 23rd October, 2013 is unreasonable in the circumstances in the present context. The Board of Directors have formed this opinion on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from 23rd October, 2013. However we owe no financial or other liability to any one in respect of this in present or future.

This report has been issued solely in connection with the proposed buyback of Equity Shares of the Company as approved at the meeting of Board of Directors held on 23rd October, 2013 and may not be suitable for any other purpose.

FOR C.R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS
Date: 23-10-2013
Place: Ahmedabad
Firm Registration No. 109943W
Sd/-
C. R. SHAREDALAL
(Partner)
Membership No. 002571”

24. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at A/1001-1002, 10th Floor, Titanium Square, Thaltej Cross Road, Thaltej, Ahmedabad -380054, Gujarat, India between 10 a.m. and 5.00 p.m. on all working days (i.e. except Saturday, Sundays & Public Holidays) during the Buyback Offer period:


2) Memorandum and Articles of Association of CSIL.


4) Copy of resolution passed by the Board of Directors at their meeting held on October 23, 2013 approving the Buyback.


7) Certificate from C.R. Sharedalal & Co., Chartered Accountants dated October 29, 2013 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations.


9) Copy of declaration of solvency and an affidavit verifying the same as per Form 4A of the Companies (Central Governments) General Rules and Forms, 1956.

10) Confirmation letter by the Escrow Agent i.e. escrow bank dated October 25, 2013 that the Escrow Account has been opened and Escrow Amount has been deposited.


12) SEBI Comments Letter dated [●] issued in terms of the Buyback Regulations.
25. DETAILS OF THE COMPLIANCE OFFICER

Ms. Payal Joshi, Company Secretary
Circuit Systems (India) Limited
A/1001-1002, 10th Floor, Titanium Square, Thaltej Cross Road, Thaltej, Ahmedabad -380054, Gujarat, India
Tel: 079-23287086; Fax: 079-23287089; E-mail: cs@mycsil.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 am. to 5.00 pm. on all working days except holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

1. In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Registrar to the Buyback for redressal.

2. If the Company makes any default in complying with the provisions of Section 77A of the Act or any rules made there-under, or any regulation or under clause (f) of sub-section (2) of Section 77A of the Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Act.

3. The address of the concerned office of the Registrar of Companies, Ahmedabad is ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013

27. DETAILS OF INVESTOR SERVICE CENTRES

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day during the Offer period, except Saturday, Sunday and Public holidays between 10.00 AM and 4.00 PM at the following address:

Cameo Corporate Services Ltd.,
Unit: Circuit Systems (India) Limited - Buy Back,
Address: Subramanian Building, No.1, Club House Road, Chennai – 600 002;
Tel: +91 - 44 - 2846 0390; Fax: +91 - 44 - 2846 0129;
Email: investor@cameoindia.com; Contact Person: Ms. Sreepriya K

28. DETAILS OF THE MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:

PL CAPITAL MARKETS PVT. LTD.
3rd Floor, Sadhana House, 570, P.B.Marg, Worli, Mumbai - 400 018;
Tel:+91 - 22 - 6632 2222; Fax:+91-22 -6632 2229; Website: www.plindia.com;
Email: csilbuyback@plindia.com;
Contact person: Mr. Bhavin Shah /Mr. Ajesh Dalal;
SEBI Registration No.: INM000011237
Validity Period: Permanent unless suspended by SEBI

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER

As per Regulation 19(1)(a) of the Regulations, the Directors of the Company accept full and final responsibility for the information contained in this Letter of Offer. The Letter of Offer is issued under the authority of the Board of Directors through resolution passed by the Board of Directors of the Company at their meeting held on October 23, 2013

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

Sd/- Paresh N. Vasani
Managing Director
Sd/- Jayesh Shah
Director
Sd/- Payal Jani
Company Secretary & Compliance Officer

Place: Ahmedabad
Date: October 31, 2013
FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT  
TENDER/OFFER FORM  
(FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

From:

Name: ______________________________

Address: ______________________________  
________________________________  
________________________________  
________________________________

Tel: ______________________ Fax: ______________________  
Email: __________________

To,
The Board of Directors  
Circuit Systems (India) Limited  
C/o Cameo Corporate Services Ltd ,  
Subramanian Building,  
No.1, Club House Road,  
Chennai – 600 002;  
Tel: +91 - 44 - 2846 0390;  
Fax: +91 - 44 - 2846 0129

Dear Sirs,

Date ______________

Ref: Letter of Offer dated [*] to Buyback Shares upto 18,75,000 Equity shares of Rs. 10 each of Circuit Systems (India) Limited at price of Rs. 8.00 per Equity Share

1) I/ We have read and understood the Letter of Offer dated [*] and now hereby tender / offer my/our shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.

2) I / We authorise the Company to buy back the shares offered (as mentioned below) and to issue instruction to Cameo Corporate Services Limited to extinguish the shares through an off market transfer.

3) I / We hereby warrant that the shares comprised in this tender offer are offered for the Buyback by me / us free from all liens, equitable interest, charges and encumbrance.

4) I / We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for the Buyback and that I / we am / are legally entitled to tender the shares for the Buyback.

5) I / we agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.

6) I/ We undertake to return to the Company any Buyback consideration that may be wrongfully received by me/us.

BUYBACK OFFER

<table>
<thead>
<tr>
<th>Status: Please tick Appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Individual</td>
</tr>
<tr>
<td>□ Foreign Company</td>
</tr>
<tr>
<td>□ Body Corporate</td>
</tr>
</tbody>
</table>

Date ______________

For Registrar/ Collection Centre Use

<table>
<thead>
<tr>
<th>Centre Code</th>
<th>Inward No.</th>
<th>Date</th>
<th>Stamp</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>


7) I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Regulations.

8) Details of Shares held and offered for the Buyback:

<table>
<thead>
<tr>
<th>In Figures</th>
<th>In Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares held</td>
<td></td>
</tr>
<tr>
<td>Number of shares Entitled</td>
<td></td>
</tr>
<tr>
<td>Number of Shares offered for the BuyBack</td>
<td></td>
</tr>
</tbody>
</table>

9) Details of account with Depository Participant

<table>
<thead>
<tr>
<th>Name of the Depository (tick whichever is applicable)</th>
<th>☐ NSDL</th>
<th>☐ CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Depository Participant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DP ID</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client ID with the DP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10) I / We hereby declare that we have instructed the above-mentioned DP, with whom, I / we hold an account to transfer the number of shares as mentioned under clause 8 above to CAMEO CORPORATE SERVICES LTD ESCROW A/C CSIL BUYBACK (Client Id No. 22835786) held with (Stock Holding Corporation of India Ltd.) (DP ID. No. IN301080).

A copy of delivery instruction issued to the DP, duly endorsed by the DP is enclosed.

11) Details of Other Documents (please tick appropriately), if any, enclosed:

☐ Corporate Authorizations
☐ Death Certificate
☐ Succession Certificate
☐ Power of Attorney
☐ Any Other, Please specify ______________

12) Tax Certification (NRIs/OCBs/FIs/ Non-Resident Shareholders Only)

If you are a NRI, OCB or an FII or a non-resident shareholder, you should certify whether the Shares held by you are held on investment/capital account or on trade account.

Please refer to the Letter of Offer regarding tax to be deducted at source. Shareholders are also advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

I/We certify that the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment are held:

☐ on investment/capital account ☐ on trade account/to be taxed as Business Profits

I/We certify that the tax deduction on the Buyback consideration for Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:

☐ short term gains ☐ long term gains ☐ Business Profits

Order from Income-tax authorities enclosed specifying (if applicable):

☐ Non deduction of tax at source ☐ Deduction at lower rate

I/ We have enclosed the following (if applicable):

☐ Evidence of eligibility for claiming any double tax treaty benefit

I/ We have enclosed the following (if applicable):
Evidence of eligibility for claiming any double tax treaty benefit

Applicable only for FII shareholders:

- The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it does not have a permanent establishment in India; and (c) the amount received by it as a part of the Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

- The FII hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buyback.

Applicable only for non-residents other than FIIs:

The shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and [please insert the applicable jurisdiction] is applicable to it. [Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and any other documents as applicable].

The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to the shareholder in the Buyback.

- The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback.

13) Details of Bank Account of the Sole / First Shareholder to be incorporated in the consideration warrant. (To be mandatorily filled)

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>Branch and City</td>
<td></td>
</tr>
<tr>
<td>Account Number</td>
<td></td>
</tr>
<tr>
<td>Type of Account</td>
<td></td>
</tr>
<tr>
<td>MICR Code</td>
<td></td>
</tr>
<tr>
<td>IFSC Code (For RTGS/NEFT)</td>
<td></td>
</tr>
</tbody>
</table>

14) Shareholder(s) Details

<table>
<thead>
<tr>
<th>Sole/First Shareholder</th>
<th>Second Shareholder (if any)</th>
<th>Third Shareholder (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name in Full</td>
<td>Signature*</td>
<td></td>
</tr>
<tr>
<td>PAN</td>
<td>Address of the Sole/First Shareholder</td>
<td></td>
</tr>
<tr>
<td>Telephone No/ E-mail id</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Corporate must affix Rubber Stamp
CIRCUIT SYSTEMS (INDIA) LIMITED BUY-BACK OFFER ACKNOWLEDGEMENT
(to be filled by the shareholder)

Received
From Mr./Ms./M/s___________________________________________________________
Address _______________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

DP ID: ____________________________________________
Client ID: _________________________________________

No. of Shares Offered for the Buyback: (In Figures) ___________; (In Words) ____________________

Stamp of Collection Centre
INSTRUCTIONS

1. This Offer will open on [•] and close on [•]

2. This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer.

3. For the purpose of the Buyback, the Company has opened an account with a Depository Participant (DP) as detailed below:

   DP Id. Number IN301080
   DP Name Stock Holding Corporation of India Ltd.
   Client Id. Number 22835786
   Client Account Name CAMEO CORPORATE SERVICES LTD ESCROW A/C CSIL BUYBACK

4. Shareholders of the Company who wish to tender / offer their shares in response to this Buyback Offer should deliver the following documents so as to reach before the close of business hours at the respective Collection Centers (as mentioned in the Letter of Offer) on or before 5.00 P.M. by [•] Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Buyback, Cameo Corporate Services Limited so as to reach on or before 5.00 P.M. by [•].

5. The relevant Tender / Offer Form duly signed (by all shareholders in case the shares are in joint names) in the same order in which they hold the shares.

6. Copy of delivery instruction issued by shareholders to their DP for transferring the shares tendered for Buyback, to the Company's DP account with Stock Holding Corporation of India Ltd.. Copy of the delivery instruction should be duly endorsed by the DP of shareholder, to whom the original delivery instruction should be handed over.

7. In the delivery instruction please use the “For Off-Market Trades (Receiver Details)” box. Fill in “Stock Holding Corporation of India Ltd.” against DP Name, “(IN301080)” against the DP ID and “(22835786)” against Client ID. The date of execution entered in the delivery instruction should be after the date of opening of the offer and on or before the last date of submission of the Tender / Offer Form to the Collection Centres or on or before the date of mailing of the Tender / Offer Form to the Registrar to the Buyback, as the case may be, but not in any case later than the date of Closure of the Offer.

8. In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper in writing signed by all shareholders, stating, name, address, number of shares held, client Id number, DP name, DP Id number, number of shares tendered for Buy-back, bank account details together with a copy of the delivery instruction issued to the DP (duly endorsed by the DP) and other relevant documents to the Registrar to the Buyback, Cameo Corporate Services Limited.

9. Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
   • Duly attested Power of Attorney, if any person other than the shareholder has signed the relevant Tender / Offer Form.
   • Duly attested death certificate / succession certificate in case any shareholder has expired.
   • Necessary corporate authorizations, such as Board Resolutions, etc., in case of companies.

10. Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.

11. It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender / Offer Form.

12. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

Note: Multiple tenders from the same depository account or same registered folio may be liable to be rejected.
ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK OFFER SHOULD BE
ADRESSED TO THE REGISTRAR TO THE BUYBACK, CAMEO CORPORATE SERVICES LIMITED
QUOTING YOUR CLIENT ID & DP ID.
FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
TENDER/OFFER FORM
(FOR SHAREHOLDERS HOLDING IN PHYSICAL FORM)

Name: ____________________________
Address: _________________________
_____________________________
Tel: ____________________________
Fax: ____________________________
Email: _________________________

To,
The Board of Directors
Circuit Systems (India) Limited
C/o Cameo Corporate Services Ltd,
Subramanian Building,
No.1, Club House Road,
Chennai – 600 002;
Tel: +91 - 44 - 2846 0390;
Fax: +91 - 44 - 2846 0129

Dear Sirs,

Ref: Letter of Offer dated [*] to Buyback Shares upto 18,75,000 Equity shares of Rs. 10 each of Circuit Systems (India) Limited at price of Rs. 8.00 per Equity Share

1) I/We have read and understood the Letter of Offer dated [*] and now hereby tender / offer my/our shares in response to the Buy-back Offer on the terms and conditions set out below and in the Letter of Offer.

2) I / We authorise the Company to buy back the shares offered and as a consequence to extinguish the share certificates.

3) I / We hereby warrant that the shares comprised in this tender / offer are offered for the Buyback by me / us free from all liens, equitable interest, charges and encumbrance.

4) I / We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for the Buyback and that I / we am / are legally entitled to tender the shares for the Buyback.

5) I / We agree that the Company is not obliged to accept any shares offered for the Buyback where loss of share certificates has been notified to the Company.

6) I / We agree that the Company will pay any Buyback consideration only after due verification of the validity of the documents and signatures and that the consideration may be paid to the first named shareholder.

7) I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me/us.

Date _____________
8) I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Regulations.

9) I/ We authorize the company to split the share certificate and issue new consolidated certificate for the unaccepted shares in case the shares accepted by the Company are less than the shares tendered in the Buyback due to oversubscription.

10) Details of shares held and offered for the Buyback:

<table>
<thead>
<tr>
<th>In Figures</th>
<th>In Words</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares held</td>
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</tr>
<tr>
<td>Number of shares Entitled</td>
<td></td>
</tr>
<tr>
<td>Number of Shares offered for Buy-Back</td>
<td></td>
</tr>
</tbody>
</table>

11) Details of Share Certificate(s) Enclosed

Total No. of Share Certificates submitted

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Folio No.</th>
<th>Share Certificate No.</th>
<th>Distinctive Nos</th>
<th>No. of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>From</td>
<td>To</td>
</tr>
<tr>
<td>1.</td>
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<td></td>
<td></td>
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<tr>
<td>2.</td>
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<td>3.</td>
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<td>4.</td>
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<td>5.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

In case the number of folios and share certificates enclosed exceed 5 nos., please attach a separate sheet giving details in the same format as above.

12) Details of Other Documents (please tick appropriately), if any, enclosed:

- Corporate Authorizations
- Death Certificate
- Succession Certificate
- Power of Attorney
- Any Other, Please specify _____________

13) Tax Certification (NRI/OCB/FII/Non-Resident Shareholders Only)

If you are a NRI, OCB or an FII or a non-resident shareholder, you should certify whether the Shares held by you are held on investment/capital account or on trade account.

Please refer to the Letter of Offer regarding tax to be deducted at source. Shareholders are also advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

I/We certify that the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment are held:

- ☐ on investment/capital account
- ☐ on trade account/to be taxed as Business Profits

I/We certify that the tax deduction on the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:

- ☐ short term gains
- ☐ long term gains
- ☐ Business Profits
Order from Income-tax authorities enclosed specifying (if applicable):

- Non deduction of tax at source
- Deduction at lower rate

If we have enclosed the following (if applicable):

- Evidence of eligibility for claiming any double tax treaty benefit

Applicable only for FII shareholders:

- The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it does not have a permanent establishment in India; and (c) the amount received by it as a part of the Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

- The FII hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buyback.

Applicable only for non-residents other than FIs:

- The shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and [please insert the applicable jurisdiction] is applicable to it.
  
  [Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and any other documents as applicable.]

- The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback.

- The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback.

14) Details of Bank Account of the Sole / First Shareholder to be incorporated in the consideration warrant. (To be mandatorily filled)

<table>
<thead>
<tr>
<th>Name of the Bank</th>
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<td></td>
</tr>
<tr>
<td>IFSC Code (For RTGS/NEFT)</td>
<td></td>
</tr>
</tbody>
</table>

14) Shareholder(s) Details (Signature(s) as per specimen recorded with the Company):

<table>
<thead>
<tr>
<th>Name in Full</th>
<th>Sole/First Shareholder</th>
<th>Second Shareholder (if any)</th>
<th>Third Shareholder (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature*</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PAN
Address of the Sole/First Shareholder
Telephone No/ E-mail id

* Corporate must affix Rubber Stamp

CIRCUIT SYSTEMS (INDIA) LIMITED BUY-BACK OFFER ACKNOWLEDGEMENT
(to be filled by the shareholder)

Received From Mr./Ms./M/s________________________________________________________________
Address __________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________
DP ID: ____________________________________________
Client ID: _________________________________________
No. of Shares Offered for the Buyback: (In Figures) ___________; (In Words) ________________

Stamp of Collection Centre
INSTRUCTIONS

1. This Offer will open on [*] and close on [•].

2. This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer.

3. Shareholders of the Company who wish to tender / offer their shares in response to this Buyback Offer should deliver the following documents so as to reach before the close of business hours at the respective Collection Centers (as mentioned in the Letter of Offer) on or before 5.00 PM by [*] Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Buyback, Cameo Corporate Services Limited so as to reach on or before 5.00 P.M. by [*].
   - The relevant Tender / Offer Form duly signed (by all shareholders in case shares are in joint names) in the same order in which they hold the shares
   - Original share certificates

4. Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
   - Duly attested Power of Attorney if any person other than the shareholder has signed the relevant Tender / Offer Form.
   - Duly attested death certificate / succession certificate in case any shareholder has expired.
   - Necessary corporate authorisations, such as Board Resolutions, etc., in case of companies.

5. Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.

6. In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper in writing signed by all shareholders, stating folio number, name, address, number of shares held, share certificate number, distinctive numbers, number of shares tendered for the Buyback, bank account details together with the original share certificates and other relevant documents to the Registrar to the Buyback Offer.

7. It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender / Offer Form.

8. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

Note: Multiple tenders from the same depository account or same registered folio may be liable to be rejected

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUYBACK, CAMEO CORPORATE SERVICES LIMITED QUOTING YOUR FOLIO NO.