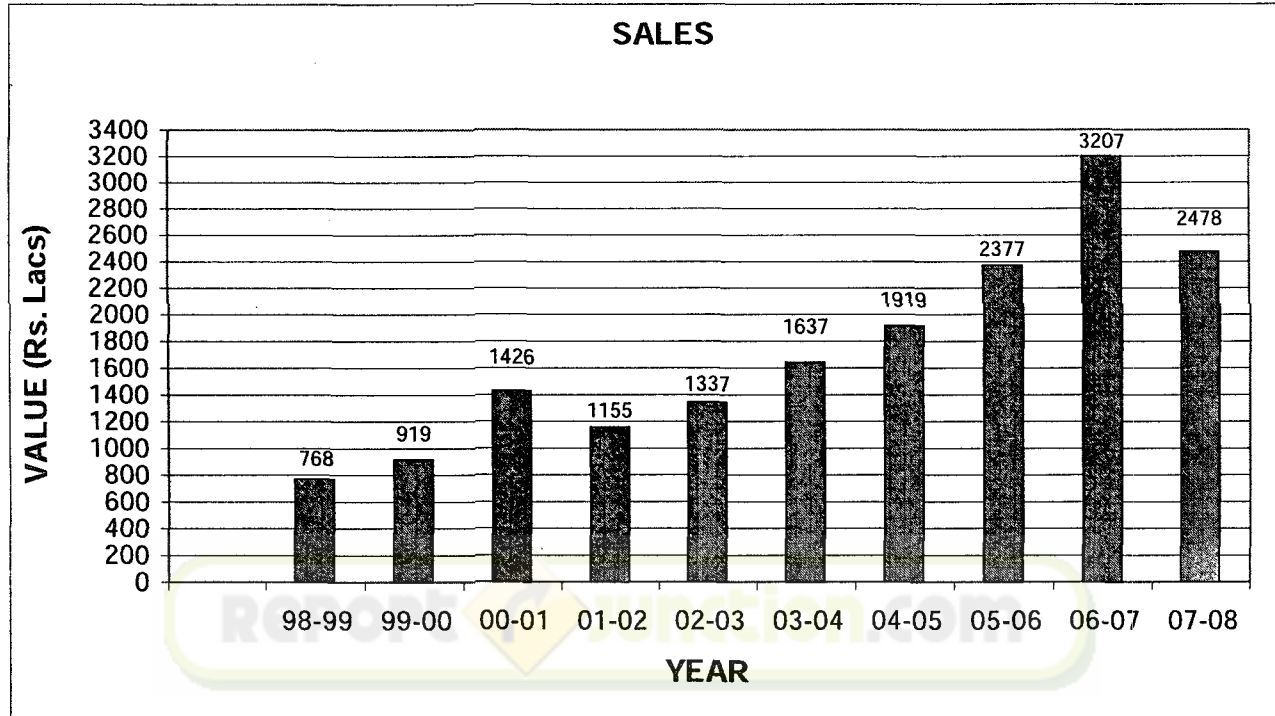


**EIGHTEENTH ANNUAL REPORT 2007 - 08**  
**[www.finelineindia.com](http://www.finelineindia.com)**

### COMPANY ASPIRATION

Our Aspiration for Fine-Line is to be a Respected, 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)

|                                 | 1999                         | 2000 | 2001 | 2002 | 2003                               | 2004 | 2005 | 2006 | 2007  | 2008  |
|---------------------------------|------------------------------|------|------|------|------------------------------------|------|------|------|-------|-------|
| <b>SALES &amp; EARNINGS</b>     |                              |      |      |      |                                    |      |      |      |       |       |
| Sales                           | 768                          | 919  | 1426 | 1155 | 1337                               | 1637 | 1919 | 2377 | 3207  | 2478  |
| PBDT                            | 77                           | 100  | 317  | 193  | 173                                | 228  | 241  | 156  | 400   | 87    |
| Profit after taxes              | 22                           | 44   | 56   | 3    | 41                                 | 57   | 51   | 4    | 260   | (41)  |
| <b>ASSETS &amp; LIABILITIES</b> |                              |      |      |      |                                    |      |      |      |       |       |
| Gross Fixed Assets              | 936                          | 1013 | 1072 | 1215 | 893                                | 1213 | 1182 | 1188 | 1259  | 1418  |
| Net Fixed Assets                | 635                          | 660  | 462  | 430  | 425                                | 474  | 384  | 240  | 240   | 265   |
| Net Current Assets              | 149                          | 137  | 341  | 349  | 385                                | 355  | 495  | 643  | 874   | 821   |
| Total (Applications)            | 784                          | 797  | 803  | 779  | 810                                | 829  | 879  | 883  | 1114  | 1086  |
| <b>REPRESENTED BY</b>           |                              |      |      |      |                                    |      |      |      |       |       |
| Net Worth                       | 667                          | 711  | 801  | 779  | 810                                | 829  | 879  | 883  | 1114  | 1087  |
| Share Capital                   | 541                          | 541  | 541  | 541  | 541                                | 484  | 483  | 483  | 483   | 483   |
| Reserves                        | 126                          | 170  | 260  | 238  | 269                                | 346  | 396  | 400  | 631   | 604   |
| Borrowings                      | 117                          | 86   | 2    | 0    | 0                                  | 0    | 0    | 0    | 0     | 0     |
| Total (Sources)                 | 784                          | 797  | 803  | 779  | 810                                | 829  | 879  | 883  | 1114  | 1086  |
| <b>RATIOS</b>                   |                              |      |      |      |                                    |      |      |      |       |       |
| Acid Test Ratio                 | 0.6                          | 0.6  | 2.0  | 2.8  | 4.9                                | 2.1  | 1.1  | 1.8  | 1.89  | 1.4   |
| Total Liability to Net Worth    | 0.2                          | 0.2  | 0.1  | 0.1  | 0.1                                | 0.2  | 0.3  | 0.2  | 0.26  | 0.2   |
| Sales to Net Fixed Assets       | 1.2                          | 1.4  | 3.1  | 2.7  | 3.1                                | 3.5  | 5.0  | 9.9  | 13.36 | 9.34  |
| Earning Per Share (Rs.)         | 0.41                         | 0.82 | 1.03 | 0.06 | 0.77                               | 1.13 | 1.05 | 0.08 | 5.40  | -0.85 |
| Return on Assets                | 3%                           | 6%   | 7%   | 1%   | 5%                                 | 7%   | 6%   | 1%   | 24%   | -4%   |
| Dividend Rate                   | L .Term and W/C Loans Repaid |      |      |      | Judicious Capital Expenditure Done |      |      |      | 5%    | Nil   |

## CORPORATE INFORMATION

### 18th ANNUAL GENERAL MEETING ( AGM )

Date : 26th July, 2008  
 Day : Saturday  
 Time : 3.00 p.m.  
 Place : Gr. Floor, Backside SDF-VI,  
 SEEPZ - (SEZ), Andheri (East),  
 Mumbai 400 096.

SEEPZ-(SEZ) being Restricted Zone requires Special Prior Permission for entry. Please see instructions on attendance slip for attending the AGM

### REGISTERED OFFICE

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

### AUDITORS

D K P & Associates  
 Chartered Accountants

### REGISTRARS & SHARE TRANSFER AGENTS

M/s. Mondkar Computers Pvt. Ltd.  
 21, Shakil Niwas, Opp. Satyasaibaba Temple,  
 Mahakali Caves Road, Andheri (East),  
 Mumbai - 400 093.  
 Tel : 2820 7201 / 2836 6620 Fax : 2820 7207

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### BOARD OF DIRECTORS

#### EXECUTIVE DIRECTORS

|                     |   |
|---------------------|---|
| Bhagwandas T. Doshi | Executive Chairman                      |
| G. Sudarsanam       | Vice - Chairman &<br>Executive Director |
| Abhay B. Doshi      | Managing Director                       |
| Rajiv B. Doshi      | Executive Director                      |

#### NON - EXECUTIVE DIRECTORS

Vijay A. Kumbhani  
 Gautam B. Doshi

#### INDEPENDENT DIRECTORS

Chandrakant K. Thanawala  
 Rajendra V. Gandhi  
 Dr. U. Nimmagadda  
 Prof. Juzer Vasi  
 R. M. Premkumar  
 Apurva R. Shah

### AUDIT COMMITTEE

|                          |          |
|--------------------------|----------|
| Chandrakant K. Thanawala | Chairman |
| Rajendra V. Gandhi       | Member   |
| Vijay A. Kumbhani        | Member   |
| Apurva R. Shah           | Member   |

### SHARE TRANSFER & SHAREHOLDERS'

#### GRIEVANCE COMMITTEE

|                     |                    |
|---------------------|--------------------|
| Rajendra V. Gandhi  | Chairman           |
| Vijay A. Kumbhani   | Member             |
| Abhay B. Doshi      | Member             |
| Shivkumar S. Somani | Compliance Officer |

#### REMUNERATION & SELECTION COMMITTEE

|                          |          |
|--------------------------|----------|
| Rajendra V. Gandhi       | Chairman |
| Chandrakant K. Thanawala | Member   |
| Prof. Juzer Vasi         | Member   |

#### SENIOR MANAGEMENT

|                     |                    |
|---------------------|--------------------|
| Shivkumar S. Somani | S.Y. Rane          |
| Joy Chacko          | P. M. Morgaonkar   |
| Milan J. Trivedi    | N.V. Ramana Murthy |
| Dilip Ghorpade      |                    |



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of FINE-LINE CIRCUITS LTD. will be held at Gr. Floor, Backside SDF VI, SEEPZ- SEZ, Andheri East, Mumbai-400096 on Saturday, 26<sup>th</sup> July, 2008 at 3.00 p.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2008 and the Profit & Loss Account of the Company for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Upendranath Nimmagadda who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Vijay A. Kumbhani 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 a Director in place of Shri Apurva R. Shah who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

### Special Business

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

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not, at any time, exceed the sum of Rupees Fifty crores only at any point of time exclusive of interest."

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

RESOLVED THAT the consent of the Company, be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to mortgage and/ or charge and/ or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, the whole or substantially the whole of any one or more of the undertakings of the Company including the present and/ or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rupees Fifty crores only at any point of time by way of any of the following namely Term Loans in Indian Rupees and Foreign Currency, Export Credit, Equipment Credit Scheme, Leasing Credit Facilities or other facilities from the Financial Institutions and/ or Bankers and/ or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company to the respective Financial Institutions and/ or Bankers and/ or other parties in terms of their respective Loan Agreements/Deeds of Agreements/ Hypothecation Agreements/ Letters of Sanction/Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank pari passu with or second or subservient to the mortgages and/ or charges and/ or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors."

BY ORDER OF THE BOARD

### Registered Office

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

Dated : 21<sup>st</sup> June, 2008

**Bhagwandas T. Doshi**  
**EXECUTIVE CHAIRMAN**

## 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 MEETING.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members/ Proxies should bring the Attendance Slip filled in for attending the meeting. They are also requested to bring their copies of the Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. A brief resume of Shri U.N. Nimmagadda, Shri V.A. Kumbhani, Shri Gautam B. Doshi and Shri Apurva R. Shah the retiring directors at the ensuing Annual General Meeting being eligible and offered for reappointment alongwith nature of their expertise in specific functional areas, names of the Companies in which they hold directorship / Chairmanship of Board Committees as stipulated under clause 49 of Listing Agreement with Bombay Stock Exchange are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commend their respective re-appointments.
6. Members desiring any information as regards the accounts are requested to write to the Company at least seven days in advance of Annual General Meeting so as to enable the Management to keep the information ready.
7. Members are requested to notify the changes, if any, in their address to update our record and to avoid non-delivery of communication.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18<sup>th</sup> July, 2008 to Saturday, 26<sup>th</sup> July 2008 (both days inclusive).
9. The relative Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of the business at items Nos.7 and 8 is annexed hereto.

Registered Office

145, SDF V, Seepz, SEZ

Andheri (East), Mumbai – 400 096

BY ORDER OF THE BOARD

Dated: 21<sup>st</sup> June, 2008

Bhagwandas T. Doshi

EXECUTIVE CHAIRMAN

## ANNEXURE TO NOTICE

## Explanatory Statement under Section 173 of the Companies Act, 1956

## Item Nos.7 and 8:

The Company may have to borrow from banks and financial institutions and also other parties in excess of the paid-up capital and free reserves of the Company.

It is therefore proposed to authorise the Board of Directors to borrow in excess of the paid-up capital and free reserves of the Company subject to a maximum of Rupees Fifty crores only.

An Ordinary Resolution under Section 293 (1) (d) of the Companies Act, 1956 is therefore proposed at item No.7 of the accompanying Notice for approval by the members.

The proposed loans from the Banks, financial institutions or other parties might be secured by mortgaging or charging the moveable and/or immovable assets of the Company.

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of the Public Company shall not except with the consent of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company has more than one undertaking of the whole, or substantially the whole of any such undertaking. Since mortgage of the Company's property may be considered as disposal of the Company's properties, it is considered desirable that the members give their consent for the creation of mortgage/ charge as described above.

An Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956 is therefore proposed at item No.8 of the accompanying Notice for approval by the Shareholders.

The Board commends your approval of the said resolutions.

None of the Directors of the Company is interested in the said resolutions.

Registered Office

145, SDF V, Seepz, SEZ

Andheri (East), Mumbai – 400 096

BY ORDER OF THE BOARD

Bhagwandas T. Doshi  
EXECUTIVE CHAIRMANDated: 21<sup>st</sup> June, 2008

**DIRECTORS' REPORT**

Your Directors wish to present the 18<sup>th</sup> Annual Report and audited accounts of the Company for the year ended 31<sup>st</sup> March, 2008.

**FINANCIAL RESULTS**

Rs in Lacs

|  | 2007-08        | 2006-07       |
|--|----------------|---------------|
| Sales and other Income   | 2464.01        | 3217.36       |
| Gross Profit before depreciation and tax                                 | 86.97          | 400.08        |
| Less: Depreciation   | 134.23         | 114.37        |
| <b>Profit / (Loss) before Tax</b>  | <b>(47.26)</b> | <b>285.71</b> |
| Less: Provision for current tax  | 0.36           | 23.56         |
| Provision for deferred tax   | (8.72)         | (1.91)        |
| Fringe Benefit tax   | 2.29           | 2.76          |
| <b>Profit / (Loss) after Tax</b>   | <b>(41.19)</b> | <b>261.30</b> |
| Add: Excess/(Short) provisions of earlier year                           | 0.22           | (1.79)        |
| Add: Balance brought forward from previous year                          | 553.14         | 321.75        |
| Add: Reversal of Excess provision for retirement benefit in earlier year | 12.73          | -             |
| <b>Amount available for appropriation</b>                                | <b>524.90</b>  | <b>581.26</b> |
| Less: Appropriations   |                |               |
| 1. Proposed Dividend   | -              | 24.04         |
| 2. Tax on dividend   | -              | 4.08          |
| <b>Balance carried to Balance Sheet</b>                                  | <b>524.90</b>  | <b>553.14</b> |

**PERFORMANCE AND OPERATIONAL RESULTS**

The Turnover has decreased to Rs. 2464.01 lacs as against Rs. 3217.36 lacs in the previous year i.e. a reduction of about 23% over previous year mainly due to strengthening of the Rupee. Further at those exchange rates many orders became unviable and unacceptable resulting in a further reduction in turnover.

This resulted in a huge drop in the profits. Apart from the exchange rate impact, the erosion of profits were caused by the steep increase in power cost (Tariff increased 68% from April' 07) and steep increases in material costs (mainly metals).

The Company continues to export its products to USA, Germany, UK, Switzerland and Singapore.

**DIVIDEND**

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

**CORPORATE GOVERNANCE**

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

**DIRECTORS**

Shri U.Nimmagadda, Shri V.A.Kumbhani, Shri Gautam B. Doshi and Shri Apurva R. Shah, the Directors of the Company retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting of the Company.

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

Shri G. Sudarsanam has resigned as a director and Executive Director w.e.f. 1<sup>st</sup> June' 2008. The Board places on record its appreciation for the valuable services tendered by him during his directorship in the company.



**AUDITORS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. In preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2008 and of the Loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

**LISTING ARRANGEMENTS**

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Ltd., Mumbai and the listing fee has been paid upto 31<sup>st</sup> March 2009.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****A. CONSERVATION OF ENERGY**

The Company has systematic in-house energy conservation program. Several measures have been taken to conserve the energy and those are being satisfactorily implemented.

**B. ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY**

The Company continuously substitutes high power consuming equipments wherever feasible with low power consuming equipments and for that the necessary changes in requisite process operations are planned, implemented and reviewed regularly.

**C. RESEARCH AND DEVELOPMENT**

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

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company exported Printed Circuits Boards during the year and continued to make constant efforts to increase its export sales by tapping additional markets and new customers.

The details of Foreign Exchange Earnings and Outgo (Rs. in Lacs) are as under:

| Year ended 31 <sup>st</sup> March | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|
| Foreign Exchange                  |      |      |      |      |      |      |      |      |      |
| Earning                           | 2444 | 2911 | 2114 | 1720 | 1448 | 1193 | 1038 | 1271 | 792  |
| Outgo                             | 1072 | 1703 | 939  | 837  | 689  | 479  | 406  | 446  | 380  |
| Net Earning                       | 1372 | 1208 | 1175 | 883  | 759  | 714  | 632  | 825  | 412  |

**FIXED DEPOSITS**

The Company had accepted Loans from Directors & Body Corporate for a short period and refunded the same before the end of the year.

**PARTICULARS OF EMPLOYEES**

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

**ACKNOWLEDGEMENT**

We are thankful to our clientele and vendors and appreciate for their support during the year.

We also place on record our deep appreciation for the contribution made by the staff and the workmen at all levels. Their contribution has in no small measure enabled the Company to remain competitive.

Grateful thanks are also due to SEEPZ-SEZ Authorities, for their continued support extended to the Company from time to time.

Shareholders' appreciation for the management's efforts in such competitive times, at the General Meeting of the Company will be of great fillip to strive for better performance in spite of severe competitive factors faced by the Company.

On behalf of the Board

Place : Mumbai

Dated : 21<sup>st</sup> June'2008

Bhagwandas T. Doshi  
EXECUTIVE CHAIRMAN



## CIRCUITS LIMITED

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

As per the provisions of the Corporate Governance under the Listing agreement, the Management Discussion and Analysis (MDA) Report forms part of the Directors' Report and reflects current state of the business.

Your Company is a 100% EOU having manufacturing facilities in Seepz , SEZ, Mumbai making Printed Circuit Boards (PCBs)

**1) INDUSTRY STRUCTURE AND DEVELOPMENT**

PCBs are a basic Electronic Building Block component used in all Electrical & Electronic Products. As a 100% EOU, the main Global supply comes from China. The product is a complex one with several aspects of technology intricacy and above all continuously increasing customer demands.

**2) MODERNISATION, OPPORTUNITY & THREATS**

We continuously update our manufacturing processes focused towards yield , capability and capacity improvements. The improvements are on all fronts , equipments, processes / systems & personnel Training.

The opportunities are in the small to medium volume faster delivery with broad range of surface finishes focused from the European markets.

The threats are on account of huge power cost increases and volatile exchange rate movements and rising personnel costs.

**3) SEGMENTWISE PERFORMANCE**

Printed Circuits Boards (PCBs) is the only business segment in which the company is dealing.

**4) a) BUSINESS SCENARIO**

Printed Circuits Boards (PCBs) being a basic Electronic Building Block, it continues to have wide applications. The management is seized of the competition and quality consciousness at all the levels. The company is in the driver's seat for the quality of the products and has earned a good name in the global market. The company's policy to provide strong customer support has kept the company's image in the market at high level of confidence. The company continues to up-date the plant in terms of up-keep and modernization.

**b) HIGH TECHNOLOGY MULTILAYER UNIT**

The High Technology Multilayer Unit (HTMU) continued to progress well.

**5) RISK & CONCERNS**

The financial status of the company is stable. The cash flow is judiciously managed to get the best exchange rate gains. High power cost, volatile Exchange Rate movements and Higher and rising personnel costs are risks that we are facing and tackling.

**6) INTERNAL CONTROL**

The company has Internal Auditors who conducts internal audit that assesses the internal control systems. The Statutory Auditors and the Audit Committee review these controls regularly. Any change in the internal control that is recommended is studied and implemented based on the company needs and feasibility of implementation.

**7) FINANCIAL PERFORMANCE**

The sales were lower at Rs.2459.45 lacs as against Rs. 3203.64 lakhs in the previous year. The square meters produced were also lower at 26,505 sqm PCBs as against 31,168 sqm in the previous year since below certain price levels the Company was no longer competitive in the volatile Exchange Rate and Higher power cost scenario. The Company expects to improve on all these counts in the coming year.

**8) HUMAN RESOURCE DEVELOPMENT AND BUILDING LEADERSHIP QUALITIES**

The personnel of the company are vital part of the organization. The company continues its policy to train them in-house, provide opportunity for external training, challenges them to exert and rewards performance. The Company is pleased to state that this has made the 2<sup>nd</sup> level supervisory personnel to show encouraging performance and to rise up. The company do engage contract workmen for support services and follows the same policy of training and rewarding the good performers.

The total number of employees on the rolls of the company as on 31<sup>st</sup> March 2008 was 194 (Previous year 1:

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

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




**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2008** (Pursuant to clause 49 of the Listing Agreement)

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy of Corporate Governance is to protect the long-term interest of the shareholders while respecting interest of other stakeholders and society at large. The company has set up adequate review process, internal controls and efficient management information systems.

The Company is committed to good corporate governance and transparency in its dealings and lays emphasis on integrity and regulatory compliance.

**2. BOARD OF DIRECTORS**

The present strength of Board of Directors of the Company is 12 (Twelve) including 8 (Eight) Non-Executive Directors. The Directors are eminent professionals from amongst persons from the fields of business, finance, medicine, education and industry.

Composition and category of Directors are as under:

| Sr # | Name of Director    | Category | Attendance at Board Meetings held during the year | Attendance At last AGM (Aug 25, 2007) | Number of other Directorships | Committees (other than Fine-Line Circuits Ltd.) |          |
|------|---------------------|----------|---|---------------------------------------|-------------------------------|---|----------|
|      |                     |          |   |                                       |                               | Member  | Chairman |
| 1    | Bhagwandas T. Doshi | PD       | 4   | Present                               | 3                             | Nil   | Nil      |
| 2    | G. Sudarsanam *     | ED       | 2   | Absent                                | Nil                           | Nil   | Nil      |
| 3    | R. V. Gandhi        | NI       | 2   | Absent                                | 6                             | 1   | 1        |
| 4    | U. Nimmagadda       | NI       | 0   | Absent                                | 1                             | Nil   | Nil      |
| 5    | C. K. Thanawala     | NI       | 4   | Present                               | 16                            | 1   | 3        |
| 6    | Juzer Vasi          | NI       | 2   | Absent                                | Nil                           | Nil   | Nil      |
| 7    | V. A. Kumbhani      | NE       | 3   | Absent                                | Nil                           | Nil   | Nil      |
| 8    | G. B. Doshi         | NE       | 2   | Present                               | Nil                           | Nil   | Nil      |
| 9    | Apurva R. Shah      | NI       | 4   | Absent                                | 6                             | 7   | 1        |
| 10   | Abhay B. Doshi      | PD       | 4   | Present                               | Nil                           | Nil   | Nil      |
| 11   | Rajiv B. Doshi      | ED       | 4   | Present                               | 2                             | Nil   | Nil      |
| 12   | R.M Premkumar       | NI       | 2   | Present                               | 1                             | Nil   | Nil      |

PD = Promoter Director (Executive)

ED = Executive Director

NE = Non-Executive Director

NI = Non-Executive Independent Director

None of the directors of the company is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a director.

\* Shri G.Sudarsanam resigned as director & Executive Director of the Company w.e.f. 1<sup>st</sup> June' 2008.

Shri Abhay B. Doshi, Shri Gautam B.Doshi and Shri Rajiv B. Doshi are sons of Shri Bhagwandas T. Doshi, Executive Chairman of the Company and hence are related to each other.

Shri Vijay A. Kumbhani is brother in law of Shri. Abhay B. Doshi.

**Number and date of Board Meetings held**

Four Board Meetings were held during the year 2007- 08. The dates on which the said meetings were held are as follows:

30<sup>th</sup> June, 2007; 28<sup>th</sup> July, 2007; 20<sup>th</sup> October' 2007; 28<sup>th</sup> January, 2008.

The Non Executive Directors of the Company are paid sitting fees for attending meetings of the Board of Directors and Committees. Besides sitting fees non-executive Directors are not paid any other remuneration or commission. The Executive Directors are not paid sitting fees.

The following non executive directors hold shares in the Company as shown here under:

- |                           |                      |
|---------------------------|----------------------|
| a. Shri Vijay A. Kumbhani | 45010 Equity Shares  |
| b. Shri Gautam B. Doshi   | 175100 Equity Shares |

No other Non Executive Directors hold any shares in the company.

The company has a process to provide the information to the Board as required under Annexure IA to clause 49, which was followed.

All the directors have made necessary disclosures about the committee positions, they occupy in other companies.