



**NINETEENTH ANNUAL REPORT 2008 - 09**  
**[www.finelineindia.com](http://www.finelineindia.com)**



## CIRCUITS LIMITED

**Vision :-**

A Globally Respected Performance Driven Growing Manufacturer.

**Mission :-**

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

**Goal :-**

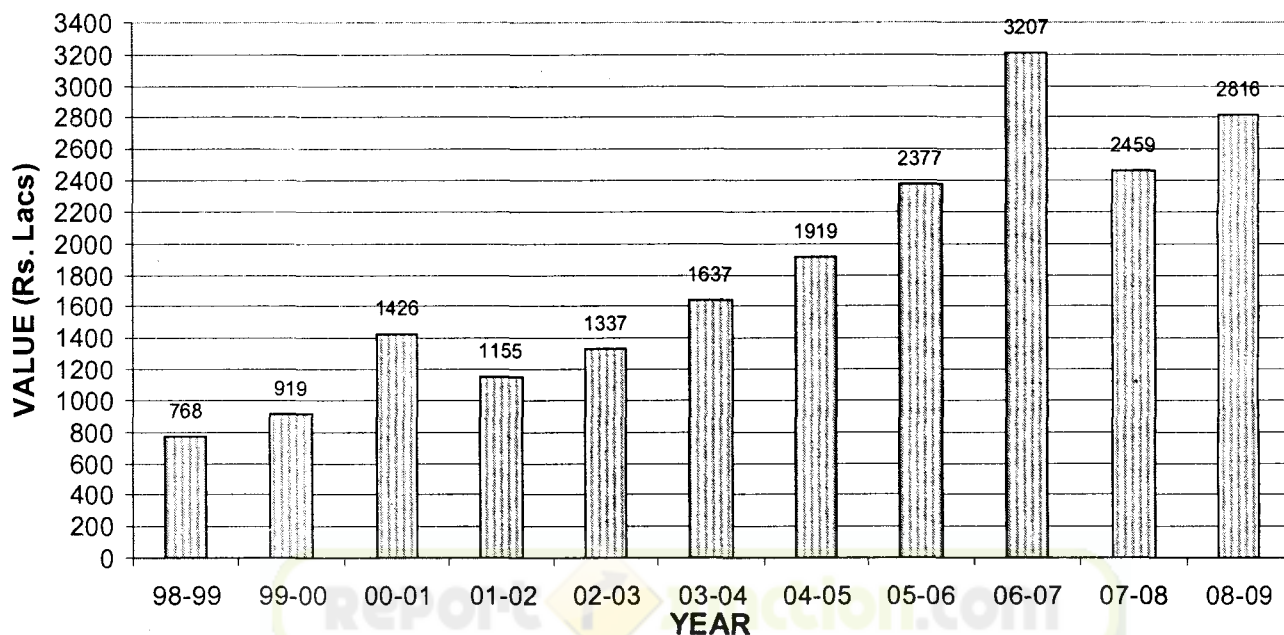
To efficiently execute the manufacturing ensuring a timely delivery of defect free products in the small to medium volume high part number mix PCBs arena.

**Strategy :-**

On an ongoing basis the management will fulfill this vision by continuously improving the Company by making it:

Predictable Via	Sustainable Via	Profitable Via	Scalable Via
1. Listening to & responding to Customers, Suppliers & Stakeholders	1. Creating wealth & sharing it fairly with each stakeholders	1. Continuously increasing the value proposition to the customer	1. Upon reaching a certain Critical Mass & Team Strength we will scale up.
2. Constant Diversification of markets in terms of Geography, Industries & Customers	2. Conducting business with integrity & professionalism & financial prudence	2. Continuously improving the quantum & velocity of throughput of a high variety mix with low inventory & controlled operating costs	
3. Vigorous Employee interaction & issue resolution & Allowing everybody to work within a framework freely	3. Constant Technology growth focus & Actively Innovate on process, Capability & Product Range.	3. Constant cost reduction with special focus on Rejection reduction & Energy conservation	
4. Paying attention to detail & executing efficiently	4. Constant efforts at Derisking the business	4. Continuously increasing productivity with efficiently coordinated efforts & automation.	
5. Exceedingly strong sales team & order loading on the plant	5. Continuously generating a Talent Pipeline with good role clarity & functional competency with empowerment.	5. Continuously increasing panel capacity, panel utilization, panel size & panel complexity & panel layer count	
6. Over communicate with Transparent information	6. International Approvals (ISO, TS, JSS)	6. Delivering Innovative & Competitive new products	

## SALES

AT A GLANCE  
(Rs. In Lacs)

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



## CIRCUITS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

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

## Ordinary Business

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

BY ORDER OF THE BOARD

## Registered Office

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

Bhagwandas T. Doshi

EXECUTIVE CHAIRMAN

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

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members/ Proxies should bring the Attendance Slip filled in for attending the meeting. They are also requested to bring their copies of the Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. A brief resume of **Shri R. V. Gandhi**, **Shri J. Vasi**, **Shri Rajiv B. Doshi** and **Shri R. M. Premkumar**, the retiring directors in the ensuing Annual General Meeting being eligible and offered for reappointment along with nature of their expertise in specific functional areas, names of the Companies in which they hold directorship / Chairmanship of Board Committees as stipulated under clause 49 of Listing Agreement with Bombay Stock Exchange are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company Command their respective re-appointments.
6. Members desiring any information as regards the accounts are requested to write to the Company at least seven days in advance of Annual General Meeting so as to enable the Management to keep the information ready.
7. Members are requested to notify the changes, if any, in their address to update our record and to avoid non-delivery of communication.
8. The Register of Members and Share Transfers Books of the Company will remain closed from Tuesday, 8<sup>th</sup> September, 2009 to Saturday, 12<sup>th</sup> September, 2009 (both days inclusive).

**DIRECTORS' REPORT**

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

**FINANCIAL RESULTS**

Rs in lacs

	2008-09	2007-08
Sales and other Income	2824.46	2464.01
Gross Profit before depreciation and tax	46.16	86.16
Less: Depreciation	147.60	134.16
<b>Profit / (Loss) before Tax</b>	<b>(101.44)</b>	<b>(47.80)</b>
Less: Provision for current tax	0.77	
Provision for deferred tax	(4.97)	(8.72)
Fringe Benefit tax	2.43	2.29
<b>Profit / (Loss) after Tax</b>	<b>(99.67)</b>	<b>(41.19)</b>
Add: Excess/(Short) provisions of earlier year	(0.39)	0.22
<b>Profit / (Loss) after Tax</b>	<b>(100.05)</b>	<b>(40.97)</b>
Add: Balance brought forward from previous year	524.90	553.14
Add: Reversal of excess provision for retirement benefit in earlier year		12.73
<b>Amount available for appropriation</b>	<b>424.85</b>	<b>524.90</b>
Less: Appropriations		
1. Proposed Dividend	-	-
2. Tax on dividend	-	-
<b>Balance carried to Balance Sheet</b>	<b>424.85</b>	<b>524.90</b>

**PERFORMANCE AND OPERATIONAL RESULTS**

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

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

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

**DIVIDEND**

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

**CORPORATE GOVERNANCE**

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

**DIRECTORS**

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

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

**AUDITORS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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



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1. In preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and of the Loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

### LISTING ARRANGEMENTS

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

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. CONSERVATION OF ENERGY

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

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

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

#### C. RESEARCH AND DEVELOPMENT

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

#### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Year ended 31 <sup>st</sup> March	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Foreign Exchange										
Earning	2686	2444	2911	2114	1720	1448	1193	1038	1271	792
Outgo	1266	1072	1703	939	837	689	479	406	446	380
Net Earning	1420	1372	1208	1175	883	759	714	632	825	412

### FIXED DEPOSITS

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

### PARTICULARS OF EMPLOYEES

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

### ACKNOWLEDGEMENT

We acknowledge our appreciation to our clientele and vendors for their invaluable support during the year.

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

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

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

On behalf of the Board

Place : Mumbai

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

Bhagwandas T. Doshi  
EXECUTIVE CHAIRMAN

## MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

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

Your Company is making Printed Circuit Boards (PCBs) and has its manufacturing facilities in Seepz, SEZ, Mumbai. It continues to remain a 100% EOU.

### 1) INDUSTRY STRUCTURE AND DEVELOPMENT

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

### 2) MODERNISATION, OPPORTUNITY AND THREATS

The Company continuously updates its manufacturing processes focused towards yield, capability and capacity improvements. The improvements are on all fronts, equipments, processes / systems and personnel Training.

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

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

### 3) SEGMENTWISE PERFORMANCE

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

#### 4) a) BUSINESS SCENARIO

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

#### b) HIGH TECHNOLOGY MULTILAYER UNIT

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

### 5) RISK AND CONCERNS

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

### 6) INTERNAL CONTROL

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

### 7) FINANCIAL PERFORMANCE

The sales were higher at Rs. 2815.92 lacs as against Rs. 2459.45 lakhs in the previous year. The square meters produced were lower at 24854 sqm PCBs as against 26505 sqm in the previous year. The Company rationalized the products line considering the price levels to remain competitive in the volatile Exchange Rate, Higher material and power cost scenario. The Company expects to improve on all these counts in the coming year.

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

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

The total number of employees on the rolls of the company as on 31<sup>st</sup> March 2009 was 185 (Previous year 194).

### 9) RESEARCH & DEVELOPMENT FOR STABLE QUALITY

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

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## CIRCUITS LIMITED

### REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 (Pursuant to clause 49 of the Listing Agreement)

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

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

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

#### 2. BOARD OF DIRECTORS

The present strength of Board of Directors of the Company is 11 (Eleven) including 8 (Eight) Non-Executive Directors. The Directors are eminent professionals from amongst persons from the fields of business, finance, medicine, education and industry.

Composition and category of Directors are as under:

Sr #	Name of Director	Category of Director	Attendance at Board Meetings held during the year	Attendance At last AGM (Jul 26, 2008)	Number of other Directorships	Committees (other than Fine-Line Circuits Ltd.)	
						Member	Chairman
1	Bhagwandas T. Doshi	PD	5	Present	3	2	Nil
2	C. K. Thanawala	NI	5	Present	16	1	3
3	R. V. Gandhi	NI	2	Absent	5	1	3
4	Juzer Vasi	NI	3	Present	Nil	Nil	Nil
5	R.M Premkumar	NI	3	Absent	5	Nil	3
6	U. Nimmagadda	NI	0	Absent	1	Nil	Nil
7	Apurva R. Shah	NI	5	Absent	6	5	1
8	V. A. Kumbhani	NE	5	Present	Nil	Nil	Nil
9	G. B. Doshi	NE	3	Absent	Nil	Nil	Nil
10	Rajiv B. Doshi	ED	5	Present	2	Nil	Nil
11	Abhay B. Doshi	PD	5	Present	Nil	Nil	Nil

PD = Promoter Director (Executive)

ED = Executive Director

NE = Non-Executive Director

NI = Non-Executive Independent Director

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

Shri Abhay B. Doshi, Shri Gautam B. Doshi and Shri Rajiv B. Doshi are sons of Shri Bhagwandas T. Doshi, Executive Chairman of the Company and hence are related to each other. Shri V. A. Kumbhani is brother in law of Shri Abhay B. Doshi.

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

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

- Shri Vijay A. Kumbhani 45050 Equity Shares
- Shri Gautam B. Doshi 175100 Equity Shares

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

#### Independent Directors

The independent directors are not related to promoters or management at the board level. They review at every board meeting legal compliance reports prepared by the Company

#### Number and date of Board Meetings held

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

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

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

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

The company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management personnel etc. other than transactions if any, entered into in the normal course of company's business.

Information required under clause 49 (IV) (G) of the Listing Agreement.

The particulars of Directors, who are proposed to be appointed / reappointed at this Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement.

## a) Shri R. V. Gandhi

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

## b) Prof. Juzer Vasi

Prof. Juzer Vasi, aged about 62 years is B. Tech in electrical Engineering and has obtained Ph. D from Johns Hopkins University 1973. He is associated with Indian Institute of technology and Johns Hopkins University for many years through his teaching professional expert in Microelectronics particularly CMOS devices technology and design. He is interacting with the industries in the countries like USA, Germany, Japan and Singapore in the field of Microelectronics. Prof. Juzer Vasi is a fellow of IETE, Indian National Academy of Engineering (INAE) a senior Member and distinguished lecturer at IEEE Electron Devices Society.

## c) Shri Rajiv Doshi

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

## d) Shri R. M. Premkumar

Shri R.M Premkumar is an IAS Officer of 1968 Batch and held important posts as follows: Collector, Kolhapur ; CEO, Maharashtra Industrial Development Corporation; MD, Maharashtra Tourism Development Corporation; Development Commissioner; Seepz, Principal Secretary (Revenue); Government of Maharashtra; Additional Secretary; Department of Atomic Energy; Chairman, Food Corporation; Chief Secretary, Government of Maharashtra and presently Chairman of SICOM Limited & Maharashtra State Electricity Transmission. He is also on the Board of Afcons Infrastructure Ltd., Pipavav Shipyard Ltd, Rama Cylinders Private Ltd, as director. He does not hold any share in the Company.

## 3. CODE OF CONDUCT

The Board has laid down a code of conduct for Board members and senior management personnel of the company. The said code of conduct is posted on the company's website. The Board Members and Senior Management Personnel have affirmed compliance with the said code of conduct.

## 4. AUDIT COMMITTEE

The Audit Committee comprises solely of Qualified Non-Executive Directors with majority of them being independent. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956 such as oversight of the company's financial reporting process; recommending the appointment / reappointment of statutory auditors, reviewing with the management annual financial statements; quarterly financial statements and other matters as covered under role of Audit Committee in clause 49. The Audit Committee has powers, inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the company/ company's subsidiary as well as seek outside legal and professional advises.

The members of Audit Committee have knowledge on financial matters and majority of them have accounting or related financial management expertise. The Chairman of the Audit Committee is an independent director.

The statutory auditors and finance personnel are invitees to the meetings of the audit committee.

The Audit Committee reviews all the information that is required mandatory to be reviewed by it under corporate governance.

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

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

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

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

## 5. SUBSIDIARY COMPANY

The company does not have any subsidiary company. The company has one branch office in USA, the financial statements of which are

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## CIRCUITS LIMITED

regularly reviewed by the Audit Committee.

### 6. REMUNERATION COMMITTEE

All the directors on the Committee are independent and Non-Executive directors. The Remuneration Committee deals with the matters specified in clause 49 of the listing agreement and also reviews the overall compensation structure and policies of the Company.

The composition of the Remuneration Committee is as under:-

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

The Remuneration Committee did not hold any meeting during the year. The remuneration paid to Directors is stated here in below. The Non-Executive Directors are not drawing any remuneration. However, following sitting fees are paid to the Non-Executive Directors for attending meetings of the Board of Directors/ Committees.

The remuneration policy of the company is based on the need to attract the best available talent and is in line with the industry levels.

#### Details of remuneration paid to Directors:

(In Rupees)

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

\* Resigned w.e.f.01.06.08.

- Salaries and perquisites include contribution to Provident Fund, Leave Travel Allowance, reimbursement of medical expenses, wherever applicable as per the rules of the Company.
- Sitting Fees includes payment for Board level committee meetings.

Stock Options: The members of the Company have approved the Stock Options scheme for the benefit of the persons who are in the permanent employment of the Company. The Company is yet to frame the scheme for grant of stock options.

### 7. SHARE TRANSFER & SHAREHOLDERS' GRIEVANCE COMMITTEE

The Share Transfer and Shareholders' Grievance Committee consists of three Directors.

The Following are the members of the Committee:-

Sr. No.	Members	Committee	No. of Meetings attended
1	R. V. Gandhi	Chairman, Non-Executive,	24
2	V. A. Kumbhani	Independent	24
3	Abhay B Doshi	Member	24

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