

FINE-LINE CIRCUITS LIMITED

D&B DUNS® NUMBER – 65-063-6822

145-148, SDF-V, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096, Maharashtra, India



Scope of the Report

- History and legal background
- Management background
- Financial statements
- Banker letter

Information Sources

Information given in this report is compiled on the basis of information obtained from the following sources:

- Annual reports
- Company website
- Ministry of Corporate Affairs (MCA)

Methodology

Financial information from the audited annual reports of the Company was studied and analyzed for a three-year period from FY (Financial Year) 2018 to 2020. Also, additional clarifications were sought from the management and information was also collated from public sources.

On 12th January 2021, Mr. Abhay Bhagwandas Doshi – Managing Director and Mr. Rajiv Bhagwandas Doshi- Executive Director provided relevant information in this report.

Date: 30th January 2021

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BUSINESS - AT GLANCE (FY 2020)



LOB:
Engaged in manufacturing of Printed Circuit Boards.

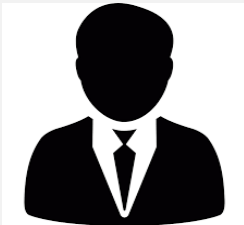
Total Revenue
INR 260,572 in thousand



Tangible Network
INR 72,783 in thousand



Chief Executive
Mr. Abhay Bhagwandas Doshi
Managing Director



COMPANY & BUSINESS OVERVIEW



COMPANY OVERVIEW

Fine-Line Circuits Limited (hereinafter referred to as the “Company” or “Fine-Line”) was incorporated on 9th October 1989 as a public limited company.

The Company is listed on the Bombay Stock Exchange Limited (BSE code 517264) .

The Company is engaged in manufacturing of Printed Circuit Boards.

The product range of the Company includes:

- ✓ On-Board PCBs
- ✓ High Frequency Microwave Hybrid PTFE PCBs
- ✓ Multilayer Cavity PCBs
- ✓ Flex & Rigid Flex Polyimide PCBs
- ✓ Oversized / Backplane PCBs
- ✓ High Copper PCBs
- ✓ Multilayer Impedance Controlled Blind / Buried Via PCBs
- ✓ Embedded Passive Component PCBs
- ✓ Multi Layer PCBs

The Company caters to both the domestic and international markets. It derived 63% of its revenue from the international market and remaining 37% from the domestic market.

The Company controls its activities from its corporate office located at Mumbai, Maharashtra. It has two units located at Mumbai (Maharashtra) and also has one foreign branch located at California (United States of America).

The Company has been accredited with ISO 9001:2015, EN ISO 13485:2016, AS9100C, TS16949 and ISO 9001:2008 certificates.

The Company received certificate of Qualification and also received Industry 2.0 India's 1st SMB Top 500 award.

Source: Ministry of Corporate Affairs (MCA), Annual report 2020 and Company website

MANAGEMENT OVERVIEW



MANAGEMENT PROFILE

Mr. Abhay Bhagwandas Doshi – Managing Director

Mr. Abhay Bhagwandas Doshi is the Managing Director of the Company. He is a graduate in Electronics and Communication Engineering (B.E.) from Mysore, India with a post-graduate in Master of Business Administration (M.B.A.) degree in Finance from University of California, Berkeley, United States of America (USA). He has experience in the High Technology area through his work experience at Maxtor Corporation in San Jose, CA, USA (Silicon Valley) prior to promoting Fine-Line Circuits Limited. He holds directorship in other Companies such as Santacruz Electronics Export Manufacturers Association, SEEPZ Exporters Energy Saving Association and Kapurwala Properties Private Limited.

Mr. Rajiv Bhagwandas Doshi- Executive Director

Mr. Rajiv Bhagwandas Doshi is an Indian National, with the company since 2000 and on the Board of the Company since April 01, 2007. He is a Commerce Graduate and has obtained “Certificate of Achievement” in Business Administration awarded by De Anza College, California, USA. Shri Rajiv B Doshi has had wide experience of about 19 years in Sales and Operations and Administration field with other concerns. He is a Director in Kapurwala Properties Pvt. Ltd. He is not a member of committees in any company.

BOARD OF DIRECTORS

Director Identification Number (DIN)	Name of Directors	Designation/Responsibility
00040644	Abhay Bhagwandas Doshi	Managing Director
00651098	Rajiv Bhagwandas Doshi	Executive Director
00004781	Apurva Rajendra Shah	Non-Executive and Independent Director
00040682	Juzer Vasi Mohsin	Non-Executive and Independent Director
00328854	Gautam Bhagwandas Doshi	Non-Executive and Non - Independent Director
00328942	Premkumar Menon Ramunni	Non-Executive and Independent Director
00613289	Dr. Upendranath Nimmagadda	Non-Executive and Non - Independent Director
02049473	Jayesh Khimji Rambhia	Non-Executive and Independent Director
03191065	Kumudini Kiran Mehta	Non-Executive and Independent Director

KEY MANAGERIAL PERSONNEL

Name of Executives	Current Title
Prema Radhakrishnan	Chief Financial Officer (CFO)
Indrajeet Kumar Panday	Company Secretary
Milan Trivedi	Senior General Manager
Prakash Morgaonkar	Senior General Manager
Nikhil Kumar M	General Manager
Vijay Kumar D	Senior Manager
Umakant Mudpe	Senior Manager
Sadanand Desai	Senior Manager

Source: Ministry of Corporate Affairs (MCA), Annual report 2020 and Company website

SHAREHOLDING PATTERN

Sr. No.	List of Shareholders	Shares held	% Held
(A)	Shareholding of Promoter and Promoter Group		
	Bhagwandas Trikamdas Doshi	465,277	9.68
	Kapurwala Properties Private Limited	301,695	6.28
	Abhay Bhagwandas Doshi	165,600	3.45
	Rajiv Bhagwandas Doshi	223,100	4.64
	Gautam Bhagwandas Doshi	223,100	4.64
	Other Promoters	271,357	5.63
	Sub Total (A)	1,650,129	34.32
(B)	Public Shareholding		
I	Institutions		
	Financial Institutions/ Banks	100	-
	Sub Total (B-I)	100	-
II	Non-Institutions		
	Individual share capital upto Rs. 2 Lacs	1,726,834	35.92
	Individual share capital in excess of Rs. 2 Lacs	662,717	13.78
	Non-Resident Indian (NRI)	569,527	11.85
	Other Non-Institutions	198,479	4.13
	Sub Total (B-II)	3,157,557	65.68
	Total Public Shareholding (B) = (B-I) + (B-II)	3,157,657	65.68
	Total (A+B)	4,807,786	100.00

Shareholding Pattern as on 30th September 2020

Total Number of shareholders: 10,704

Source: BSE website

FINANCIAL PERFORMANCE & TRENDS



FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT (Figures in INR Thousand)			
For the year ended	31-Mar-18	31-Mar-19	31-Mar-20
Number of months	12	12	12
	Fiscal	Fiscal	Fiscal
Revenues	281,058	308,442	260,572
Less: Cost of Revenues	(238,157)	(268,084)	(226,285)
Gross Profit	42,901	40,358	34,287
Other Operating Income	2,002	6,925	6,412
General Operating Expenses	(37,021)	(36,680)	(33,253)
Depreciation	(8,106)	(8,038)	(8,009)
Net Operating Profit (Loss) after Depreciation and before Interest	(224)	2,565	(563)
Other Non-Operating Income	6,004	4,483	5,209
Total Finance Expenses	(4,437)	(5,434)	(5,509)
Net Profit (Loss) before Tax	1,343	1,614	(863)
Income Tax	(414)	26	(7)
Net Profit (Loss) after Tax	929	1,640	(870)
Plus (Minus) Retained Earnings (Loss) B/F	12,685	13,614	15,254
Retained Earnings (Loss) C/F	13,614	15,254	14,384

Accounts are audited by Ratanghayara & Co., Chartered Accountants (Firm Registration No. 117626W)

Other operating income consists of export incentives

Non-operating income consists of foreign exchange gains, interest & dividend income

FISCAL BALANCE SHEET AS OF 31-Mar-2020 (INR in Thousand)			
Cash and Bank	11,741	Accounts Payable	22,006
Inventory	54,241	Bank Loans	27,977
Accounts Receivable	44,814	Current Portion of Long-Term Debt	5,225
Prepayments	408	Due to Customers	10
Loans and Advances	310	Other Payables / Accruals	7,554
Other Current Assets	5,976	Provisions	3,447
Margin Money	10,169	Due to Directors / Shareholders	19,150
TOTAL CURRENT ASSETS	127,659	TOTAL CURRENT LIABILITIES	85,369
Plant and Equipment	24,445	Loans Hire Purchase	1,117
Transportation Vehicles	1,894	Bank Loans	9,895
Furniture, Fixtures and Fitting	201	Current Portion of Long-Term Debt	(5,225)
Office Equipment	593		
Assets in Construction	600		
Other Fixed Assets	370		
Computers	274		
TOTAL FIXED ASSETS	28,377	TOTAL NON-CURRENT LIABILITIES	5,787
Shares (Unlisted)	500	Capital	48,265
TOTAL INVESTMENTS	500	Capital Reserves	2,025
Long-Term Deposit	3,658	Reserves	2,880
Other Assets	2,110	Retained Earnings (Loss)	14,384
Deferred Tax Asset	1,635	Capital Redemption Reserve	5,848
TOTAL OTHER ASSETS	7,403		
Other Intangibles	556		
Software	63		
TOTAL INTANGIBLES	619	TOTAL EQUITY	73,402
TOTAL ASSETS	164,558	TOTAL LIABILITIES AND EQUITY	164,558

KEY RATIOS			
	FY 2018	FY 2019	FY 2020
GROWTH RATIOS			
Revenue Growth (%)	-	9.74	(15.52)
Net Profit Growth (%)	-	76.53	-
LIQUIDITY RATIOS			
Quick Ratio (Times)	0.75	0.77	0.86
Current Ratio (Times)	1.59	1.45	1.50
SOLVENCY RATIOS			
Interest Coverage Ratio (Times)	1.30	1.30	0.84
Current Liabilities to Inventory (%)	120.84	149.55	157.39
Current Liabilities to Tangible Networkth (%)	118.69	141.76	117.29
LEVERAGE			
Total Debt Equity Ratio (Times)	0.70	0.93	0.80
Total Liabilities to Tangible Networkth (%)	142.14	157.68	125.24
Fixed Asset to Tangible Networkth (%)	47.00	43.88	38.99
EFFICIENCY RATIOS			
Collection Period (Days)	54	58	63
Inventory Days	100	91	89
Accounts Payable Days	112	92	90
Working capital cycle (Days)	42	55	63
Assets to Revenues (%)	56.12	58.30	62.92
Revenues to Net Working Capital (Times)	6.17	6.89	6.16
PROFITABILITY RATIOS			
Gross Profit Margin (%)	15.26	13.08	13.16
Operating Profit Margin (%)	(0.08)	0.83	(0.22)
Net Profit Margin (%)	0.33	0.53	(0.33)
Return on Tangible Networkth (%)	1.43	2.35	(1.20)
Return on Capital Employed (%)	5.22	5.24	3.55
Return on Total Assets	0.59	0.91	(0.53)

AUDITOR'S OBSERVATIONS

Contingent Liabilities as on 31st March 2018, 31st March 2019 and 31st March 2020

INR in thousand

Particular	FY 2018	FY 2019	FY 2020
In respect of:			
- Bonds executed in favour of President of India in respect of Custom Duty on Import of Machinery and Raw Materials	101,186	101,186	127,236
- Bank Guarantees furnished	-	758	3,929
Total	101,186	101,944	131,165

Source: Annual report 2020 and as provided by the management

PROVISIONAL FINANCIAL PERFORMANCE

Financial Performance (Unaudited) for the six months' period ended 30th September 2019 and 30th September 2020:

INR in thousand

For the period ended	30 th September 2019	30 th September 2020
Number of months	6	6
Revenue	133,368	114,409
Net Profit before Tax	426	491
Net Profit after Tax	490	477
Net Profit Margin (%)	0.37	0.42

Source: [BSE website](#)

D&B RATING & KEY OBSERVATIONS



RATING KEY

D&B Rating : 3A3
Condition : Fair

D&B Indicative Risk Rating consists of two parts, the Financial Strength and the Composite Appraisal/ Condition. Financial Strength is an indication of the tangible net worth. The Composite Appraisal / Condition is linked to the level of risk and is an overall evaluation of credit worthiness. It takes into account the financial condition and several factors such as trade reference history, legal structure, management experience and any adverse listings.

D&B Indicative Risk Rating of 3A implies that the Company has a tangible net worth between INR 64,595,000 and INR 129,189,999 as per latest available audited financial statements. Composite appraisal 3 indicates an overall fair status of the Company.

FINANCIAL STRENGTH		COMPOSITE APPRAISAL	
RATING	Tangible Network (In INR)	STRONG 1	Minimal risk Proceed with transaction - offer extended terms if required
5A	645,950,000 and Above	GOOD 2	Low risk Proceed with transaction
4A	Between 129,190,000 & 645,949,999	FAIR 3	Slightly greater than average risk Proceed with transaction but monitor closely
3A	Between 64,595,000 & 129,189,999	LIMITED 4	Significant level of risk Review each case before extending credit and obtain more information. Take suitable assurances before extending credit, guarantees may be needed
2A	Between 12,919,000 & 64,594,999	UNDETERMINED -	Insufficient information to assign a rating Assigned to concerns where there is insufficient information to express any opinion on the condition, financial soundness or payment history of the concern. A concern with no telephone number will also be assigned a "-" condition
A	Between 7,751,400 & 12,918,999		
B	Between 3,875,700 & 7,751,399		
C	Between 1,219,900 & 3,875,699		
D	Between 516,760 & 1,219,899		
E	Between 155,028 & 516,759		
F	Between 51,676 & 155,027		
G	Upto 51,675		
-	Not Classified		

KEY RATING OBSERVATIONS

➤ **Experienced management enabled it to build reputed customer base**

The Company is headed by experienced and qualified management, Mr. Abhay Bhagwandas Doshi, having an experience of more than 3 decades in the PCB manufacturing industry. He is ably supported by other key directors and executives of the Company, carrying relevant experience in their respective domain. Thus, this vast experience has also enabled it to build long standing relationship with reputed customers base which includes leading electronics manufacturing companies like Youngtron INC, Pepperl + Fuchs Asia Pte Ltd, Messtechnik Mellenbach GmbH. Hence, going forward, the long-standing presence of the management along with knowledge of the industry dynamics are expected to help the Company to sustain its business profile over the near to medium term. Further, reputed customer base gives assurance of revenue visibility to the Company while mitigating the risk of debtor's realization, as well.

➤ **Moderately underleveraged capital structure**

The capital structure of the Company remained comfortable throughout the review period with total debt to equity below unity at all time. The Company's debt majorly consisted of short-term working capital loans and marginal amount of term loans, during the review period and the debt-equity ratio stood at 0.80 times as on 31st March 2020. The term loans have been repaid in full as on 31st January 2021. Thus, it indicates low reliance on external funds and scope for further expansion through additional leverage. Besides, it also provides cushion to leverage further in case of any business exigencies or to undertake any capital expenditure plan.

However, interest coverage ratio of the Company remained low at 0.84 times on account of operating losses in FY 2020.

➤ **Moderate scale of operations**

The scale of operation of the Company has remained moderate during the review period, with revenues stood at INR 260,572 thousand in FY 2020. The moderate scale of operations, therefore, may act as a constraining factor restricting the Company's ability to secure big orders while benefitting from economies of scale. Further, with improvement in the operational scale will enable the company to better absorb its semi-variable and fixed cost, thereby, improving its margins at the operating and net level coupled with improvement in returns.

Moreover, the tangible networth also stood moderate at INR 72,783 thousand as on 31st March 2020. The net worth of Company indicates its inherent strength. In case of any adverse conditions, businesses with greater net worth are in a position to diversify faster and sustain. Moderate size implies greater susceptibility to unsystematic shocks.

➤ **Low profitability margin and returns**

The profitability margins of the Company witnessed an uneven trend at all levels during the review period. Gross margin declined in FY 2019 owing to increased raw material costs and employee costs. However, it increased marginally during FY 2020 owing to declined cost of goods sold as a percentage of revenues. The Company made operating losses in FY 2018 and FY 2020. It witnessed an improvement in FY 2019 owing to increase in other operating income coupled with decline in general expenses. However, the Company incurred operating loss in FY 2020 due to increase in general operating expenses and interest expenses as a percentage of revenue. Net margins of the Company exhibited an uneven trend during the review period. (albeit marginally in FY 2020). Additionally, net margins were insulated by non-operating income (foreign exchange gain). As seen in the table below, excluding non-operating income, net margins of the Company would have stood at (37.64)% in FY 2020. Net margin increased in FY 2019 on account of improved operating margin. However, the Company incurred net loss in FY 2020

due to operating loss coupled with increased interest expenditure. The Company has reported revenue of Rs. 114,409 thousand and net profit of Rs. 491 thousand in IHFY21. Hence going forward, the ability of the Company to improve and sustain its margins while managing its key overheads cost remains to be seen.

	FY 2018	FY 2019	FY 2020
Gross Profit Margin (%)	15.26	13.08	13.16
Operating Profit Margin (%)	(0.08)	0.83	(0.22)
Net Profit Margin (%)	0.33	0.53	(0.33)
Return on Tangible Net Worth (%)	1.43	2.35	(1.20)
Return on Capital Employed (%)	5.22	5.24	3.55
Interest Coverage Ratio (Times)	1.30	1.30	0.84

➤ **Working capital intensive operation and moderate liquidity position**

The Company's operations remained working capital intensive mainly on account of funds being blocked in the form of receivables & inventory (comprising 77.59% of total current assets). Receivable days, inventory days, and payable days of the Company hovered in the range of 54-63 days, 89-100 days, and 89-112 days, respectively. The working capital requirements of the Company are met through supplier's credit and external working capital borrowings.

	FY 2018	FY 2019	FY 2020
Collection Period (Days)	54	58	63
Inventory Days	100	91	89
Accounts Payable Days	112	95	89
Working capital cycle (Days)	42	55	63
Quick Ratio (Times)	0.75	0.77	0.86
Current Ratio (Times)	1.59	1.45	1.50

Further, the liquidity profile of the Company remained moderate marked by current ratio of 1.50 times and quick ratio of 0.86 times respectively as on 31st March 2020.

ANNEXURES



CUSTOMERS & VENDORS

REVENUE DETAILS

LOCAL	37%
INTERNATIONAL	63%

Exports To

United States of America	25.00%
Germany	20.00%
Singapore	5.00%
Slovakia	3.00%
Switzerland	2.00%
United Kingdom	2.00%
Malaysia	1.00%
Italy	1.00%
Czech Republic	1.00%
Belgium	1.00%
Turkey	1.00%
Thailand	1.00%

REVENUE TERMS

Local Revenue Terms

Open Account : 30 days

Exports Terms

Open Account : 45 days

CUSTOMERS

Name of the Customers	Country	Length of relationship (In years)
Youngtron Inc	USA	More than 15 Years
Pepperl + Fuchs Asia Pte Ltd. (P+F)	Singapore	
MTM Power (Messtechnik Mellenbach GmbH)	Germany	
Camille Bauer Metrawatt AG (GMC Instruments)	Switzerland	
Space Application Centre (ISRO)	India	

Source: Annual report 2020 and as provided by the management

PURCHASE DETAILS

LOCAL	24.90%
INTERNATIONAL	75.10%

Imports From

Hong Kong	22.48%
Taiwan	15.19%
PR China	14.22%
Singapore	6.29%
United States of America	5.64%
Malaysia	2.15%
United Kingdom	1.84%
Germany	0.54%
Belgium	0.53%
Europe	0.40%
Israel	0.21%
Denmark	0.15%
Ireland	0.03%

VENDORS

Name of Supplier	Country	Length of Relationship (In years & months)
Electra Polymers	UK	25 Years
Nan Ya Plastics Corporation	Taiwan	25 Years
Isola Asia Pacific	Taiwan	25 Years
Nihon Superior	Singapore	10 Years
Macdermid Singapore	Singapore	15 Years
Rogers Corporation	USA	5 Years

PURCHASE TERMS

Local Purchase Terms

Open Account : 30 to 90 days

Import Terms

Open Account : 30 to 90 days

AWARDS & CERTIFICATIONS

ISO CERTIFICATIONS

Type of certificate	Certificate number	Issue date	Valid upto	Certifying agency
ISO 9001:2015	101523/A/0001/UK/Eri	25 th June 2018	24 th June 2021	United Registrar of Systems
EN ISO 13485:2016	101523/B/0001/UK/Eri	6 th July 2018	5 th July 2021	United Registrar of Systems
AS9100C	-	-	-	-
TS16949	-	-	-	-
ISO 9001:2008	-	-	-	-

MEMBERSHIP CERTIFICATIONS

- Indian Printed Circuit Association (membership -FY 2020-21) : F-W-03
- Export Promotion Councils for EOUs and SEZs
- Electronic Industries Association of India – F 388

AWARDS/ OTHER CERTIFICATIONS

- The Company received certificate of Qualification from ISRO SAC (Space Applications Centre)

Certificate Number : SAC/SRA/CERT/2021/01
 Valid from : 15th January 2021
 Valid Till : October 2022

- The Company received certificate of Qualification from ISRO SAC (Space Applications Centre)

Certificate Number : SAC/SRA/CERT/2021/02
 Valid from : 15th January 2021
 Valid Till : August 2022

- The Company received certificate of Qualification from ISRO SAC (Space Applications Centre)

Certificate Number : SAC/SRG/CERT/2018/01
 Valid from : 14th August 2018
 Valid Till : 30th September 2019

- The Company received certificate of Qualification ISRO SAC (Space Applications Centre)

Certificate Number : SAC/SRG/CERT/2016/02
 Valid from : 9th September 2016
 Valid Till : 31st August 2018

- The Company received certificate of Qualification ISRO SAC (Space Applications Centre)

Certificate Number : SAC/SRG/CERT/2017/02

Valid from : 16th February 2017
Valid Till : 15th February 2020

- The Company received Industry 2.0 India's 1st SMB Top 500 award
- The Company received 45th ELCINA awards for FY 2019-20 for excellence in PCB manufacturing (SME) from Electronic Industries Association of India

Source: Company website and as provided by the management

BANK DETAILS

BANK

Name : Apna Sahakari Bank Limited
 Branch : Powai Branch
 Address : Dafodil, 1st Floor, Hiranandani Garden
 Powai Mumbai – 400072
 Maharashtra, India

Source: Annual report 2020

BANKER'S REPORT:

The Company deals with the bank since August 2014.

The Company has availed the following facilities from the bank as on 19th January 2021:

(INR in thousand)

Name of the Facilities	Amount Sanctioned	Amount Disbursed	Amount Outstanding
Cash credit/working capital demand loan	32,500	32,500	14,335
Term loans	25,000	25,000	Nil
Non-fund based	5,000	5,000	2,135
Total	62,500	62,500	16,470

Source: As provided by the management

LOCATION DETAILS

I. Branches

Indian Branch

Address	Location Type
145, SDF V, SEEPZ-SEZ Andheri (East) Mumbai - 400 096 Maharashtra India	Head Office & Operations and Unit 1
148, SDF V, SEEPZ-SEZ Andheri (East) Mumbai - 400 096 Maharashtra India	High Technology Multi-Layer Unit 2

Foreign Branch

Address	Location Type
11501 Dublin Blvd. Suite # 328, Dublin California, CA 94568 United States of America	U.S.A. Office

Source: *Company website and Annual report 2020*

OTHER INFORMATION

I. Standard Industry Classification (SIC) Codes

SIC Codes	Description
3672-0000	Manufactures printed circuit boards
3672-9900	Manufactures printed circuit boards

II. Registration Details

D&B D-U-N-S® NUMBER	65-063-6822
Date of incorporation	9 th October 1989
Legal structure	Public Limited Company
Registration Number	L72900MHI989PLC131521
TAN	MUMF03519F
Udyog Aadhaar Memorandum MSME	MHI9B0011171
GST	27AAACF0820C1ZD
ARN	AD2704200088755
NCAGE Code	4010Y
Number of employees	162 (FY 2020)
Annual General Meeting Date	26 th September 2020
Name of the Auditor	Ratanghayara & Co., Chartered Accountants

III. KYC Details

Company PAN	AAACF0820C
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IV. Contact Details

Head Office Address	145, SDF V, SEEPZ-SEZ Andheri (East) Mumbai - 400 096 Maharashtra India
Telephone	91 - 22 - 28290244 91 - 22 - 28290245

Fax	91 - 22 - 28292554
Webpage	www.fine-lineindia.com
Email	adoshi@fine-line.co.in fine-line@fine-line.co.in info@fine-lineindia.com ipanday@fine-lineindia.com

Source: MCA, Annual report 2020 and Company Website

GLOSSARY OF KEY RATIOS & COMPUTATION



KEY FINANCIAL RATIOS	FORMULAE
GROWTH RATIOS	
Revenue Growth (%)	% change in revenue in the current year over the previous year
Net Profit Growth (%)	% change in net profit in the current year over the previous year
PROFITABILITY RATIOS	
Gross Profit Margin (%)	$(\text{Net Revenue} - \text{Direct Expenditure} / \text{Net Revenue}) * 100$
Operating Profit Margin (%)	$(\text{Operating Profit} / \text{Net Revenue}) * 100$
Net Profit Margin (%)	$(\text{Net Profit after Tax} / \text{Net Revenue}) * 100$
Return on Tangible Networkth (%)	$(\text{Net Profit after Tax} / \text{Tangible Networkth}) * 100$
Return on Average Tangible Networkth (%)	$(\text{Net Profit After Tax} / \text{Average Tangible Networkth}) * 100$
Return on Capital Employed (%)	$(\text{Earnings before Interest and Tax} / \text{Capital Employed}) * 100$
Return on Average Capital Employed (%)	$(\text{Earnings before Interest and Tax} / \text{Average Capital Employed}) * 100$
Return on Fixed Assets (%)	$(\text{Net Profit after Tax} / \text{Fixed Assets}) * 100$
Return on Total Assets (%)	$(\text{Net Profit after Tax} / (\text{Current Assets} + \text{Other Tangible Assets})) * 100$
LIQUIDITY RATIOS	
Quick Ratio (Times)	$(\text{Current Assets} - \text{Inventory} - \text{Prepaid Expenses} - \text{Unbilled revenue}) / \text{Current Liabilities}$
Current Ratio (Times)	$\text{Current Assets} / \text{Current Liabilities}$
TURNOVER RATIOS	
Inventory Turnover Ratio (Times)	$(\text{Direct Expenditure} - \text{Repairs \& Maintenance} - \text{Plant \& Machinery}) / \text{Total Inventory}$
Fixed Assets Turnover Ratio (Times)	$\text{Net Revenue} / \text{Fixed Assets}$
SOLVENCY RATIOS	
Long Term Debt Equity Ratio (Times)	$\text{Long Term Loans} / \text{Tangible Networkth}$
Total Debt Equity Ratio (Times)	$\text{Total borrowings (Long term + Short term)} / \text{Tangible Networkth}$
Total Liabilities to Tangible Networkth (%)	$\{(\text{Current Liabilities} + \text{Non-Current Liabilities}) / \text{Tangible Networkth}\} * 100$
Interest Coverage Ratio (Times)	$\text{Earnings before Interest and Tax} / \text{Interest Expenditure}$
EFFICIENCY RATIOS	
Payment Period (Days)	$\text{Accounts Payable} / \text{Total Purchases} * 365$
Average Payment Period (Days)	$\text{Average Accounts Payable} / \text{Total Purchases} * 365$
Collection Period (Days)	$\text{Accounts Receivable} / \text{Net Revenue} * 365$
Average Collection Period (Days)	$\text{Average Accounts Receivable} / \text{Net Revenue} * 365$

WORKING CAPITAL RATIOS	
Current Liabilities to Tangible Networkth (%)	Current Liabilities/ Tangible Networkth *100
Working Capital Turnover Ratio (Times)	Net Revenue/ (Current Assets - Current Liabilities)
Inventory Days	365/ Inventory Turnover Ratio
Working Capital Cycle	Collection Period (days) + Inventory Holding (Days) - Payment Period (Days)
OTHER KEY FINANCIAL TERMS	
Direct Expenditure	Cost of material consumed or traded, salaries & wages, freight inward, job work charges, royalties/technical fees and other expenses directly related to manufacturing / rendering of services.
Operating Profit	Measure of profit or loss earned / incurred after charging all direct expenses plus indirect expenses from revenue and other operating income pertaining to core business activities. Taken as EBIT – non-operating income
Net Profit	Measure of net profit or loss earned / incurred after considering all incomes and expenses including interest expenditure and taxes.
Working Capital	Current Assets- Current Liabilities
Tangible Networkth	Working Capital + Other Tangible assets- Non-Current Liabilities
Capital Employed	Tangible Networkth + (Long term borrowings + Short term borrowings) + Minority Interests
Total Borrowings	Long Term (secured & Unsecured) Loans + Short Term (Secured & Unsecured) Loans

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