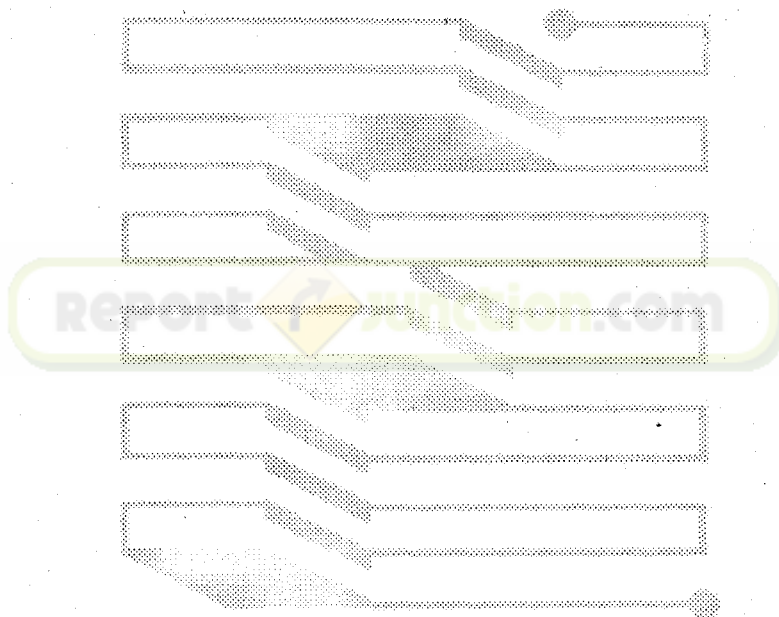




FINE-LINE

CIRCUITS LIMITED

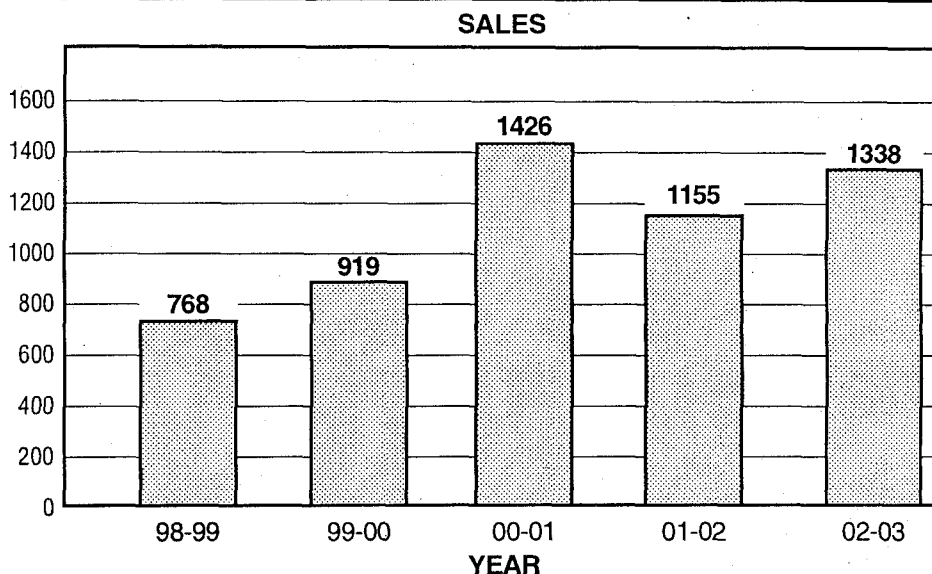


THIRTEENTH ANNUAL REPORT 2002-2003
www.finelineindia.com

COMPANY ASPIRATION

Our Aspiration for Fine-Line is to be a Growing, Performance driven, High Quality, manufacturer, exporter 'Pleasing Customers 101 %' in the High Count Multilayer Rigid and Flex Printed Circuit Board Market with a growing earnings per share.

VALUE (Rs. in Lacs)



AT A GLANCE

(Rs. In Lakhs)

	31-3-1999	31-3-2000	31-3-2001	31-3-2002	31-3-2003
SALES & EARNINGS					
Sales	768	919	1426	1155	1338
Profit after taxes	22	44	56	3	41
ASSETS & LIABILITIES					
Gross Fixed Assets	936	1013	1072	1215	893
Net Fixed Assets	635	660	462	430	425
Net Current Assets	149	137	341	349	385
Total (Applications)	784	797	803	779	810
REPRESENTED BY					
Net Worth	667	711	801	779	810
Share Capital	541	541	541	541	541
Reserves	126	170	260	238	269
Borrowings	117	86	2	0	0
Total (Sources)	784	797	803	779	810
RATIOS					
Acid Test Ratio	0.59	0.56	2.00	2.76	4.94
Total Liability to Net Worth	0.47	0.40	0.14	0.12	0.07
Sales to Net Fixed Assets	1.21	1.39	3.08	2.69	3.15
Earning Per Share (Rs.)	0.41	0.82	1.03	0.06	0.77
Return on Investment	4%	8%	9%	1%	7%

CORPORATE INFORMATION

13th ANNUAL GENERAL MEETING (AGM)

Date : 5th September, 2003

Day : Friday

Time : 4.00 p.m.

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

: SEEPZ (SEZ) being Restricted Zone
requires Prior Permission for entry, please
see instructions on Proxy form for attending
AGM

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

B. T. Doshi	Executive 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
J. Vasi

REGISTERED OFFICE

145, SDF - V, SEEPZ (SEZ),
Andheri (East), Mumbai - 400 096.
Tel.: 2829 0244 • Fax : 2829 2554

AUDITORS

Ashit V. Shah & Co.

REGISTRARS & SHARE TRANSFER AGENTS

R & D Consultants Ltd., 610, Dalamal Tower,
211, Nariman Point, Mumbai - 400 021.
Tel.: 2283 4347 Fax : 2285 5759

CONTENTS

	No.
Corporate Information	1
Notice	2
Directors' Report	7
Auditors' Report	15
Balance Sheet	18
Profit & Loss Account	19
Cash Flow Statement	20
Schedules	21
Attendance and Proxy Form	29

AUDIT COMMITTEE

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

SHARE TRANSFER COMMITTEE

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

REMUNERATION COMMITTEE

U. Nimmagadda	Chairman
R. J. Shah	Member
R. V. Gandhi	Member

SHAREHOLDERS' GRIEVANCE COMMITTEE

R. V. Gandhi	Chairman
B. T. Doshi	Member
A. B. Doshi	Member

SENIOR MANAGEMENT

S. A. Balaji
S. S. Somani



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of FINE LINE CIRCUITS LTD. will be held on Friday, the 5th September, 2003 at 4.00 p.m. at 145, SDF V, SEEPZ- SEZ, Andheri (E), Mumbai - 400 096 to transact the following business with or without modifications:

Ordinary Business

- To consider and adopt the Balance Sheet as at 31st March, 2003, the Profit and Loss Account of the Company for the year ended on that date and Reports of the Directors and Auditors thereon.
- To Appoint a Director in place of Shri R.J. Shah who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri R.V. Gandhi who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri V.A. Kumbhani who retires by rotation and being eligible, offers himself for reappointment.
- To appoint M/s. Ashit V. Shah & Co. Chartered Accountants the retiring Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

To consider and if thought fit, to pass with or without modification/s, the following resolution/s as Ordinary Resolution/s.

- RESOLVED THAT in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Prof. Juser Vasi (who was appointed by the Board of Directors as an additional director of the Company and who holds office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956 in respect of whom the company has received a notice in writing along with a deposit of Rs. 500/- from a member proposing his candidature for the office of the director) be and is hereby appointed as a director of the Company, whose period of office shall be liable to retirement by rotation"
- RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as also pursuant to the authority granted to the Board of Directors, the Company hereby approves the revised remuneration of Rs. 50,000/- (including the remuneration to be paid in the event of the loss or inadequacy of profit in any financial year) paid to Shri B.T. Doshi, the Executive Chairman, with effect from 1st February, 2003 for the residual period of his term.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to schedule XIII to the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the company and Shri B.T. Doshi, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the company in General Meeting.

- RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as also pursuant to the authority granted to the Board of Directors, the Company hereby approves the revised remuneration of Rs. 50,000/- (including the remuneration to be paid in the event of the loss or inadequacy of profit in any financial year) paid to Shri G. Sudarsanam, the Vice Chairman, with effect from 1st February, 2003 for the residual period of his term.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to schedule XIII to the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the company and Shri G Sudarsanam, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the company in General Meeting.

9. RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as also pursuant to the authority granted to the Board of Directors, the Company hereby approves the revised remuneration of Rs. 35,000/- (including the remuneration to be paid in the event of the loss or inadequacy of profit in any financial year) paid to Shri Abhay B. Doshi, the Managing Director, with effect from 1st February, 2003 for the residual period of his term.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to schedule XIII to the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the company and Shri Abhay B Doshi, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the company in General Meeting.

10. To consider and if thought fit, to pass with or without modification/s the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the sitting fees being paid to Non whole time, non – executive directors of the Company for attending the meeting of the Board and or Committee/s increased with effect from 26th June, 2003, as shown hereunder or such higher fees as provided in the Companies Act from time to time be and is hereby approved and ratified."

Sl.No.	Type of Meeting	Present Rs.	Proposed Rs.
1.	For attending the Meeting of the Board of Directors – per meeting per director	2000	5000
2.	For attending of Audit Committee and Remuneration Committee per meeting per member .	2000	3000
3.	For attending Meeting of Share Transfer Committee and Shareholders Grievance Committee – per meeting per member.	---	500

11. To consider and if thought fit, to pass with or without modification/s the following as SPECIAL RESOLUTION/S.

"RESOLVED THAT pursuant to the provisions, if any, of Section 61 and other applicable provisions if any, of the Companies Act, 1956 and clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 ("Delisting Guide Lines") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchanges at Ahmedabad and Vadodara".

"RESOLVED FURTHER that the Board be and is hereby authorized to settle all questions, difficulties or doubt that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution.

"RESOLVED FURTHER that the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its committees or any of its directors or any of the Officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolutions".

Registered Office
45, SDF V, Seepz, SEZ
Andheri (E), Mumbai - 400096

BY ORDER OF THE BOARD

Dated : 26.06.2003

B. T. DOSHI
EXECUTIVE CHAIRMAN

NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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 AFORESAID MEETING. Members/ Proxies should bring the Attendance Slip filled in for attending the meeting.

All documents, referred to in the Notice and in the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.

The Register of Members and Share Transfers Books of the Company will remain closed from 1st September to 5th September 2003 (both days inclusive).

Members holding shares in demat form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

Shareholders are requested to bring their copies of the Annual Report to the Meeting.

Members desiring any 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.

The Equity Shares of the Company are listed on Mumbai, Vadodara and Ahmedabad Stock Exchanges and the Listing Fees have been paid upto 31st March 2003.

Re-appointment of director/s

At the ensuing annual general meeting Shri R. J. Shah, Shri R. V. Gandhi & Shri V.A. Kumbhani retires by rotation and being eligible, offer themselves for re-appointment.

PROFILES OF DIRECTORS RETIRING BY ROTATION

- a) Shri R. J. Shah, aged about 61 years is a Chartered Accountant and is on the Board of the Company as Director from the inception of the Company. He is immensely associated with the Company's growth. With his advise and active participation, the company has been able to sustain the growth and became viable as debt free company. He is also a director, a Committee member on the corporate Governance Committee And Remuneration Committee of Asian Star Company Ltd, a Director and a member on the Remuneration Committee And Audit Committee of Shantivijay Jewels Ltd., and a Director and a member on the Audit Committee of Fine-Line Circuits Ltd. He is also a Partner of M/s. Rajendra & Co., a Chartered Accountants' firm.

- b) Shri R. V. Gandhi aged about 54 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, Energy 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 a Partner in Vadiyalal Chaturbhuj & Co. Shri R. V. Gandhi is committee member on the Audit Committee, Remuneration Committee, Share Transfer Committee and Shareholders' Grievance Committee of Fine-Line Circuits Ltd.
- c) Shri V. A. Kumbhani aged about 43 years is on the Board of the Company since 1991. He is a B.Tech (Mechanical Engg.) from IIT, Kharagpur & MFM from Jamnalal Bajaj Institute of Management. He has wide experience in operational activity of Plant and thorough market knowledge. In the past, he had served the company as Technical Director and had looked after US market. He was instrumental in setting up the internal policies and controls for the Company. He is also a committee member on the Audit Committee & Share Transfer Committee of Fine-Line Circuits Ltd.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 6

With a view to make the Board broad based and to avail the professional skill for further improvement of Company's business, Prof. Juser Vasi was inducted in the Board on 26.06.03 and will hold office till the conclusion of this Annual General Meeting. Prof. Vasi is B.Tech in Electrical Engineering and has obtained Ph.D from the Johns Hopkins University in 1973. He is associated with Indian Institute of Technology and Johns Hopkins University for many years through his teaching profession, 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. Vasi is a fellow of IETE, Indian National Academy of Engineers (INAE) a Senior Member and distinguished lecturer at IEEE Electron Devices Society.

The Company has received a notice from a member proposing his candidature with requisite deposit. The Directors commend the resolution for the approval of members. No Director is concerned or interested in the above.

Item No. 7, 8 & 9.

Pursuant to the authority given by the members in the 10th Annual General Meeting held on 9th September, 2000, the Board has released/granted Annual increment in the remuneration to Shri B. T. Doshi, the Executive Chairman, Shri G. Sudarsanam, the Vice Chairman and Shri Abhay B Doshi, the Managing Director, effective 1st February, 2003. As the Board did not recommend any increase on 1st April 2001 and 1st April 2002, Shri B. T. Doshi, Shri G. Sudarsanam and Shri Abhay B Doshi - agreed to waive the same.

In case of remuneration to Shri B.T. Doshi, Shri Abhay B. Doshi and Shri Gautam Doshi; in case of remuneration to Shri Abhay B Doshi, Shri B.T. Doshi, Shri Gautam Doshi and Shri V. A. Kumbhani, as also the respective Executive / whole time Directors to the extent of remuneration drawn by them, be deemed as concerned or interested in the said resolutions.

The directors commend the resolution for the approval of members. The explanation shall be treated as an abstract of the terms of release of increments and memorandum of interest under section 302/303(2) of the Companies Act, 1956.

Item No. 10

The remuneration by way of sitting fees to the non-executive Directors for attending Board Meeting and Committee - meeting was fixed in the 11th Annual General Meeting on 14th Sept 2001 when the Company was coming out of infancy stage and critical time. The dedicated interest, deep involvement timely guidance and rigorous efforts of all

the Board members helped the company to reach a stage of stability and free from long term debts. The Profit generated by the Company was ploughed back to improve financial health and longevity. It is now time, that the non-executive directors be reasonably compensated. With this in view, the following revision or such higher fees as provided in the Companies Act, from time to time in the sitting fees is proposed.

Sl.No.	Type of Meeting	Present Rs.	Proposed Rs.
1.	For attending the Meeting of the Board of Directors – per meeting per director	2000	5000
2.	For attending Meeting of Audit Committee and Remuneration Committee per meeting per member.	2000	3000
3.	For attending Meeting of Share Transfer Committee and Shareholders Grievance Committee – per meeting per member.	-	500

All the non-executive directors be deemed as concerned or interested in the said resolution to the extent, they are the members of the respective committees.

The Directors commend the resolution for the approval of members.

Item No. 11

Presently the Company's Securities are listed on the following Stock Exchanges in India.

1. The Stock Exchange, Mumbai
2. The Stock Exchange, Vadodara
3. The Stock Exchange, Ahmedabad

The consent of the shareholders was accorded by passing a special Resolution at the 8th Annual General Meeting held on 5th September 1998 for getting the Company's equity shares delisted from Stock Exchange at Ahmedabad but the Company's registered office was in Ankleshwar, the Company thought it fit not to implement. Now the Company's registered office is shifted to Mumbai having approved by Company Law Board, it is proposed to continue only with Bombay stock exchange and get it delisted from Ahmedabad and Vadodara.

With the extensive networking of the Stock Exchange, Mumbai (BSE) and the extension of the BSE terminals to other Cities as well, across the Country, the majority trading in Company's shares are being done at BSE. The Company's equity shares are one of the scrips, which has been specified by SEBI, for settlement to be only in Dematerialised form.

Further the Company has been spending money on listing fees, advertisement in newspapers in respect of various provisions of the listing agreement/s, facsimile communication etc. however no particular benefit is available to the shareholders of the Company by continuing the listing of the equity shares on the stock exchanges at Ahmedabad and Vadodara. It is, therefore, considered desirable to delist the equity shares of the Company from those Stock Exchanges, subject to the Company complying with the various provisions of SEBI (Delisting of Securities) Guidelines, 2003 (SEBI – Guidelines) and obtaining requisite approvals, permissions and sanctions, wherever required. As per SEBI Guidelines, if the Securities of the Company continue to be listed in a stock exchange having nationwide trading terminals i.e. BSE/NSE, exit opportunity need not be given.

Your directors commend the special Resolution for the approval of the members.

No Director of the Company is concerned or interested in the said resolution.

Registered Office
145, SDF V, Seepz, SEZ
Andheri (E), Mumbai - 400096

BY ORDER OF THE BOARD

Dated : 26.06.2003

B. T. DOSHI
EXECUTIVE CHAIRMAN

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the 13th Annual Report and audited accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	Rs. in Lacs 2002 - 2003	Rs. in Lacs 2001- 2002
Gross Profit before interest, depreciation and tax	172.79	194.02
Less : Interest	0.17	1.29
Depreciation	118.16	186.26
Profit before Tax	54.46	6.47
Less : Provision for current tax	30.00	0.46
Provision for deferred tax	(16.83)	2.68
Profit after Tax	41.29	3.33
Add : Excess (short) provision for current tax of earlier years (net)	(10.26)	1.70
Add : Balance brought forward from previous year	237.53	260.47
Less : Deferred tax liabilities for earlier years	-	27.97
Amount available for appropriation	268.56	237.53
Balance carried to Balance - Sheet	268.56	237.53

DIVIDEND :

In order to conserve financial resources for plant modernization, setting up a new unit "High Technology Multilayer Unit", growing need for additional working capital and to finance equity capital restructuring, buy back, entirely from internal cash accruals, your Directors do not recommend dividend.

PERFORMANCE :

In spite of operating under competitive environment at global level, the sales was higher at Rs.13.38 crores as against Rs.11.55 crores in the previous year i.e. a growth of 15%. The combined efforts of Directors, Managerial Staff and Workers enabled the Company to control costs and maintain profitability. The Company exports its products to USA, Germany, UK, Switzerland and Singapore. Your Directors are hopeful of achieving better results in near future.

BUSINESS PROSPECTS :

Printed Circuits Boards continue to have wider application as it is a basic electronic component, but price realisation are always on a descending scale. To combat this, your Company intends to pursue more vigorously the higher value added segment, High Technology Multilayer PCBs and Rigid - Flex PCBs, to have reasonable profit growth.

BUY BACK OF EQUITY SHARES OF THE COMPANY :

To provide exit route at reasonable price and to restructure the equity capital base to be of reasonable amount, your company has, post Balance-Sheet, planned buy back of its equity shares in the open market through Stock Exchange mechanism. Your Directors expect to extinguish about 11.98 lakhs equity shares, during the year 2003-04, at a maximum price of Rs.6.50 per equity share.

MANAGEMENT DISCUSSION AND ANALYSIS :

As required under Corporate Governance, the Management Discussion & Analysis Report is forming a part of this and is reflecting the current state of business. Endeavour is made to focus on opportunities and combat the challenges, the company is likely to face in near future.

Printed Circuits Boards business is highly competitive business. Your company being a 100% EOU in Seepz - SEZ directly competes with suppliers from China, Taiwan & other far eastern countries in the G7 market that the company sells in.

The all-round upward trend in all inputs and services cost had direct adverse effect on profitability. Your Directors are conscious of the situation and implemented various cost cutting measures. The efficiency improvement in all sectors of production, administration and marketing are expected to improve profitability further.

In respect of the auditors' observations on non maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 and rules made thereunder, some of the financial records maintained by the company give the information required to be given by the said Rules and the management is in the process of ensuring that records in the form required by the said rules will be completed during the current financial year.