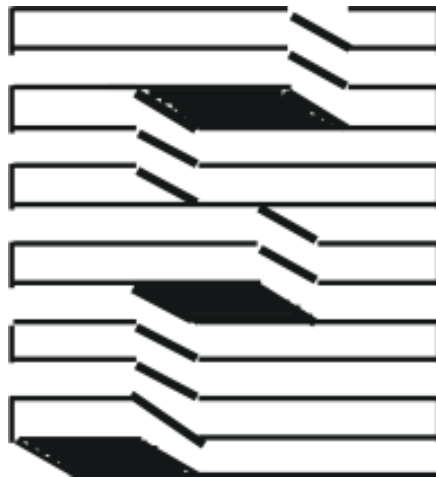




CIRCUITS LIMITED



TWENTY FOURTH ANNUAL REPORT 2013- 2014

www.fineindia.com

CIRCUITS LIMITED

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.

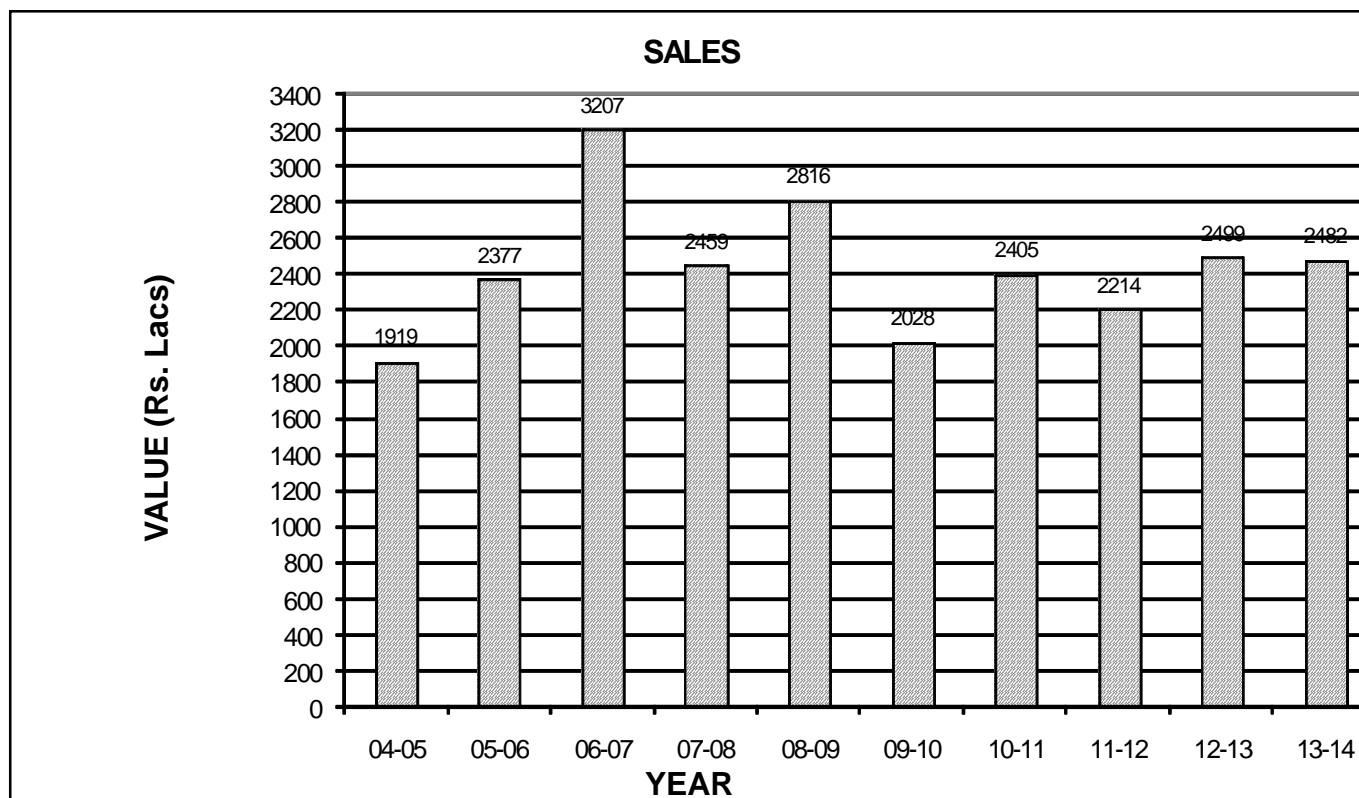
Strategy:-

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 & Deskillling 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)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------------|------|------|------|------|------|------|------|-------|------|------|
| SALES & EARNINGS | | | | | | | | | | |
| Sales | 1919 | 2377 | 3207 | 2459 | 2816 | 2028 | 2405 | 2214 | 2499 | 2482 |
| PBDT | 241 | 156 | 400 | 87 | 46 | 5 | 84 | (186) | 73 | 76 |
| ASSETS & LIABILITIES | | | | | | | | | | |
| Gross Fixed Assets | 1182 | 1188 | 1259 | 1418 | 1618 | 1617 | 1681 | 1758 | 1773 | 1774 |
| Net Fixed Assets | 384 | 240 | 240 | 265 | 319 | 261 | 291 | 328 | 312 | 280 |
| Net Current Assets | 495 | 643 | 874 | 821 | 667 | 654 | 871 | 779 | 933 | 844 |
| REPRESENTED BY | | | | | | | | | | |
| Net Worth | 879 | 883 | 1114 | 1086 | 986 | 915 | 922 | 644 | 652 | 673 |
| Share Capital | 483 | 483 | 483 | 483 | 483 | 483 | 483 | 483 | 483 | 483 |
| Reserves | 396 | 400 | 631 | 604 | 504 | 432 | 439 | 161 | 169 | 190 |
| Borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 139 | 57 |
| RATIOS | | | | | | | | | | |
| Acid Test Ratio | 1.1 | 1.8 | 1.9 | 1.4 | 1.1 | 1.5 | 0.8 | 0.4 | 0.5 | 0.7 |
| Total Liability to Net Worth | 0.3 | 0.2 | 0.3 | 0.2 | 0.3 | 0.2 | 0.3 | 0.4 | 0.5 | 0.4 |
| Sales to Net Fixed Assets | 5.0 | 9.9 | 13.4 | 9.3 | 8.8 | 7.8 | 8.3 | 6.8 | 8.0 | 8.9 |

CIRCUITS LIMITED
CORPORATE INFORMATION
24th ANNUAL GENERAL MEETING (AGM)

Date : 09th August, 2014
 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. # 28290244 Fax # 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 : 2820 7201 / 2836 6620
 Fax: 2820 7207

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BOARD OF DIRECTORS
EXECUTIVE DIRECTORS

| | |
|---------------------|--------------------|
| Bhagwandas T. Doshi | Executive Chairman |
| Abhay B. Doshi | Managing Director |
| Rajiv B. Doshi | Executive Director |

NON - EXECUTIVE DIRECTORS

Vijay A. Kumbhani
 Gautam B. Doshi

INDEPENDENT DIRECTORS

Rajendra V. Gandhi
 Dr. U. Nimmagadda***
 Prof. Juzer Vasi
 R. M. Premkumar
 Apurva R. Shah

*** Independent Director upto 31st March 2014

AUDIT COMMITTEE

| | |
|--------------------|----------------------|
| Apurva R. Shah | Chairman |
| R. M. Premkumar | Alternative Chairman |
| Rajendra V. Gandhi | Member |
| Vijay A. Kumbhani | Member |
| Prof. Juzer Vasi | Member |

STAKEHOLDERS RELATIONSHIP COMMITTEE

| | |
|---------------------|--------------------|
| Vijay A. Kumbhani | Chairman |
| Abhay B. Doshi | Member |
| Rajiv B. Doshi | Member |
| Prema Radhakrishnan | Compliance Officer |

NOMINATION & REMUNERATION COMMITTEE

| | |
|--------------------|----------|
| Rajendra V. Gandhi | Chairman |
| Prof. Juzer Vasi | Member |
| R.M.Premkumar | Member |

SENIOR MANAGEMENT

| | |
|------------------|---------------------|
| Joy Chacko | Nikhil Kumar |
| Milan J. Trivedi | Prema Radhakrishnan |
| P. M.Morgaonkar | |

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of FINE-LINE CIRCUITS LTD. will be held at Gr. Floor, Front side of SDF-VI, SEEPZ- SEZ, Andheri East, Mumbai- 400096 on **Saturday, August 9, 2014 at 3.30 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Vijay A. Kumbhani, (DIN No. 00040702), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Gautam Doshi, (DIN No. 00328854), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint the Auditors and to fix their remuneration and in this regards to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. DKP & Associates, Chartered Accountants (Firm Registration No. 126305W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS

5. Appointment of Shri. Juzer Vasi as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. Juzer Vasi (DIN 00040682), a non-executive Director of the Company, who has submitted a declaration that he 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 with effect from August 09, 2014 up to August 08, 2019."

6. Appointment of Shri. R. M. Premkumar as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. R. M. Premkumar (DIN 00328942), a non-executive Director of the Company, who has submitted a declaration that he 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 with effect from August 09, 2014 up to August 08, 2019."

7. Appointment of Shri. Apurva Shah as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. Apurva Shah (DIN 00004781), a non-executive Director of the Company, who has submitted a declaration that he 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 with effect from August 09, 2014 up to August 08, 2019."

8. Appointment of Shri. Rajendra Gandhi as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. Rajendra Gandhi (DIN 00189197), a non-executive Director of the Company, who has submitted a declaration that he 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 with effect from August 09, 2014 up to August 08, 2019."

9. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in suppression of the earlier resolution passed at the 18th Annual General Meeting of the Company held on 26th July, 2008, the consent of the Company be and is hereby accorded under Section 180(1)(c) and other applicable provisions if any of the Companies Act, 2013 to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not, at any time, exceed the sum of Rupees 50 Crores only at any point of time exclusive of interest."

10. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in suppression of the earlier resolution passed at the 18th Annual General Meeting of the Company held on 26th July, 2008, the consent of the Company, be and is hereby accorded under Section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013 to the Board of Directors of the Company to mortgage and/ or charge and/ or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, the whole or substantially the whole of any one

or more of the undertakings of the Company including the present and/ or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rupees 50 Crores only at any point of time by way of any of the following namely Term Loans in Indian Rupees and Foreign Currency, Export Credit, Equipment Credit Scheme, Leasing Credit Facilities or other facilities from the Financial Institutions and/or Bankers and/or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company to the respective Financial Institutions and/ or Bankers and/ or other parties in terms of their respective Loan Agreements/Deeds of Agreements/ Hypothecation Agreements/ Letters of Sanction/ Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank pari passu with or second or subservient to the mortgages and/ or charges and/ or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors."

For and on behalf of the Board of Directors

Bhagwandas T Doshi
Executive Chairman

Registered Office:
145, SDF-V, Seepz-SEZ,
Andheri (East),
CIN: L72900MH1989PLC131521
Tel: 22 2829 0244

E-mail: fineline@vsnl.com, Website www.finelineindia.com

Mumbai, 30th May, 2014

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, 5th August, 2014 to Saturday, 9th August, 2014 (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) In terms of Section 124 of the Companies Act, 2013 (Corresponding to Section 205A (5) of the Companies Act, 1956), dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid / unclaimed dividend account of the Company shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to sub-section (1) of Section 205C of the Companies Act, 1956. Members are requested to seek early settlement of claim for payment of unpaid dividend from the Company. Members may please note that no claim of the transferred unclaimed / unpaid dividend shall lie against the above said fund or the Company after transfer of the amounts to the said fund.
- g) A brief resume of Shri. Vijay A. Kumbhani, Shri. Gautam Doshi, Shri. Juzer Vasi, Shri. R. Premkumar, Shri. Apurva Shah and Shri. Rajendra Gandhi 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 Bombay Stock Exchange Ltd 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.
- h) 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.
- i) Recently, the Ministry of corporate Affairs (MCA), Government of India, through its Circular nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories.
We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email address.
- j) Members may also note that the Notice of the 24th Annual General meeting and the Annual report for 2013-2014 will also be available on the Company's Website: 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) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

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
- (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 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 sequence number 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. 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 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.

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 under help section or write an email to helpdesk.evoting@cdslindia.com.
- B. The e-voting period commences on Saturday, August 02, 2014 (9:00 am) and ends on Monday, August 04, 2014 (6:00pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, July 04, 2014, may cast their vote electronically. The 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 Friday, July 04, 2014.
- D. Mr. Mitesh Dhabliwala, of M/s Parikh Parekh & Associates., Practising Company Secretaries, (Membership No ACS : 24539, CP : 9511) (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 e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
- E. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- F. As the voting would be through electronic means, the members who do not have access to 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 appointed by the Board of Directors of the Company, Mr. Mitesh Dhabliwala, Practising Company Secretary, (Membership No. ACS 24539), at the Registered Office of the Company not later than Monday, August 04, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
- Unsigned, incomplete or incorrectly ticked forms shall be rejected.
- G. A Member can opt for only one mode of voting, i.e., either through e-Voting or by Ballot. If a Member casts votes by both modes, then voting done through e-Voting shall prevail and Ballot shall be treated as invalid.
- H. Members receiving the Notice of the AGM through electronic means can request for a Ballot Form.
- I. 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).
- J. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.fine-lineindia.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
Executive Chairman

Registered Office:
145, SDF-V, Seepz-SEZ,
Andheri (East),
CIN: L72900MH1989PLC131521
Tel: 22 2829 0244

E-mail: fineline@vsnl.com, Website www.fine-lineindia.com

Mumbai, 30th May, 2014

ANNEXURE TO NOTICE

Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the special business contained in the notice of Annual General Meeting.

Item No 5 to 8.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchange, appointed Shri. Juzer Vasi, Shri. Ramunni Premkumar, Shri. Apurva Shah and Shri. Rajendra Gandhi, as Independent Directors at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Shri. Juzer Vasi, Shri. Ramunni Premkumar, Shri. Apurva Shah and Shri. Rajendra Gandhi, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board Shri. Juzer Vasi, Shri. Ramunni Premkumar, Shri. Apurva Shah and Shri. Rajendra Gandhi fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and that they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri. Juzer Vasi, Shri. Ramunni Premkumar, Shri. Apurva Shah and Shri. Rajendra Gandhi as Independent Directors is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Directors to be appointed is given below:

Shri. Juzer Vasi

Prof. Juzer Vasi, aged 67 years is B.Tech in Electrical Engineering and has obtained Ph. D from Johns Hopkins University 1973. He is associated with Indian Institute of technology and Johns Hopkins University for many years through his teaching professional expert in Microelectronics particularly CMOS devices technology and design. He is interacting with the industries in the countries like USA, Germany, Japan and Singapore in the field of Microelectronics. Prof. Juzer Vasi is a fellow of IETE, Indian National Academy of Engineering (INAE) a senior Member and distinguished lecturer at IEEE Electron Devices Society.

Shri. Ramunni Premkumar

Shri. R.M Premkumar is an IAS Officer of 1968 Batch and held important posts as follows: Collector, Kolhapure; CEO, Maharashtra Industrial Development Corporation; MD, Maharashtra Tourism Development Corporation; Development Commissioner; Seepz, Principal Secretary (Revenue); Government of Maharashtra; Additional Secretary; Department of Maharashtra; Chairman, Food Corporation; Chief Secretary, Government of Maharashtra and presently Chairman of SICOM Limited.

Shri. Apurva Shah

Shri Apurva R. Shah, a Chartered Accountant and Cost and Works Accountant has graduated from the London School of Economics and Political Sciences with a distinction in International Accounting and Finance. He was a rank holder in the chartered Accounting Examinations with an award for the highest distinction in Financial Accounting and in Direct Tax Laws. He is a partner at M/s. Rajendra & Company, Chartered Accountants. He has over the years, developed expertise in areas such as Direct Taxation, Foreign Exchange Management Law, Financial Management and Business Restructuring and in Accounting.

Shri. Rajendra Gandhi

Shri Rajendra V. Gandhi, aged about 65 years is an industrialist and is on the Board of the Company as Director from the inception of the Company.

Shri. Juzer Vasi, Shri. Ramunni Premkumar, Shri. Apurva Shah and Shri. Rajendra Gandhi, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

No other Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolutions.

Item No 9.

Section 180 (1) (c) of the Companies Act, 2013, requires Shareholders approval for the limit of moneys to be borrowed by the Company when they exceed the aggregate of the paid up Capital of the Company and its free reserves.

As a part of future growth and expansion plans of the Company, the Company may have to borrow more funds from banks and financial institutions and other parties in excess of the paid-up capital and free reserves of the Company and thus it is necessary that a higher ceiling limit for borrowing be approved by the members to enable the Board of Directors to procure working funds for business purposes as and when required. It is therefore proposed to authorise the Board of Directors to borrow in excess of the paid-up capital and free reserves of the Company subject to a maximum of Rupees Fifty Crores only.

A special resolution under Section 180 (1) (c) of the Companies Act, 2013 is therefore proposed for approval by the members.

None of the Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

The Board commends your approval of the said resolution.

Item No 10.

The borrowings from the Banks, financial institutions or other parties might be secured by mortgaging or charging the moveable and/or immovable assets of the Company. This may attract the provisions of Section 180(1)(a) of the Companies Act, 2013 which requires Shareholders approval.

A special resolution under Section 180 (1) (a) of the Companies Act, 2013 is therefore proposed for approval by the members.

None of the Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

The Board commends your approval of the said resolution.

For and on behalf of the Board of Directors

Bhagwandas T Doshi
Executive Chairman

Registered Office:
145, SDF-V, Seepz-SEZ,
Andheri (East),
CIN: L72900MH1989PLC131521
Tel: 22 2829 0244

E-mail: fineline@vsnl.com, Website www.finelineindia.com

Mumbai, 30th May, 2014

DIRECTORS' REPORT

To
The Members,
The Directors are pleased to present their Twenty Fourth Annual Report and Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

Rs. in Lakhs

| | 2013-14 | 2012-13 |
|---|---------------|---------------|
| Sales and other Income | 2481.59 | 2498.52 |
| Gross Profit before depreciation and tax | 75.72 | 72.51 |
| Less: Depreciation | 49.88 | 59.50 |
| Profit / (Loss) before Tax | 25.84 | 13.01 |
| Less: Provision for current tax | 0.60 | 0.78 |
| Provision for deferred tax | 3.67 | 4.47 |
| Fringe Benefit tax | - | - |
| Profit / (Loss) after Tax | 21.57 | 7.76 |
| Add: Excess/(Short) provisions of earlier year | - | - |
| Add: Balance brought forward from previous year | 89.79 | 82.03 |
| Balance carried to Balance Sheet | 190.10 | 168.52 |

2. PERFORMANCE AND OPERATIONAL RESULTS

Even amidst a flat turnover relative to previous year due to cost control, we have achieved a slightly improved performance with a higher net profit this year as compared to previous year.

The Company continues to export its products to the G20 Nations and has added new PCB products of more materials, surface finishes and design tolerances which augurs well for the coming years.

3. DIVIDEND

To conserve the resources your directors do not recommend any dividend this year.

4. CORPORATE GOVERNANCE

Pursuant to Clause - 49 of the Listing Agreement with the Stock Exchange a report on Corporate Governance, Management Discussion and Analysis, and a Certificate obtained from the Auditors of the Company regarding Compliance with the conditions of Corporate Governance, form part of this Report.

5. FIXED DEPOSIT

The Company has not accepted any fixed deposits during the year.

6. DIRECTORS

Shri. Vijay Kumbhani and Shri. Gautam Doshi, Directors of the Company retire by rotation and being eligible; offer themselves for reappointment at the ensuing Annual General Meeting of the Company.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with Stock Exchange, appointed Shri. Juzer Vasi, Shri. Ramunni Premkumar, Shri. Apurva Shah and Shri. Rajendra Gandhi as Independent Directors of the Company.

As per Section 149(4) of the Companies Act, 2013 ('Act'), which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. As per Clause 49 of the Listing Agreement your company is required to have atleast fifty percent of directors as Independent Directors. In accordance with the provisions of Section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company. Steps are being taken to adhere to the requirement of Clause 49 of the Listing Agreement.

7. COMPLIANCE CERTIFICATE

The Compliance Certificate of the secretary in wholetime practice under section 383A of the Companies Act, 1956 is attached.

8. LISTING ARRANGEMENTS

The Equity Shares of the Company continue to be listed on BSE Limited, Mumbai and the listing fees has been paid up to 31st March 2015.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY

The Company has systematic in-house energy conservation program. Several measures have been taken to conserve the energy and those are being satisfactorily implemented.

B. ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

The Company continuously substitutes high power consuming equipments wherever feasible with low power consuming equipments and for that the necessary changes in requisite process operations are planned, implemented and reviewed regularly.

C. TECHNOLOGY ABSORPTION

a. Research & Development

Since last 15 years, through pursuit of R&D endeavours, the Company has been regularly incurring R&D expenditure on the following activities

- Development of new products and of complex designs.
- Continuous improvement of existing products, for enhanced, Thermal, Mechanical & Electrical Reliability.
- Testing and adapting new materials.

- New processes, upgradation and existing production process improvement.
- Redesigning of manual processes for automation.
- Environmental compliance by products and processes.

b. Research & Development was carried out and completed on the following specific projects

- Gold on Copper Finish.
- Superior hole preparation on High Tg Materials.
- Mechanical Stability on Polyimide Materials.
- Tin plating on curved Copper Surfaces.

Research & Development has been initiated on the following specific projects

- Thermal stability on Teflon Materials.
- Electrical Stability on High Frequency Material.
- Processing of Halogen free Laminates.
- Thin core (3.0 mil) processing.
- Processing of oversized boards.

c. Benefits

Benefits derived as a result of R&D are improvement of quality of the products and reduced operational cycle time through infusion of the latest technology. Upgradation of products to the new standard, has been possible because of continuous R&D carried out since inception, leading to enhanced customer satisfaction and new business opportunities.

d. Future plan of action

Future R&D efforts will continue along similar lines, as at present, but with enhanced focus, thrust and endeavours.

e. Expenditure on R&D

Over the last 15 years, in pursuit of its R&D endeavours, the company has been regularly incurring expenditure on R&D. The same is reflected in the respective accounts of Balance Sheet and Profit and Loss Account. During the Financial Year 2013-14 the Company has incurred Rs.20.50 lakhs as R&D revenue expenditure.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company exported Printed Circuits Boards during the year and continued to make constant efforts to increase its export sales by tapping additional markets and new customers.

The details of Foreign Exchange Earnings and Outgo (in Rs. Lacs) are as under:

| Year ended 31 st March | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|
| Foreign Exchange | | | | | | | | | | |
| Earning | 2375 | 2230 | 2316 | 2312 | 1796 | 2686 | 2444 | 2911 | 2114 | 1720 |
| Outgo | 1256 | 1137 | 970 | 1172 | 690 | 1266 | 1072 | 1703 | 939 | 837 |
| Net Earning | 1119 | 1093 | 1347 | 1140 | 1106 | 1420 | 1372 | 1208 | 1175 | 883 |

10. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is not provided, as none of the employees of the Company is drawing salary above the limits prescribed under the above rules.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the applicable accounting standards.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 and of the profit of the company for the year ended on that date;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the Annual Accounts on a "going concern" basis.

12. AUDITORS

M/s. D K P & Associates, Chartered Accountants, the Auditors of the company who would retire at the ensuing Annual General Meeting offer themselves for reappointment. M/s. D K P & Associates, Chartered Accountants, the existing auditors have furnished a certificate, confirming that if reappointed for the financial year 2014-2015 their reappointment will be in accordance with Section 139 read with section 141 of the Companies Act, 2013.

You are requested to appoint Auditors and to fix their remuneration.

13. ACKNOWLEDGMENT

We acknowledge our appreciation to our clientele and vendors for their invaluable support during the year.

We also place on record our deep appreciation for the contribution made by the staff and the workmen at all levels. Their contribution has in no small measure enabled the Company to remain competitive.

Grateful thanks are also due to SEEPZ-SEZ Authorities, for their continued support extended to the Company from time to time.

Shareholders' appreciation for the management's efforts in such competitive times, at the General Meeting of the Company will be of great fillip to strive for better performance in spite of severe competitive factors faced by the Company.

On behalf of the Board

Place : Mumbai
Dated : 30th May, 2014

BHAGWANDAS T. DOSHI
Executive Chairman

CIN: L72900MH1989PLC131521

Authorised Capital: Rs. 7,50,00,000/-

Compliance Certificate

To
The Members
FINE-LINE CIRCUITS LIMITED
145, SDF-V, SEEPZ-SEZ,
Andheri (East), Mumbai – 400096.

We have examined the registers, records, books and papers of **Fine-Line Circuits Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **March 31, 2014**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1 The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
- 2 The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said Annexure.
- 3 The Company being a Public Limited Company has minimum prescribed paid-up capital and comments relating to Private Limited Company about maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
- 4 The Board of Directors duly met 4 (Four) times on 28.05.2013, 27.07.2013, 26.10.2013 and on 01.02.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book Maintained for the purpose. (No circular resolution was passed.)
- 5 The Company has closed its Register of Members from 22nd July, 2013 to 27th July, 2013 (both days inclusive) for the purpose of Annual General Meeting and necessary compliance of Section 154 of the Act has been made.
- 6 The annual general meeting for the financial year ended on 31st March, 2013 was held on 27.07.2013 after giving due notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
- 7 No extra ordinary general meeting was held during the financial year.
- 8 The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in the Section 295 of the Act.
- 9 The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
- 10 The Company has made necessary entries in the register maintained under Section 301 of the Act.
- 11 As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
- 12 The Company has not issued any duplicate share certificates during the financial year.
- 13
 - i. The Company has, barring few cases, delivered the certificates on lodgment of securities for transfer/ transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the year.
 - ii. The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii. The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - iv. There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - v. The Company has complied with the requirements of section 217 of the Act.
- 14 The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
- 15 The appointment of Managing Director/Whole time Director have been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
- 16 The Company has not appointed any sole selling agents during the financial year.
- 17 The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
- 18 All the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions

of the Act and the rules made thereunder.

- 19 The Company has not issued any shares, debentures or other securities during the financial year.
- 20 The Company has not bought back any shares during the financial year.
- 21 The Company has not issued any Preference Shares/ Debentures.
- 22 There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23 The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
- 24 The amounts borrowed by the Company during the financial year ending 31.03.2014 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened general meeting.
- 25 The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
- 26 The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
- 27 The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 28 The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- 29 The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30 The Company has not altered its Articles of Association during the year under scrutiny.
- 31 We are informed that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
- 32 The Company has not received money as security from its employees during the financial year.
- 33 The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Mumbai

Date : 30.05.2014

For Parikh Parekh & Associates

Signature :

Name of Company Secretary : Shalini Bhat
(Partner)

C. P. No. : 6994

Annexure 'A'

Statutory Registers as maintained by the Company

1. Register of Charges u/s 143 of the Act.
2. Register of Members u/s 150 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act. (In loose leaf)
4. Minutes Book of General Meetings u/s 193 of the Act. (In loose leaf)
5. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
6. Register of Contracts u/s 301 of the Act.
7. Register of Disclosure of Interest u/s 301 of the Act.
8. Register of particulars of Directors etc. u/s 303 of the Act.
9. Register of Directors' Shareholding u/s 307 of the Act.

Other Registers

1. Register of Transfers
2. Attendance Register of Board Meetings
3. Attendance Register of General Meetings

Place : Mumbai

Date : 30.05.2014

For Parikh Parekh & Associates

Signature :

Name of Company Secretary : Shalini Bhat
(Partner)

C. P. No. : 6994

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2014:

| Sr. No. | Form No./ Return | Filed under sections of the Companies Act, 1956 | For | Date of filing | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|------------------|---|--|----------------|---|--|
| 1 | Form 23 | 192 | Re-Appointment and revision in remuneration of Shri Abhay Doshi as Managing Director, Shri Bhagwandas Doshi as Whole-time Director and Shri Rajiv Doshi as Whole-time Director w.e.f. 01.04.2013 | 15.04.2013 | Yes | N.A. |
| 2 | Form 32 | 303(2) | Change in Designation of Shri Abhay Doshi as Managing Director, Shri Bhagwandas Doshi as Whole-time Director and Shri Rajiv Doshi as Whole-time Director w.e.f. 01.04.2013 | 15.04.2013 | Yes | N.A. |
| 3 | Form 25C | 269 | Re-appointment of Shri Abhay Doshi as Managing Director w.e.f. 01.04.2013 | 16.04.2013 | Yes | N.A. |
| 4 | Form 25C | 269 | Re-appointment of Shri Bhagwandas Doshi as Whole-time Director w.e.f. 01.04.2013 | 16.04.2013 | Yes | N.A. |

| | | | | | | |
|----|--|------|---|------------|------|------|
| 5 | Form 25C | 269 | Re-appointment of Shri Rajiv Doshi as Whole-time Director w.e.f. 01.04.2013 | 16.04.2013 | Yes | N.A. |
| 6 | Form 23 | 192 | Special Resolution for payment of remuneration to Shri Abhay Doshi as Managing Director, Shri Bhagwandas Doshi as Whole-time Director and Shri Rajiv Doshi as Whole-time Director at the AGM held on 27.07.2013 | 31.07.2013 | Yes | N.A. |
| 7 | Form 66 Alongwith Compliance Certificate for the year ended 31.03.2013 | 383A | Financial year ended 31.03.2013 | 30.07.2013 | Yes | N.A. |
| 8 | Form 5INV | 205C | Statement of unclaimed and unpaid amounts as on the AGM held on 27.07.2013 | 02.08.2013 | N.A. | N.A. |
| 9 | Form 23 AC XBRL and Form 23ACAXBRL alongwith Annual Report for the year ended 31.03.2013 | 220 | Adopted at the Annual General Meeting held on 27.07.2013 | 19.08.2013 | Yes | N.A. |
| 10 | Form 20B alongwith Annual Return made as on 27.07.2013 | 159 | Annual General Meeting held on 27.07.2013 | 03.09.2013 | Yes | N.A. |

For Parikh Parekh & Associates

Signature :

Name of Company Secretary : Shalini Bhat
(Partner)

C. P. No. : 6994

Place : Mumbai

Date : 30.05.2014

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

As per the provisions of the Corporate Governance under the Listing agreement, the Management Discussion and Analysis (MDA) Report form part of the Directors' Report and reflects current state of the business.

Your Company is making Printed Circuit Boards (PCBs) and has its manufacturing facilities in Seepz, SEZ, Mumbai. It continues to remain a 100% EOU.

1) INDUSTRY STRUCTURE AND DEVELOPMENT

PCBs are basic Electronic Building Block components used in all Electrical and Electronic Products. As a 100% EOU, the main Global supply comes from China. The product is a complex one with several aspects of technology intricacy and above all continuously increasing customer expectations.

Electronics Manufacture in India has a disability relative to China & the Government has recognized this and to boost & Support the Electronics manufacturing has formulated & announced the National Policy on Electronics having various incentives to affect the disabilities faced by Indian Electronics Manufacturer with this Electronics Manufacture is sure to grow.

Our own focus after exports to over 12 country's is now also on the domestic Market, hence we are well positioned to ride this growth phase.

2) MODERNISATION, OPPORTUNITY AND THREATS

The Company continuously updates its manufacturing processes focused towards yield, capability and capacity improvements. The improvements are on all fronts, equipments, processes / systems and personnel Training.

The opportunities are in the small to medium volume, faster delivery and with broad range of surface finishes focused for the European markets.

The threats are on account of volatile exchange rate movements and rising input and personnel costs.

3) SEGMENTWISE PERFORMANCE

Printed Circuits Boards (PCBs) is the only business segment in which the company is dealing.

4) a) BUSINESS SCENARIO

Printed Circuits Boards (PCBs) being a basic Electronic Building Block, it continues to have wide applications. The management is seized of the competition and quality consciousness at all the levels. The company is in the driver's seat for the quality of the products and has earned a good name in the global market. The company's policy to provide strong customer support has kept the company's image in the market at high level of confidence. The company continues to up-date the plant in terms of up-keep and modernization.

b) HIGH TECHNOLOGY MULTILAYER UNIT

The High Technology Multilayer Unit (HTMU) continued to progress well.

5) RISK AND CONCERNS

The financial status of the company is stable. The cash flow is judiciously managed to get the best exchange rate gains. Slow growth in the global markets, high power cost, volatile exchange rate movements and consistently rising personnel costs are risks that the Company is facing and tackling.

6) INTERNAL CONTROL

The company has Internal Auditors who conducts internal audit that assesses the internal control systems. The Statutory Auditors and the Audit Committee review these controls regularly. Any change in the internal control that is recommended is studied and implemented based on the company needs and feasibility of implementation.

7) FINANCIAL PERFORMANCE

The Company rationalized the products line considering the price levels to remain competitive in the volatile Exchange Rate, Higher material and power cost scenario. The Company expects to improve on all these counts in the coming year.

8) HUMAN RESOURCE DEVELOPMENT AND BUILDING LEADERSHIP QUALITIES

The personnel of the company are vital part of the organization. The company continues its policy to train them in-house, provide opportunity for external training and challenges them to exert and rewards superior performance. The Company is pleased to state that this has made the 2nd level supervisory personnel to show encouraging performance and to rise up. The company has engaged contractor's workmen for support services and follows the same policy of training and rewarding the good performers.

The total number of employees on the rolls of the company as on 31st March 2014 was 153 (Previous year 140).

9) TECHNOLOGY ABSORPTION:

a. Research & Development

Since last 15 years, through pursuit of R&D endeavours, the Company has been regularly incurring R&D expenditure on the following activities

- Development of new products and of complex designs.
- Continuous improvement of existing products, for enhanced, Thermal, Mechanical & Electrical Reliability.
- Testing and adapting new materials.
- New processes, upgradation and existing production process improvement.
- Redesigning of manual processes for automation.
- Environmental compliance by products and processes.

b. Research & Development was carried out and completed on the following specific projects

- Gold on Copper Finish.
- Superior hole preparation on High Tg Materials.
- Mechanical Stability on Polyimide Materials.
- Tin plating on curved Copper Surfaces.

Research & Development has been initiated on the following specific projects

- Thermal stability on Teflon Materials.
- Electrical Stability on High Frequency Material.
- Processing of Halogen free Laminates.
- Thin core (3.0 mil) processing.
- Processing of oversized boards.

c. Benefits

Benefits derived as a result of R&D are improvement of quality of the products and reduced operational cycle time through infusion of the latest technology. Upgradation of products to the new standard, has been possible because of continuous R&D carried out since inception, leading to enhanced customer satisfaction and new business opportunities.

d. Future plan of action

Future R&D efforts will continue along similar lines, as at present, but with enhanced focus, thrust and endeavours.

e. Expenditure on R&D

Over the last 15 years, in pursuit of its R&D endeavours, the company has been regularly incurring expenditure on R&D. The same is reflected in the respective accounts of Balance Sheet and Profit and Loss Account. During the Financial Year 2013-14 the Company has incurred Rs.20.50 lakhs as R&D revenue expenditure.

Cautionary Statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2014 (Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is to protect the long-term interest of the shareholders while respecting interest of other stakeholders and society at large. The company has set up adequate review process, internal controls and efficient management information systems.

The Company is committed to good corporate governance and transparency in its dealings and lays emphasis on integrity and regulatory compliance.

2. BOARD OF DIRECTORS

The total strength of Board of Directors of the Company as on 31st March, 2014 was 10 (Ten) including 7 (Seven) Non-Executive Directors, out of which 5 (Five) Directors were Independent Directors. The Directors are eminent professionals from amongst persons from the fields of business, finance, medicine, education and industry.

Composition and category of Directors are as under:

| Sr. # | Name of Director | Category of Director | Attendance at Board Meetings held During the year | Attendance At last AGM (July 27, 2013) | Number of other Directorships* | Committees (Other than Fine-Line Circuits Ltd.) * | |
|-------|---------------------|----------------------|---|--|--------------------------------|---|----------|
| | | | | | | Member | Chairman |
| 1 | Bhagwandas T. Doshi | PD | 4 | Present | 1 | 1 | Nil |
| 2 | Rajendra V. Gandhi | NI | 1 | Absent | 3 | Nil | 1 |
| 3 | Juzer Vasi | NI | 3 | Present | Nil | Nil | Nil |
| 4 | R.M Premkumar | NI | 2 | Present | 5 | Nil | 1 |
| ***5 | U. Nimmagadda | NI | 1 | Present | Nil | Nil | Nil |
| 6 | Apurva R. Shah | NI | 2 | Absent | 4 | 3 | Nil |
| 7 | Vijay A. Kumbhani | NE | 3 | Present | Nil | Nil | Nil |
| 8 | Gautam B. Doshi | NE | 1 | Present | Nil | Nil | Nil |
| 9 | Rajiv B. Doshi | ED | 3 | Present | Nil | Nil | Nil |
| 10 | Abhay B. Doshi | MD | 4 | Present | Nil | Nil | Nil |

PD = Promoter Director (Executive)

ED = Executive Director

CIRCUITS LIMITED

NE = Non-Executive Director

NI = Non-Executive Independent Director

MD = Managing Director

*** Independent Director upto 31st March, 2014.

*Excludes Directorship in Private Limited Companies, Foreign Companies, Section 25 Companies and Government Bodies and Alternate Directorships. Only Audit Committee and Shareholders'/ Investors' Grievance Committee have been considered for the Committee position.

None of the directors of the company is a member of more than 10 committees or Chairman for more than 5 committees across all companies in which he is a director.

Shri Abhay B. Doshi, Shri Gautam B. Doshi and Shri Rajiv B. Doshi are sons of Shri Bhagwandas T. Doshi, Executive Chairman of the Company and hence are related to each other. Shri Vijay A. Kumbhani is brother in law of Shri Abhay B. Doshi.

The Non Executive Directors of the Company are paid sitting fees for attending meetings of the Board of Directors and Committees. Besides sitting fees non-executive Directors are not paid any other remuneration or commission. The Executive Directors are not paid sitting fees.

The following non executive directors hold shares in the Company as shown here under:

| | |
|---------------------------|----------------------|
| A. Shri Vijay A. Kumbhani | 45010 Equity Shares |
| B. Shri Gautam B. Doshi | 223100 Equity Shares |

No other Non Executive Directors hold any shares in the company.

Independent Directors

The independent directors are not related to promoters or management at the board level. They review at every board meeting legal compliance reports prepared by the Company

Number and date of Board Meetings held

4 (Four) Board Meetings were held during the year 2013-14. The dates on which the said meetings were held are as follows:

28th May, 2013, 27th July 2013, 26th October 2013, 01st February, 2014.

The company has a process to provide the information to the Board as required under Annexure IA to clause 49, which was followed.

All the directors have made necessary disclosures about the committee positions, they occupy in other companies.

The company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management personnel etc. other than transactions if any, entered into in the normal course of company's business.

Information required under clause 49 (IV) (G) of the Listing Agreement.

The particulars of Directors, who are proposed to be appointed / reappointed at this Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement.

a) Shri Vijay A Kumbhani

Shri Vijay A. Kumbhani aged 54 years is on the Board of the Company since 1991. He is B. Tech. (Mechanical Engg.) from Indian Institute of Technology, Kharagpur and MFM from Jamnalal Bajaj Institute of Management. He has wide experience in operational activity of Plant and thorough market and technical Knowledge. In the past, he has served the Company as Technical Director and had looked after US Market. He was instrumental in setting up the internal policies and controls for the company. He is also a Committee member on the Audit Committee and Share Transfer & Shareholder's Grievance Committee of the Company.

Other directorship/committee position: NIL

Shri V. A. Kumbhani holds 45,010 equity shares in the Company.

b) Shri Gautam B. Doshi

Shri Gautam B. Doshi aged 50 years has graduated with a Bachelors Degree in Electrical Engineering from the Indian Institute of Technology, Mumbai and a Master of Engineering degree in Electrical Engineering from University of California, Berkeley, USA. He joined Intel Corporation in 1988 and has held a series of increasingly senior technical position in microprocessor architecture, design. He holds 15 patents in the field of processor architecture, design and software and has been twice awarded Intel's highest technical honor- the Intel Achievement Award. He has been instrumental in guiding the Company's marketing efforts in the USA market. Other directorship / committee position: NIL

Shri Gautam B. Doshi holds 2,23,100 equity shares in the Company

c) Shri. Juzer Vasi

Prof. Juzer Vasi, aged 67 years is B.Tech in Electrical Engineering and has obtained Ph. D from Johns Hopkins University 1973. He is associated with Indian Institute of technology and Johns Hopkins University for many years through his teaching professional expert in Microelectronics particularly CMOS devices technology and design. He is interacting with the industries in the countries like USA, Germany, Japan and Singapore in the field of Microelectronics. Prof. Juzer Vasi is a fellow of IETE, Indian National Academy of Engineering (INAE) a senior Member and distinguished lecturer at IEEE Electron Devices Society.

Shri. Juzer Vasi does not hold any shares in the Company.

Other directorship/committee position: NIL

d) Shri. R. M. Premkumar

Shri. R.M Premkumar aged 69 years is an IAS Officer of 1968 Batch and held important posts as follows: Collector, Kolhapure; CEO, Maharashtra Industrial Development Corporation; MD, Maharashtra Tourism Development Corporation; Development Commissioner; Seepz, Principal

Secretary (Revenue); Government of Maharashtra; Additional Secretary; Department of Atomic Energy; Chairman, Food Corporation; Chief Secretary, Government of Maharashtra and presently Chairman of SICOM Limited. He is also on the Board of Afcons Infrastructure Ltd., Pipavav Shipyard Ltd, Rama Cylinders Private Ltd, Multi Commodity Exchange of India Ltd., NTPC-BHEL Power Project Pvt. Ltd., Lanco Vidarbha Thermal Power Ltd., as director.

Shri R.M Premkumar does not hold any shares in the Company.

e) Shri Apurva R. Shah

Shri Apurva R. Shah, a Chartered Accountant and Cost and Works Accountant aged 44 years has graduated from the London School of Economics and Political Sciences with a distinction in International Accounting and Finance. He was a rank holder in the chartered Accounting Examinations with an award for the highest distinction in Financial Accounting and in Direct Tax Laws. He is a partner at M/s. Rajendra & Company, Chartered Accountants. He is on the Board of M/s. Shantivijay Jewels Ltd., (also member on Audit Committee and Remuneration Committee), M/s. Asianstar Company Ltd., (also member on Audit Committee, Shareholders Committee and Remuneration Committee), M/s. Steelcast Ltd., (also alternate Chairman of Audit Committee and member on Remuneration Committee), Acrysil Limited and Florican Chemicals & Resins Pvt. Ltd. as Director and G Jewelcraft Ltd. He has over the years, developed expertise in areas such as Direct Taxation, Foreign Exchange Management Law, Financial Management and Business Restructuring and in Accounting.

Shri Apurva R. Shah does not hold any shares in the Company.

f) Shri. Rajendra Gandhi

Shri Rajendra V. Gandhi, aged about 65 years is an industrialist and is on the Board of the Company as Director from the inception of the Company. He is also on the Board of GRP Ltd. As Chairman and Managing Director, Enarjee Consultancy & Trading Co. LLP, as Designated Partner, Steel Cast Ltd., Grip Polymers Ltd., Industrial Development & Investment Co. Pvt. Ltd. and Ghatkopar Estate and Finance Corporation Pvt. Ltd., as director.

Shri Rajendra V. Gandhi does not hold any shares in the Company.

3. CODE OF CONDUCT

The Board has laid down a code of conduct for Board members and senior management personnel of the company. The said code of conduct is posted on the company's website. The Board Members and Senior Management Personnel have affirmed compliance with the said code of conduct. A certificate to this effect given by Mr. Abhay B. Doshi, Managing Director of the Company is attached to this report.

4. AUDIT COMMITTEE

The Audit Committee comprises solely of Qualified Non-Executive Directors with majority of them being independent. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 such as oversight of the company's financial reporting process; recommending the appointment / reappointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and other matters as covered under role of Audit Committee in clause 49. The Audit Committee has powers, inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the company/ company's subsidiary as well as seek outside legal and professional advises.

The members of Audit Committee have knowledge on financial matters and majority of them have accounting or related financial management expertise. The Chairman of the Audit Committee is an independent director.

The statutory auditors and finance personnel are invitees to the meetings of the audit committee.

The Audit Committee reviews all the information that is required mandatorily to be reviewed by it under corporate governance.

Four meetings of the Committee on the dates mentioned below were held during the year 2013-14:

28-May-13, 27-July-13, 26-Oct-13 and 01-Feb-14.

The Composition of the Audit Committee and the details of the Meetings attended is as follows:

| Sr. No. | Name of Director | Category | Committee | No. of Meeting attended |
|---------|------------------|----------|----------------------|-------------------------|
| 1 | Apurva R. Shah | NI | Chairman | 2 |
| 2 | R.M. PremKumar | NI | Alternative Chairman | 2 |
| 3 | R.V. Gandhi | NI | Member | NIL |
| 4 | V.A. Kumbhani | NE | Member | 3 |
| 5 | Juzer Vasi | NI | Member | 3 |

5. SUBSIDIARY COMPANY

The company does not have any subsidiary company. The company has one branch office in USA, the financial statements of which are regularly reviewed by the Audit Committee.

6. REMUNERATION COMMITTEE

All the directors on the Committee are independent and Non-Executive directors. The Remuneration Committee deals with the matters specified in clause 49 of the listing agreement and also reviews the overall compensation structure and policies of the Company.

The remuneration policy of the company is based on the need to attract the best available talent and is in line with the industry levels.

The composition of the Remuneration Committee is as under: -

| Sr. No. | Non Executive Director | Committee |
|---------|------------------------|-----------|
| 1 | Rajendra V. Gandhi | Chairman |
| 2 | Juzer Vasi | Member |
| 3 | R.M.Premkumar | Member |

The Remuneration Committee meeting was held on March 28, 2013 for approval of remuneration payable to Executive Chairman, Managing Director and Executive Director upon their reappointment w.e.f April 1, 2013. The remuneration paid to Directors is stated here in below. The Non-Executive Directors are not drawing any remuneration. However, following sitting fees are paid to the Non-Executive Directors for attending meetings of the Board of Directors/ Committees.

Details of remuneration paid to Directors:

(In Rupees)

| | Name of Director | Sitting Fees | Salaries & Perquisites | Performance Incentive | Total |
|-----------|--------------------------------|--------------|------------------------|-----------------------|------------------|
| A. | Executive Directors | | | | |
| | Bhagwandas T. Doshi | Nil | 17,35,624 | Nil | 17,35,624 |
| | Abhay B. Doshi | Nil | 19,54,159 | Nil | 19,54,159 |
| | Rajiv B. Doshi | Nil | 17,90,316 | Nil | 17,90,316 |
| | Total | Nil | 54,80,099 | Nil | 54,80,099 |
| B. | Non-Executive Directors | | | | |
| | <i>R.V. Gandhi</i> | - | Nil | Nil | - |
| | <i>V.A. Kumbhani</i> | 33000 | Nil | Nil | 33000 |
| | <i>Juzer Vasi</i> | 24000 | Nil | Nil | 24000 |
| | <i>U. Nimmagadda</i> | 5000 | Nil | Nil | 5000 |
| | <i>Gautam Doshi</i> | 5000 | Nil | Nil | 5000 |
| | <i>Apurva R. Shah</i> | 16000 | Nil | Nil | 16000 |
| | R. M. Premkumar | 16000 | Nil | Nil | 16000 |
| | Total | 99000 | Nil | Nil | 99000 |

Salaries and perquisites include contribution to Provident Fund, Leave Travel Allowance, reimbursement of medical expenses, wherever applicable as per the rules of the Company. The services are terminable by either party by giving to the other 6 (six) calendar month's notice in writing or by payment of a sum of equivalent remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed

Sitting Fees includes payment for Board level committee meetings.

Stock Options: The members of the Company have approved the Stock Options scheme for the benefit of the persons who are in the permanent employment of the Company. The Company is yet to frame the scheme for grant of stock options.

7 SHARE TRANSFER & SHAREHOLDERS' GRIEVANCE COMMITTEE

The Share Transfer and Shareholders' Grievance Committee consists of three Directors.

The Following are the members of the Committee: -

| Sr. No. | Members | Committee | No. of Meetings attended |
|---------|----------------|-----------|--------------------------|
| 1 | V. A. Kumbhani | Member | 24 |
| 2 | Abhay B Doshi | Member | 24 |
| 3 | Rajiv B. Doshi | Member | 24 |

The Committee meets normally every fortnight and/ or at the frequency required on the exigency of the transfer volume. The Compliance Officer Mrs. Prema Radhakrishnan monitors the legal compliances.

Universal Capital Securities Pvt. Ltd, (Formerly Mondkar Computers Pvt. Ltd) the Registrar and Transfer Agents do pre-transfer scrutiny of shares. They are authorized to communicate with the transferor and transferee to redress and attend to their needs. They generate reports, update members' records and provide data to the Committee for various statutory compliances. There are no pending share transfers as on March 31, 2014.

Investors Services

Complaints received during the year:

| Sr. No. | Particulars | 2013-14 | 2012-13 |
|---------|---|---------|---------|
| 1 | Complaints received during the year | — | — |
| 2 | Resolved to the satisfaction of shareholders. | — | — |
| 3 | No. of pending complaints | — | — |

There are no legal proceedings pending relating to transfer of shares.

The Shareholders' grievances are dealt by M/s. Universal Capital Securities Pvt. Ltd (Formerly Mondkar Computers Pvt. Ltd) and reported to the Committee regularly.

8. GENERAL BODY MEETINGS

The location and time of last three Annual General Meetings:

| AGM | Year | Venue | Day & Date | Time | Special resolution, if any |
|------------------|---------|--|------------|-----------|--|
| 23 rd | 2012-13 | Gr. Floor, Frontside SDF – VI, Seepz – (SEZ), Andheri (E), Mumbai 400096 | 27-Jul-13 | 3.30 p.m. | Yes. 1. Special resolution for reappointment of Shri. Abhay B. Doshi as Managing Director. 2. Special resolution for reappointment of Shri. Bhagwandas T. Doshi as Whole time Director 3. Special resolution for reappointment of Shri. Rajiv B. Doshi as Whole time Director |
| 22 nd | 2011-12 | Gr. Floor, Frontside SDF – VI, Seepz – (SEZ), Andheri (E), Mumbai 400096 | 4-Aug-12 | 3.30 p.m. | Nil |
| 21 st | 2010-11 | Gr. Floor, Frontside SDF – VI, Seepz – (SEZ), Andheri (E), Mumbai 400096 | 30-Jul-11 | 3.30 p.m. | Nil |

No postal ballots were used for voting in last year. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

9. DISCLOSURES**(A) Related Party Transactions**

The transactions with related parties as per Accounting Standard AS-18 are set out in notes to accounts in the Annual Report and were placed before the Audit Committee periodically.

(B) Risk Management

The Company has adopted a risk management policy. The Board of Directors has been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.

(C) Proceeds from Initial Public Offerings (IPO's)

The Company has not made any IPO or any other issue during the year.

(D) Management

The Management Discussion and Analysis Report forms part of this Annual Report

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.

The Company has adopted the non-mandatory requirements of clause 49 relating to remuneration committee. The company has a whistle blower policy and no employee is denied access to the Audit Committee.

(E) CEO/CFO Certification:

A certificate from the Managing Director / CFO of the company in terms of clause 49 V of the Listing agreement was placed before the Board at the Board meeting held on 30th May, 2014 to approve the audited annual accounts for the year ended 31st March 2014.

(F) Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding the compliance of conditions of corporate governance stipulated in the clause and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate from the Auditors of the Company to this effect and the same is given as an annexure to the Directors' Report.

10. MEANS OF COMMUNICATION

- Quarterly & Half yearly Results: The Company publishes its quarterly & Half-yearly financial results in the Newspapers and is regularly submitted to the Stock Exchange.
- The results are normally published in Free Press Journal & Navshakti newspapers.
- The results are displayed and available on Company's website: www.finelineindia.com.
- In view of the above and as cost and economy measures the quarterly results were not sent individually to the shareholders.
- There were no presentations made to the institutional investors or analysts.

11. GENERAL SHAREHOLDER INFORMATION:

1) *Twenty Fourth Annual General Meeting*

| Day & Date | Time | Venue |
|---|------------|---|
| Saturday the 09 th Aug., 2014: | 03.30 p.m. | Gr. Floor, Frontside SDF VI, Seepz-SEZ, Andheri (East), Mumbai 400096 |
| Corporate Identification Number: | | L72900MH1989PLC131521 |

Financial Year: April to March

II) Financial Calendar (Tentative)

- a) First Quarter Results : First Week of August
 b) Second Quarter Results : Last Week of October
 c) Third Quarter Results : First Week of February
 d) Annual Results : Last Week of May

III) Book Closure : Tuesday, 05th August, 2014 to Saturday, 09th August, 2014. (Both days inclusive)

IV) Listing on Stock Exchange : BSE Limited

V) Scrip Code : 517264

VI) ISIN Code in NSDL and CDSL : INE087E01011

VII) Stock Price Data during 2013-14 (BSE Table below gives the monthly highs and lows of the Company's shares on the Mumbai Stock Exchange (BSE))

High and Low prices of the Company's Shares on BSE with corresponding BSE sensdex April'2013 to March'2014.

| Months | High (Rs.) | | Low (Rs.) | |
|----------|------------|-------------|------------|-------------|
| | FLCL Price | BSE Sensdex | FLCL Price | BSE Sensdex |
| Apr ' 13 | 5.29 | 19622.68 | 4.52 | 18144.22 |
| May' 13 | 5.17 | 20443.62 | 5.17 | 19451.26 |
| Jun' 13 | 5.42 | 19860.19 | 4.92 | 18467.16 |
| Jul' 13 | 6.85 | 20351.06 | 5.39 | 19126.82 |
| Aug' 13 | 7.00 | 19569.20 | 6.51 | 17448.71 |
| Sep' 13 | 6.51 | 20739.69 | 6.51 | 18166.17 |
| Oct' 13 | 7.10 | 21205.44 | 6.49 | 19264.72 |
| Nov' 13 | 7.07 | 21321.53 | 6.72 | 20137.67 |
| Dec' 13 | 7.05 | 21483.74 | 7.05 | 20568.70 |
| Jan' 14 | 7.03 | 21409.66 | 6.70 | 20343.78 |
| Feb' 14 | 7.38 | 21140.51 | 6.35 | 19963.12 |
| Mar' 14 | 6.50 | 22467.21 | 4.21 | 20920.98 |

VIII) Performance in comparison to Broad : This has been shown in the table based Indices given above in comparison with BSE Sensdex.

IX) Registrars & Transfer Agents (RTA) : M/s Universal Capital Securities Pvt. Ltd.
 (Formerly Mondkar Computers Pvt. Ltd)
 21, Shakil Niwas, Opp.Satyasaibaba Temple,
 Mahakali Caves Road, Andheri (East), Mumbai 400093
 Tel: 91-22 2825 7641, 91-22 2820 7203-05.
 Fax: 2 820 7207 Email: info@unisec.in

X) Share Transfer System:

All share transfers and related operations are conducted by M/s Universal Capital Securities Pvt. Ltd., (Formerly Mondkar Computers Pvt. Ltd) the Registrar and Share Transfer Agents of the Company. They are registered with SEBI. The company has constituted as Share Transfer and Shareholders Grievance Committee for redressing shareholders' and Investors' complaints.

XI) a) **Distribution of Shareholding**

| Share Holdings of Nominal Value | Share Holders | | Shares Held | |
|---------------------------------|---------------|----------------|----------------|----------------|
| | Number | % | No.of shares | % |
| Upto 500 | 11022 | 96.74% | 1344070 | 27.96% |
| 501-1000 | 196 | 1.72% | 163080 | 3.39% |
| 1001-2000 | 77 | 0.68% | 116829 | 2.43% |
| 2001-3000 | 29 | 0.25% | 74426 | 1.55% |
| 3001-4000 | 12 | 0.11% | 40811 | 0.85% |
| 4001-5000 | 11 | 0.10% | 52939 | 1.10% |
| 5001-10000 | 15 | 0.13% | 106432 | 2.21% |
| 10000 and above | 32 | 0.28% | 2909199 | 60.51% |
| Total | 11394 | 100.00% | 4807786 | 100.00% |

b) Categories of Shareholding as on 31st March 2014

| | Category | No. of Shares Held | % Of Share holding |
|---|--|--------------------|--------------------|
| A | Promoter's holding | | |
| 1 | Promoters | | |
| | - Indian Promoters | 11,24,584 | 23.39 |
| | - Foreign Promoters | 2,23,100 | 4.64 |
| 2 | Person Acting in concert | -- | -- |
| | Sub - Total | 13,47,784 | 28.03 |
| B | Non-Promoters Holding | | |
| 3 | Institutional Investors | — | |
| A | Mutual funds & UTI | — | |
| B | Bank, Financial Institutions, Insurance Companies (Central/ State Govt. Institution/ Non- Govt. Institutions) | 1,96,466 | 4.09 |
| C | FIIS | — | |
| | Sub - Total | 1,96,466 | 4.09 |
| 4 | Others | | |
| A | Private Corporate Bodies | 202406 | 4.21 |
| B | Indian Public | 2478018 | 51.54 |
| C | NRIs/ OCBs | 578922 | 12.04 |
| D | Any other shares in transit – clearing members | 3790 | 0.08 |
| E | Trusts | 400 | 0.01 |
| | Sub - Total | 3263536 | 67.88 |
| | GRAND TOTAL | 48,07,786 | 100 |

XII) Dematerialisation of shares & Liquidity

Demat Position as on 31st March, 14:

| | | | |
|--------------------|---|------------------|---------------|
| NSDL | — | 14,71,303 | 30.60% |
| CDSL | — | 18,04,583 | 37.53% |
| Total Demat | | 32,75,886 | 68.13% |

In Demat form the shares are tradable in the unit of one equity share giving maximum amount of flexibility and liquidity

XIII) Outstanding GDRs, ADRs, Warrants or any Convertible Instruments etc: Nil

XIV) Plant Location

Unit 1

145, SDF-V, SEEPZ-SEZ
ANDHERI East, MUMBAI 400096
Tel: 91-22 2 829 0244 /45
Fax: 91-22 2 829 2554
E-mail: fineline@vsnl.com

Unit 2

HIGH TECHNOLOGY MULTILAYER UNIT
148, SDF-V, SEEPZ –SEZ,
ANDHERI (E), MUMBAI 400 096.
Tel: 91-22 42472222
Fax: 91-22 2 829 2554.
E-mail: flcindia@vsnl.com

XV) Address for Correspondence :

Registrar and 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 400093
Tel: 91-22 2825 7641, 91-22 2820 7203-05.
Fax : 91-22 2 820 7207
Email: info@unisec.in

Registered office
Compliance Officer:
Ms. Prema Radhakrishnan
Fine-line Circuits Limited
145, SDF-V, SEEPZ-(SEZ)
ANDHERI (E), MUMBAI - 400 096
e-mail: fineline@vsnl.com

NON-MANDATORY REQUIREMENTS:

Remuneration Committee:

The Board has already constituted a remuneration committee, the details of which are given in point 6 above.

Whistle Blower Policy

The company has a Whistle Blower Policy and no employee is denied access to the Audit Committee.

DECLARATIONAs provided under clause 49 of the listing agreement with the Stock Exchange, the Board members and the senior management personnel have affirmed compliance with the code of conduct for the Board of directors and senior management for the year ended 31st March 2014.

Place: Mumbai
Dated: 30th May, 2014

On behalf of the Board

ABHAY DOSHI
MANAGING DIRECTOR

DKP & ASSOCIATES

CHARTERED ACCOUNTANTS

611 Dalamal Tower 211 Nariman Point Mumbai 400021 Tel No. 93222 33434**CERTIFICATE**

To
THE MEMBERS OF
FINE LINE CIRCUITS LIMITED

We have examined the compliance of conditions of corporate governance by **FINE-LINE CIRCUITS LIMITED** for the year ended on 31st March 2014, as stipulated in clause 49 of the listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned clause of the listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DKP & Associates
Chartered Accountants
(Firm Registration No. 126305W)

Kamlesh K. Desai
Partner
Membership No. 100805
Mumbai
Dated : 30th May 2014

Independent Auditors' Report

To the Members of

Fine-Line Circuits Ltd

We have audited the accompanying financial statements of **Fine-Line Circuits Ltd** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DKP & Associates

Chartered Accountants
(Firm Registration No. 126305W)

Kamlesh K. Desai

Partner
Membership No. 100805
Mumbai
Dated : 30th May 2014

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company is compiling records showing full particulars including quantitative details and situation of fixed assets and the same are currently being updated.
 - b. As explained to us, the fixed assets have been physically verified by the Management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The discrepancies noticed on physical verification of stock as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The Company has not granted any loans to the parties as listed in the register maintained under Section 301 of the Companies Act, 1956.
 - b. The Company had taken loans from five parties as listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3, 51, 07,670/- and the closing balance outstanding in respect of all the parties is Rs. 50,00,000/-.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms of the said loans were not prima facie prejudicial to the interest of the Company.
 - d. In respect of loans taken by the Company, the interest payments and the principal payments were regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, have been so entered.
 - b. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating to Rs. 5,00,000 (Rupees Five Lacs Only) or more in respect of any party in the said financial year.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the arrangement made by the Company to have an internal audit done by a firm of Chartered Accountants is commensurate with the size of the Company and the nature of its business.
8. The Central Government under Section 209 (1) (d) of the Companies Act, 1956, has prescribed the maintenance of cost accounts and records in respect of "Printed Circuit Board" manufactured by the Company. As explained to us, the Company is in the process of completing necessary records in respect of the same. Pending completion of the same, we are unable to offer any comment.
9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable:
 - b. According to the information and explanations given to us, there are no disputed statutory dues pending as on 31st March, 2014.
10. The Company has no accumulated losses, but has incurred cash loss during the financial year covered by our audit. However, the Company has not incurred Cash Loss in the immediately preceding financial year.
11. Since there are no borrowings from the Financial Institutions, Banks or by way of debentures, the question of default in repayment of dues does not arise.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. Since the Company is not dealing or trading in Shares, Securities, debentures and other Investments, the Clause is not applicable.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The Company has not raised any new term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not used funds raised on short-term basis for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For DKP & Associates

Chartered Accountants
(Firm Registration No. 126305W)

Kamlesh K. Desai

Partner
Membership No. 100805
Mumbai
Dated : 30th May 2014

| | | | | | Amt. in Rupees |
|--------------------------------------|----------|------------|---------------------------|------------|---------------------------|
| BALANCE SHEET AS AT 31st MARCH, 2014 | | | | | |
| Particulars | Note No. | | As at 31st March, 2014 | | As at 31st March, 2013 |
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' Funds | | | | | |
| Share Capital | 1 | 48,264,860 | | 48,264,860 | |
| Reserves & Surplus | 2 | 19,009,655 | 67,274,515 | 16,852,467 | 65,117,327 |
| Current Liabilities | | | | | |
| Short - term Borrowings | 3 | 5,690,441 | | 13,900,000 | |
| Trade Payables | 4 | 38,979,431 | | 44,827,128 | |
| Other Current Liabilities | 5 | 2,031,382 | | 2,689,866 | |
| Short - term Provisions | 6 | 3,450,332 | 50,151,586 | 3,849,223 | 65,266,217 |
| TOTAL | | | 117,426,101 | | 130,383,544 |
| ASSETS | | | | | |
| Non - Current Assets | | | | | |
| Fixed Assets | | | | | |
| Tangible assets | 7 | 27,946,585 | | 31,156,321 | |
| Intangible assets | | - | | - | |
| Deferred tax assets (Net) | 8 | 2,428,221 | | 2,794,727 | |
| Long term Loans and Advances | 9 | 2,609,092 | 32,983,898 | 3,139,108 | 37,090,156 |
| Total Non Current Assets | | | | | |
| Current Assets | | | | | |
| Inventories | 10 | 44,760,073 | | 53,987,816 | |
| Trade receivables | 11 | 32,764,796 | | 32,689,793 | |
| Cash and Cash Equivalent | 12 | 1,659,687 | | 2,012,842 | |
| Short - term loans and advances | 13 | 5,257,647 | 84,442,203 | 4,602,937 | 93,293,388 |
| TOTAL | | | 117,426,101 | | 130,383,544 |

Significant Accounting Policies

Notes on Financial Statements

1 to 31

As per our Report of even date

For D K P & Associates

Chartered Accountants

For and on behalf of the Board
Bhagwandas T. Doshi
(Chairman)
Abhay B. Doshi
(Managing Director)
Rajiv B. Doshi
(Executive Director)
Kamlesh K Desai
Partner

Membership No. 100805

Place : Mumbai

Date : 30th May, 2014

Place : Mumbai

Date : 30th May, 2014

| Amt. in Rupees | | | | |
|---|----------|---------------------------------------|--------------------|--------------------|
| STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014 | | | | |
| Particulars | Note No. | | 2013-14 | 2012-13 |
| INCOME | | | | |
| Revenue from Operations | 14 | | 248,159,183 | 249,852,063 |
| Other Income | 15 | | 948,191 | 870,811 |
| Total Revenue (I + II) | | | 249,107,374 | 250,722,874 |
| EXPENSES : | | | | |
| Raw Materials Consumed | 16 | | 95,295,346 | 119,990,344 |
| Changes in Inventories of finished goods | 17 | | 2,734,617 | (3,784,324) |
| Work-in-progress and Stock-in-Trade | | | | |
| Employees Benefits Expenses | 18 | | 35,272,751 | 33,667,912 |
| Finance Costs | 19 | | 2,037,950 | 1,911,832 |
| Depreciation and amortization expense | 20 | | 4,988,376 | 5,949,671 |
| Other Expenses | 21 | | 106,194,525 | 91,686,204 |
| TOTAL EXPENSES | | | 246,523,565 | 249,421,639 |
| Profit / (Loss) before Taxes extraordinary items and tax | | | 2,583,809 | 1,301,235 |
| Profit / (Loss) before Taxes | | | 2,583,809 | 1,301,235 |
| Tax expenses: | | | | |
| Current tax | | 60,115 | | 78,329 |
| Deferred tax | | 366,506 | 426,621 | 447,199 |
| Profit / (Loss) for the Year | | | 2,157,188 | 775,707 |
| Earnings per equity share: | | | | |
| Basic & Dilluted | 23 | | 0.45 | 0.16 |
| Significant Accounting Policies | | | | |
| Notes on Financial Statements | | | | |
| 1 to 31 | | | | |
| As per our Report of even date | | | | |
| For D K P & Associates | | For and on behalf of the Board | | |
| Chartered Accountants | | Bhagwandas T. Doshi | | |
| | | (Chairman) | | |
| | | Abhay B. Doshi | | |
| | | (Managing Director) | | |
| | | Rajiv B. Doshi | | |
| | | (Executive Director) | | |
| Kamlesh K Desai | | | | |
| Partner | | | | |
| Membership No. 100805 | | | | |
| Place : Mumbai | | | | |
| Date : 30th May, 2014 | | | | |

| CASH FLOW STATEMENT FOR THE YEAR 2013-14 | | | |
|---|--------------|--|--------------|
| Particulars | 2013-14 | | 2012-13 |
| | Rs. | | Rs. |
| A CASH FLOW FROM OPERATING ACTIVITIES : | | | |
| Net profit[loss] before tax and extraordinary items | 2,583,808 | | 1,301,235 |
| Adjustment for : | | | |
| Depreciation and amortization expense | 4,988,376 | | 5,949,671 |
| Loss (gain) on fixed assets (net) | (123,857) | | (28,903) |
| Interest income | (275,399) | | (160,494) |
| Interest on term loan | 2,037,950 | | 1,911,832 |
| Effect of exchange rate change due to revaluation | (307) | | 485,448 |
| Provision for gratuity | (398,891) | | 271,422 |
| Operating profit before working capital changes | 8,811,680 | | 9,730,211 |
| Adjustment for : | | | |
| Trade and other receivables | 484,216 | | (12,487,319) |
| Inventories | 9,227,743 | | (6,146,882) |
| Trade and other payables | (6,210,235) | | (1,233,450) |
| Cash generated from operations | 12,313,404 | | (10,137,440) |
| Taxes paid /Refund received | (43,186) | | 450,556 |
| NET CASH INFLOW FROM OPERATING ACTIVITIES(A) | 12,270,218 | | (9,686,884) |
| B CASH FLOW FROM INVESTING ACTIVITIES : | | | |
| Purchase of fixed assets | (3,997,374) | | (4,235,350) |
| Proceed from fixed assets | 1,398,005 | | 121,047 |
| Interest received | 275,399 | | 160,494 |
| NET CASH USED IN INVESTING ACTIVITIES : (B) | (2,323,970) | | (3,953,809) |
| C CASH FLOW FROM FINANCING ACTIVITIES : | | | |
| Effect of exchange rate change | (51,894) | | (190,357) |
| Short Term Loans taken | 28,025,000 | | 39,220,000 |
| Short Term Loans repaid | (36,234,559) | | (25,320,000) |
| Interest paid on term loan | (2,037,950) | | (1,911,832) |
| NET CASH (USED) IN FINANCING ACTIVITIES : (C) | (10,299,403) | | 11,797,811 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C) | (353,155) | | (1,842,882) |
| Opening Balance of Cash and cash equivalents : | 2,012,842 | | 3,855,724 |
| Closing Balance of Cash and cash equivalents : | 1,659,687 | | 2,012,842 |
| (Figures in brackets are cash outflows) | | | |
| CLOSING BAL | 1,659,687 | | 2,012,842 |

As per our Report of even date

For D K P & Associates

Chartered Accountants

Kamlesh K Desai

Partner

Membership No. 100805

Place : Mumbai

Date : 30th May, 2014

For and on behalf of the Board

Bhagwandas T. Doshi

(Chairman)

Abhay B. Doshi

(Managing Director)

Rajiv B. Doshi

(Executive Director)

Place : Mumbai

Date : 30th May, 2014

1. SIGNIFICANT ACCOUNTING POLICIES:**A) General:**

The financial statements have been prepared on the historical cost convention and in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company. Accounting policies not specifically referred to otherwise are consistent with earlier years and in consonance with generally accepted accounting principles.

B) Method of Accounting:

All items of income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

C) Fixed Assets and Depreciation:

- i) Fixed Assets are stated at cost of acquisition, less accumulated depreciation. All costs including cost of financing till commencement of commercial production and including net pre-operative expenditure are capitalised.
- ii) Depreciation on fixed assets have been provided on Written Down Value method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of assets in USA Branch, depreciation is provided on Straight Line Method, on Computers @ 20 %.

D) Intangible Assets:

Intangible assets are stated at cost of acquisition less accumulated depreciation. These assets are amortised over a period of two years on straight line basis.

E) Valuation of Inventories:

Raw materials, Chemicals, Consumables, Spares and Tools are valued at weighted average cost. Works in process is valued at estimated cost, based on stages of completion, or net realisable value whichever is less. Cost includes raw materials cost and related production overheads. Finished goods are valued at cost or estimated net realisable value, whichever is lower.

F) Foreign Currency Transactions:

- i) Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. All monetary items denominated in foreign currency at the end of the year are translated at the year end rates. The exchange difference arising on settlement of transaction / translation is recognised in the Profit and Loss Account.
- ii) In respect of branch, which is integral foreign operation, all the transactions are translated at the rates prevailing at the time of transactions or that approximates the actual rate as at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

G) Employees' Benefits:

- i) Short term Employees benefits are recognized as an Expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Profit & Loss Account in the year in which the Employee has rendered Services. The Expenses is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gain or losses in respect of the post employment and other long term benefits are charged to Profit & Loss Account.

H) Revenue Recognition:

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of Customs and other duties / Taxes and Returns.

I) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its receivable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

J) Taxation:

- (i) Current tax is provided after taking into consideration relief available under Income Tax Act, 1961.
- (ii) Deferred tax is recognized on timing difference, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2014

| | AS AT 31.03.2014 RUPEES | AS AT 31.03.2013 RUPEES |
|--|-------------------------------|-------------------------------|
| 1. SHARE CAPITAL | | |
| Authorised | | |
| 7,500,000 Equity Shares of Rs. 10/- each | 75,000,000 | 75,000,000 |
| Issued, Subscribed and Paid-up : | | |
| 4,807,786 (4,807,786) equity shares of Rs. 10/- each fully called up | 48,077,860 | 48,077,860 |
| Add : Forfeited shares | 187,000 | 187,000 |
| (Amount originally paid up on 37,400 (37,400) Equity Shares) | 48,264,860 | 48,264,860 |

C I R C U I T S L I M I T E D

| | | | | |
|--|---------------------------|--------------------------|---------------------------|--------------------------|
| a Reconciliation of No. of shares Outstanding at the beginning & at the end of the year | | | | |
| Opening No. of Shares | | 4,807,786 | | 4,807,786 |
| Closing No. of Shares | | 4,807,786 | | 4,807,786 |
| b The details of Shareholding More than 5 % | | | | |
| Name of the Shareholder | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Bhagwandas T. Doshi | 463,718 | 9.65% | 463,718 | 9.65% |
| Usharani Nimmagadda | 470,100 | 9.78% | 470,100 | 9.78% |
| (There are no shares with differential voting rights) | | | | |
| 2. RESERVES & SURPLUS | | | | |
| Capital Reserve | | | | |
| As per Last Balance Sheet | | 2,024,811 | | 2,024,811 |
| Capital Redemption Reserve | | | | |
| As per Last Balance Sheet | | 5,848,140 | | 5,848,140 |
| Profit & Loss Account | | | | |
| Balance as per Last Balance sheet | 8,979,516 | | 8,203,809 | |
| Add : Profit (Loss) for the year | <u>2,157,188</u> | | <u>775,707</u> | |
| | | 11,136,704 | | 8,979,516 |
| | | <u>19,009,655</u> | | <u>16,852,467</u> |
| CURRENT LIABILITIES | | | | |
| 3. Short-term Borrowings | | | | |
| Loan (Including Related Parties) | | 5,690,441 | | 13,900,000 |
| (Refer note no.29) | | <u>5,690,441</u> | | <u>13,900,000</u> |
| 4. Trade Payable | | | | |
| Amount due to Micro, Small and Medium Enterprises @ | | - | | - |
| Other Creditors | | 38,979,431 | | 44,827,128 |
| | | <u>38,979,431</u> | | <u>44,827,128</u> |
| @ The Company has not received information from the vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to the amounts unpaid as at the year end together with Interest paid /payable under this Act have not been given. | | | | |
| 5. OTHER CURRENT LIABILITIES | | | | |
| Advances from customers | | 102,876 | | 7,585 |
| Creditors for capital expenditure | | 183,612 | | 1,128,199 |
| Unpaid dividend # | | 278,800 | | 278,800 |
| Other liabilities | | 1,466,094 | | 1,275,282 |
| | | <u>2,031,382</u> | | <u>2,689,866</u> |
| # This figure do not include any amount due and outstanding, to be credited to Investor Education and Protection Fund. | | | | |
| 6. SHORT TERM PROVISIONS | | | | |
| Provision for Gratuity | | 3,450,332 | | 3,849,223 |
| (Refer Note No. 18.1) | | <u>3,450,332</u> | | <u>3,849,223</u> |

NOTE 7. FIXED ASSETS :

| Particulars | Gross Block | | | | | Depreciation | | | | | Net Block | |
|---------------------------------|--------------------|------------------|------------------|--------------|--------------------|--------------------|------------------|------------------|----------|--------------------|-------------------|-------------------|
| | As at 31.03.2013 | Additions | Deductions | Transfer Out | As at 31.03.2014 | As at 01.04.2013 | For the Year | Deduction | Transfer | up to 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| Plant and Machinery | 166,089,792 | 1,581,606 | 2,757,591 | | 164,913,807 | 138,045,369 | 4,165,787 | 1,538,165 | | 140,672,991 | 24,240,816 | 28,044,423 |
| Vehicles | 2,488,339 | 764,505 | 120,601 | - | 3,132,243 | 1,354,581 | 422,480 | 112,189 | - | 1,664,872 | 1,467,371 | 1,133,758 |
| Furniture & Fittings | 1,905,832 | 15,099 | - | | 1,920,931 | 1,564,217 | 62,386 | - | | 1,626,603 | 294,328 | 341,615 |
| Computers | 1,400,031 | 78,666 | 20,500 | | 1,458,197 | 1,148,065 | 103,579 | 15,540 | | 1,236,104 | 222,093 | 251,966 |
| Office Equipments | 3,316,998 | 157,081 | 57,500 | | 3,416,579 | 2,309,068 | 187,198 | 16,150 | | 2,480,116 | 936,463 | 1,007,930 |
| Civil Works Factory Building | 389,653 | 455,831 | | | 845,484 | 13,024 | 46,946 | - | | 59,970 | 785,514 | 376,629 |
| Intangible Assets | | | | | | | | | | | | |
| Software | 1,680,349 | - | - | | 1,680,349 | 1,680,349 | - | - | | 1,680,349 | - | - |
| Total as at 31.03.2014 | 177,270,994 | 3,052,788 | 2,956,192 | - | 177,367,590 | 146,114,673 | 4,988,376 | 1,682,044 | - | 149,421,005 | 27,946,585 | 31,156,321 |
| Total as at 31.03.2013 | 175,847,675 | 4,416,797 | 2,993,478 | - | 177,270,994 | 143,066,336 | 5,949,671 | 2,901,334 | - | 146,114,673 | 31,156,321 | - |

| | AS AT 31.03.2014 RUPEES | AS AT 31.03.2013 RUPEES |
|--|-------------------------------|-------------------------------|
| 8. DEFERRED TAX ASSETS (NET) Related to Fixed Assets | 2,428,221 | 2,794,727 |
| | 2,428,221 | 2,794,727 |
| 9. LONG TERM LOANS AND ADVANCES (Unsecured, considered good) | | |
| Advance payment of tax (Net of Provisions) | 23,011 | 39,940 |
| Capital Advances | - | - |
| Deposits | 2,586,081 | 3,099,168 |
| | 2,609,092 | 3,139,108 |
| 10. INVENTORIES (As verified, valued and certified by the management) | | |
| Raw Materials | 13,799,458 | 12,614,842 |
| Raw Materials in Transit | 1,273,785 | 4,552,081 |
| Works in process | 5,488,077 | 6,908,849 |
| Finished Goods | 5,512,690 | 6,826,535 |
| Chemicals, Consumables, Stores & Tools | 17,440,528 | 22,214,599 |
| Chemicals, Consumables, Stores & Tools in Transit | 1,245,535 | 870,910 |
| | 44,760,073 | 53,987,816 |
| 11. TRADE RECEIVABLES (Unsecured, considered good unless otherwise stated and subject to confirmation) | | |
| a) Debts outstanding more than six months | - | - |
| b) Other Debts | 32,764,796 | 32,689,793 |
| | 32,764,796 | 32,689,793 |
| 12. CASH AND CASH EQUIVALENT | | |
| Balances with Banks # | 1,454,327 | 1,838,081 |
| Cash on hand | 205,360 | 174,761 |
| | 1,659,687 | 2,012,842 |
| # Includes an amount of Rs. 2,78,800/- in dividend Account. (Previous Year Rs. 278,800/-) | | |
| 13. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good and subject to confirmation) | | |
| Others # | 5,257,647 | 4,602,937 |
| | 5,257,647 | 4,602,937 |
| # Includes mainly VAT / Service Tax refund Receivable, Prepaid Expenses. | | |

CIRCUITS LIMITED

| NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014 | | | | |
|--|-------------------|--------------------|-------------------|--------------------|
| | 2013-14 RUPEES | | 2012-13 RUPEES | |
| 14. REVENUE FROM OPERATIONS | | | | |
| Sale of Products | | 248,296,603 | | 250,001,686 |
| Less: | | | | |
| Custom / Excise duty | | (137,420) | | (149,623) |
| Total : | | 248,159,183 | | 249,852,063 |
| 14.1 Particulars of Sale of Products | | | | |
| Sale of Printed Circuit Boards | | 248,099,551 | | 248,684,637 |
| Design & Development Charges | | 59,632 | | 1,167,426 |
| | | 248,159,183 | | 249,852,063 |
| 15. OTHER INCOME | | | | |
| Miscellaneous Income | | 548,935 | | 681,414 |
| Profit on Sale of Assets (Net) | | 123,857 | | 28,903 |
| Interest Income | | 275,399 | | 160,494 |
| | | 948,191 | | 870,811 |
| 16. COST OF RAW MATERIALS CONSUMED | | | | |
| | % | | % | |
| Imported | 99.84% | 95,144,170 | 99.21% | 119,048,183 |
| Indigenous | 0.16% | 151,176 | 0.79% | 942,161 |
| | 100.00% | 95,295,346 | 100.00% | 119,990,344 |
| 16.1 Particulars of Raw Material Consumed | | | | |
| Laminates | | 14,655,008 | | 13,151,908 |
| Blanks | | 62,703,372 | | 93,449,585 |
| Others | | 17,936,966 | | 13,388,851 |
| | | 95,295,346 | | 119,990,344 |
| 17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | | | |
| Inventories - (At close) | | | | |
| Finished Goods | | 5,512,690 | | 6,826,535 |
| Work-in-process | | 5,488,077 | | 6,908,849 |
| | | 11,000,767 | | 13,735,384 |
| Inventories - (At commencement) | | | | |
| Finished Goods | | 6,826,535 | | 2,379,454 |
| Work-in-process | | 6,908,849 | | 7,571,606 |
| | | 13,735,384 | | 9,951,060 |
| | | (2,734,617) | | 3,784,324 |
| 18. - EMPLOYEE BENEFITS EXPENSES | | | | |
| Salaries, Bonus and other allowances | 32,391,423 | | 29,883,982 | |
| Contribution to provident and other funds | 1,015,409 | | 1,968,126 | |
| Staff Welfare Expenses | 1,865,919 | | 1,815,804 | |
| | | 35,272,751 | | 33,667,912 |
| 18.1. The disclosures of employee Benefits as defined in Accounting Standard AS-15 are given below: | | | | |
| Defined Contribution Plan : | | | | |
| Contribution to defined contribution plan recognised as expenses for the year is as under: | | | | |
| Employers contribution to Provident Fund Rs 12,32,256/- (Previous Year Rs. 11,13,392/-) | | | | |
| Defined Benefit Plan : | | | | |
| The employees Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation. The obligation for Leave encashment is recognised in the same manner as Gratuity. | | | | |
| Assumptions | | | | |
| Discount rate | | 8% | | 8% |
| Salary Escalation | | 8% | | 8% |

| 1. Present value of Defined Benefit ObligationRs. | Rs. | | Rs. |
|---|-------------|--|-------------|
| Defined Benefit obligation at the beginning of the year | 4,451,504 | | 13,143,388 |
| Interest Cost | 346,450 | | 679,252 |
| Current Service cost | 418,846 | | 640,767 |
| Benefits Paid | (241,755) | | (9,305,485) |
| Actuarial (gain) / Loss on obligations | (985,917) | | (706,418) |
| Defined Benefit of obligation as at end of the year | 3,989,128 | | 4,451,504 |
| 2. Reconciliation of opening and closing balances of fair value of plan assets | | | |
| Fair value of plan assets at beginning of the year | 602,281 | | 9,565,587 |
| Expected return on plan assets | 43,631 | | 454,686 |
| Contributions | 127,962 | | 278,443 |
| Benefits paid | (241,755) | | (9,305,485) |
| Actuarial Gain / (Loss) on Plan assets | 6,677 | | (390,950) |
| Fair value of plan assets at End of the year | 538,796 | | 602,281 |
| 3. Fair value of plan assets | | | |
| Fair value of plan assets at beginning of the year | 602,281 | | 9,565,587 |
| Actual return on plan assets | 50,308 | | 454,686 |
| Contributions | 127,962 | | 278,443 |
| Benefits Paid | (241,755) | | (9,305,485) |
| Fair value of plan assets at end of the year | 538,796 | | 602,281 |
| Funded Status | (3,450,332) | | (3,849,223) |
| Excess of Actual over estimated return on plan assets | 6,677 | | |
| 4. Actuarial Gain / (Loss) recognised | | | |
| Actuarial Gain / (Loss) for the year -Obligation | 985,917 | | 315,468 |
| Actuarial Gain / (Loss) for the year -Plan Assets | 6,677 | | - |
| Total (Gain)/Loss for the year | 992,594 | | 315,468 |
| Actuarial (gain)/Loss recognised in the year | 992,594 | | 315,468 |
| 5. Amounts recognised in the Balance Sheet | | | |
| Present value of obligations as at the end of the year | 3,989,128 | | 4,451,504 |
| Fair value of plan assets as at the end of the year | 538,796 | | 602,281 |
| Funded status | (3,450,332) | | (3,849,223) |
| Net Assets/(Liability) recognised in balance sheet | (3,450,332) | | (3,849,223) |
| 6. Expenses Recognised in statement of Profit and Loss Accounts | | | |
| Current Service cost | 418,846 | | 640,767 |
| Interest cost | 346,450 | | 679,252 |
| Expected return on plan assets | (43,631) | | 454,686 |
| Net Actuarial (gain)/Loss recognised in the year | (992,594) | | (315,468) |
| Expenses recognised in statement of Profit & Loss | (270,929) | | 549,865 |

| | 31.03.2014 | | 31.03.2013 | |
|---|---------------------------|--|---------------------------|--|
| | Leave Encashment (Funded) | | Leave Encashment (Funded) | |
| Assumptions | | | | |
| Discount rate | 8% | | 8% | |
| Salary Escalation | 4% | | 5% | |
| 1. Present value of Defined Benefit Obligation | | | | |
| Defined Benefit obligation at the beginning of the year | 1,055,186 | | 1,221,198 | |
| Interest Cost | 84,415 | | 54,893 | |
| Current Service cost | 266,928 | | 439,551 | |
| Benefits Paid | - | | (1,070,078) | |
| Actuarial (gain) / Loss on obligations | (490,959) | | 409,622 | |
| Defined Benefit of obligation as at end of the year | 915,570 | | 1,055,186 | |
| 2. Reconciliation of opening and closing balances of fair value of plan assets | | | | |
| Fair value of plan assets at beginning of the year | 1,198,485 | | 2,163,592 | |
| Expected return on plan assets | 105,029 | | 130,284 | |
| Contributions | 3,682 | | - | |
| Benefits paid | - | | (1,070,078) | |
| Actuarial Gain / (Loss) on Plan assets | (159) | | (25,313) | |
| Fair value of plan assets at End of the year | 1,307,037 | | 1,198,485 | |

CIRCUITS LIMITED

| | | | |
|--|--------------------|------------|-------------------|
| 3. Fair value of plan assets | | | |
| Fair value of plan assets at beginning of the year | 1,198,485 | | 2,163,592 |
| Actual return on plan assets | 104,870 | | 104,971 |
| Contributions | 3,682 | | (1,070,078) |
| Benefits Paid | - | | 1,198,485 |
| Fair value of plan assets at end of the year | 1,307,037 | | 1,198,485 |
| Funded Status | 490,800 | | 143,299 |
| Excess of Actual over estimated return on Plan Assets | (159) | | |
| 4. Actuarial Gain / (Loss) recognised | | | |
| Actuarial Gain / (Loss) for the year -Obligation | 490,959 | | (409,622) |
| Actuarial Gain / (Loss) for the year -Plan Assets | (159) | | (25,313) |
| Total Gain/(Loss) for the year | 490,800 | | (434,935) |
| Actuarial Gain/(Loss) recognised in the year | 490,800 | | (434,935) |
| 5. Amounts recognised in the Balance Sheet | | | |
| Present value of obligations as at the end of the year | 915,570 | | 1,055,186 |
| Fair value of plan assets as at the end of the year | 1,307,037 | | 1,198,485 |
| Funded status | 391,467 | | - |
| Net Assets/(Liability) recognised in balance sheet | 391,467 | | - |
| 6. Expenses Recognised in statement of Profit and Loss Accounts | | | |
| Current Service cost | 266,928 | | 439,551 |
| Interest cost | 84,415 | | 54,893 |
| Expected return on plan assets | (105,029) | | 130,284 |
| Net Actuarial (gain)/Loss recognised in the year | (490,800) | | 434,935 |
| Expenses recognised in statement of Profit & Loss | (244,486) | | 799,095 |
| 19. FINANCE COSTS | | | |
| Interest on Loans | 2,037,950 | | 1,911,832 |
| | 2,037,950 | | 1,911,832 |
| 20. DEPRECIATION AND AMORTISATION | | | |
| Depreciation and amortisation | 4,988,376 | | 5,949,671 |
| | 4,988,376 | | 5,949,671 |
| 21. OTHER EXPENSES | | | |
| MANUFACTURING EXPENSES : | | | |
| Chemicals, Consumables and Stores consumed | 52,201,652 | 41,562,907 | |
| Power, Fuel & Water | 23,586,581 | 18,991,039 | |
| Repairs & Maintenance | 3,156,412 | 2,524,602 | |
| Job Work Charges | 311,981 | 94,575 | 63,173,123 |
| ADMINISTRATIVE EXPENSES : | | | |
| Rent | 4,310,581 | 4,128,821 | |
| Rates & Taxes | 404,622 | 320,341 | |
| Insurance | 350,197 | 449,540 | |
| Auditors' Remuneration : | | | |
| For Audit Fees | 115,000 | 115,000 | |
| For Tax Audit Fees | 35,000 | 35,000 | |
| Vehicle Expenses | 684,178 | 617,443 | |
| Travelling & Conveyance | 2,996,350 | 2,730,944 | |
| Legal & Professional Fees | 1,706,265 | 1,644,442 | |
| Postage, Telephone etc. | 1,384,482 | 1,530,349 | |
| Printing & Stationery | 894,295 | 791,425 | |
| Directors' Sitting Fees | 99,300 | 142,000 | |
| Security and Other Services | 1,103,223 | 1,603,367 | |
| Sundry Expenses | 2,362,483 | 1,547,264 | |
| Donations | - | 3,500 | |
| Bank Charges | 2,373,738 | 2,181,731 | |
| | 18,819,714 | | 17,841,167 |
| Exchange Diff. | (3,251,967) | | (2,370,255) |
| SELLING & DISTRIBUTION EXPENSES : | | | |
| Freight Outward | 10,933,662 | 12,288,187 | |
| Clearing Charges on Export & Local | 255,541 | 301,695 | |
| Commission on Export | 130,532 | 83,392 | |
| Compensation to Customers | 50,418 | 368,895 | 13,042,169 |
| | 11,370,153 | | |
| | 106,194,525 | | 91,686,204 |

| | | | |
|---|----------------|--------------------|-------------------------------------|
| 21.1 Value of Chemicals consumables and Stores consumed : | | | |
| | % | | % |
| Imported | 28.43% | 14,840,192 | 34.66% 14,735,428 |
| Indigenous | 71.57% | 37,361,460 | 65.34% 27,779,934 |
| | 100.00% | 52,201,652 | 100.00% 42,515,362 |
| 21.2 Value of Imports on CIF Basis : | | | |
| Raw Materials | | 98,001,635 | 115,679,094 |
| Cosnumables and Stores and Spares | | 17,963,129 | 14,756,628 |
| Capital Goods | | 1,431,981 | 1,878,324 |
| 21.3 Expenditure in Foreign Currencies : | | | |
| Foreign Travelling | | 370,275 | 602,101 |
| Foreign Branch Expenses | | 2,714,014 | 2,385,235 |
| 22. Earning in Foreign Exchange | | | |
| F.O.B. Value of Exports | | 224,313,263 | 227,180,492 |
| 23. EARNING PER SHARE (Basic and Dilluted) | | | |
| Profit (Loss) for the year | | 2,157,188 | 775,707 |
| No. of Shares | | 4,807,786 | 4,807,786 |
| Face value per Share | | 10 | 10 |
| Earning Per Share | | 0.45 | 0.16 |
| 24. A sum of Rs.Nil of prior period is debited to Profit and Loss Account. (Previous Year Rs. NIL) net debited to Establishment Expenses) | | | |
| 25. Foreign Currency exposure that are not hedged by Derivative instruments or forward contracts as at March, 31, 2014 amount to Rs. 5,60,18,082/- (Previous Year Rs. 6,52,54,183/-) | | | |
| 26. Segment Information | | | |
| The Company has only one primary segment viz: "Printed Circuit Board". The Company has only one major secondary segment viz Exports out of India. Hence no additional disclosure is required under Accounting Standard AS-17. | | | |
| 27. The net amount of foreign exchange difference credited to Profit & Loss Accounts is Rs. 32,51,967/- (Previous Year Rs. 23,70,255/-) | | | |
| 28. Contingent Liabilities : | | | |
| In respect of : | | | |
| (i) Bonds executed in favour of President of India in respect of Custom Duty on Import of Machinery and Raw Materials | | 220,582,000 | 220,582,000 |
| (ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) | | NIL | NIL |
| 29. Related Party Disclosures: (As certified by the management) | | | |
| a. Key Management Personnel: | | | |
| a - Key Management Personnel | | Relationship | |
| 1. Shri. B. T. Doshi | | Executive Chairman | |
| 2. Shri. A. B. Doshi | | Managing Director | |
| 3. Shri. R. B. Doshi | | Executive Director | |
| b - Parties where control exists | | | |
| 1. Kapurwala Properties Pvt. Ltd. | | | |
| 2. Shri. Gautam B. Doshi - Director | | | |

b. Transactions with the above parties:

| Name of Related Party | Nature of Transaction | For the Year 2013 - 2014 Rs. | Nature of Transaction | For the Year 2012 - 2013 Rs. |
|-----------------------------------|-----------------------|---------------------------------|-----------------------|---------------------------------|
| A - Key Management Personnel | | | | |
| 1. Shri B. T. Doshi | Remuneration | 1,735,624 | | 1,711,859 |
| | Loan taken | 2,550,000 | | 57,50,000 |
| | Loan Repaid | 6,450,000 | | 18,50,000 |
| | Loan Outstanding | NIL | | 39,00,000 |
| | Interest on Loan | 154,221 | | |
| 2. Shri A. B. Doshi | Remuneration | 1,954,159 | | 19,79,681 |
| | Loan taken | 6,450,000 | | 6,00,000 |
| | Loan repaid | 6,450,000 | | 6,00,000 |
| | Interest on Loan | 139,952 | | 0 |
| 3. Shri R. B. Doshi | Remuneration | 1,790,316 | | 13,89,992 |
| | Loan taken | 4,350,000 | | 12,50,000 |
| | Loan repaid | 4,350,000 | | 12,50,000 |
| | Interest on Loan | 99,021 | | 0 |
| B - Parties where control exists | | | | |
| 1. Kapurwala Properties Pvt. Ltd. | Loan taken | 6,675,000 | | 29,620,000 |
| | Loan Repaid | 14,675,000 | | 21,620,000 |
| | Loan Outstanding | NIL | | 80,00,000 |
| | Interest on Loan | 1,140,634 | | 894,651 |
| 2. Shri. Gautam Doshi | Loan taken | 6,000,000 | | 20,00,000 |
| | Loan repaid | 3,000,000 | | - |
| | Loan Outstanding | 50,00,000 | | 20,00,000 |
| | Interest on Loan | 349,233 | | 52,068 |

30. There was a Fire at the Factory Premises of the Company on 16th December, 2013. The value of the inventory, net of Salvage Value amounting to Rs.16,72,848/-and book value of Fixed Assets amounting to Rs. 12,11,337/-destroyed by fire are shown as receivable from the Insurance Company, (net of claim received),pending settlement of Claim.

31. Previous year's figures have been regrouped / rearranged / recast wherever necessary.

Signature to Notes 1 to 31

As per our Report of even date
For D K P & Associates
Chartered Accountants

Kamlesh K Desai
Partner
Membership No. 100805

Place : Mumbai
Date : 30th May, 2014

For and on behalf of the Board

Bhagwandas T. Doshi
(Chairman)

Rajiv B. Doshi
(Executive Director)

Place : Mumbai
Date : 30th May, 2014

Abhay B. Doshi
(Managing Director)

SEEPZ - SEZ is a Restricted Zone requiring prior permission for entry. The Shareholders / Proxies are requested to fax the form (mentioned below) to 022-28292554 or post to the attention of Accounts Department so as to reach latest by Thursday, August 7, 2014 to enable the Company take the individual permission for Entry to Seepz (SEZ).

FINE-LINE CIRCUITS LIMITED

Regd. Office: 145, SDF-V, Seepz-SEZ, Andheri (East), Mumbai - 400096 CIN: L72900MH1989PLC131521
Tel: 91 22 2829 0244 E-mail: fineline@vsnl.com, Website : www.finelineindia.com

Attendance Slip

I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company at Gr. Floor, Front side of SDF-VI, SEEPZ- SEZ, Andheri East, Mumbai- 400096 on **Saturday the 9th day of August, 2014 at 03.30 P.M.**

SIGNATURE OF THE ATTENDING MEMBER / PROXY

- Notes : 1. Shareholder /Proxyholder wishing to attend the meeting must bring the Attendance slip to the meeting and hand it over at the entrance duly signed.
2. Shareholder/Proxyholder desiring to attend the meeting should bring his / her copy of the Annual Report for reference at the meeting.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

FINE-LINE CIRCUITS LIMITED

Regd. Office: 145, SDF-V, Seepz-SEZ, Andheri (East), Mumbai - 400096 CIN: L72900MH1989PLC131521
Tel: 91 22 2829 0244 E-mail: fineline@vsnl.com, Website : www.finelineindia.com

| |
|--------------------------------|
| Name of the Member (s) : _____ |
| Registered address: _____ |
| E-mail Id: _____ |
| Folio No./ Client ID: _____ |
| DP ID No. _____ |

I / We, being the member(s) of _____ equity shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature : , or failing him / her:
1. Name :
Address :
E-mail Id :
Signature : , or failing him / her:
1. Name :
Address :
E-mail Id :
Signature : , or failing him / her:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General Meeting of the Company, to be held on the 9th day of August, 2014 at 3:30 p.m. at Gr. Floor, Front side of SDF-VI, SEEPZ- SEZ, Andheri East, Mumbai- 400096, and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

| Sr. No. | Resolutions |
|---------|--|
| 1 | Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014 |
| 2 | Re-appointment of Shri. Vijay A. Kumbhani as a director of the Company |
| 3 | Re-appointment of Shri. Gautam Doshi as a director of the Company |
| 4 | Appointment of Auditors |
| 5 | Appointment of Shri. Juzer Vasi as an Independent Director |
| 6 | Appointment of Shri. R.Premkumar as an Independent Director |
| 7 | Appointment of Shri. Apurva Shah as an Independent Director |
| 8 | Appointment of Shri. Rajendra Gandhi as an Independent Director |
| 9 | Authority to obtain loans/borrowings under Section 180(1)(c) of the Companies Act, 2013 |
| 10 | Authority to Create Charge under Section 180 (1)(a) of the Companies Act, 2013 |

Signed this ___ day of _____, 2014

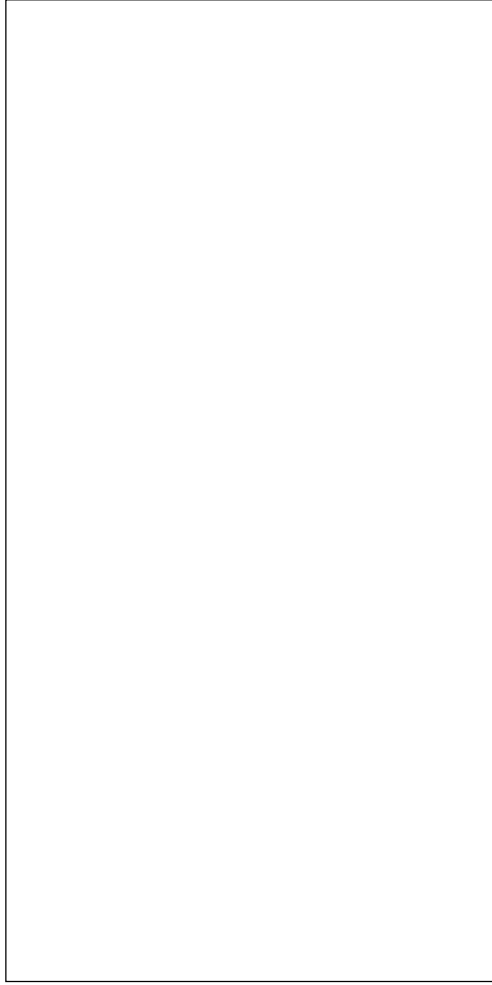
Signature of Shareholder

Signature of Proxy Holder (s)

Affix
Revenue
Stamp
of Re. 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

BOOK POST



If undelivered, please return to:
FINE-LINE CIRCUITS LIMITED
145, SDF - V, Seepz (SEZ), Andheri (East),
Mumbai - 400 096.