



MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

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EIGHTH ANNUAL REPORT 1997-98

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BOARD OF DIRECTORS

B. T. Doshi - Chairman
M. F. Tamboli
R. J. Shah
R. V. Gandhi
V. R. Polavarapu
U. Nimmagadda
G. B. Doshi
U. A. Deshpande - ICCI Nominee
V. A. Kumbhani - Director - Technical
A. B. Doshi - Jt. Managing Director
G. Sudarsanam - Managing Director

BANKERS

Allahabad Bank
State Bank of Hyderabad

AUDITORS

Saurabh S. Shah & Co.

REGISTRARS & SHARE TRANSFER AGENT

✓
S.D.
12/19/19
R & D Consultants Limited
610, Dalamal Tower,
211, Nariman Point,
Mumbai - 400 021.

REGISTERED OFFICE

145 GIDC Indl. Estate,
Ankleshwar 393 002.
Gujarat, INDIA.

OPERATIONS

145, SDF-V, SEEPZ,
Andheri (East), Mumbai 400 096.
INDIA.

**NOTICE:**

Notice is hereby given that the EIGHTH ANNUAL GENERAL MEETING of the Members of FINE-LINE CIRCUITS LIMITED will be held on Saturday, the 5th September, 1998 at 2.00 P.M. at 145, GIDC Industrial Estate, Ankleshwar, 393 002 Gujarat, the Registered Office of the Company to transact the following business :

AS ORDINARY BUSINESS :

- 1) To receive and adopt the Audited Balance Sheet as at 31st March 1998, the Audited Profit & Loss Account for the year ended on that date together with the Directors Report and Auditors Report thereon.
- 2) To appoint a Director in place of Shri R. J. Shah who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri V. A. Kumbhani who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri R. V. Gandhi who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

6) As Special Business :**As Special Resolution :**

RESOLVED that pursuant to the provisions at securities contracts Resolution Act, 1956 as amended by SEBI Act, 1992 and Stock Exchange Listing requirements and such other approvals, if any 54,37,000 Equity Shares of Rs. 10/- each of the Company Listed on Ahmedabad Stock Exchange be delisted from Ahmedabad Stock Exchange from 1st April 1999.

- 7) To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

RESOLVED that the Company does hereby approve the reappointment of the Terms and Conditions of the Agreement between the Company and Shri G. Sudarsanam, the Managing Director of the Company, as specified in the draft Agreement submitted to this meeting, and initialed by the Chairman for the purpose of Identification and the Board be and is hereby authorised to execute the Agreement under its common seal on the following terms:

TERMS AND CONDITIONS :

- A. Salary : Rs. 30,000/- per month.
The annual increments will be decided by the Board each year and will be merit based and take into account the Company's performance.
- B. Leave Travel Allowance of Rs. 30,000/- per annum.
- C. Medical Expenses Allowances of Rs. 15,000/- per annum or alternatively reimbursement of medical expenses incurred by Shri G. Sudarsanam for self, wife and dependant members of the family subject to the annual ceiling as aforesaid.

D. PERQUISITES :

The following perquisites shall be allowed in addition to the salary and allowances mentioned above and these perquisites shall not be included in computation of ceiling on remuneration.

- i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the company subject to a ceiling of 10% Salary but to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, subject to the terms and conditions of the payment of Gratuity Act, 1972.
- iii) Encashment of accumulated leave at the end of the tenure, as per the rules of the Company.
- iv) Rent free furnished residential accomodation with free gas, electricity and water in Bombay.

Provision for use of Company's car for official duties and telephones at residence shall not be included in the computation of ceiling on remuneration.

In the event of loss or inadequacy of profits during any financial year, the aforesaid remuneration and perquisites shall be paid as minimum remuneration to Shri G. Sudarsanam.

By Order of the Board of Directors

B. T. Doshi
Chairman

Mumbai, Dated 27th June, 1998

Registered Office : 145, GIDC Industrial Estate, Ankleshwar - 393 002, Gujarat, India.

NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote instead of himself and the Proxy need not be a member of the company. The proxies to be effective, must be deposited with the Company not less than 48 hours before the meeting.
2. Explanatory Statement as required under Section 173 is annexed herewith.
3. Register of Members and Share Transfer Books of the Company will remain closed from 29th Aug, 98 to 5th Sept, 98 (both days inclusive) *per the*
4. Members desiring any information as regards the accounts are requested to write to the Company atleast seven days in advance of Annual General Meeting so as to enable the Management to keep the information ready.
5. Shareholders are requested to bring their copies of the Annual Report to the Meeting.
6. Shareholders are requested to notify change in address, if any, to R & D Consultants Ltd. The Registrars & Transfer Agents of the Company, 610, Dalamal Tower, 211, Nariman Point, Mumbai 400 021, quoting their Folio Numbers, at any early date.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM 6 :

The Company's Equity shares are listed on Bombay, Ahmedabad and Baroda Stock Exchanges. There are no transactions of shares on Ahmedabad Stock Exchange for a long time. It is proposed to delist Equity shares from Ahmedabad Stock Exchange from 1st April 1999. Your Directors recommend the resolution for approval. None of the Directors are interested in the resolution.

ITEM 7 :

Shri G. Sudarsanam was appointed as Managing Director of the Company from 19th August, 1996 for a period of two years. The said appointment would come to an end on 18th August, 1998. Your Directors at its meeting held on 27th June, 1998 have decided to reappoint Shri G. Sudarsanam as a Managing Director with effect from 19th August, 1998 for the period of two years on a salary of Rs. 30,000/- per month, Leave travel allowance Rs. 30,000/- per annum, Medical Allowance Rs. 15,000/- per annum and other perquisites are subject to the provisions of the section 269, 309 read with the Schedule XIII of the Companies Act, 1956.

In addition to above, Shri G. Sudarsanam shall be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, education allowance, Leave Travel concession for self and family, club fees, premium for Medical Insurance and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors subject to overall ceiling of remuneration and perquisites as stipulated in Section 178 and 309 and schedule XIII of the Companies Act, 1956. The terms and conditions as set out in the Draft Agreement may be altered and varied time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in schedule XIII of the Companies Act, 1956 (including any statutory modification or any amendment made thereof)

The Agreement may be terminated by either party by giving to the other party six months notice.

The above agreement may be treated as an abstract of the draft agreement proposed to be entered into between the Company and Shri G. Sudarsanam pursuant to Section 302 of the Companies Act, 1956.

The Draft Agreement dated 27th June, 1998 proposed to be entered between the Company and Shri G. Sudarsanam is available for inspection by the members of the Company at the Registered Office of the Company or any working day excluding Saturdays upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

The Directors recommend the resolution as set out in Item 7 of the Notice for approval of the shareholders Shri G. Sudarsanam is deemed to be concerned or interested in the resolution as set out at Item 7 at the Notice as it pertains to his appointment as Managing Director and remuneration payable to him. None of the other Directors of the Company is in any way concerned or interested in the resolution.

By Order of the Board of Directors

B. T. Doshi
Chairman

Mumbai, Dated 27th June, 1998

Registered Office : 145, GIDC Industrial Estate, Ankleshwar - 393 002, Gujarat, India.

DIRECTORS REPORT

To,

The Members,

Your Directors have pleasure in presenting the 8th Annual Report and the Audited Accounts for the financial year ended 31st March, 1998.

FINANCIAL RESULTS

	1998 (Rupees)	1997 (Rupees)
Profit/(Loss) before Interest and Depreciation	93,50,918	4,67,56,576
Interest	24,57,163	31,46,423
Depreciation	51,76,637	50,71,951
Profit/(Loss) before Taxation	17,17,118	3,85,38,202
Provision for Taxation	2,00,000	40,00,000
Profit/(Loss) after Tax	15,17,118	3,45,38,202

In order to conserve resources for working capital requirements and capital expenditure for upgradation of plant and machinery, your Directors do not recommend payment of dividend.

PERFORMANCE

The sales turnover of the Company shows fair growth and a sales turnover of Rs. 569.16 lacs up from Rs. 335.18 lacs for the previous year has been achieved. The order booking performance started brightening up in second half of the year.

BUSINESS PROSPECTS

The Company achieved sufficient break through in German market by supplying consistent quality of products to a satisfied customer base.

U.S. market performance has improved with an additional satisfied customer base in this year. We propose to enter in the Dutch market & improve our presence in U.K. market this year to enlarge market. We have up graded some equipments & added additional products by introducing new finishes like full flash Gold for PCB's. We also intend to add Entek Lacquer Finish to increase manufacturing range of our products.

DIRECTORS

Shri R. V. Gandhi, Shri V. A. Kumbhani and Shri R. J. Shah Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s. Saurabh S. Shah & Co., Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from the Auditors to the effect that their appointment if made, would be within the prescribed limits under Section 224 (i-c) of the Companies Act, 1956. You are requested to approve their reappointment.

STATUTORY INFORMATION

1. The Company has not accepted any deposits within the meaning of Section 58 A of the Companies Act, 1956 and/or Acceptance of Deposits Rules. The Company does not have any deposits remaining unclaimed and/or claimed but not paid for which information is required to be given in this report.
2. Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is given in Annexure 'A' forming part of this Report.
3. Notes forming part of accounts and/or references to in the Auditors Report are self-explanatory and therefore do not require any clarification.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars pursuant to Section 270 (1) (e) of the Companies Act, 1956 read with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are as follows:

Conservation of Energy

The Company's manufacturing operations are not energy intensive. However, the Company makes continuous efforts for energy conservation. The Company has introduced equipment for improvement and correction of power factor during the year. The power and fuel consumption and conservation per unit of production is given in Annexure 'B' forming part of this Report.

Technology Absorption

Research & Development

No research & development work has been carried out by the Company and therefore there is no expenditure on this head nor any benefits accrued from it.

Technology Absorption

Continuous efforts are being made in improving the quality of products and also in improving the existing production methods. The Company has installed new equipment for Precleaning and Post-Cleaning of PCB panels to upgrade product technology.



Foreign Exchange Earnings & Outgo

The Company has exported Single Sided, Double Sided and Multilayer Printed Circuit Boards during the year. The Company is making constant efforts to increase its export sales by tapping new markets.

The details of Foreign Exchange Earnings and Outgo are as under :

	(Rs. Lacs)
Foreign Exchange Earnings	489.27
Foreign Exchange Outgo:	
Raw Materials	113.31
Consumables	55.99
Travel	17.06
Capital Goods	37.79

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions and the Banks during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workmen of the Company.

For and on behalf of the Board of Directors

Mumbai Dated 27th June, 1998

Registered Office : 145 GIDC Industrial Estate, Ankleshwar - 393 002, Gujarat

B. T. DOSHI

Chairman

Fine-Line Circuits Limited

ANNEXURE A TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the period ended 31st March 1998.

Sr. No.	Name of Employee	Age Years	Designation Nature of Duties	Remuneration (Rs.)	Qualification	Experience Years	Date of Commencement of Employment	Last Employment/Name of the Co., Designation & period.
1.	Shri. G. Sudarsanam	56	Managing Director	4,13,971	M. Tech	30	19.08.1996	M/S Stovec Industries Ltd. Vice President-Operations.
2.	Shri. A.B. Doshi	37	Jt. Managing Director	3,22,611	B.E., M.B.A.	12	01.06.1991	Maxtor Corporation, U.S.A. Sr. Financial Analyst.
3.	Shri. V.A. Kumbhani	38	Technical Director	3,25,116	B.Tech., M.F.M	16	01.10.1992	Larsen & Toubro Ltd.

Notes :

- (1) Appointments are contractual.
- (2) Remuneration includes salary, allowances, perquisites and company's contribution to Provident Fund.
- (3) Shri. A.B. Doshi is related to Shri. B.T. Doshi, Shri. G.B. Doshi & Shri. V.A. Kumbhani, Directors of the Company. Shri. V.A. Kumbhani is related to Shri. A.B. Doshi Director of the Company.

ANNEXURE B

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Year Ended 31.03.98	Year Ended 31.03.97
A. POWER & FUEL CONSUMPTION		
ELECTRICITY :		
Purchased Units	14,39,680	8,14,345
Total Amount (Rs)	50,23,038	39,99,821
Rate Per Unit (Rs.)	3.49	4.91
B. CONSUMPTION PER UNIT OF PRODUCTION		
ELECTRICITY kwh	174	215

For and on behalf of the Board of Directors

B. T. Doshi

Chairman

Mumbai, Dated 27th June, 1998

Registered Office : 145 GIDC Industrial Estate, Ankleshwar - 393 002, Gujarat