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CIRCUITS LIMITED

**NINETEENTH ANNUAL REPORT 2008 - 09**

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

**Vision :-**

A Globally Respected Performance Driven Growing Manufacturer.

**Mission :-**

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

**Goal :-**

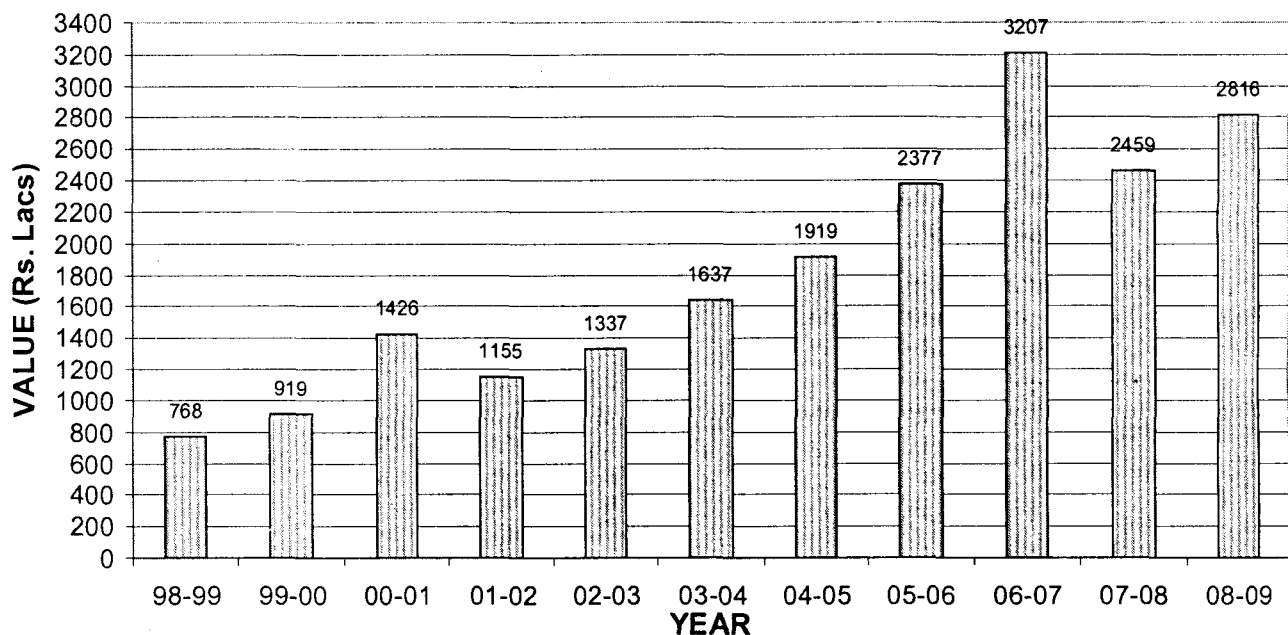
To efficiently execute the manufacturing ensuring a timely delivery of defect free products in the small to medium volume high part number mix PCBs arena.

**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 a 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	2. Continuously improving the quantum & velocity of 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	
4. Paying attention to detail & executing efficiently	4. Constant efforts at Derisking the business	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	

## SALES



## AT A GLANCE (Rs. In Lacs)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>SALES &amp; EARNINGS</b>											
Sales	768	919	1426	1155	1337	1637	1919	2377	3207	2478	2821
PBDT	77	100	317	193	173	228	241	156	400	87	46
Profit after taxes	22	44	56	3	41	57	51	4	260	(41)	(100)
<b>ASSETS &amp; LIABILITIES</b>											
Gross Fixed Assets	936	1013	1072	1215	893	1213	1182	1188	1259	1418	1618
Net Fixed Assets	635	660	462	430	425	474	384	240	240	265	319
Net Current Assets	149	137	341	349	385	355	495	643	874	821	667
Total (Applications)	784	797	803	779	810	829	879	883	1114	1086	986
<b>REPRESENTED BY</b>											
Net Worth	667	711	801	779	810	829	879	883	1114	1087	986
Share Capital	541	541	541	541	541	484	483	483	483	483	483
Reserves	126	170	260	238	269	346	396	400	631	604	504
Borrowings	117	86	2	0	0	0	0	0	0	0	0
Total (Sources)	784	797	803	779	810	829	879	883	1114	1086	986
<b>RATIOS</b>											
Acid Test Ratio	0.6	0.6	2.0	2.8	4.9	2.1	1.1	1.8	1.9	1.4	1.1
Total Liability to Net Worth	0.2	0.2	0.1	0.1	0.1	0.2	0.3	0.2	0.3	0.2	0.3
Sales to Net Fixed Assets	1.2	1.4	3.1	2.7	3.1	3.5	5.0	9.9	13.4	9.3	8.8
Earning Per Share (Rs.)	0.4	0.8	1	0.1	0.8	1.1	1.1	0.1	5.4	(0.9)	(2.1)
Return on Assets	3%	6%	7%	1%	5%	7%	6%	1%	24%	(4%)	(10%)
Dividend Rate											
	L . Term and W/C Loans Repaid				Judicious Capital Expenditure Done				5%	Nil	Nil

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of FINE-LINE CIRCUITS LTD. will be held at Gr. Floor, Backside SDF VI, SEEPZ- SEZ, Andheri East, Mumbai 400096 on **Saturday, 12<sup>th</sup> September, 2009 at 11.00 a.m.** to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2009 and the Profit & Loss Account of the Company for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Rajendra V. Gandhi** who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of **Prof. J. Vasi** who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of **Shri Rajiv B. Doshi** who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of **Shri R. M. Premkumar** who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

**BY ORDER OF THE BOARD****Registered Office**

145, SDF V, Seepz, SEZ  
Andheri (East), Mumbai – 400 096

**Bhagwandas T. Doshi****EXECUTIVE CHAIRMAN**Dated : 27<sup>th</sup> June, 2009**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members/ Proxies should bring the Attendance Slip filled in for attending the meeting. They are also requested to bring their copies of the Annual Report to the Meeting
4. Members who hold shares in dematerialized form are requested to write client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. A brief resume of **Shri R. V. Gandhi**, **Shri J. Vasi**, **Shri Rajiv B. Doshi** and **Shri R. M. Premkumar**, the retiring directors in the ensuing Annual General Meeting being eligible and offered for reappointment 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 Listing Agreement with Bombay Stock Exchange are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company Command their respective re-appointments.
6. Members desiring any information as regards the accounts are requested to write to the Company at least seven days in advance of Annual General Meeting so as to enable the Management to keep the information ready.
7. Members are requested to notify the changes, if any, in their address to update our record and to avoid non-delivery of communication.
8. The Register of Members and Share Transfers Books of the Company will remain closed from Tuesday, 8<sup>th</sup> September, 2009 to Saturday, 12<sup>th</sup> September, 2009 (both days inclusive).

## DIRECTORS' REPORT

Your Directors wish to present the 19<sup>th</sup> Annual Report and audited accounts of the Company for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS

	2008-09	2007-08
Sales and other Income	2824.46	2464.01
Gross Profit before depreciation and tax	46.16	86.16
<b>Less:</b> Depreciation	147.60	134.16
<b>Profit / (Loss) before Tax</b>	<b>(101.44)</b>	<b>(47.22)</b>
<b>Less:</b> Provision for current tax	0.77	
Provision for deferred tax	(4.97)	(8.72)
Fringe Benefit tax	2.43	2.29
<b>Profit / (Loss) after Tax</b>	<b>(99.67)</b>	<b>(41.19)</b>
<b>Add:</b> Excess/(Short) provisions of earlier year	<b>(0.39)</b>	<b>0.22</b>
<b>Profit / (Loss) after Tax</b>	<b>(100.05)</b>	<b>(40.97)</b>
<b>Add:</b> Balance brought forward from previous year	<b>524.90</b>	<b>553.14</b>
<b>Add:</b> Reversal of excess provision for retirement benefit in earlier year		12.73
<b>Amount available for appropriation</b>	<b>424.85</b>	<b>524.90</b>
<b>Less:</b> Appropriations		
1. Proposed Dividend	-	-
2. Tax on dividend	-	-
<b>Balance carried to Balance Sheet</b>	<b>424.85</b>	<b>524.90</b>

### PERFORMANCE AND OPERATIONAL RESULTS

The Turnover was higher by 15% to Rs.2824.46 lacs as against Rs. 2464.01 lacs in the previous year, mainly due to the weakening of the Rupee.

The rise in the input cost was significantly higher, so also the continuing increases in power cost. The inventory writing down of expired, non usable materials as a result of product mix change and variance in buyers' specification, in addition to substantial reduction in orders during fourth and last quarter of the year has drained the resources and resulted in a loss of Rs. 100.06 lacs.

The Company continues to export its products to the G8 Nations.

### DIVIDEND

In view of the losses during the year, your directors do not recommend any dividend.

### CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, reports on Management Discussion & Analysis and on Corporate Governance along with a Certificate from the Auditors form part of this Annual Report.

### DIRECTORS

Shri R. V. Gandhi, Shri Juzer Vasi, Shri Rajiv Doshi, and Shri R. M. Premkumar the Directors of the Company retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting of the Company.

Brief resume of the above Directors, nature of their experience in specific functional areas and names of the companies in which they hold directorships and membership/chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange are given in the section on Corporate Governance in the Annual Report.

### AUDITORS

Messrs. D K P & Associates, Chartered Accountants, the Statutory Auditors of the Company, hold the office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the Auditors that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. You are requested to appoint the Auditors and fix their remuneration.

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors state that:

1. In preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
2. The Directors have 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 at 31<sup>st</sup> March, 2009 and of the Loss of the Company for the year ended on that date.
3. The Directors have 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.
4. The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

**LISTING ARRANGEMENTS**

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Ltd., Mumbai and the listing fees has been paid up to 31<sup>st</sup> March 2010.

**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. RESEARCH AND DEVELOPMENT**

The production team updates the technology most suitable to the Company's manufacturing process and implements innovative solutions based on customer requirements and supplier support.

**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 <sup>st</sup> March	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Foreign Exchange										
Earning	2686	2444	2911	2114	1720	1448	1193	1038	1271	792
Outgo	1266	1072	1703	939	837	689	479	406	446	380
Net Earning	1420	1372	1208	1175	883	759	714	632	825	412

**FIXED DEPOSITS**

The Company had accepted Corporate Deposit for a short period and refunded back before the end of the year.

**PARTICULARS OF EMPLOYEES**

The Company does not have employees whose particulars are required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**ACKNOWLEDGEMENT**

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 SIFEPZ-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 staff for better performance in spite of severe competitive factors faced by the Company.

On behalf of the Board

Place : Mumbai  
Dated : 27<sup>th</sup> June'2009

Bhagwandas T. Doshi  
EXECUTIVE CHAIRMAN

**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 and advance specifications.

**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 from the European markets.

*The threats are on account of abnormal power cost increases, volatile exchange rate movements and rising 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. 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 sales were higher at Rs. 2815.92 lacs as against Rs. 2459.45 lakhs in the previous year. The square meters produced were lower at 24854 sqm PCBs as against 26505 sqm in the previous year. 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 2<sup>nd</sup> level supervisory personnel to show encouraging performance and to rise up. The company has engaged contract 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 31<sup>st</sup> March 2009 was 185 (Previous year 194).

**9) RESEARCH & DEVELOPMENT FOR STABLE QUALITY**

The production personnel undertake in-house research and development technique concurrently. The Company also takes in to consideration the customer feedbacks and acts upon the same. The company values customer satisfaction and delivers products of robust quality as per quality policy of the company.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 (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 present strength of Board of Directors of the Company is 11 (Eleven) including 8 (Eight) Non-Executive 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 (Jul 26, 2008)	Number of other Directorships	Committees (other than Fine-Line Circuits Ltd.)	
						Member	Chairman
1	Bhagwandas T. Doshi	PD	5	Present	3	2	Nil
2	C. K. Thanawala	NI	5	Present	16	1	3
3	R. V. Gandhi	NI	2	Absent	5	1	3
4	Juzer Vasi	NI	3	Present	Nil	Nil	Nil
5	R.M Premkumar	NI	3	Absent	5	Nil	3
6	U. Nimmagadda	NI	0	Absent	1	Nil	Nil
7	Apurva R. Shah	NI	5	Absent	6	5	1
8	V. A. Kumbhani	NE	5	Present	Nil	Nil	Nil
9	G. B. Doshi	NE	3	Absent	Nil	Nil	Nil
10	Rajiv B. Doshi	ED	5	Present	2	Nil	Nil
11	Abhay B. Doshi	PD	5	Present	Nil	Nil	Nil

PD = Promoter Director /Executive

ED = Executive Director

NE = Non-Executive Director

NI = Non-Executive Independent Director

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 V. 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 45050 Equity Shares
- b. Shri Gautam B. Doshi 175100 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**

5 (five) Board Meetings were held during the year 2008-09. The dates on which the said meetings were held are as follows:

26-Apr-08, 21-Jun-08, 26-Jul-08, 18-Oct-08 and 31-Jan-09.

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 R. V. Gandhi

Shri R. V. Gandhi, aged about 57 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 Gujarat Reclaim & Rubber Products Ltd. as Managing Director, Energee Investments Pvt Ltd., Attuned Polymers Pvt. Ltd. as Chairman, Steel Cast Ltd., Grip Polymer Ltd. and Ghatkopar Estate and Finance Corporation Pvt. Ltd., as director. He is also partner in Vadilal Chaturbhuj & Co. Shri R. V. Gandhi is committee member on the Audit Committee, Share Transfer & Shareholder's Grievance Committee and Remuneration Committee of Fine-Line Circuits Ltd.

b) Prof. Juzer Vasi

Prof. Juzer Vasi, aged about 62 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.

c) Shri Rajiv Doshi

Shri Rajiv Doshi is a Commerce Graduate and has obtained "Certificate of Achievement" in Business Administration awarded by De Anza College, California, USA. Shri Rajiv B. Doshi had wide experience of about 16 years in the Marketing and operations field with other concerns. He acquired detailed product knowledge while on training in India at Fine-Line Circuits Limited. He is handling entire Exports since last 8 years. Prior to his joining the Board, Shri Rajiv B. Doshi was working in the Company as General Manager and was supervising the entire Export Market operations and Factory Administration. He is a Director in Kapurwala Properties Pvt. Ltd. and Forshas Forgings Pvt. Ltd. He does not have membership of the Committee in any Company.

d) Shri R. M. Premkumar

Shri R.M Premkumar is an IAS Officer of 1968 Batch and held important posts as follows: Collector, Kolhapur ; 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 & Maharashtra State Electricity Transmission. He is also on the Board of Afcons Infrastructure Ltd., Pipavav Shipyard Ltd, Rama Cylinders Private Ltd, as director. He does not hold any share 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.

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 292 A 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 mandatory to be reviewed by it under corporate governance.

Four meetings of the Committee on the dates mentioned below were held during the year 2008-09:

21-Jun-08, 26-Jul-08, 18-Oct-08 and 31-Jan-09.

Composition, category of members and details of the Meetings attended is as follows:

Sr. No.	Name of Director	Category	Committee	No. of meetings attended
1	C.K. Thanawala	NI	Chairman	4
2	R.V. Gandhi	NI	Member	1
3	V.A. Kumbhani	NE	Member	4
4	Apurva R. Shah	NI	Member	4

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 composition of the Remuneration Committee is as under:-

Sr. No.	Non Executive Director	Committee
1	R.V. Gandhi	Chairman
2	Juzer Vasi	Member
3	C.K. Thanawala	Member

The Remuneration Committee did not hold any meeting during the year. 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.

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.

### Details of remuneration paid to Directors:

(In Rupees)

Name of Director	Sitting Fees	Salaries & Perquisites	Performance Incentive	Total
<b>A. Executive Directors</b>				
Bhagwandas T. Doshi	Nil	15,49,823	Nil	15,49,823
Abhay B. Doshi	Nil	18,74,655	Nil	18,74,655
G. Sudarsanam *	Nil	2,13,127	Nil	2,13,127
Rajiv B. Doshi	Nil	11,94,866	Nil	11,94,866
<b>Total</b>	<b>Nil</b>	<b>48,32,471</b>	<b>Nil</b>	<b>48,32,471</b>
<b>B. Non-Executive Directors</b>				
R.V. Gandhi	25,000	Nil	Nil	25,000
V.A. Kumbhani	49,000	Nil	Nil	49,000
C.K. Thanawala	37,000	Nil	Nil	37,000
Juzer Vasi	15,000	Nil	Nil	15,000
U. Nimmagadda	Nil	Nil	Nil	Nil
Gautam Doshi	15,000	Nil	Nil	15,000
Apurva R. Shah	37,000	Nil	Nil	37,000
R. M. Premkumar	15,000	Nil	Nil	15,000
<b>Total</b>	<b>1,93,000</b>	<b>Nil</b>	<b>Nil</b>	<b>1,93,000</b>

\* Resigned w.e.f.01.06.08.

- Salaries and perquisites include contribution to Provident Fund, Leave Travel Allowance, reimbursement of medical expenses, wherever applicable as per the rules of the Company.
- 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	R. V. Gandhi	Chairman, Non-Executive,	24
2	V. A. Kumbhani	Independent	24
3	Abhay B Doshi	Member	24

The Committee meets normally every fortnight and/ or at the frequency required on the exigency of the transfer volume. Shri S.S. Somani, Sr. General Manger had been designated as Compliance Officer till 30<sup>th</sup> December 2008. Ms. Prema Radhakrishnan was appointed as the

Compliance officer with effect from 30<sup>th</sup> December, 2008. The Compliance Officer monitors the legal compliances.

M/s. 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, 2009.

Investors Services

Complaints received during the year:

Sr. No.	Particulars	2008-09	2007-08
1	Complaints received during the year	—	2
2	Resolved to the satisfaction of shareholders.	—	2
3	No. of pending complaints	—	—

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

The Shareholders' grievances are dealt by M/s. 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
18 <sup>th</sup>	2007-08	Gr. Floor, Backside SDF – VI, Seepz – (SEZ), Andheri (E), Mumbai 400096	Saturday 26-Jul-08	3.00 p.m.	Nil
17 <sup>th</sup>	2006-07	Gr. Floor, Backside SDF – VI, Seepz (SEZ), Andheri (East), Mumbai 400096	Saturday 25th August, 07	4.00 p.m.	Special resolution for 1. Reappointment of Shri Bhagwandas T. Doshi, as Executive Chairman, 2. Reappointment of Shri G. Sudarsanam as Vice Chairman, 3. Reappointment of Shri Abhay B. Doshi as Managing Director 4. Employees Stock Option Scheme.
16 <sup>th</sup>	2005-06	Gr. Floor, Backside SDF – VI, Seepz (SEZ), Andheri (East), Mumbai 400096	Monday 31st July, 06	4.30 p.m.	Nil

No postal ballots were used for voting in last year. At the ensuing Annual General Meeting, there was 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 10 and 11 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.

**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 27th June, 09 to approve the audited annual accounts for the year ended 31<sup>st</sup> March 2009.

**10. MEANS OF COMMUNICATION**

- a) Quarterly & Half yearly Results: The Company publishes its quarterly & Half-yearly financial results in the Newspapers and is regularly submitted to the Stock Exchange.
- b) The results are normally published in Free Press Journal & Navshakti newspapers.
- c) The results are displayed and available on Company's website: [www.fineineindia.com](http://www.fineineindia.com) as also the EDIFAR website of the Stock Exchange, Mumbai under the scrip code 517264.
- d) In view of the above and as cost and economy measures the quarterly results were not sent individually to the shareholders.
- e) There were no presentations made to the institutional investors or analysts.

**12. GENERAL SHAREHOLDER INFORMATION:**

**I) Nineteen Annual General Meeting**

Day & Date	Time	Venue
Saturday the 12 <sup>th</sup> September 2009	11.00 a.m	Gr. Floor, Backside SDF VI, Seepz-SEZ, Andheri (East), Mumbai 400096

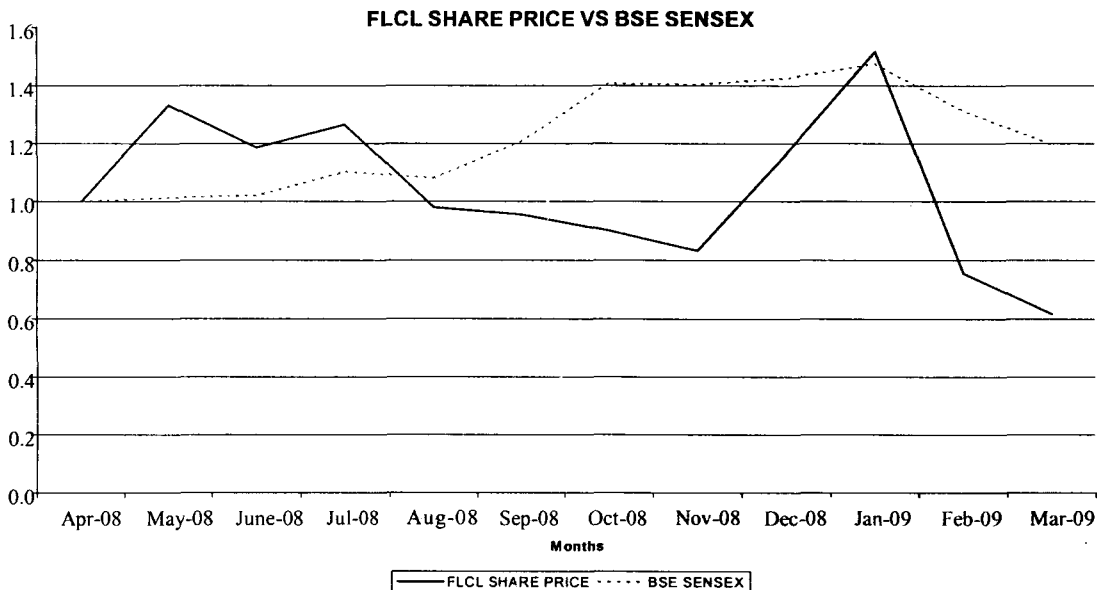
Financial Year: April to March

**II) Financial Calendar (Tentative)**

- a) First Quarter Results : Last Week of July
- b) Second Quarter Results : Last Week of October
- c) Third Quarter Results : Last Week of January
- d) Annual Results : Last Week of June
- III) Book Closure : Tuesday, 8<sup>th</sup> September, 2009 to Saturday, 12<sup>th</sup> September, 2009. (Both days inclusive)
- IV) Listing on Stock Exchange : Bombay Stock Exchange Ltd.
- V) Stock Code : 517264
- VI) ISIN Code in NSDL and CDSL : INE087E01011

VII) Stock Price Data during 2008-09 (BSE Table below gives the monthly highs and lows of the Company's shares on the Mumbai Stock Exchange (BSE))

Months	High (Rs.)		Low (Rs.)	
	FLCL Price	BSE Sensex	FLCL Price	BSE Sensex
April 2008	22.90	17,480.74	16.00	15,297.96
May 2008	21.00	17,735.70	15.00	16,196.02
June 2008	17.90	16,632.72	12.15	13,405.54
July 2008	14.52	15,130.09	10.80	12,514.02
August 2008	18.50	15,579.78	14.00	14,002.43
September 2008	18.00	15,107.01	15.35	12,153.55
October 2008	16.50	13,203.86	9.50	7,697.39
November 2008	10.00	10,945.41	7.78	8,316.39
December 2008	9.50	10,188.54	8.16	8,467.43
January 2009	11.50	10,469.72	9.32	8,631.60
February 2009	9.89	9,724.87	7.81	8,619.22
March 2009	8.95	10,127.09	7.57	8,047.17



VIII) Performance in comparison to Broad:

This has been shown in the table based Indices given above in comparison with BSE Sensex.

IX) Registrars & Transfer Agents (RTA)

: M/s Mondkar Computers Pvt. Ltd.  
 21, Shakil Niwas, Opp. Satyasaibaba Temple,  
 Mahakali Caves Road,  
 Andheri (East), Mumbai 400093  
 Tel: 2 826 2920, 2820 7201.  
 Fax: 2 820 7207  
 Email:mondkar\_computers@rediffmail.com

X) Share Transfer System:

All share transfers and related operations are conducted by M/s 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

Shareholdings of Nominal Value	Shareholders		Shares Held	
	Number	%	No. of shares	%
Upto 500	11708	96.31%	1443914	30.03%
501-1000	243	1.99%	205708	4.28%
1001-2000	78	0.64%	118182	2.46%
2001-3000	24	0.20%	61924	1.29%
3001-4000	21	0.17%	74004	1.54%
4001-5000	13	0.11%	62343	1.30%
5001-10000	20	0.17%	142456	2.96%
10000 and above	50	0.41%	2699255	56.14%
<b>Total</b>	<b>12157</b>	<b>100.00%</b>	<b>4807786</b>	<b>100.00%</b>

b) Categories of Shareholding as on 31<sup>st</sup> March 2009

Category	No. of Shares Held	% Of Shareholding
<b>A Promoter's holding</b>		
1 Promoters		
- Indian Promoters	10,27,092	21.36
- Foreign Promoters	1,75,100	3.64
2 Person Acting in concert	—	—
<b>Sub - Total</b>	<b>12,02,192</b>	<b>25.00</b>
<b>B Non-Promoters Holding</b>		
3 Institutional Investors		
A Mutual funds & UTI	—	—
B Bank, Financial Institutions, Insurance Companies (Central/ State Govt. Institution/ Non- Govt. Institutions)	1,96,466	4.08
C FIIS	—	—
<b>Sub - Total</b>	<b>1,96,466</b>	<b>4.08</b>
4 Others		
A Private Corporate Bodies	2,36,319	4.92
B Indian Public	25,74,953	53.56
C NRIs/OCBs	5,79,628	12.06
D Any other shares in transit – clearing members	18,228	0.38
<b>Sub - Total</b>	<b>36,05,594</b>	<b>74.99</b>
<b>GRAND TOTAL</b>	<b>48,07,786</b>	<b>100.00</b>

XII) Dematerialisation of shares & Liquidity

Demat Position as on 31 <sup>st</sup> March, 09	:	NSDL – 14, 53,974	30.24%
	:	CDSL - 5, 83,037	12.13%
<b>Total Demat</b>		<b>20,37,011</b>	<b>42.37%</b>

In Demat form the shares are tradable in the unit of one equity shares 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](mailto:fineline@vsnl.com)

**Unit 2**

HIGH TECHNOLOGY MULTILAYER UNIT  
148, SDF-V, SEEPZ-SEZ,  
ANDHERI (E), MUMBAI 400 096.  
Tel: 91-22 4247 2222  
Fax: 91-22 2 829 2554.

XV) Address for Correspondence :

**Registrar and Share Transfer Agents** :

M/s Mondkar Computers Pvt. Ltd  
21, Shakil Niwas,  
Opp. Satyasaibaba Temple,  
Mahakali Caves Road,  
Andheri (East)  
Mumbai 400093  
Tel: 91-22 2 826 2920, 91-22 2820 7201.  
Fax : 91-22 2 820 7207  
Email: [mondker\\_computers@rediffmail.com](mailto:mondker_computers@rediffmail.com)

**Registered office**

Fine-line Circuits Limited  
145, SDF-V, SEEPZ-(SEZ)  
ANDHERI (E), MUMBAI - 400 096  
e-mail: [fineline@vsnl.com](mailto: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.

**DECLARATION**

As 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 31<sup>st</sup> March 2009.

On behalf of the Board

Place : Mumbai

Dated : 27<sup>th</sup> June, 2009

**Bhagwandas T. Doshi**  
EXECUTIVE CHAIRMAN

**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 31<sup>st</sup> March 2009, 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

**Paresh J. Ratanghaya**  
Partner  
Membership No. 103325  
Mumbai  
Dated : 27<sup>th</sup> June, 2009

**Auditors' Report**

To the Members of FINE-LINE CIRCUITS LIMITED

We have audited the attached Balance Sheet of Fine - Line Circuits Limited as at 31<sup>st</sup> March 2009 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 2 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India.
  - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009.
  - (ii) In so far as it relates to the Profit and Loss Account, of the "Loss" of the Company for the year ended on that date. and
  - (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For **DKP & Associates**  
Chartered Accountants

**Paresh J. Ratanghaya**  
Partner  
Membership No.: 103325

Place : Mumbai  
Dated : 27<sup>th</sup> June, 2009



**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 valuation 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 three parties as listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,00,50,041/- and the closing balance outstanding in respect of all the parties is Rs. Nil.
  - 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, 2009 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 31<sup>st</sup> March, 2009, except for an amount of Rs. 1,013,276/- in respect of disputed Income Tax Liability, related to assessment year 2004-2005, for which the company has filed appeal with Appellate Tribunal.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit, or 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

**Paresh J. Ratanghaya**  
Partner  
Membership No.: 103325

Place : Mumbai  
Dated : 27<sup>th</sup> June, 2009

**BALANCE SHEET AS AT 31st MARCH, 2009**

	SCH. NO.	AS AT 31.03.2009 RUPEES	AS AT 31.03.2008 RUPEES
<b>I. SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	48,264,860	48,264,860
Reserves & Surplus	2	50,357,630	60,363,262
<b>TOTAL</b>		<b>98,622,490</b>	<b>108,628,122</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets :</b>			
Gross block	3	161,816,111	141,826,249
Less : Accumulated Depreciation		129,899,512	115,299,370
Net block		31,916,609	26,526,879
<b>Deferred Tax Assets</b>		3,911,516	3,414,076
<b>Current Assets, Loans and Advances :</b>			
Inventories	4	51,176,896	51,749,373
Sundry Debtors	5	38,655,330	42,325,691
Cash & Bank Balances	6	1,027,932	3,318,650
Loans & advances	7	11,100,892	13,113,577
		101,961,050	110,507,291
Less :			
<b>Current Liabilities and Provisions :</b>			
Current Liabilities	8	38,923,293	31,590,934
Provisions	9	243,392	229,190
		39,166,685	31,820,124
<b>Net Current Assets</b>		62,794,365	78,687,167
<b>TOTAL</b>		<b>98,622,490</b>	<b>108,628,122</b>
<b>NOTES ON ACCOUNTS</b>	13		

Schedules 1 to 9 and 13 form an integral part of the Balance Sheet as at 31st March 2009

As per our Report of even date

For and on behalf of the Board

**For DKP & Associates**  
Chartered Accountants

**Paresh J. Ratanghayara**  
Partner  
Membership No. 103325

**Bhagwandas T. Doshi**  
(Chairman)

**Abhay B. Doshi**  
(Managing Director)

**Rajiv B. Doshi**  
(Executive Director)

Place : Mumbai  
Date : 27th June, 2009

Place : Mumbai  
Date : 27th June, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

	SCH. NO.	31ST MARCH 2009 RUPEES	31ST MARCH 2008 RUPEES
<b>I - INCOME :</b>			
Sales		282,124,035	247,751,201
Less Custom & Excise Duty		531,807	1,806,265
Miscellaneous income	10	854,182	456,370
Variation in Stocks	11	(3,126,695)	837,742
<b>TOTAL INCOME</b>		<b>279,319,714</b>	<b>247,239,048</b>
<b>II - EXPENDITURE :</b>			
Manufacturing and other Expenses	12	274,703,463	238,542,146
Depreciation		14,759,826	13,422,619
<b>TOTAL EXPENDITURE</b>		<b>289,463,289</b>	<b>251,964,765</b>
<b>Profit / (Loss) before Tax</b>		<b>(10,143,575)</b>	<b>(4,725,717)</b>
Less : Provision for taxation			
Current tax		77,316	36,246
Deferred tax		(497,440)	(872,166)
Fringe benefit tax		243,392	229,190
		(9,966,843)	(4,118,987)
Add : Excess (Short) provision for tax of earlier years (net)		(38,790)	21,937
<b>Net Profit / (Loss) after tax</b>		<b>(10,005,633)</b>	<b>(4,097,050)</b>
Add : Balance brought forward from earlier year		52,490,312	55,314,067
Add : Reversal of Excess Provision for Retirement Benefits		-	1,273,294
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>42,484,679</b>	<b>52,490,311</b>
<b>Balance Carried to Balance Sheet</b>		<b>42,484,679</b>	<b>52,490,311</b>
Basic and diluted earnings per share - Rs. (Nominal value per share : Rs. 10)		(2.08)	(0.85)
<b>NOTES ON ACCOUNTS</b>	13		

Schedules 1 to 9 and 13 form an integral part of the Balance Sheet as at 31st March 2009

As per our Report of even date

For and on behalf of the Board

**For DKP & Associates**  
Chartered Accountants

**Paresh J. Ratanghayara**  
Partner  
Membership No. 103325

**Bhagwandas T. Doshi**  
(Chairman)

**Abhay B. Doshi**  
(Managing Director)

**Rajiv B. Doshi**  
(Executive Director)

Place : Mumbai  
Date : 27th June, 2009

Place : Mumbai  
Date : 27th June, 2009

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR APRIL 2008 TO MARCH 2009**

	2008-09 Rs.	2007-08 Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit[loss] before tax and extraordinary items	(10,143,575)	(4,725,717)
Adjustment for :		
Depreciation on fixed assets	14,759,826	13,422,619
Loss (gain) on sale of fixed assets (net)	25,269	239,254
Interest income	(104,522)	(456,370)
Sundry balances write back	(452,305)	0
Effect of exchange rate change due to revaluation	409,313	33,160
Debts written off / Provision for doubtful debts	0	297,355
Provision for doubtful debt written back	(297,355)	0
Operating profit before working capital changes	4,196,651	8,810,301
Adjustment for :		
Trade and other receivables	5,115,493	4,155,260
Inventories	572,477	(2,296,181)
Trade and other payables	5,509,712	3,916,889
Cash generated from operations	15,394,333	14,586,269
Taxes paid	(877,779)	(1,202,634)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>(A) 14,516,554</b>	<b>13,383,635</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(16,547,143)	(16,576,608)
Proceed from sale of fixed assets	5,914	50,000
Interest received	104,522	456,370
<b>NET CASH USED IN INVESTING ACTIVITIES:</b>	<b>(B) (16,436,707)</b>	<b>(16,070,238)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Effect of exchange rate change	(363,715)	(141,607)
Short Term Loans taken	10,100,000	7,100,000
Short Term Loans repaid	(10,100,000)	(7,100,000)
Dividend paid	(6,850)	(2,116,799)
<b>NET CASH USED IN FINANCING ACTIVITIES:</b>	<b>(C) (370,565)</b>	<b>(2,258,406)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C) (2,290,718)</b>	<b>(4,945,009)</b>
Opening Balance of Cash and cash equivalents :	3,318,650	8,263,659
Closing Balance of Cash and cash equivalents :	<b>1,027,932</b>	<b>3,318,650</b>
(Figures in brackets are cash outflows)		

As per our Report of even date

For and on behalf of the Board

**For DKP & Associates**  
Chartered Accountants

**Paresh J. Ratanghayara**  
**Partner**  
Membership No. 103325

**Bhagwandas T. Doshi**  
**(Chairman)**

**Abhay B. Doshi**  
**(Managing Director)**

**Rajiv B. Doshi**  
**(Executive Director)**

Place : Mumbai  
Date : 27th June, 2009

Place : Mumbai  
Date : 27th June, 2009

	<b>AS AT 31.03.2009 RUPEES</b>	<b>AS AT 31.03.2008 RUPEES</b>
<b>SCHEDULE 1. SHARE CAPITAL :</b>		
<b>Authorised :</b>		
7,500,000 Equity Shares of Rs. 10/- each	<u>75,000,000</u>	<u>75,000,000</u>
<b>Issued, Subscribed and Paid-up :</b>		
4,807,786 (4,807,786) equity shares of Rs. 10/- each fully called up	<u>48,077,860</u>	<u>48,077,860</u>
	<u>48,077,860</u>	<u>48,077,860</u>
Add : Forfeited shares	187,000	187,000
(Amount originally paid up on 37,400 (37,400) Equity Shares)	<u><b>48,264,860</b></u>	<u><b>48,264,860</b></u>
Note : The Company had in the past bought back 5,84,814 equity shares of Rs. 10 each		

<b>SCHEDULE 2. RESERVES &amp; SURPLUS :</b>		
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	2,024,811	2,024,811
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	5,848,140	5,848,140
Surplus in Profit & Loss Account	<u>42,484,679</u>	<u>52,490,312</u>
	<u><b>50,357,630</b></u>	<u><b>60,363,263</b></u>

**SCHEDULE 3. FIXED ASSETS :**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions	Deductions	As at 31.03.2009	As at 01.04.2008	For the Year	Deductions	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
Plant and Machinery	131,337,335	19,380,008	-	150,717,343	108,195,430	13,878,628	-	122,074,058	28,643,285	23,141,905
Vehicles	2,079,864	327,720	-	2,407,584	1,195,327	258,761	-	1,454,088	953,498	884,537
Furniture & Fittings	1,777,450	3,360	-	1,780,810	1,114,151	120,432	-	1,234,583	546,226	663,299
Computers	2,969,920	106,875	121,493	2,955,302	2,602,008	168,676	121,493	2,649,191	306,105	367,912
Office Equipments	2,654,284	154,656	69,386	2,739,554	1,321,235	187,744	38,191	1,470,788	1,268,781	1,333,049
<b>Intangible Assets</b>										
Software	1,007,396	208,122	-	1,215,518	871,219	145,585	-	1,016,804	198,714	136,177
<b>Total as at 31.03.2009</b>	<b>141,826,249</b>	<b>20,180,741</b>	<b>190,879</b>	<b>161,816,111</b>	<b>115,299,370</b>	<b>14,759,826</b>	<b>159,684</b>	<b>129,899,512</b>	<b>31,916,609</b>	<b>26,526,879</b>
Previous Year	125,971,243	16,202,439	347,433	141,826,249	101,934,930	13,422,619	58,179	115,299,370	26,526,879	

	<b>AS AT 31.03.2009 RUPEES</b>	<b>AS AT 31.03.2008 RUPEES</b>
<b>SCHEDULE 4. INVENTORIES :</b>		
(As verified, valued and certified by the management)		
Raw Materials	22,025,272	16,648,739
Chemicals, Consumables, Stores & Tools	17,715,446	14,232,302
Goods in transit	1,454,359	7,759,817
Works in process	6,679,662	10,063,580
Finished Goods	<u>3,302,158</u>	<u>3,044,935</u>
	<u><b>51,176,896</b></u>	<u><b>51,749,373</b></u>

	<b>AS AT</b>	<b>AS AT</b>
	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>SCHEDULE 5. SUNDRY DEBTORS :</b>		
(Unsecured, considered good unless otherwise stated and subject to confirmation)		
a) Debts outstanding more than six months:-		
Considered good	2,319,881	2,781,986
Considered Doubtful	-	-
	<u>2,319,881</u>	<u>2,781,986</u>
Less Provision for Doubtful Debts	-	2,781,986
b) Other Debts	36,335,449	39,543,705
	<u>38,655,330</u>	<u>42,325,691</u>
<b>SCHEDULE 6. CASH &amp; BANK BALANCES :</b>		
Cash on hand	57,647	170,627
Balances with Scheduled Banks :-		
In Current Accounts #	765,687	1,297,860
In Fixed Deposit Accounts	-	1,297,860
Balances with Other Bank :-		
Union Bank of California (USA) - Current Account	204,598	1,850,163
	<u>1,027,932</u>	<u>3,318,650</u>
(# Includes an amount of Rs. 280244/- in Dividend Account, Previous Year Rs.287094)		
<b>SCHEDULE 7. LOANS &amp; ADVANCES :</b>		
(Unsecured, considered good and subject to confirmation)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	6,034,901	7,012,628
Considered doubtful	-	297,355
	<u>6,034,901</u>	<u>7,309,983</u>
Less : Provision for doubtful advances	-	(297,355)
	<u>6,034,901</u>	7,012,628
Advance against capital expenditure	-	1,604,676
Deposits	2,013,727	1,976,492
Advance payment of tax (Net of Provisions)	3,052,264	2,519,781
	<u>11,100,892</u>	<u>13,113,577</u>
<b>SCHEDULE 8. CURRENT LIABILITIES :</b>		
Sundry creditors		
Amount due to Micro, Small and Medium Enterprises @	-	-
Other Creditors	29,210,343	26,942,738
Other liabilities	4,935,173	2,389,826
Advances from customers	527,014	47,654
Unpaid dividend #	280,244	287,094
Creditors for capital expenditure	3,970,519	1,923,622
	<u>38,923,293</u>	<u>31,590,934</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.		
# This figure do not include any amount due and outstanding, to be credited to Investor Education and Protection Fund.		
<b>SCHEDULE 9. PROVISIONS :</b>		
Provision for Fringe benefit tax	243,392	229,190
	<u>243,392</u>	<u>229,190</u>
<b>SCHEDULE 10. MISCELLANEOUS INCOME :</b>		
Provision for doubtful Advances written back	297,355	-
Sundry Balances written back	452,305	-
Interest Income (Net)	104,522	456,370
(Tax deducted at source Rs. 18376/- Previous year Rs. 14825/- )	<u>854,182</u>	<u>456,370</u>

	<b>AS AT 31.03.2009 RUPEES</b>	<b>AS AT 31.03.2008 RUPEES</b>
<b>SCHEDULE 11. VARIATION IN STOCKS :</b>		
Closing Stock of Finished Goods	3,302,158	3,044,935
Closing Work-in-process	6,679,662	10,063,580
	<u>9,981,820</u>	<u>13,108,515</u>
Opening Stock of Finished Goods	3,044,935	2,010,571
Opening Work-in-process	10,063,580	10,260,202
	<u>13,108,515</u>	<u>12,270,773</u>
	<b>(3,126,695)</b>	<b>837,742</b>
<b>SCHEDULE 12. MANUFACTURING &amp; OTHER EXPENSES :</b>		
Raw Materials Consumed :		
Opening Stock	16,648,740	16,603,416
Purchases	100,899,076	73,672,246
	<u>117,547,816</u>	<u>90,275,662</u>
Less : Closing Stock	22,025,273	16,648,740
	95,522,543	73,626,922
Chemicals, Consumables, Stores & Tools Consumed :		
Opening Stock	14,232,302	15,133,826
Purchases	69,788,927	60,589,658
	<u>84,021,229</u>	<u>75,723,484</u>
Less : Closing Stock	17,715,447	14,232,303
	66,305,782	61,491,181
Power, Fuel & Water		
Repairs & Maintenance	31,359,249	29,187,772
Building	1,358,159	402,124
Plant & Machinery	5,410,368	3,815,479
Others	459,031	612,130
	7,227,558	4,829,733
Job Work Charges		
	3,071,554	1,830,688
<b>PAYMENTS TO &amp; PROVISIONS FOR EMPLOYEES :</b>		
Salaries, Bonus and other allowances	34,981,690	34,264,192
Gratuity premium	238,877	313,445
Contribution to provident and other funds	2,147,836	2,103,512
Staff Welfare	1,617,935	2,520,366
	38,986,338	39,201,515
<b>ESTABLISHMENT EXPENSES :</b>		
Rent	2,683,714	2,123,402
Rates & Taxes	225,963	226,067
Insurance	488,531	570,535
Auditors' Remuneration :		
For Audit Fees	90,000	90,000
For Tax Audit Fees	25,000	25,000
Vehicle Expenses	558,285	507,185
Travelling & Conveyance	1,122,953	1,647,216
Legal & Professional Fees	1,242,665	1,082,518
Bad Debt Written Off		389,290
Less : Reversal of Provision for doubtful debts	-	(389,290)
Provision For Doubtful Advances	-	297,355
Postage, Telephone etc.	1,569,461	1,811,729
Printing & Stationery	854,306	783,623
Directors' Sitting Fees	193,000	163,000
Sundry Expenses	953,677	1,819,710
Donations	11,000	12,501
Bank Charges	1,443,581	984,286
Loss on sale / discarding of Fixed Assets (Net)	25,269	239,254
	11,487,405	12,383,381
<b>SELLING &amp; DISTRIBUTION EXPENSES :</b>		
Freight Outward	14,740,205	13,594,693
Clearing Charges on Export	537,007	593,073
Commission on Export	3,272,414	1,791,072
Compensation to Customers	2,193,406	
Octroi on DTA Sales	-	12,116
	20,743,032	15,990,954
	<u>274,703,463</u>	<u>238,542,146</u>



**SCHEDULE: 13 NOTES ON ACCOUNTS**

**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:**

- 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 is provided on the written down value method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except for the Plant and Machinery, where depreciation is provided at higher rate, 45%, in view of the lower estimated life of these assets. In respect of assets in USA branch, depreciation is provided on Straight Line Method on Computer at 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) Sales:**

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 account 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.

2. In the opinion of the management, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business and the provision for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.
3. The disclosures of Employee Benefits as defined in the Accounting Standard AS-15 are given below:

**Defined contribution Plan:**

Contribution to defined contribution plan, recognised as expenses for the year as under:  
Employers Contribution to Provident Fund Rs. 7,46,041/- (Previous Year Rs. 7, 41,693/-)

**Defined Benefit Plan:**

The Employees' Gratuity fund scheme managed by a Trust is a defined benefit plan. The present value obligation is determined based on actuarial valuation. The obligation for leave encashment is recognized in the same manner as gratuity.

	31.03.2009	31.03.2008
	Gratuity (Funded) Through Trust	Gratuity (Funded) Through Trust
<b>Assumptions</b>		
Discount rate	8%	8%
Salary Escalation	8%	7%
<b>1. Present value of Defined Benefit Obligation</b>		
		Rs.
Defined Benefit obligation at the beginning of the year	5,182,391	4,714,746
Interest Cost	414,591	353,606
Current Service cost	382,144	219,814
Benefits Paid	889,243	362,175
Actuarial (gain) / Loss on obligations	67,508	256,400
Defined Benefit of obligation as at end of the year	5,157,391	5,182,391
<b>2. Reconciliation of opening and closing balances of Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	7,313,809	5,984,608
Expected return on plan assets	625,367	545,879
Contributions	215,918	1,145,497
Benefits paid	889,243	362,175
Actuarial Gain / (Loss) on Plan assets	-	-
Fair value of plan assets at End of the year	7,265,851	7,313,809
<b>3. Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	7,313,809	5,984,608
Actual return on plan assets	625,367	545,879
Contributions	215,918	1,145,497
Benefits Paid	889,243	362,175
Fair value of plan assets at end of the year	7,265,851	7,313,809
Funded Status	2,108,460	2,131,418
<b>4. Actuarial Gain / (Loss) recognised</b>		
Actuarial Gain / (Loss) for the year -Obligation	(67,508)	(256,400)
Actuarial Gain / (Loss) for the year -Plan Assets	-	-
Total (Gain)/Loss for the year	(67,508)	(256,400)
Actuarial (gain)/Loss recognised in the year	(67,508)	(256,400)
<b>5. Amounts recognised in the Balance Sheet</b>		
Present value of obligations as at the end of the year	5,157,391	5,182,391
Fair value of plan assets as at the end of the year	7,265,851	7,313,809
Funded status	2,108,460	2,131,418
Net Assets/(Liability) recognised in balance sheet	2,108,460	2,131,418
<b>6. Expenses Recognised in statement of Profit and Loss Accounts</b>		
Current Service cost	382,144	219,814
Interest cost	414,591	353,606
Expected return on plan assets	625,367	545,879
Net Actuarial (gain)/Loss recognised in the year	67,508	256,400
Expenses recognised in statement of Profit & Loss	238,876	283,941

	31.03.2009 Leave Encashment (Funded)	31.03.2008 Leave Encashment (Funded)
<b>Assumptions</b>		
Discount rate	8%	8%
Salary Escalation	4%	4%
<b>1. Present value of Defined Benefit Obligation</b>		
		<b>Rs.</b>
Defined Benefit obligation at the beginning of the year	751,284	793,924
Interest Cost	60,103	63,514
Current Service cost	302,873	115,996
Benefits Paid	-	138,079
Actuarial (gain) / Loss on obligations	(551,294)	(84,072)
Defined Benefit of obligation as at end of the year	562,966	751,283
<b>2. Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	1,556,867	1,419,936
Expected return on plan assets	132,334	130,180
Contributions	-	144,830
Benefits paid	-	138,079
Actuarial Gain / (Loss) on Plan assets	-	-
Fair value of plan assets at End of the year	1,689,201	1,556,867
<b>3. Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	1,556,867	1,419,936
Actual return on plan assets	132,334	130,180
Contributions	-	144,830
Benefits Paid	-	138,079
Fair value of plan assets at end of the year	1,689,201	1,556,867
Funded Status	1,126,235	805,584
<b>4. Actuarial Gain / (Loss) recognised</b>		
Actuarial Gain / (Loss) for the year -Obligation	551,294	(84,072)
Actuarial Gain / (Loss) for the year -Plan Assets	-	-
Total (Gain)/Loss for the year	551,294	(84,072)
Actuarial (gain)/Loss recognised in the year	551,294	(84,072)
<b>5. Amounts recognised in the Balance Sheet</b>		
Present value of obligations as at the end of the year	562,966	751,283
Fair value of plan assets as at the end of the year	1,689,201	1,556,867
Funded status	1,126,235	805,584
Net Assets/(Liability) recognised in balance sheet	1,126,235	805,584
<b>6. Expenses Recognised in statement of Profit and Loss Accounts</b>		
Current Service cost	302,873	115,996
Interest cost	60,103	63,514
Expected return on plan assets	132,334	130,180
Net Actuarial (gain)/Loss recognised in the year	(551,294)	(84,072)
Expenses recognised in statement of Profit & Loss	(320,652)	(34,742)

**4. Contingent Liabilities:**

	For the Year	
	2008 - 2009 Rs.	2007 - 2008 Rs.
a. Bonds issued in favour of the President of India in respect of customs duty on import of machinery & raw materials.	220,582,000	220,582,000
b. Disputed income tax liability.	1,013,276	1,013,276
c. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	-	40,95,115

5. The net amount of foreign exchange difference credited to Profit and Loss Account Rs.29,185/- (Previous year Rs. 25,145/-).
6. Balance with other bank : Union Bank of California (USA), Maximum balance at any time during the year Rs 1,26,49,125 (Previous year Rs. 1,51,93,715)
7. **Managerial Remuneration: Break-up of Managerial Remuneration (excluding premium paid for Gratuity):**

	For the Year	
	2008 - 2009 Rs.	2007 - 2008 Rs.
a. Salary and Allowances	4,364,284	6,122,384
b. Contribution to Provident fund and other funds	261,148	268,492
c. Value of perquisites	207,039	171,997
Total	4,832,471	6,562,873

**8. Computation of net profit in accordance with section 198 read with Section 309(5) of the Companies Act, 1956:**

	2008-09	2007 - 08
	Rs.	Rs.
Profit / (Loss) before tax	(10,143,575)	(4,725,717)
Add : Depreciation as per accounts	14,759,826	13,422,619
(Loss) Gain on sale of Fixed Assets	25,269	239,254
Directors Sitting fees	193,000	163,000
Managerial Remuneration	4,832,471	6,562,873
Less : Depreciation as per Section 350 of Companies Act, 1956	14,759,826	13,422,619
<b>Net Profit / (Loss) for the year</b>	<b>(5,092,835)</b>	<b>2,239,410</b>
Salaries, Perquisites and Commission @ 10%	0	223,941

Minimum remuneration amounting to Rs.4,832,471 (Previous year Rs. 6,562,873) is paid as per provision of Schedule XIII Section II, Part A, of the Companies Act, 1956 since profit is inadequate

**9. 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. G. Sudarsanam	Vice Chairman & Executive Director (Resigned w. e. f. 1.6.2008 )
3. Shri. A. B. Doshi	Managing Director
4. Shri. R. B. Doshi	Executive Director
B- Relative of Key Management Personnel	B. T. Doshi
C- Parties where control exists	Kapurwala Properties P. Limited

b. Transactions with the above parties:

Name of Related Party	Nature of Transaction	For the Year 2008 - 2009 Rs.	2007 - 2008 Rs.
<b>A- Key Management Personnel</b>			
1. Shri B. T. Doshi	Remuneration	1,549,823	1,686,210
	Loan taken	2,300,000	0
	Loan Repaid	2,300,000	0
	Interest Paid	28,503	0
2. Shri G. Sudarsanam	Remuneration	213,127	1,626,188
3. Shri A. B. Doshi	Remuneration	1,874,655	1,989,610
	Loan taken	1,300,000	2,000,000
	Loan repaid	1,300,000	2,000,000
4. Shri R. B. Doshi	Remuneration	1,194,866	1,260,865
	Loan taken	0	700,000
	Loan Repaid	0	700,000
<b>B- Parties where control exists</b>			
Kapurwala Properties P. Ltd.			
	Loan taken	6,500,000	4,400,000
	Loan Repaid	6,500,000	4,400,000
	Interest on Loan	313,397	92,899

10. The break - up of deferred tax assets is as under:

Nature of timing difference	Deferred Tax Assets as on 31st March 2009 Rs.	Deferred Tax Assets as on 31st March 2008 Rs.
<b>A- Deferred Tax Assets</b>		
1. Related to Fixed Assets	3,911,516	3,515,147
2. Related to other dis-allowances	0	(101,071)
Total	3,911,516	3,414,076
Deferred Tax assets	3,911,516	3,414,076

11. Earning Per Share:

	Unit	As at 31.03.2009	As at 31.03.2008
Net Profit / (Loss) attributable to equity shareholders	Rs.	(10,005,632)	(4,097,050)
Weighted average number of equity shares outstanding during the year	Nos.	4,807,786	4,807,786
Nominal Value of share	Rs.	10	10
Basic and diluted earning per share	Rs.	(2.08)	(0.85)
Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956.			

12. CAPACITY: (As certified by the management)

Unit	Licensed Capacity		Installed Capacity	
	2008 - 2009	2007 - 2008	2008 - 2009	2007 - 2008
Sqm.	N/A	N/A	17,500	17,500
Sqm.	N/A	N/A	13,500	13,500

13. PRODUCTION, SALES AND STOCKS:

Product	Production	Sales		Opening Stock		Closing Stock	
	Qty. (Sqm)	Qty. (Sqm)	Value (Rs.)	Qty. (Sqm)	Value (Rs.)	Qty. (Sqm)	Value (Rs.)
Printed Circuit Boards	24,854	24,451	279,321,297	433	3,044,935	836	3,302,158
	(26,505)	(26,459)	(246,935,150)	(387)	(2,010,571)	(433)	(3,044,935)

(Figures in bracket relates to previous year)

14. SEGMENT INFORMATION :

The Company has only single primary segment viz :- "Printed Circuit Board". The Company has only one major secondary segment viz : Exports out of India. Hence, no additional information as required by Accounting Standard 17 is given.

**15. Raw materials consumed:**

For the Year Ended 31st March	2009		2008	
	Qty. (Sqm.)	Value (Rs.)	Qty. (Sqm.)	Value (Rs.)
Copper Clad Laminates	33,632	28,837,399	36,614	27,997,020
Masslam & Blanks	8,576	44,761,853	7,362	30,259,736
Others	-	21,923,291	-	15,370,166
Total	42,208	95,522,543	43,977	73,626,922

**16. a) Value of Imported & Indigenous Raw Materials Consumed**

For the Year Ended 31st March	2009		2008	
	Rs.	%	Rs.	%
Imports	93,388,548	97.77%	72,438,124	98.39%
Indigenous	2,133,995	2.23%	1,188,798	1.61%
Total	95,522,543	100.00%	73,626,922	100.00%

**b) Value of Imported & Indigenous Chemicals, Stores, Components and Spares Consumed :**

For the Year Ended 31st March	2009		2008	
	Rs.	%	Rs.	%
Imports	27,567,750	41.58%	25,891,654	42.11%
Indigenous	38,738,032	58.42%	35,599,527	57.89%
Total	66,305,782	100.00%	61,491,181	100.00%

**17. (a) Value of Imports on C.I.F. Basis :**

For the Year Ended 31 <sup>st</sup> March	2009 (Rs.)	2008 (Rs.)
Raw Materials	98,765,081	72,483,450
Consumables & Spare Parts	32,091,918	26,826,293
Capital Goods	18,578,629	13,251,831

**b. Expenditure in Foreign Currency:**

For the Year Ended 31 <sup>st</sup> March	2009 (Rs.)	2008 (Rs.)
Foreign Travel	5,37,979	160,520
Foreign Branch Expenses	55,69,481	3,851,749

**c. Remittance in Foreign Currency**

For the Year Ended 31 <sup>st</sup> March	2009 (Rs.)	2008 (Rs.)
Dividend	NIL	272,200

**d. Earning in Foreign Exchange**

For the Year Ended 31 <sup>st</sup> March	2009 (Rs.)	2008 (Rs.)
FOB Value of Exports	236,601,440	208,630,256

18. A sum of Rs. Nil [Previous year Rs.17,067/- Net Debit] is included in establishment expenses representing net prior period item.
19. Foreign currency exposure that are not hedged by derivative instruments or forward contracts as at 31<sup>st</sup> March, 2009 amount to Rs. 6,12,22,958/- (Previous Year Rs. 5,76,65,985/-)
20. Previous year's figures have been regrouped / rearranged / recast wherever necessary.

Signature to schedules 1 to 13

As per our Report of even date

For and on behalf of the Board

**For DKP & Associates**  
 Chartered Accountants

**Paresh J. Ratanghayara**  
 Partner  
 Membership No. 103325

**Bhagwandas T. Doshi**  
 (Chairman)

**Rajiv B. Doshi**  
 (Executive Director)

**Abhay B. Doshi**  
 (Managing Director)

 Place : Mumbai  
 Date : 27th June, 2009

 Place : Mumbai  
 Date : 27th June, 2009

Additional information pursuant to part IV of the schedule VI to the Companies Act, 1956.

**Balance Sheet Abstract and Company's General Business Profile**

**I- Registration Details :**

Registration No	L72900MH1989PLC131521	State Code	11
Balance Sheet Date	31st March 2009		

**II - Capital raised during the year**

Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placement	Nil

**III - Position of Mobilisation and Deployment of Funds : ( Amount in Rs. )**

Total Liabilities	98,622,490	Total Assets	98,622,490
Paid up Capital	48,264,860	Reserves & Surplus	50,357,630
Secured Loans	Nil	Unsecured Loans	Nil
Deferred Tax Liabilities (net)	Nil		

**Application of Funds**

Net Fixed Assets	31,916,609	Investments	Nil
Net Current Assets	62,794,365	Misc. Expenditure	Nil
Deferred Tax Assets (net)	3,911,516		

**IV Performance of company**

Turnover (Gross Revenue)	282,446,410	Total Expenditure	289,463,289
Profit / (Loss) Before Tax	(10,143,575)	Profit / (Loss) After Tax	(10,005,632)
Earning per Share	(2.08)	Dividend Rate	NIL

**V Generic name of principal Product of the company**

Product Description	Item Code No.	ITC Code
Printed Circuit Board	8534.00.20	Rigid Glass Epoxy Multi layer PCB
	8534.00.40	Rigid Glass Epoxy Double Side PCB
	8534.00.70	Rigid CEM PCB
	8534.00.80	Rigid Flex PCB
	8534.00.85	Ceramic base PCB
	8534.00.95	Backplane PCB
	8534.00.95	Impedance Controlled PCB
	8534.00.95	Metalic Heatsink PCB
	8534.00.95	Blind & Buries Vias PCB

For and on behalf of the Board

**Bhagwandas T. Doshi**  
(Chairman)

**Abhay B. Doshi**  
(Managing Director)

**Rajiv B. Doshi**  
(Executive 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, September 10, 2009 to enable the Company take the individual permission for Entry to Seepz (SEZ).

## ATTENDANCE SLIP

### FINE-LINE CIRCUITS LIMITED

Regd. Office: 145, SDF V, Seepz (SEZ), Andheri (E), Mumbai - 400 096

[Please present the slip at the Company Counter outside Seepz gate on AGM date]

DP Id*	
--------	--

Regd.Folio No.	
----------------	--

Client Id*	
------------	--

No. of Share(s) Held	
----------------------	--

Name and Address of the Shareholder

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I / We hereby record my / our presence at the **Nineteenth Annual General Meeting** of Fine-Line Circuits Limited held at Backside SDF - VI, Seepz - SEZ, Andheri (E), Mumbai - 400 096 on Saturday, 12th September, 2009, at 11.00 a.m. Signature of the Member / Proxy (to be signed at the time of handing over at the Meeting Hall).

\* For Member holding shares in Electronic Form

----- Cut Here -----

## PROXY FORM

### FINE-LINE CIRCUITS LIMITED

Regd. Office: 145, SDF V, Seepz (SEZ), Andheri (E), Mumbai - 400 096

DP Id*	
--------	--

Regd.Folio No.	
----------------	--

Client Id*	
------------	--

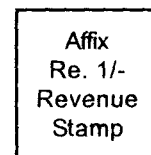
No. of Share(s) Held	
----------------------	--

I / We \_\_\_\_\_ being a member of Fine-Line Circuits Limited hereby appoint \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_

my / our proxy to attend and vote for me / us and on my / our behalf at the **Nineteenth Annual General Meeting** of the Company to be held on Saturday, the 12th September, 2009 at 11.00 a.m. or at any adjournment thereof.

As witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009

NOTE : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

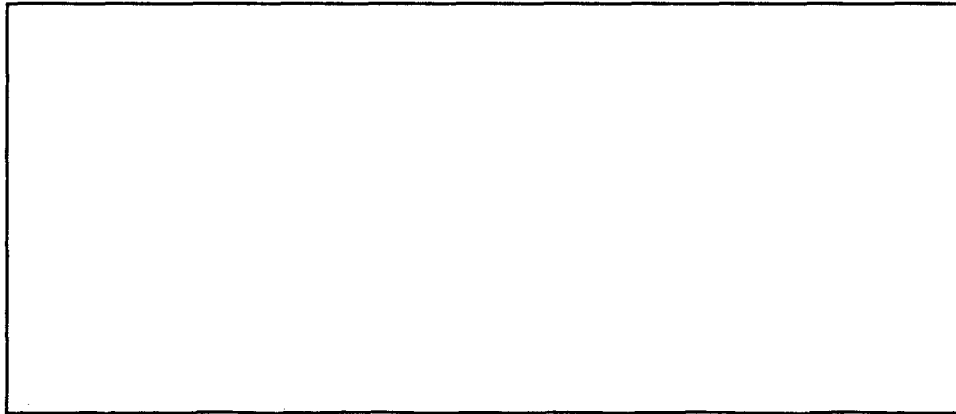


Signature

\* For member holding shares in Electronic Form



**BOOK POST**



If Undelivered, please return to :  
**FINE - LINE CIRCUITS LIMITED**  
145, SDF - V, Seepz (SEZ),  
Andheri (East), Mumbai - 400096.