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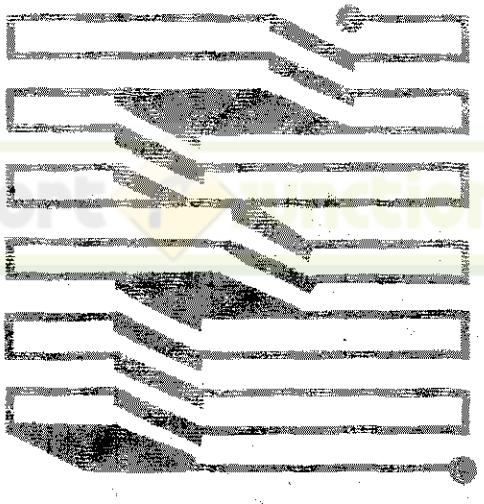
FINE-LINE
CIRCUITS LIMITED



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FOURTEENTH ANNUAL REPORT 2003 - 2004

www.finelineindia.com

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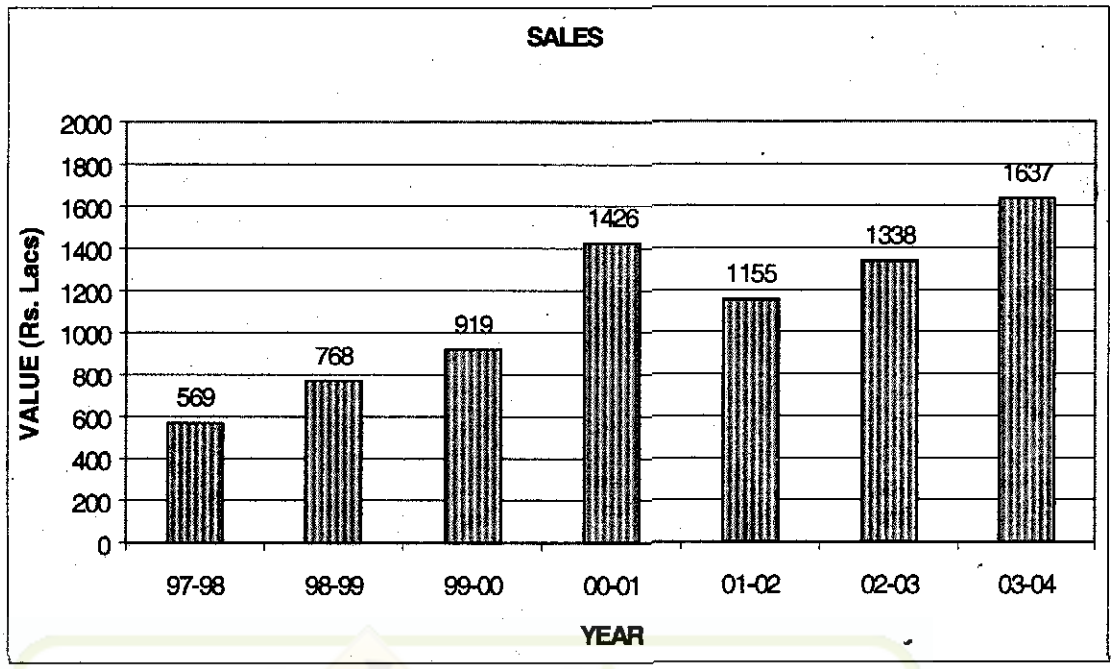
COMPANY ASPIRATION

Our Aspiration for Fine-Line is to be growing, performance driven, High Quality/manufacturer, exporter "Pleasing Customers 100 %" in the High Count Multilayer Rigid and Flex Printed Circuit Board Market with a growing Earning Per Share.



AT A GLANCE
(Rs. In Lacs)

	1998	1999	2000	2001	2002	2003	2004
SALES & EARNINGS							
Sales	569	768	919	1426	1155	1338	1637
Profit after taxes	15	22	44	56	3	41	57
ASSETS & LIABILITIES							
Gross Fixed Assets	957	936	1013	1072	1215	893	1213
Net Fixed Assets	700	635	660	462	430	425	474
Net Current Assets	107	149	137	341	349	385	355
Total (Applications)	807	784	797	803	779	810	829
REPRESENTED BY							
Net Worth	645	667	711	801	779	810	829
Share Capital	541	541	541	541	541	541	484
Reserves	104	126	170	260	238	269	346
Borrowings	162	117	86	2	0	0	0
Total (Sources)	807	784	797	803	779	810	829
RATIOS							
Acid Test Ratio	0.37	0.59	0.56	2.00	2.76	4.94	2.15
Total Liability to Net Worth	0.32	0.24	0.25	0.14	0.12	0.07	0.16
Sales to Net Fixed Assets	0.81	1.21	1.39	3.08	2.69	3.15	3.45
Earning Per Share (Rs.)	0.28	0.41	0.82	1.03	0.06	0.77	1.13
Return on Investment	3%	4%	8%	9%	1%	7%	11%

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FINE-LINE CIRCUITS LIMITED

CORPORATE INFORMATION

14th ANNUAL GENERAL MEETING (AGM)

Date	:	23rd August, 2004
Day	:	Monday
Time	:	3.00 p.m.
Place	:	145, SDF - V, SEEPZ - (SEZ), Andheri (East), Mumbai 400 096.

SEEPZ (SEZ) is a Restricted Zone and requires prior permission for entry, please see instruction on the Proxy form for attending the AGM.

REGISTERED OFFICE

145, SDF - V, Seepz (SEZ),
Andheri (East),
Mumbai - 400 096.
Tel. : 28290244 Fax : 28292554

AUDITORS

Ashit V. Shah & Co., Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS (RTA)

Mondkar Computers Pvt. Ltd.
21, Shakil Niwas, Opp. Satyasaibaba Temple,
Mahakali Caves Road, Andheri (East),
Mumbai - 400 093.
Tel : 2825 7641 / 2836 6620 Fax : 2836 9704

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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Bhagwandas T. Doshi	Executive Chairman
G. Sudarsanam	Vice - Chairman
Abhay B. Doshi	Managing Director

NON - EXECUTIVE DIRECTORS

Rajendra J. Shah
U. Nimmagadda
Rajendra V. Gandhi
Vijay A. Kumbhani
Gautam B. Doshi
Juzer Vasi
Chandrakant K. Thanawala (from 14.10.2003)

AUDIT COMMITTEE

Rajendra J. Shah	Chairman
Rajendra V. Gandhi	Member
Vijay A. Kumbhani	Member

SHARE TRANSFER COMMITTEE

Rajendra V. Gandhi	Chairman (upto 22.01.04)
Vijay A. Kumbhani	Member
Abhay B. Doshi	Member (Chairman from 23.01.04)
Shivkumar S. Somani	Compliance Officer

REMUNERATION COMMITTEE

U. Nimmargadda	Chairman (upto 22.01.04 retired from 23.01.04)
Rajendra J. Shah	Member
Juzer Vasi	Member
Rajendra V. Gandhi	Member (Chairman from 23.01.04)

SELECTION COMMITTEE

Rajendra J. Shah	Chairman
Rajendra V. Gandhi	Member
Vijay A. Kumbhani	Member
R. B. Dholam	Management Consultant

SHAREHOLDERS' GRIEVANCE COMMITTEE

Rajendra V. Gandhi	Chairman (upto 22.01.04)
Abhay B. Doshi	Member
Vijay A. Kumbhani	Member (Chairman from 23.01.04)
Bhagwandas Doshi	Member (Retired from 23.01.04)
Shivkumar S. Somani	Compliance Officer

SENIOR MANAGEMENT

Srinivas A. Balaji
Shivkumar S. Somani
Joy Chacko

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FINE-LINE

CIRCUITS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of FINE - LINE CIRCUITS LTD. will be held on Monday, the 23rd August, 2004 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 consider and adopt the Balance Sheet as at 31st March, 2004, the Profit and 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 Bhagwandas T. Doshi who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri G. Sudarsanam who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Gautam B. Doshi who retires by rotation and being eligible, offers himself for reappointment.
5. 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.

As special Business :

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

   RESOLVED THAT in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Chandrakant K. Thanawala who was appointed as additional director and will hold office upto the date of this General Meeting and for whom a notice has been received proposing him to appoint as a director of the Company alongwith a fees of Rs. 500/- be and is hereby appointed as a director of the Company, whose period of office shall be liable to retirement by rotation".
7. To consider and if thought fit, to pass with or without modification/s, the following resolution as **Special Resolution :**

   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 and subject to such approvals as may be necessary, the approval of the Company be and is hereby accorded to the re-appointment of Shri Bhagwandas T. Doshi as the Executive Chairman of the Company for a period of 3 (three) years with effect from 1st April, 2004 upon the terms and conditions as is reviewed by the Remuneration Committee and approved by the Board of Directors as to remuneration, perquisites, allowances and benefits as set out hereunder :

   I. Salary and Commission (referred hereafter as 'Remuneration')
      1. Salary of Rs. 75000/- (Rupees seventy five thousand only) per month with annual increments effective 1st April every year, as may be decided by the Board of Directors of the Company within the limits under Schedule XIII or Section 309 of the Companies Act, 1956 which ever is higher.
      2. Commission : Such amount of Commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a sub-committee of Directors.

   II. Perquisites: In addition to the remuneration as stated above Shri Bhagwandas T. Doshi shall be entitled, as per Rules of the Company, for the following perquisites :
      1. Housing :
         - Rent free furnished residential accommodation with free use of all the facilities and amenities, provided that the expenditure incurred by the Company on hiring furnished accommodation will not exceed 60% of the salary; or
         - in case no accommodation is provided by the Company, he shall be entitled to house rent allowance subject to a ceiling of 60% of the salary; or
         - in case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
      2. Re-imbursement of expenditure incurred by the appointee on gas, water and electricity.
      3. Leave Travel Allowance for self and members of his family once a year.
      4. Reimbursement of medical expenses incurred for self and family including hospitalization.
      5. Personal Accident Insurance, the premium of which shall not exceed Rs. 10000/- per annum.
      6. Subscription to Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
      7. Use of Company car with driver and telephone at his residence. Personal long distance calls shall be borne by Shri Bhagwandas T. Doshi.
      8. Encashment of leave at the end of his tenure.
      9. Terminal benefits when Shri Bhagwandas T. Doshi is posted at any other place during his tenure or otherwise.

         Air/Sea passage together with cost of transportation of household belongings to such place as may be approved by the Board of Directors.
      10. Contribution to Super Annuation Fund, Annuity funds and other retirement benefits to the extent the same are not taxable under the Income-tax Act, 1961.
      11. Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company whichever is higher.
      12. Such other perquisites and allowances including bonus, commission, exgratia etc. in accordance with the rules of the company or as may be agreed to by the Board of Directors of the Company and Shri Bhagwandas T. Doshi, so as not to exceed the overall limit specified in Schedule XIII and/or Section 309 of the Companies Act, 1956 whichever is higher.

         The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable and at a cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount equal to the salary for the relevant period. In the aforesaid perquisite limit, the perquisites mentioned at Sr. no. 8, 9 and 10 shall be excluded.

   The Board may, in their discretion, revise/ modify any of the terms from time to time within the limits stipulated.

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Minimum Remuneration :

Notwithstanding anything herein contained, where in any financial year during the period of his office as Executive Chairman, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, if any, pay Shri Bhagwandas T. Doshi remuneration not exceeding the maximum limits laid down in Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other statutory modifications therein, substitutions or re-enactments thereof, as decided by the Board of Directors.

Other Terms :

Shri Bhagwandas T. Doshi shall subject to the superintendence, control and directions of the Board, manage and conduct the business and affairs of the Company irrespective of his crossing the age of 70 years during the tenure of his appointment. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Shri Bhagwandas T. Doshi or the Company, by one party giving to the other 6 (six) calendar month's notice in writing or by payment of a sum equivalent remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

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 Bhagwandas 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.

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

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 and subject to such approvals as may be necessary, the approval of the Company be and is hereby accorded to the re-appointment of Shri G. Sudarsanam as the Vice Chairman of the Company for a period of 3 (three) years with effect from 1st April, 2004 upon the terms and conditions as is reviewed by the Remuneration Committee and approved by the Board of Directors as to remuneration, perquisites, allowances and benefits as set out hereunder:

I. Salary and Commission (referred hereafter as 'Remuneration')
   1. Salary of Rs. 75000/- (Rupees seventy five thousand only) per month with annual increments effective 1st April every year, as may be decided by the Board of Directors of the Company within the limits under Schedule XIII or Section 309 of the Companies Act, 1956 whichever is higher.
   2. Commission: Such amount of Commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a sub-committee of Directors.

II. Perquisites: In addition to the remuneration as stated above Shri G. Sudarsanam shall be entitled, as per Rules of the Company, for the following perquisites :
   1. Housing :
      - Rent free furnished residential accommodation with free use of all the facilities and amenities, provided that the expenditure incurred by the Company on hiring furnished accommodation will not exceed 60% of the salary; or
      - in case no accommodation is provided by the Company, he shall be entitled to house rent allowance subject to a ceiling of 60% of the salary; or
      - in case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
   2. Re-imbursement of expenditure incurred by the appointee on gas, water and electricity.
   3. Leave Travel Allowance for self and members of his family once a year.
   4. Reimbursement of medical expenses incurred for self and family including hospitalization.
   5. Personal Accident Insurance, the premium of which shall not exceed Rs. 10000/- per annum.
   6. Subscription to Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
   7. Use of Company car with driver and telephone at his residence. Personal long distance calls shall be borne by Shri G. Sudarsanam.
   8. Encashment of leave at the end of his tenure.
   9. Terminal benefits when Shri G. Sudarsanam is posted at any other place during his tenure or otherwise.
      - Air/Sea passage together with cost of transportation of household belongings to such place as may be approved by the Board of Directors.
   10. Contribution to Provident Fund, Super Annuation Fund, Annuity funds and other retirement benefits to the extent the same are not taxable under the Income-tax Act, 1961.
   11. Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company whichever is higher.
   12. Such other perquisites and allowances including bonus commission, exgratia etc. in accordance with the rules of the company or as may be agreed to by the Board of Directors of the Company and Shri G. Sudarsanam so as not to exceed the overall limit specified in Schedule XIII and/or Section 309 of the Companies Act, 1956 whichever is higher.

   The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable and at a cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount equal to the salary for the relevant period. In the aforesaid perquisite limit, the perquisites mentioned at sr. no. 8, 9 and 10 shall be excluded.

The Board may, in their discretion, revise/ modify any of the terms from time to time within the limits stipulated.

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Minimum Remuneration :

Notwithstanding anything herein contained, where in any financial year during the period of his office as Vice Chairman, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, if any, pay Shri G. Sudarsanam remuneration not exceeding the maximum limits laid down in Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other statutory modifications therein, substitutions or re-enactments thereof, as decided by the Board of Directors.

Other Terms :

Shri G. Sudarsanam shall subject to the superintendence, control and directions of the Board, manage and conduct the business and affairs of the Company. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Shri G. Sudarsanam or the Company, by one party giving to the other 6 (six) calendar month's notice in writing or by payment of a sum equivalent remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

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

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 and subject to such approvals as may be necessary, the approval of the Company be and is hereby accorded to the re-appointment of Shri Abhay B. Doshi as the Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2004 upon the terms and conditions as is reviewed by the Remuneration Committee and approved by the Board of Directors as to remuneration, perquisites, allowances and benefits as set out hereunder :

I. Salary and Commission (referred hereafter as 'Remuneration')

1. Salary of Rs. 55000/- (Rupees fifty five thousand only) per month with annual increments effective 1st April every year, as may be decided by the Board of Directors of the Company within the limits under Schedule XIII or Section 309 of the Companies Act, 1956 whichever is higher.
2. Commission: Such amount of Commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a sub-committee of Directors.

II. Perquisites: In addition to the remuneration as stated above Shri Abhay B. Doshi shall be entitled, as per Rules of the Company, for the following perquisites :

1. Housing :
   - *Rent free furnished residential accommodation with free use of all the facilities and amenities, provided that the expenditure* incurred by the Company on hiring furnished accommodation will not exceed 60% of the salary; or
   - in case no accommodation is provided by the Company, he shall be entitled to house rent allowance subject to a ceiling of 60% of the salary; or
   - in case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
2. *Re-imbursement of expenditure incurred by the appointee on gas, water and electricity.*
3. Leave Travel Allowance for self and members of his family once a year.
4. Reimbursement of medical expenses incurred for self and family including hospitalization.
5. Personal Accident Insurance, the premium of which shall not exceed Rs. 10000/- per annum.
6. Subscription to Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
7. Use of Company car with driver and telephone at his residence. Personal long distance calls shall be borne by Shri Abhay B. Doshi.
8. Encashment of leave at the end of his tenure.
9. Terminal benefits when Shri Abhay B. Doshi is posted at any other place during his tenure or otherwise.
   - Air/Sea passage together with cost of transportation of household belongings to such place as may be approved by the Board of Directors.
10. Contribution to Provident Fund, Super Annuation Fund, Annuity funds and other retirement benefits to the extent the same are not taxable under the Income-tax Act, 1961.
11. Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company whichever is higher.
12. Such other perquisites and allowances including bonus, commission exgratia etc. in accordance with the rules of the company or as may be agreed to by the Board of Directors of the Company and Shri Abhay B. Doshi so as not to exceed the overall limit specified in Schedule XIII and/or Section 309 of the Companies Act, 1956, whichever is higher.

    The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable and at a cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount equal to the salary for the relevant period. In the aforesaid perquisite limit, the *perquisites mentioned at sr. no.8, 9 and 10 shall be excluded.*

The Board may, in their discretion, revise/ modify any of the terms from time to time within the limits stipulated.

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Minimum Remuneration :

Notwithstanding anything herein contained, where in any financial year during the period of his office as Executive Chairman, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals if any, pay Shri Abhay B. Doshi remuneration not exceeding the maximum limits laid down in Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other statutory modifications therein, substitutions or re-enactments thereof, as decided by the Board of Directors and Shri Abhay B. Doshi as above stipulated.

Other Terms :

Shri Abhay B. Doshi shall subject to the superintendence, control and directions of the Board, manage and conduct the business and affairs of the Company. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Shri Abhay B. Doshi or the Company, by one party giving to the other 6 (six) calendar month's notice in writing or by payment of a sum equivalent remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

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 as recommended by the Selection Committee and approved by the Board of Directors as also pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded and Shri Rajiv B. Doshi (transferred and posted at U S Office as Manager) be paid in U.S.A., in US$ from U.S. Office from 1st November, 2003 or such later date as approved by the members in the General Meeting and by the Central Government such remuneration and be reimbursed such expenses incidental and essential to maintain himself and his family at USA as shown hereunder or such other sum as required by the local legislations prevailing in USA.

1. Basic Salary/ wages to be paid in USA in US$ 2500 in the scale of US$ 2500-200-3500 (equivalent to Indian Rupees 112500/- at the start as converted at the present rate of exchange).
2. Housing :
   i) The Expenditure incurred by the Company on hiring furnished accommodation subject to a ceiling of 60% of the basic salary; or
   ii) In case the accommodation is owned by the Company, 10% of the basic salary shall be deducted by the Company; or
   iii) In case no accommodation is provided by the Company, House Rent Allowance subject to a ceiling of 60% of the basic salary.
3. Other Allowances @ 20% of prevailing basic salary.
4. Company's contribution to social security and retirement benefits as applicable in the country of his posting.
5. Reimbursement of expenses incurred in relation to carrying out duties in / for the Company.
6. Commission @ 1% based on sales realised through U. S. Office.

"RESOLVED FURTHER that in case Shri Rajiv B. Doshi returns to India at any time hereafter, he shall be paid such remuneration and such perquisites in India as are in consonance and being paid to his counterparts in India at the prevailing rates and with such perquisites increments and other incidentals as shall be approved by the Board of Directors or a Committee thereof from time to time based on prevailing policy of the Company, within ceiling if any stipulated by the Central Government without any further reference to the members of the Company in General Meeting."

RESOLVED FURTHER that the Directors be and are hereby severally authorized to comply with statutory formalities.

11. To consider and if thought fit, to pass with or without modification/s the following as **Special Resolution by means of Postal Ballot :**

"RESOLVED THAT pursuant to the provisions of article 25 of the Articles of Association of the Company and in accordance with the provisions of Section 77A, 77B and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and the provisions of Securities And Exchange Board of India (Buy-back of Securities) Regulations, 1998 (the Buy-back Regulations) for the time being in force and also subject to the approvals, permissions, conditions and sanctions, if any of the appropriate authorities including Securities And Exchange Board of India (SEBI), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (referred to as the Board which term shall be deemed to include any Committee which the Board may constitute) to buy-back from the shareholders of the Company, its fully paid up Equity shares of the face value of Rs. 10/- each up to a limit of 25% of the existing paid up capital at a price not exceeding Rs. 10/- per share so that the aggregate value of the buy-back does not exceed Rs. 120.00 lakhs being within the limit of 25% of the total paid up equity share capital and free reserves of the Company as on 31.03.2004.

RESOLVED FURTHER that the Board be and is hereby authorized to implement the Buy-back within the time stipulated or any extension thereof permitted under the Act/ Regulations/ the appropriate authorities from out of its free reserves and that the buy-back may be made through the methodology of open market purchase in the Stock Exchange on one or more trenches and in such manner as may be prescribed under the Act and by the appropriate authorities on such terms and conditions as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER that nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buy-back any shares and/or impair any power of the Company or the Board to terminate any process in relation to such buy-back if so permissible by law.

RESOLVED FURTHER that the buy-back of shares from non-resident shareholders and/or shareholders of foreign nationality shall be subject to such further approvals as may be required, including the approvals from Reserve Bank of India under the Foreign Exchange Management Act 1999, and/or from Foreign Investment Promotion Board.

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"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".

12. To consider and if though fit, to pass with or without modification the following Resolution as **Special Resolution :**

"RESOLVED THAT in supersession of earlier Resolution, 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 - M/s Mondkar Computers Pvt. Ltd. at 21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai 400093 or at the Company's Registered Office at 145, SDF-V, Seepz(SEZ), Andheri (East), 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 11.00 a.m. and 1.00 p.m. 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.

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

BY ORDER OF THE BOARD

Bhagwandas. T. Doshi
EXECUTIVE CHAIRMAN

Date : 25th June 2004

NOTES

1. 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.
2. *Members/ Proxies should bring the Attendance Slip filled in for attending the meeting.*
3. 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.
4. The Register of Members and Share Transfers Books of the Company will remain closed from 16th August 2004 to 23rd August 2004 (both days inclusive).
5. 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.
6. Shareholders are requested to bring their copies of the Annual Report to the Meeting.
7. *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.
8. Transactions at item no. 11 requires consent of shareholders through Postal Ballot.
   a) Members may please vote by postal ballot and send their assent or dissent in writing to the Company by postal ballot in the prescribed postal ballot form attached hereto. This can be folded as a self-addressed postage prepaid inland for sending the completed postal ballot form to the Scrutiniser at the address mentioned therein so as to reach within a period of 30 days from the *date of issue of this notice.*
   b) There shall be one postal ballot for every folio irrespective of the number of joint holders thereunder.
   c) The postal ballot shall not be exercised by a proxy.
   d) In accordance with the Companies (Passing of the resolution by Postal Ballot) Rules 2001 postal ballots received after 30 days from the date of posting of this letter will be treated as if the reply from the Member has not been received and the same will not be considered.
   e) *Incomplete, unsigned or incorrectly ticked postal ballot will be rejected.*
9. Procedure to be followed for conducting business through postal ballot :
   a) The Company has appointed Mr. Suresh Mehta, B.Com. F.C.A.as the Scrutiniser for conducting the postal ballot voting process in the fair and transparent manner.
   b) The Scrutiniser will be in possession for 30 days (excluding holidays) from the date of posting of this letter and will submit his final report on or before the said period.
   c) The Scrutiniser will be available at the Registered office of the Company for the purpose of ascertaining the requisite majority and the postal ballot and all other papers relating to postal ballot will be under his safe custody till the Chairman considers, approves and signs the minutes of the meeting.
   d) The Results of the postal ballot will be declared in the newspapers for the information of Members. Members may also write to the Company at its Registered office in this regard.

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10. The share buyback proposal will be implemented after the approval of the Shareholders, subject to compliance of necessary formalities as prescribed under law.
11. As the proposal for Buyback of equity shares will be in the interests of the Company, the Directors commend the passing of the resolution as set out in the notice.
12. None of the Directors of the Company are, in anyway, concerned or interested in the resolution, save and except to the extent that in like manner as for all other shareholders, their percentage holding in the post Buyback equity share capital will proportionately stand enhanced as a result of the share Buyback.

PROFILES OF DIRECTORS RETIRING BY ROTATION

a) Shri Bhagwandas T. Doshi, is the Executive Chairman of the Company. Under his dynamic leadership the Company has excelled its performance in all the areas. He is the promoter director and has nurtured the industry from its infancy. He is a senior citizen completed 69 years and has a foresighted vision. He has lead the company to this peak. With his active participation and under his leadership the productivity and progress will witness varied horizons. It is therefore appropriate and in the interest of the Company to re-appoint Shri Bhagwandas T. Doshi.

b) Shri G. Sudarsanam presently is the Vice Chairman of the Company. Shri G. Sudarsanam is a technocrat and expert in the field of PCB manufacturing and international marketing. He has been conferred with Masters degree in Chemical Engineering with distinction by Indian Institute of Technology, Madras in 1967. He joined the Company when it was in the red and made it not only profit making but expanded the marketing front by leaps and bounds. He is around 63 years and has a foresighted vision. He has to his credit the enormous experience of setting up and operating PCB manufacturing Units both in Public and Private Sector and working with the companies of international repute and publishing technical papers in well reputed journals. With his active participation and under his guidance the productivity and progress will reach new horizons. It is therefore appropriate and in the interest of the Company to re-appoint Shri G. Sudarsanam.

c) Shri Gautam B. Doshi aged about 40 years is on the Board of the Company since 1993. He holds a Bachelor's degree in Electrical Engineering from the Indian Institute of Technology, Mumbai and a Master of Engineering Degree in the above field from University of California, Berkeley, USA. He joined Intel Corporation in 1988 and held various challenging assignments in the field of microprocessor architecture, design at senior technical and Management level. He has to his credit 15 patents in the field of processor architecture, design and software. He has been awarded Intel's highest technical honour "the Intel Achievement Award" twice. He has been instrumental in exploring and exploiting USA market for the company since 1993. He has no other directorship. It is therefore appropriate and in the interest of the Company to re-appoint Shri Gautam Doshi as director.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) AND 192 A OF THE COMPANIES ACT, 1956. AND REGULATIONS 5 (1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998 READ WITH SCHEDULE - I, ANNEXED THERETO :

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, Shri Chandrakant K. Thanawala was inducted in the Board on 14.10.03 as an additional Director and will hold office till the conclusion of this Annual General Meeting under the provisions of section 260 of the Companies Act 1956. Shri Thanawala is an associate member of the Institute of Cost and Works Accountants (U.K) (ACWA), Managing Director of Industrial Investment Trust Limited (a company with over 70 years standing in financial services, security market and corporate services). He is a senior citizen of above 70 years and holds directorships in various companies. The company will be enriched with his expertise in various fields.

The Company has received a notice with requisite deposit from a member proposing his candidature.

The Directors commend the resolution for the approval of members. No Director is concerned or interested in the above.

Item No. 7, 8 & 9.

General Information

The Company is the manufacturer of Printed Circuit Boards catering to the needs of electronic industry globally. The Unit is located in Seepz-SEZ as 100% EOU and is in operation since 1992. Its another unit named as High Technology Multilayer Unit has started functioning since 1st September, 2003 and the same is progressing well. The Company has become self reliant and does not have any long term debts either from the banks or the institutions. It has contributed to the exchequer in the form of net foreign exchange earning over several years. It has developed several capabilities on its own to improve product quality. All this has been possible with the expertise, dedication and motivated efforts of the Executive Directors.

The profit generated has been ploughed back to improve the profitability further as also to use the same for technology upgradation to withstand any competition. This is being done without any external borrowing.

The Company does not have any debts (including Public Deposits) or Debentures and has not defaulted repayment and or payment of interest in the preceding financial year.

The appointments of Shri Bhagwandas T. Doshi, Shri G. Sudarsanam and Shri Abhay B. Doshi were approved for a period of 5 years as Executive Directors by the members in the 10th Annual General Meeting held on 9th September 2000. The Company has progressed in all the fields, has become 'debt free' and wiped off all the past losses and earned reasonable profit.

Presently the Executive Directors are paid a basic salary per month as shown below w.e.f. 1st February, 2003.

Bhagwandas T. Doshi	Rs. 50,000/-
G. Sudarsanam	Rs. 50,000/-
Abhay B. Doshi	Rs. 35,000/-

In addition to the above, they are also eligible to other perquisites.

The policy of remunerating executive directors CEOS and senior executives have undergone change globally considering the inflation cost and retention of talented personnel. To fall in line with the global consensus and to remunerate the executive directors reasonably it is proposed to revise the terms and remunerations payable to the Executive Directors. The payment of remuneration to Shri Bhagwandas T. Doshi, Shri G. Sudarsanam and Shri Abhay B. Doshi has been reviewed by the Remuneration Committee and approved by the Board of Directors.

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Under their able guidance and with their expertise the Company will reach to new peaks. This was possible only with their timely and motivated approach.

In case of remuneration to Shri Bhagwandas T. Doshi , Shri Abhay B Doshi and Shri Gautam Doshi ; in case of remuneration to Shri Abhay B Doshi, Shri Bhagwandas 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.

Shri Bhagwandas T. Doshi has attained the age of 70 years. As per the provisions of Companies Act, 1956 his reappointment and approval of remuneration is moved by Special Resolution hence further approval of Central Government for his appointment and remuneration is not necessary.

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

Shri Rajiv B. Doshi is a Commerce Graduate, has obtained "Certificate of Achievement in Business Administration awarded by De Anza College, California. He joined the Company on 1st November, 2000. His appointment and remuneration was approved by the members in the General Meeting held on 14th September, 2001 as was recommended by the Selection Committee of experts that time.

Prior to his joining Fine-Line Circuits Ltd. he had wide experience of more than 12 years in the areas of Management, Marketing, Administration and Liaisoning. Before transfer and posting at U.S. office, he underwent extensive training in the various fields and acquired excellent skill in the PCB product lines. He had shown good skill and talent even during training in India when he took the challenge to handle the U.S. Market and and did it very successfully. Shri G. Sudarsanam the Vice Chairman, who himself is a technocrat, has contributed a lot on his training and grooming.

Considering the economic conditions and cost of living at USA, the remuneration to be paid to Shri Rajiv Doshi from 1st November, 2003 when he was transferred and posted at U.S. Office is reasonable and adequate.

Shri Rajiv Doshi is son of Shri Bhagwandas T. Doshi and brother of Shri Abhay Doshi & Shri Gautam B. Doshi. The Directors commend the resolution for the approval of members.

Item No. 11

i) The Board of Directors of the company ("the Board") at its Meeting held on 25th June, 2004 considered and approved the proposal for buy back of company's shares at a maximum price of RS. 10/- per shares through the Stock Exchange route up to a maximum permissible level of Rs.187.97 Lakhs (Hereinafter referred to as " the Buy back ") in accordance with the provisions contained in Articles 25 of the company's *Articles of Association and Section 77A and 77B and all other applicable provisions of the Act and the Buy back Regulations.*

ii) The Buy back is being proposed in keeping with the company's objective of maximising returns to investors. The Buy back will enhance overall shareholder value by returning surplus cash to shareholders in an investor friendly manner. It is also an efficient mechanism for providing an exit opportunity to shareholders opting for Buy back in a manner that does not substantially impact the market price of the company's shares to the detriment of the continuing shareholders.

iii) The Buy-back will be implemented through the open market route prescribed under the SEBI (Buy-back of Securities) Regulations, 1998, using the electronic trading facility of the Stock Exchange, Mumbai on such terms and conditions as may be determined by the Board at a later date. The company shall not buy back its shares from any persons through a negotiated deal whether on or off the Stock Exchange or through spot transactions or through any private arrangement in the implementation of the Buy-back.

iv) The equity shares of the company are proposed to be bought back at a maximum price not exceeding Rs. 10/- per equity share in terms of item no 11 of the Notice of Annual General Meeting. This price has been arrived at after taking into consideration factors such as the book value, the market value of the shares on the Stock Exchanges and the possible impact of the Buy back on the company's earning per share.

v) Based on the Audited Accounts of the company which are subject to adoption by Members at the forthcoming Annual General Meeting, the aggregate paid up capital and free reserves of the company as at 31.03.2004 and in accordance with the provisions of the Act, the maximum amount allotted to be utilised for implementation the Buy back is Rs. 120 Lakhs being within 25% of the paid up capital and free reserves of *the company.*

Further, as per the provisions of the Act, the maximum number of equity shares permitted to be bought back in any financial year shall not *exceed 12 lakhs equity shares of Rs. 10/- each representing 25% of the total paid up capital of the company. At the proposed maximum price* of Rs 10/- per share and for the proposed maximum number of 12 lakh shares, the maximum amount deployed for the Buy Back would be Rs. 120 lakhs. The special Resolution enclosed seeks the consent of the shareholders to determine the price and the number of equity shares to be bought back by the company within the aforesaid limits, the funds required for the Buy back will be met out of free reserves of the company. The debt equity ratio of the company after the Buy back will be well within the limit of 2:1 as prescribed under the Act.

vi) (a) The aggregate shareholding of the promoters as on the date of this Notice is 12,52,300 equity Shares of the company constituting 26% of the paid up capital of the company.

(b) The Directors of the company together with their relatives hold 12,52,300 equity shares of the company as on the date of this notice.

(c) None of the Directors or the Promoters sold any shares in Fine -Line Circuits Limited as on the date of the Board Meeting approving the buy back and the date of the buy back Notice or in the six month's preceding both these dates.

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