

**TWENTY FIFTH ANNUAL REPORT 2014 - 2015**

[www.finelineindia.com](http://www.finelineindia.com)

## FINE-LINE CIRCUITS LTD.

### Vision:-

A Globally Respected Performance Driven Growing Manufacturer.

### Mission:-

A Solutions provider to the various Electronic Interconnect needs of Circuit, Material, Delivery & Volumes.

### Goal:-

To efficiently execute the manufacturing ensuring a timely delivery of defect free products in the small to medium volume high part number mix PCBs arena.

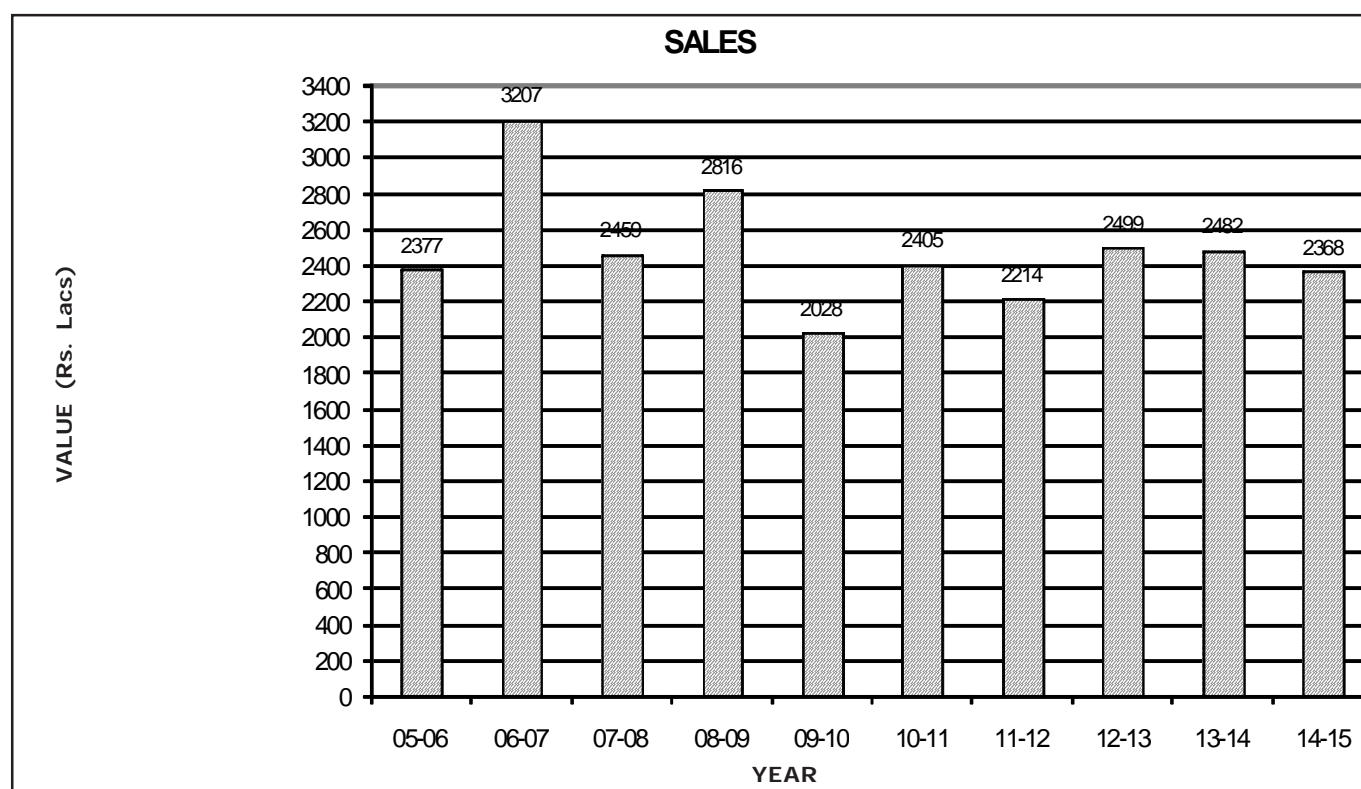
### Strategy:-

On an ongoing basis the management will fulfill this vision by continuously improving the Company by making it:

Predictable Via	Sustainable Via	Profitable Via	Scalable Via
1. Listening to & responding to Customers, Suppliers & Stakeholders	1. Creating wealth & sharing it fairly with each stakeholders	1. Continuously increasing the value proposition to the customer	1. Upon reaching certain Critical Mass & Team Strength we will scale up.
2. Constant Diversification of markets in terms of Geography, Industries & Customers	2. Conducting business with integrity & professionalism & financial prudence & Social responsibility	2. Continuously improving the quantum & velocity throughput of a high variety mix with low inventory & controlled operating costs.	
3. Vigorous Employee interaction & issue resolution & Allowing everybody to work within a framework freely	3. Constant Technology growth focus & Actively Innovate on process, Capability & Product Range.	3. Constant cost reduction with special focus on Rejection reduction & Energy conservation & Water conservation.	
4. Paying attention to detail & executing efficiently	4. Constant efforts at Derisking the business & Deskilling the work.	4. Continuously increasing productivity with efficiently coordinated efforts & automation.	
5. Exceedingly strong sales team & order loading on the plant	5. Continuously generating a Talent Pipeline with good role clarity & functional competency with empowerment.	5. Continuously increasing panel capacity, panel utilization & panel size & panel complexity & panel layer count.	
6. Over communicate with Transparent information	6. International Approvals (ISO, TS, JSS)	6. Delivering Innovative & Competitive new products.	

### COMPANY ASPIRATION

Our Aspiration for Fine-Line is to be a Respected, Growing, Performance driven, High Quality, Manufacturer, Exporter "Pleasing Customers 100%" in the High Count Multilayer Rigid and Flex Printed Circuit Board Market with a growing Earnings Per Share.



### AT A GLANCE (Rs. In Lacs)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>SALES &amp; EARNINGS</b>										
Sales	2377	3207	2459	2816	2028	2405	2214	2499	2482	2368
PBDT	156	400	87	46	5	84	(186)	73	76	50
<b>ASSETS &amp; LIABILITIES</b>										
Gross Fixed Assets	1188	1259	1418	1618	1617	1681	1758	1773	1774	1647
Net Fixed Assets	240	240	265	319	261	291	328	312	280	317
Net Current Assets	643	874	821	667	654	871	779	933	844	890
<b>REPRESENTED BY</b>										
Net Worth	883	1114	1086	986	915	922	644	652	673	677
Share Capital	483	483	483	483	483	483	483	483	483	483
Reserves	400	631	604	504	432	439	161	169	190	194
Borrowings	0	0	0	0	0	0	0	139	57	140
<b>RATIOS</b>										
Acid Test Ratio	1.8	1.9	1.4	1.1	1.5	0.8	0.4	0.5	0.7	0.6
Total Liability to Net Worth	0.2	0.3	0.2	0.3	0.2	0.3	0.4	0.5	0.4	0.4
Sales to Net Fixed Assets	9.9	13.4	9.3	8.8	7.8	8.3	6.8	8.0	8.9	7.5

## CORPORATE INFORMATION

### 25th ANNUAL GENERAL MEETING ( AGM )

Date : 08<sup>th</sup> August, 2015  
 Day : Saturday  
 Time : 3.30 p.m.  
 Place : Gr. Floor, Frontside SDF-VI,  
 SEEPZ - (SEZ), Andheri (East),  
 Mumbai 400 096.

SEEPZ-(SEZ) being Restricted Zone requires Special Prior Permission for entry, please see instructions on Attendance slip for attending the AGM

### REGISTERED OFFICE

**CIN :L72900MH1989PLC131521**  
 145, SDF - V, Seepz (SEZ),  
 Andheri (East),  
 Mumbai - 400 096.  
 Tel. # 91 22 28290244 Fax # 91 22 28292554

### AUDITORS

D K P & Associates  
 Chartered Accountants

### REGISTRARS & SHARE TRANSFER AGENTS

M/s Universal Capital Securities Pvt. Ltd.  
 (Formerly Known as Mondkar Computers Pvt. Ltd.)  
 21, Shakil Niwas, Opp. Satyasaibaba Temple,  
 Mahakali Caves Road, Andheri (East),  
 Mumbai - 400 093.  
 Tel : 91 22 2820 7201 / 2836 6620  
 Fax: 91 22 2820 7207

### CONTENTS

### Page No.

Corporate Information .....	00
Notice .....	1
Directors' Report .....	5
Auditors' Report .....	27
Balance Sheet .....	29
Profit & Loss Account .....	30
Cash Flow Statement .....	31
Significant accounting Policies .....	32
Notes On Financial Statements .....	32
Attendance Slip and Proxy Form.....	41

### BOARD OF DIRECTORS

#### EXECUTIVE DIRECTORS

Bhagwandas T. Doshi (DIN - 00040596) Executive Chairman  
 Abhay B. Doshi (DIN - 00040644) Managing Director  
 Rajiv B. Doshi (DIN - 00651098) Executive Director

#### NON - INDEPENDENT DIRECTORS

Dr. U. Nimmagadda (DIN - 00613289)  
 Gautam B. Doshi (DIN - 00328854)  
 Vijay A. Kumbhani (DIN - 00040702) \*\*\*  
 \*\*\* (Resigned with effect from 21st November, 2014)

#### INDEPENDENT DIRECTORS

Rajendra V. Gandhi (DIN - 00189197)  
 Prof. Juzer Vasi (DIN - 00040682)  
 R. M. Premkumar (DIN - 00328942)  
 Apurva R. Shah (DIN - 00004781)  
 Kumudini K. Mehta (DIN - 03191065) \*\*with effect from  
 28th March, 2015

### AUDIT COMMITTEE

Apurva R. Shah (DIN - 00004781) Chairman  
 R. M. Premkumar (DIN - 00328942) Alternative Chairman  
 Rajendra V. Gandhi (DIN - 00189197) Member  
 Prof. Juzer Vasi (DIN - 00040682) Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Prof. Juzer Vasi (DIN - 00040682) Chairman  
 R. M. Premkumar (DIN - 00328942) Alternative Chairman  
 Abhay B. Doshi (DIN - 00040644) Member  
 Rajiv B. Doshi (DIN - 00651098) Member  
 Prema Radhakrishnan - Chief Financial Officer  
 and Compliance Officer

### NOMINATION & REMUNERATION COMMITTEE

Rajendra V. Gandhi (DIN - 00189197) Chairman  
 R. M. Premkumar (DIN - 00328942) Alternative Chairman  
 Apurva R. Shah (DIN - 00004781) Member  
 Prof. Juzer Vasi (DIN - 00040682) Member

### SENIOR MANAGEMENT

Joy Chacko Nikhil Kumar  
 Milan J. Trivedi Prakash M. Morgaonkar  
 Prema Radhakrishnan - Chief Financial Officer

## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of FINE-LINE CIRCUITS LIMITED will be held at Gr. Floor, Front side of SDF-VI, SEEPZ-SEZ, ANDHERI (EAST), Mumbai - 400 096 on **Saturday, August 08, 2015 at 3:30 p.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of **Shri. Abhay B Doshi (DIN No. 00040644)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri. Rajiv B Doshi (DIN No. 00651098)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s. DKP & Associates, Chartered Accountants (Firm Registration No. 126305W), be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

5. Appointment of **Smt. Kumudini Kiran Mehta (DIN 03191065)** as a Director/Independent of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT **Smt. Kumudini Kiran Mehta (DIN 03191065)** who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 28, 2015 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Smt. Kumudini Kiran Mehta (DIN 03191065), a Non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from March 28, 2015 to March 27, 2020."

6. Adoption of new set of Articles of Association of the Company.

To consider and if thought fit, to pass the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013, the new set of Articles of Association placed before the meeting and initialed by the Chairman for the purpose of identification be and the same is adopted in substitution for, and to the exclusion of, the present set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company thereof be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

### Notes:

- a) The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business in the notice is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND IN HOLDING NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
- c) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 04th August, 2015 to Saturday, 08th August, 2015 (both days inclusive).
- d) Members seeking further information on the financial accounts are requested to write to the Company at least seven days before the meeting, so that relevant information can be kept ready at the meeting.
- e) All correspondence relating to transfer of shares, change of address, dividend mandates etc. should be sent to the Registrar & Share Transfer agents quoting their folio numbers only at the following address:

**Universal Capital Securities Pvt. Ltd.**

**21, Shakil Niwas, Opp. Satyasaibaba Temple,**

**Mahakali Caves Road, Andheri (E), Mumbai 400 093**

- f) A brief resume of Shri. Abhay Doshi, Shri. Rajiv Doshi and Smt. Kumudini Mehta along with nature of their expertise in specific functional areas, names of the Companies in which they hold directorship / Chairmanship of Board Committees as stipulated under clause 49 of the Listing Agreement with BSE Limited are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends their respective re-appointments.
- g) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding share in physical form can submit their PAN details to the Company.
- h) The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- i) To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
- j) Members may also note that the Notice of the 25th Annual General meeting and the Annual report for 2014-2015 will also be available on the Company's Website: [www.finelineindia.com](http://www.finelineindia.com) for download.
- k) All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.
- l) Voting through electronic means:  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and also Clause 35B of the Listing Agreement with the Stock Exchange, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting.

The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

I. The facility for voting through Ballot shall also be made available at the AGM and Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

II. The instructions for members for voting electronically are as under:-

1. In case of members receiving e-mail:

(i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

(ii) Click on "Shareholders" tab.

(iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login).

(v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.	

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as Sr. No. affixed on Annual Report, in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
  - (x) Click on the EVSN for the Company
  - (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
  - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
  - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and can also email to [fineline.scrutinizer@gmail.com](mailto:fineline.scrutinizer@gmail.com).
2. In case of members receiving the physical copy:
- (i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - A. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - B. The remote e-voting period commences on Wednesday, August 05, 2015 (9:00 am IST) and ends on Friday, August 07, 2015 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, August 01, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - C. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Saturday, August 01, 2015. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting at the meeting through ballot.
  - D. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@cdslindia.com](mailto:evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
  - E. Ms. Sarvari Shah and/or failing her Mr. Mitesh Dhaliwala, of M/s Parikh & Associates., Practising Company Secretaries, (Address : 111, 11th Floor, Sai Dwar CHS Ltd., Sab TV Lane, Opp. Laxmi Indl Estate, Off Link Road, Andheri (West), Mumbai - 400053.) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - F. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - G. As the voting would be through electronic means, the members who do not have access to remote e-voting, may requisite a Physical Ballot Form from the Company. You are required to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer(s) appointed by the Board of Directors of the Company at the Registered Office of the Company not later than Friday, August 07, 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid. Unsigned, incomplete or incorrectly ticked forms shall be rejected. A Member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
  - H. If a Member casts votes by remote e-voting/Physical Ballot and at the AGM through Ballot, then vote cast through remote e-voting/Physical Ballot shall prevail and vote cast through Ballot at the AGM shall be treated as invalid. The members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  - I. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions set out in the Notice of Annual General Meeting, allow voting with the assistance of the Scrutinizer, by use of Ballot for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting/physical ballots facility.
  - J. The Scrutinizer shall after the conclusion of voting at the Annual General meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting/physical ballots in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.



- K. The Results shall be declared after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.finelineindia.com](http://www.finelineindia.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.

For and on behalf of the Board of Directors

Bhagwandas T Doshi

**Chairman**

Registered Office:

145, SDF-V, Seepz-SEZ, Andheri (East), Mumbai - 400096.

CIN: L72900MH1989PLC131521

Tel: 22 2829 0244

E-mail: [fineline@vsnl.com](mailto:fineline@vsnl.com), Website [www.finelineindia.com](http://www.finelineindia.com)

Mumbai, 30th May, 2015

#### **ANNEXURE TO THE NOTICE**

Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013("the Act") forming part of the notice.

##### **Item No. 5**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Smt. Kumudini Kiran Mehta as an Additional Director with effect from March 28, 2015 to hold office as Director till the date of the Annual General Meeting pursuant to Section 161 of the Act.

Smt. Kumudini Kiran Mehta, aged 61 years, is a B.A. in Philosophy and Psychology, She has been very active in the area of Social Work and Counselling she has done laudable work in ensuring woman in social distress. Live a life of dignity through the NGO - Bapnu Ghar where she has also held key positions both as Hon. Secretary and JT. Hon. Secretary

In terms of Section 149 and other applicable provisions of the Act, Smt. Kumudini Kiran Mehta, being eligible, is proposed to be appointed as an Independent Director of the Company for a term of 5 (five) consecutive years from March 28, 2015 upto March 27, 2020 not being liable to retire by rotation. The Company has received a Notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Kumudini Kiran Mehta for the office of Director of the Company.

Smt. Kumudini Kiran Mehta has consented to act as a Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Smt. Kumudini Kiran Mehta fulfills the conditions specified in the Act and the Rules thereunder for appointment as Independent Director and she is independent of the management.

The terms and conditions of appointment of Smt. Kumudini Kiran Mehta as Independent Director are available for inspection at the Registered Office of the Company during normal business hours on all working days and is also placed on the website of the company.

Having regard to the qualifications, experience and knowledge, her appointment as an Independent Director will be in the interest of the Company. The Board recommends the resolution as set out at Item no. 5 of the accompanying Notice for the approval by the members of the Company by way of an Ordinary Resolution.

Except Smt. Kumudini Kiran Mehta, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution.

##### **Item No. 6**

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted pursuant to the provisions under the Companies Act, 1956, from time to time, over the past several years.

Substantive changes made through the Companies Act, 2013 require suitable changes in the existing Articles of Association of the Company. Further, the references to the specific sections of the Companies Act, 1956 in the existing Articles of Association, being no longer in conformity with the Companies Act, 2013, also require changes.

Accordingly, the Company proposes to approve and adopt a new set of Articles of Association prepared after taking into account all the provisions of the Companies Act, 2013 and Rules made thereunder.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 6 of the Notice.

The Board recommends the Special Resolution set out at item No. 6 of the Notice for approval by the members.

A copy of the existing Articles of Association and of the proposed new set of Articles of Association will be open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays).

For and on behalf of the Board of Directors

Bhagwandas T Doshi

**Chairman**

Registered Office:

145, SDF-V, Seepz-SEZ, Andheri (East), Mumbai - 400096.

CIN: L72900MH1989PLC131521

Tel: 22 2829 0244

E-mail: [fineline@vsnl.com](mailto:fineline@vsnl.com), Website [www.finelineindia.com](http://www.finelineindia.com)

Mumbai, 30th May, 2015



**BOARD'S REPORT**

[Pursuant to Section 134(3) of the Companies Act, 2013]

To  
The Members  
**FINE-LINE CIRCUITS LIMITED**

The Directors have pleasure in presenting the Twenty Fifth Annual Report together with the Financial Statements for the year ended on March 31, 2015

**FINANCIAL RESULTS:**

	2014-2015	2013-2014
	(Rs. in lakhs)	(Rs. in lakhs)
Sales	2368.00	2481.59
PROFIT	20.69	75.72
<b>Less:</b>		
Depreciation	52.08	49.88
Interest	13.18	20.38
<b>PROFIT BEFORE TAX</b>	<b>(2.39)</b>	<b>25.84</b>
<b>Less:</b> Provision for Taxation		
Current Tax	0.55	0.60
Deferred Tax	(10.62)	3.67
<b>PROFIT AFTER TAX</b>	<b>7.67</b>	<b>21.57</b>
Surplus brought forward from Previous Year	111.37	89.79
<b>Balance Carried to Balance Sheet</b>	<b>193.51</b>	<b>190.10</b>

**DIVIDEND**

To conserve the resources your directors do not recommend dividend on the equity shares of the Company for the financial year 2014-2015.

**TRANSFER TO GENERAL RESERVES**

Rs. 193.51 crores is proposed to be retained in the Profit & Loss A/c of the company.

**OUTLOOK**

Although the first half of FY14-15 was progressing well, due to the unprecedented fall in the value of the Euro and the British Pound versus the Indian Rupee it significantly impacted your company both in terms of Sales and Profits even though the Company achieved volume growth. Due to extreme cost control done the Company was able to remain profitable. Going forward with better price realizations achieved from the EU markets and with the general strengthening of the Euro the company is are very positive with regards to FY 15-16.

**BUSINESS**

Your company continues to export Printed Circuit Boards (PCBs) to the G20 nations and has added New Products (Rigid Flex PCBs) and New Markets (exports to a total of 13 countries) and New Volumes (orders from many new customers of many new part numbers) which augurs well for the coming years. There has been no material change in the nature of the business of the Company.

**MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR:**

There have been no material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year and the date of the report.

**NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

5 (Five) meetings of the Board of Directors were held during the year.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Shri. Abhay B. Doshi (DIN 00040644) and Shri. Rajiv B. Doshi (DIN 00651098), Directors of the Company, retires at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 01, 2014, Shri. Juzer Vasi (DIN 00040682), Shri. Ramunni Premkumar (DIN 00328942), Shri. Apurva Shah (DIN 00004781) and Shri. Rajendra Gandhi (DIN 00189197) were appointed as Independent Directors at the Annual General Meeting of the Company held on August 09, 2014.

With a view to strengthen the Board and in compliance of the regulatory requirements, Smt. Kumudini Mehta (DIN 03191065) was appointed as Additional Independent Director of the Company with effect from March 28, 2015.

The resolution seeking approval of the Members for the appointment of Smt. Kumudini Mehta as an Independent director with effect from March 28, 2015 have been incorporated in the notice of the forthcoming annual general meeting of the Company. The Company has received notice under Section 160 of the Act along with the requisite deposit proposing her appointment.

Pursuant to the provisions of Section 203 of the Act, which came into effect from April 01, 2014, the appointments of Shri. Abhay Doshi, Managing Director, Shri. Bhagwandas Doshi (DIN 00040596) and Shri. Rajiv Doshi, Wholetime Directors and Ms. Prema Radhakrishnan, Chief Financial Officer as key managerial personnel of the Company was formalised.

## DECLARATION FROM INDEPENDENT DIRECTORS

Shri. Juzer Vasi, Shri. Ramunni Premkumar, Shri. Apurva Shah, Shri. Rajendra Gandhi and Smt. Kumudini Mehta, who are independent directors, have submitted a declaration that each of them meets the criteria of independence as provided in sub Section (6) of Section 149 of the Act and there has been no change in the circumstances which may affect their status as independent director during the year. In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

## AUDIT COMMITTEE OF BOARD OF DIRECTORS

The Audit committee of the Board of directors of the Company consists of the following members

1. Shri. Apurva Shah
2. Shri R.M.Premkumar
3. Shri. Rajendra Gandhi
4. Prof. Juzer Vasi

## VIGIL MECHANISM

The Company has formulated and published a Whistle Blower Policy to provide a mechanism ("Vigil Mechanism") for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the revised Clause 49 of the listing agreement with the Stock Exchange. (URL : [www.finelineindia.com](http://www.finelineindia.com))

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee (NRC) has laid down the criteria for selection of candidates eligible to be appointed on the Board of Directors of the Company. The committee has also recommended the remuneration policy to the Board . The following attributes/criteria for selection and remuneration policy have been laid by the Board on the recommendation of the Committee:

### Criteria for Selection of Directors:

The Committee shall, before making any recommendation to the Board for appointment of any director, consider the following;

- the candidate should possess the positive attributes such as Leadership, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment of an independent director;
- the candidate should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

### Remuneration Policy:

(1) SMPs & KMPS (other than Managing Director/Wholetime Director):

- (i) Remuneration packages shall be designed in such manner that:
  - (a) motivates delivery of key business strategies, creates a strong performance-orientated environment and rewards achievement of the Company's objectives & goals over the short and long-term.
  - (b) attracts high-flier executives in a competitive global market and remunerate executives fairly and responsibly.
- (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care insurance and hospitalisation benefits, telephone reimbursement etc.
- (iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices/ trends shall also be given due consideration.
- (iv) Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (v) The remuneration to be paid to the KMPS viz. CEO, CFO, CS or SMPs, shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition.
- (vi) The NRC may consider to grant Stock Options to KMPS & SMPs pursuant to any Stock Option Plan adopted by the Company, if any.

(2) Managing Director/Wholetime Director(MD/WTD):

- (i) Remuneration to the MD and WTD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.
- (ii) Remuneration shall be evaluated annually against performance and a benchmark of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (iii) Total remuneration for the MD and WTD shall be comprised of the following:
  - (a) Salary (both fixed & variable).
  - (b) Perquisites like house rent allowance, domiciliary medical expenses and club memberships etc.