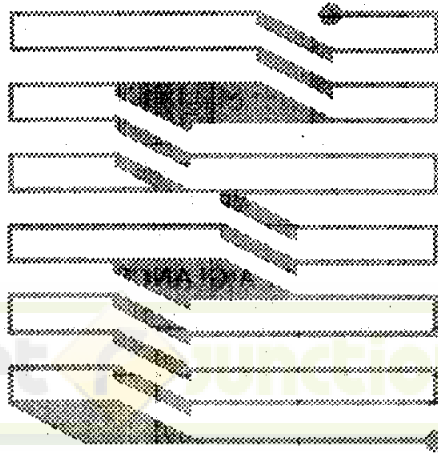




FINE-LINE

CIRCUITS LIMITED

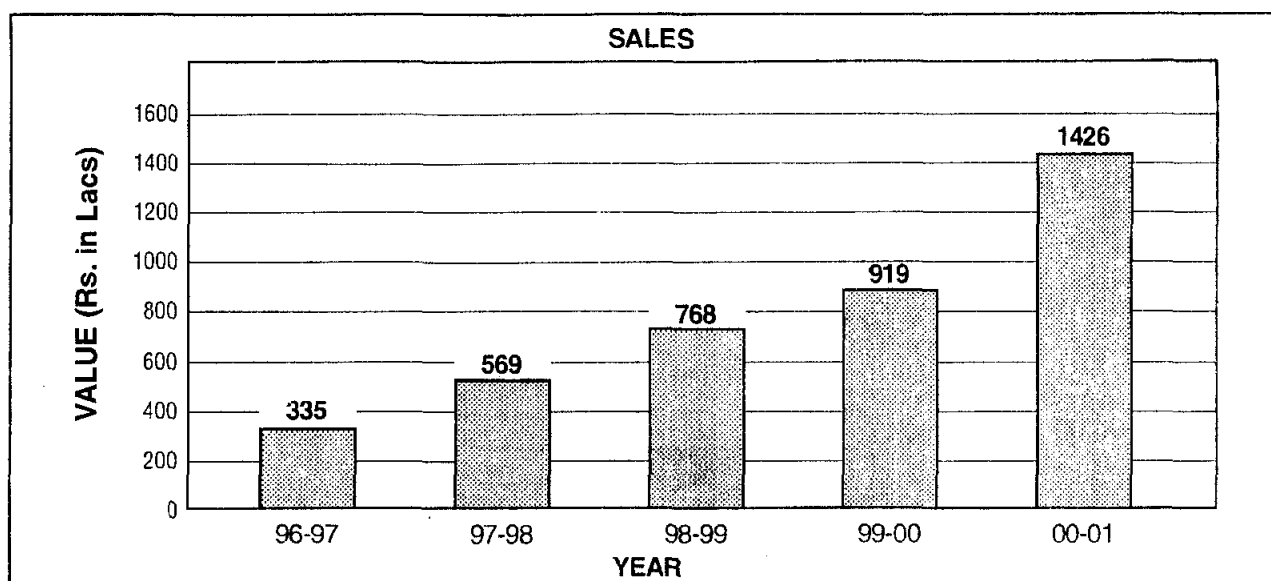


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ELEVENTH ANNUAL REPORT 2000-2001

COMPANY ASPIRATION

Our Aspiration for Fine-Line is to be a Reliable, Quality, Medium Volume manufacturer, exporter "Pleasing customer 101%" in the complex High Count Multilayer Rigid and Flex Printed Circuit Board market with a medium pace year to year growth and continuously moving deeper into the higher end of our product segment with a diversified customer base in count and geography, serving them in future by a global delivery model and ever remaining a financially conservative, environmentally friendly and socially conscious company.



AT A GLANCE

(Rs. In Lakhs)

	31-3-1998	31-3-1999	31-3-2000	31-3-2001
SALES & EARNINGS				
Sales	569	768	919	1426
Profit after taxes]	15	22	44	56
ASSETS & LIABILITES				
Gross Fixed Assets	957	936	1013	1072
Net Fixed Assets	700	635	660	462
Net Current Assets	107	149	137	341
Total (Fixed & Current Assets)	807	784	797	803
REPRESENTED BY				
Net Worth	645	667	711	801
Share Capital	541	541	541	541
Reserves	104	126	170	260
Borrowings	162	117	86	2
Total (Net Worth & Borrowings)	807	784	797	803
RATIOS				
Current Ratio	1.38	1.74	1.67	3.96
Acid Test Ratio	0.37	0.59	0.56	2.00
Debt & Equity Ratio	0.66	0.47	0.40	0.14
Sales to Net Fixed Assets	0.81	1.21	1.39	3.08
Earning Per Share (Rs.)	0.28	0.41	0.82	1.02
Return on Investment	3%	4%	8%	9%

11th ANNUAL GENERAL MEETING

Date : 14th September, 2001
Day : Friday
Time : 3.00 p.m.

Place : 145, SDF - V,
Seepz (SEZ), Andheri (East),
Mumbai 400 096.

- : The Annual General Meeting is proposed to be held at the Company Works & Registered office
Since SEEPZ (SEZ) is a Restricted Zone requiring Special Prior Permission for entry, please see Special instructions on last page regarding attendance at AGM

REGISTERED OFFICE

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

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BOARD OF DIRECTORS**EXECUTIVE DIRECTORS**

B. T. Doshi	Chairman
G. Sudarsanam	Vice - Chairman
A. B. Doshi	Managing Director

NON - EXECUTIVE DIRECTORS

R. J. Shah
U. Nimmagadda
R. V. Gandhi
V. A. Kumbhani
G. B. Doshi

AUDIT COMMITTEE

R. J. Shah	Chairman
R. V. Gandhi	Member
V. A. Kumbhani	Member

SHARE TRANSFER COMMITTEE

A. B. Doshi
V. A. Kumbhani
R. V. Gandhi

SENIOR MANAGEMENT

S. A. Balaji

AUDITORS

Ashit V. Shah & Co.

REGISTRARS & SHARE TRANSFER AGENTS

R & D Consultants Ltd.
610, Dalamal Tower,
211, Nariman Point, Mumbai - 400 021.

NOTICE

Notice is hereby given that Eleventh Annual General Meeting of the members of Fine - Line Circuits Limited will be held on Friday 14th day, Sept. 2001, at 3.00 p.m., at 145, SDF - V, SEEPZ (SEZ), Andheri (E), Mumbai - 400 096 to transact the following business :

AS ORDINARY BUSINESS :

1. To receive and adopt the Balance Sheet as at 31st March, 2001, the Audited profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors Report thereon.
2. To appoint a Director in place of Shri B. T. Doshi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. G. Sudarsanam who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. V. A. Kumbhani who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messers ASHIT V. SHAH & CO., Chartered Accountants as auditors of the Company and fix their remuneration.
6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Ordinary Resolution : -

RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting of the Members of the Company the Board of Directors of the Company be and is hereby authorised in accordance with section 293(i)(d) and all other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company to borrow any sum or sums of money from time to time at its discretion for the purpose of the business of the Company, which together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid - up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) by a sum not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) and that the Board of Directors be and are hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit.

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

DONATION : RESOLVED THAT Pursuant to provisions of Section 293 (I)(e) of Companies Act, 1956 the Board of Directors be and are authorised to contribute to Charitable trust and other funds not directly related to the business of the Company or the welfare of its employees any amounts the aggregate of which in any financial year exceeds Rs. 25 Lakhs or five percent of the average net profit as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding or whichever is higher.

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

RESOLVED THAT in supersession of earlier Resolutions, the company hereby approves that records relating to (i) Registers and the indexes of Members (ii) Returns prepared under Section 159 of the said Act together with copies of Certificates and Documents required to be annexed thereto under section 161 of the said Act, or any one or more of them be kept at the office of company's Registrars & Share Transfer Agents - R & D CONSULTANTS LIMITED at 610, Dalamal Tower, Nariman Point, Free Press Journal Marg, Mumbai - 400 021 or at the Company's Registered office at 145, SDF - V, SEEPZ (SEZ), Andheri (E), Mumbai - 400 096.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection at the place where they are kept, by the persons entitled thereto to the extent and in the manner and on payment of fees, if any, specified in the aforesaid Act between 10.00 a.m. to 12.00 noon on any working day of the Company except when the Registers and Books are closed under the provisions of the Companies Act, 1956 or the Articles of Association of the Company provided however that the Registers required to be maintained under Section 307 of the said Act shall be open for inspection of the Members of the Company, if any, as aforesaid between the hours above mentioned during the period prescribed by sub - section 5(a) of Section 307.

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

RESOLVED THAT pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions, sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and / or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors including their sub-accounts (hereinafter referred to as the "FIIs"), NRI, OCB, in the shares or debentures, convertible into shares of the Company, by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the total holding of all FIIs, NRI, OCB put together shall not exceed 49% of the paid up equity share capital or paid up value of the respective series of the convertible debentures of the Company as may be applicable or such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

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

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered / amended as follows :

A. After Article 2, the following Article as Article 2 A be added under heading INTERPRETATION.

Definitions

- i. Beneficial Owner means a person whose name is recorded as such with a depository.
- ii. "SEBI" means the Securities and Exchange Board of India.
- iii. "LAWS" means bye-laws made by a depository under Section 26 of the Depositories Act, 1996.
- iv. "DEPOSITORIES ACT" means the Depositories Act, 1996, including any statutory modifications or reenactment thereof for the time being in force.
- v. "DEPOSITORY" means a company formed and registered under the Companies Act 1956, which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
- vi. "RECORD" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the SEBI.
- vii. "REGULATIONS" means the regulations made by the SEBI.
- viii. "SECURITY" means such security as may be specified by the SEBI.
- ix. "POSTAL BALLOT" includes voting by share holders by postal or electronic mode instead of voting personally by presenting for transaction business in a general meeting of the Company.

B. After Article 11 the following paragraph be added.

Dematerialisation of Securities:

The Company shall be entitled to dematerialise its securities and to offer securities in dematerialised form pursuant to the Depositories Act, 1996 and / or Rules amended thereof.

C. After article 5 the following paragraph (i) and (ii)

- i) subject to provision of Section 79A of Companies Act, 1956 and relevant procedure laid down therein and / or by SEBI or other relevant authorities and / or by Companies Act, 1956, the Company may issue SWEAT Equity Shares under employees Stock Option Scheme.
- ii) Subject to Provision of Section 86 of Companies Act, 1956 the new issue of share Capital shall be of two kind :
 - a. Equity Share Capital
 - i. With voting rights
 - ii. With different rights as to dividends, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed under Companies Act, 1956 and / or any amendment thereof.

- D. The following be added in Article 24 :
Notwithstanding anything mentioned in these Articles every holder of shares or debentures of the Company at any time, nominate in the prescribed manner, a person to whom these share or debenture shall vest in the event of his death and provisions of sections 109A and 109B of the Act shall apply in respect of such nomination.
- E. The Following be added in Article 25 :
Subject to provisions of Section 77 A of Companies Act, 1956 and relevant procedure laid down therein and / or by SEBI or other regulatory authorities and / or by Companies Act, 1956 the Company may purchase its own shares or other Specified Securities referred to as 'Buy Back'.
- F. In Article 105 following para be added.
The Company shall also abide by rules under company passing of Resolution by a Postal Ballot Rules 2001.
- G. Article 10 : The name of present Directors are :
SHRI B. T. DOSHI - CHAIRMAN
SHRI G. SUDARSANAM - VICE CHAIRMAN
SHRI R. J. SHAH
SHRI R. V. GANDHI
SHRI U. NIMMAGADDA
SHRI G. B. DOSHI
SHRI V. A. KUMBHANI
SHRI A. B. DOSHI - MANAGING DIRECTOR
11. To consider and if thought fit, to pass with or without modification the following Resolutions as Special Resolution:
RESOLVED THAT the Directors be paid sitting fees @ Rs.2000/- per Meeting of Board or Committee Meeting.
12. To consider and if thought fit, to pass with or without modification the following Resolutions as Special Resolution:
RESOLVED THAT pursuant to provisions of Section 314 of Companies Act, 1956 and all applicable provisions of the said act if any, the consent of the Company be and is hereby accorded to Shri Rajiv B. Doshi for holding the post of manager, U.S.A. Sales, on and from 1/11/2000 in the scale of 5300 - 475-7675-550-10425-625-13550. Plus house rent allowance, city compensatory allowance, Conveyance, allowance and other allowance has mentioned in the appointment letter dated 1/11/2000.

NOTES :

A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote instead of himself and such Proxy need not be a member of the Company. The proxies to be effective, must be deposited with the Company not less than 48 hours before the meeting.

1. An explanatory statement, pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the item of Special Business mentioned in the Notice is annexed hereto.
2. Register of Members and Share Transfer Books of the Company will remain closed from 10/9/2001 to 14/9/2001.
3. Members desiring an information as regards the accounts are requested to write to the Company atleast seven days in advance of Annual General Meeting so as to enable the Management to keep the information ready.
4. Shareholders are requested to bring their copies of the Annual Report to the Meeting.
5. Shareholders are requested to notify change in address, if any, to R & D Consultants Ltd., the Registrars & Transfer Agents of the Company, 610 Dalamal Tower, 211, Nariman Point, Mumbai - 400 021, quoting their folio numbers at the early date.
6. The Company's Equity Shares are listed on Mumbai / Ahmedabad / Baroda Stock Exchanges.



ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 173 of the Companies Act, 1956

Item No. 2, 3, 4, 6, 7, 8, 9, 10, 11, 12.

Item 2 : Shri. B.T. Doshi has over 30 years rich industrial experience in setting up various manufacturing units. Under his guidance the Company's performance has improved significantly. He has wide experience in different areas of commercial, administrative and management field. Looking to his dedication to Company's growth it is proposed to re - appoint him as Chairman of the company.

Item 3 : Shri. G. Sudarsanam, Vice chairman of the company is M. Tech in Chemical Engineering from I.I.T. Madras with more than 33 years experience. He has a rich experience in setting up P.C.B Manufacturing Units. Under his leadership the Company has achieved good turnover and boost in the exports of the Company's products. Looking to his experience & dedication to the Company's progress, it is proposed to re - appoint him as Vice Chairman of the Company.

Item 4 : Shri. V. A. Kumbhani Director of the Company has a wide experience in operational activity of plant and market knowledge. Looking to his past experience it is proposed to re - appoint him as a director

Item 6 : The company has to modernise its plant and machinery and is also planning to expand its capacity and may need additional finance for working capital. For these purposes it may have to borrow money. Resolution is therefore proposed to authorise the Directors under provision of Section 293(i)(d) of Companies Act, 1956.

None of the Directors are interested in the resolution.

Item 7 : Your Directors in awareness of its corporate responsibility to society at large have to respond to demanding situation of the times. It is therefore proposed to authorise Directors under provisions of Section 293(i) (e) of Companies Act, 1956.

None of the Directors are interested in the resolution.

Item 8 : The Registered office of the Company is shifted from Ankleshwar, Gujarat to Mumbai, Maharashtra. The Company has appointed R & D CONSULTANTS LIMITED as its Registrars and transfer Agents. In furtherance of Stock Exchange Directive for compulsory Demat of shares it is necessary that the records and documents are kept at Registrars office situated in proper Mumbai apart from Registered office. It is therefore proposed to pass the resolution.

None of Directors are interested in the resolution.

Item 9 : Pursuant to the proposal in Union Budget for the financial year 2000 - 2001, the Reserve Bank of India by amending the Foreign Exchange management (Transfer or issue of Security by a person Resident outside India) Regulation, 2000, has raised the limit of investment by Foreign Institution Investors FIIs, NRI, OCB upto 49% of the Paid - up Equity Capital of Indian Companies, subject to the approval of the Board of Directors and approval of members of the company of a special resolution.

The resolution set out at item 9 of this notice will enable the FIIs, NRI, OCB to acquire shares of company through authorised dealers under port - folio investment scheme of RBI.

None of the Directors of the Company are in any way concerned or interested in the resolution.

Your Directors recommend the resolution for your approval.

Item 10 : Articles of Association of Company are proposed to be amended, so as to comply with the provisions of Companies Act amendments of 1999 and 2001. None of the Directors of the Company are in any way concerned or interested in the resolution.

Your Directors recommend the resolution for your approval. Copy of the Articles of Association is available for inspection upto the date of meeting during 11.00 a.m. to 1.00 p.m.

Item 11 : The sitting fees payable to Directors is proposed to be increased as stated in the resolution. The same is within the limits prescribed under provision of Section 310 of companies Act, 1956. Your Directors recommend the resolution for your approval.

All the Directors other than Executive Chairman and Executive Directors are interested in the resolution to the extent they receive sitting fees for attending Board Meeting or Committee Meeting.

Item 12 : Shri Rajiv B. Doshi is a Commerce Graduate and having adequate knowledge and experience for the Executive Post. Shri Rajiv B. Doshi is related to Shri B. T. Doshi, A. B. Doshi and G. B. Doshi, Directors of the Company and to that extent the aforesaid Directors are interested in the resolution. The appointment letter is available, for inspection till the date of the meeting at the registered office of the Company.

By Order of the Board of Directors

PLACE : MUMBAI

DATED : 17/07/2001.

B. T. DOSHI

Chairman

Registered Office :

145, SDF - V, SEEPZ, (SEZ)

Andheri (East), Mumbai 400 096.

DIRECTORS REPORT

To,
The Members,
FINE-LINE CIRCUITS LIMITED
MUMBAI

Your Directors have pleasure in presenting you the 11th Annual Report with Audited Statement of Accounts for the year ended 31st March, 2001.

REGISTERED OFFICE :

The Company Law Board, Western Region Mumbai passed the order under Section 17 of Companies Act, 1956 confirming of the alteration of Clause II of Memorandum of Association of the Company for shifting of Registered office of Company from state of Gujarat to state of Maharashtra. The said amendment was earlier approved by members of Annual General Meeting of the Company held on 29/9/99. The Registered office of the Company is now situated at the Company's works.

FINANCIAL RESULTS :

	2000-2001 (Rs. in lakhs)	1999-2000 (Rs. in lakhs)
Profit before Interest & Depreciation	326.47	123.99
Interest	9.87	24.11
Depreciation	258.95	53.46
Profit before taxation	57.65	46.42
Provision for taxation	2.00	2.00
Profit after taxation	55.65	44.42
Excess provision for tax of prior year	34.67	-
Transfer to General Reserve	90.32	44.42

PEFORMANCE:

The combined efforts of Directors, Executives, Staff and Workers enabled the Company to realise increase in sales to Rs. 14.25 crores from Rs. 9.19 crores achieved by 55.05 % Increase in output. The Company exports to USA, Germany & UK. Your Directors are hopeful of achieving good results in future. In order to conserve resources for modernisation your Directors do not recommend any dividend this year.

BUSINESS PROSPECTS :

Printed Circuits Boards continues to be in strong demand since it is a basic electronic component, but price realisation are on a descending scale. To combat this your Company intends to pursue a higher value added segment (High Count Multilayer Rigid and Flex PCBs) to continue its profit growth pattern.

DIRECTORS :

ICICI withdrew the nomination Shri U.A. Deshpande, Director of the Company. Accordingly Shri U. A. Deshpande ceased to be Director on Board from 11/6/2001. Your Directors place on record the valuable services and guidance received from Shri. U. A Deshpande during his tenure as Director.

Shri V. R. Polavarappu Director of the Company resigned as a Director of the Company. Your Directors place on record the valuable services and guidance received from Shri V. R. Polavarappu during his tenure as a Director.

Shri V. A. Kumbhani resigned as a Technical Director of the Company but continues to be Director on Board. Your Directors record with appreciation the contribution of Shri V.A. Kumbhani in Company's growth and are assured of his valuable guidances.

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By Order of the Board of Directors

PLACE : MUMBAI
DATED : 17/07/2001.

B. T. DOSHI
Chairman

Registered Office :
145, SDF - V, SEEPZ, (SEZ)
Andheri (East), Mumbai 400 096.