



TWENTY FIRST ANNUAL REPORT 2010-2011

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.

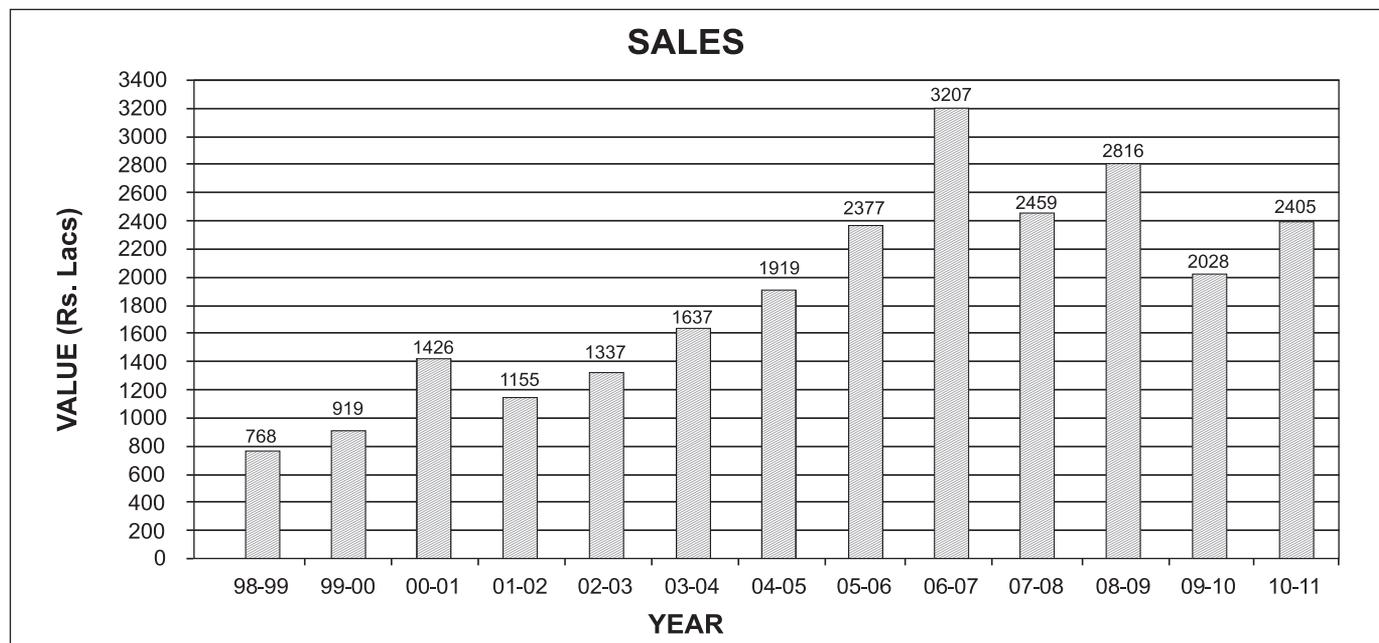
Strategy:-

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 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 & Social responsibility	2. Continuously improving the quantum & velocity 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 & Water conservation.	
4. Paying attention to detail & executing efficiently	4. Constant efforts at Derisking the business & Deskillling the work.	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.	

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 Earnings Per Share.



AT A GLANCE (Rs. In Lacs)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
SALES & EARNINGS													
Sales	768	919	1426	1155	1337	1637	1919	2377	3207	2478	2821	2028	2405
PBDT	77	100	317	193	173	228	241	156	400	87	46	5	84
Profit after taxes	22	44	56	3	41	57	51	4	260	(41)	(100)	(71)	7
ASSETS & LIABILITIES													
Gross Fixed Assets	936	1013	1072	1215	893	1213	1182	1188	1259	1418	1618	1617	1681
Net Fixed Assets	635	660	462	430	425	474	384	240	240	265	319	261	291
Net Current Assets	149	137	341	349	385	355	495	643	874	821	667	654	606
Total (Applications)	784	797	803	779	810	829	879	883	1114	1086	986	915	922
REPRESENTED BY													
Net Worth	667	711	801	779	810	829	879	883	1114	1086	986	915	922
Share Capital	541	541	541	541	541	484	483	483	483	483	483	483	483
Reserves	126	170	260	238	269	346	396	400	631	604	504	432	439
Borrowings	117	86	2	0	0	0	0	0	0	0	0	0	0
Total (Sources)	784	797	803	779	810	829	879	883	1114	1086	986	915	922
RATIOS													
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	1.5	0.8
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	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	7.8	8.3
Earning Per Share (Rs.)	0.4	0.8	1.0	0.1	0.8	1.1	1.1	0.1	5.4	(0.9)	(2.1)	(1.5)	0.1
Return on Assets	3%	6%	7%	1%	5%	7%	6%	1%	23%	-4%	-10%	-8%	1%
Dividend Rate	L .Term and W/C Loans Repaid				Judicious Capital Expenditure Done				5%	Nil	Nil	Nil	Nil

CIRCUITS LIMITED
CORPORATE INFORMATION
21st ANNUAL GENERAL MEETING (AGM)

Date : 30th July, 2011
 Day : Saturday
 Time : 3.30 p.m.
 Place : Gr. Floor, Frontside 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 Universal Capital Securities Pvt. Ltd.
 (Formerly Known as 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

CONTENTS
Page No.

Corporate Information	
Notice	01
Directors' Report	02
Auditors' Report	18
Balance Sheet	21
Profit & Loss Account	22
Cash Flow Statement	23
Schedules	24
Balance Sheet Abstract	34
Attendance Slip and Proxy Form	35

BOARD OF DIRECTORS
EXECUTIVE DIRECTORS

Bhagwandas T. Doshi	Executive Chairman
Abhay B. Doshi	Managing Director
Rajiv B. Doshi	Executive Director

NON - EXECUTIVE DIRECTORS

Vijay A. Kumbhani
 Gautam B. Doshi

INDEPENDENT DIRECTORS

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

AUDIT COMMITTEE

Apurva R. Shah	Chairman
Rajendra V. Gandhi	Member
Vijay A. Kumbhani	Member
Prof. Juzer Vasi	Member

SHARE TRANSFER & SHAREHOLDERS' GRIEVANCE COMMITTEE

Rajendra V. Gandhi	Chairman (upto 24th July, 2010)
Vijay A. Kumbhani	Member, (Chairman w.e.f. 24.07.10)
Abhay B. Doshi	Member
Rajiv B. Doshi	Member (w.e.f. 24.07.10)
Prema Radhakrishnan	Compliance Officer

REMUNERATION & SELECTION COMMITTEE

Rajendra V. Gandhi	Chairman
Prof. Juzer Vasi	Member
R.M. Premkumar	Member

SENIOR MANAGEMENT

Joy Chacko	N.V.Ramana Murthy
Milan J. Trivedi	Dilip Ghorpade
P. M. Morgaonkar	Prema Radhakrishnan
Nikhil Kumar	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of the Members of FINE-LINE CIRCUITS LTD. will be held at Gr. Floor, Frontside SDF VI, SEEPZ- SEZ, Andheri East, Mumbai 400096 on **Saturday, 30th July, 2011 at 3.30 P.M.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 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 Vijay. A. Kumbhani** who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of **Shri Gautam B. Doshi** who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of **Shri Apurva R. Shah** who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office:
145, SDF V, Seepz, SEZ
Andheri East, Mumbai 400096

BY ORDER OF THE BOARD

Bhagwandas T. Doshi
EXECUTIVE CHAIRMAN

Dated: 28th May, 2011

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 Vijay A. Kumbhani, Shri Gautam B. Doshi, Shri Apurva R. Shah 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 the Listing Agreement with Bombay Stock Exchange Ltd are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends 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 Monday, 25th July, 2011 to Saturday, 30th July, 2011 (both days inclusive).

CIRCUITS LIMITED
DIRECTORS' REPORT

Your Directors wish to present the 21st Annual Report and audited accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

Rs in Lakhs

	2010-11	2009-10
Sales and other Income	2408.86	2036.27
Gross Profit before depreciation and tax	84.19	5.18
Less: Depreciation	73.16	74.65
Profit / (Loss) before Tax	11.03	(69.48)
Less: Provision for current tax	0.45	0.47
Provision for deferred tax	2.81	1.77
Fringe Benefit tax	-	-
Profit / (Loss) after Tax	7.77	(71.72)
Add: Excess/(Short) provisions of earlier year	(0.58)	0.54
Add: Balance brought forward from previous year	353.66	424.85
Balance carried to Balance Sheet	360.85	353.66

PERFORMANCE AND OPERATIONAL RESULTS

The Turnover was higher by 15.47% to Rs. 2408.86 lacs as against Rs. 2036.27 lacs in the previous year and we have returned back to profitability after a difficult recession period.

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

DIVIDEND

To conserve the resources 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 Vijay Kumbhani, Shri Gautam B. Doshi, Shri Apurva Shah Directors of the Company retire by rotation and being eligible; offer themselves for reappointment at the ensuing Annual General Meeting of the Company.

AUDITORS AND AUDITORS OBSERVATIONS

Observations made by the Auditors in their report in respect of Cost Accounting records are self explanatory.

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:

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 31st March, 2011 and of the Profit 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 31st March 2012.

COMPLIANCE CERTIFICATE

The Compliance Certificate of the secretary in wholetime practice under section 383A of the Companies Act, 1956 is attached.

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 31st March	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Foreign Exchange										
Earning	2312	1796	2686	2444	2911	2114	1720	1448	1193	1038
Outgo	1172	690	1266	1072	1703	939	837	689	479	406
Net Earning	1140	1106	1420	1372	1208	1175	883	759	714	632

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES

The Company does not have any 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 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: 28th May 2011

BHAGWANDAS T. DOSHI
Executive Chairman

CIRCUITS LIMITED

Registration No.: L72900MH1989PLC131521 Authorised Capital: Rs. 7, 50, 00,000/-

Compliance Certificate

To

The Members

FINE-LINE CIRCUITS LIMITED

145, SDF-V, SEEPZ-SEZ,

Andheri (East), Mumbai – 400096.

We have examined the registers, records, books and papers of **Fine-Line Circuits Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **March 31, 2011**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said Annexure.
3. The Company being a Public Limited Company has minimum prescribed paid-up capital and comments relating to Private Limited Company about maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 4 (Four) times on 17.05.2010, 24.07.2010, 23.10.2010 and on 29.01.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book Maintained for the purpose.
5. The Company has closed its Register of Members from Tuesday, 20.07.2010 to Saturday, 24.07.2010 (both days inclusive) for the purpose of Annual General Meeting and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2010 was held on 24.07.2010 after giving due notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in the Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i. The Company has delivered the certificates on lodgment of securities for transfer/ transmission or any other purpose in accordance with the provisions of the Act, barring few cases. There was no allotment of securities during the year.
 - ii. The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii. The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year. There were no unpaid dividends in the company.
 - iv. There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - v. The Company has complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The reappointment of Managing Director and Wholetime directors, during the financial year has been made in compliance with the provisions of the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. All the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any Preference Shares/ Debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amounts borrowed by the Company during the financial year ending 31.03.2011 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened general meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. We are informed that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Parikh Parekh & Associates

Place : Mumbai
Date : 28.05.2011

Signature:
Name of Company Secretary: Shalini Bhat
(Partner)
C. P. No.: 6994

CIRCUITS LIMITED
Annexure 'A'
Statutory Registers as maintained by the Company

1. Register of Charges u/s 143 of the Act.
2. Register of Members u/s 150 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act. (In loose leaf)
4. Minutes Book of General Meetings u/s 193 of the Act. (In loose leaf)
5. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
6. Register of Contracts u/s 301 of the Act.
7. Register of Disclosure of Interest u/s 301 of the Act.
8. Register of particulars of Directors etc. u/s 303 of the Act.
9. Register of Directors' Shareholding u/s 307 of the Act.

Other Registers

1. Register of Transfers
2. Attendance Register of Board Meetings
3. Attendance Register of General Meetings

For Parikh Parekh & Associates

 Place : Mumbai
 Date : 28.05.2011

 Signature:
 Name of Company Secretary: Shalini Bhat
 (Partner)
 C. P. No.: 6994

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2011:

Sr. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
1.	Form 32	303	Re-appointment of Mr. Rajiv Doshi and Mr. Bhagwandas Doshi as Whole time Directors and Mr. Abhay Doshi as Managing Director w.e.f. 01.04.2010	27.05.2010	No	Yes
2.	Form 23	192	Re-appointment and payment of remuneration to Mr. Abhay Doshi, Managing Director	27.05.2010	No	Yes
3.	Form25C	269	Appointment of Mr. Abhay Doshi as Managing Director w.e.f. 01.04.2010	29.06.2010	Yes	N.A
4.	Form25C	269	Appointment of Mr. Bhagwandas Doshi as Whole time Director w.e.f. 01.04.2010	29.06.2010	Yes	N.A
5.	Form25C	269	Appointment of Mr. Rajiv Doshi as Whole time Director w.e.f. 01.04.2010	29.06.2010	Yes	N.A
6.	Form 23 AC and Form 23ACA alongwith Annual Report for the year ended 31.03.2010	220	Adopted at the Annual General Meeting held on 24.07.2010	12.08.2010	Yes	N.A.
7.	Form 66 Alongwith Compliance Certificate	383A	Financial year ended 31.03.2010	12.08.2010	Yes	N.A.
8.	Form 20B alongwith Annual Return made as on 24.07.2010	159	Annual General Meeting held on 24.07.2010	06.09.2010	Yes	N.A.

For Parikh Parekh & Associates

 Place : Mumbai
 Date : 28.05.2011

 Signature:
 Name of Company Secretary: Shalini Bhat
 (Partner)
 C. P. No.: 6994

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.

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 for the European markets.

The threats are on account of volatile exchange rate movements and rising input and 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. Slow growth in the global markets, 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 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 2nd 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 31st March 2011 was 165 (Previous year 153).

CIRCUITS LIMITED
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.

Cautionary Statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2011 (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 10 (Ten) including 7 (Seven) Non-Executive Directors, out of which 5 (Five) directors are independent 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 (July 24, 2010)	Number of other Director-ships	Committees (Other than Fine-Line Circuits Ltd.)	
						Member	Chairman
1	Bhagwandas T. Doshi	PD	4	Present	3	2	Nil
2	R. V. Gandhi	NI	0	Absent	4	Nil	1
3	Juzer Vasi	NI	3	Present	Nil	Nil	Nil
4	R.M Premkumar	NI	3	Present	5	Nil	1
5	U. Nimmagadda	NI	0	Absent	Nil	Nil	Nil
6	Apurva R. Shah	NI	4	Present	5	4	Nil
7	V. A. Kumbhani	NE	4	Present	Nil	Nil	Nil
8	G. B. Doshi	NE	3	Present	Nil	Nil	Nil
9	Rajiv B. Doshi	ED	3	Present	Nil	Nil	Nil
10	Abhay B. Doshi	MD	4	Present	Nil	Nil	Nil

PD = Promoter Director (Executive)

ED = Executive Director

NE = Non-Executive Director

NI = Non-Executive Independent Director

MD = Managing Director

“Excludes Directorship in Private Limited Companies, Foreign Companies, Section 25 Companies and Government Bodies and Alternate Directorships. Only Audit Committee and Shareholders’/ Investors’ Grievance Committee have been considered for the Committee position.

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:

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.

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

4 (four) Board Meetings were held during the year 2010-11. The dates on which the said meetings were held are as follows: 17-May-10, 24-July-10, 23-Oct-10 and 29-Jan-11.

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 Vijay A Kumbhani

Shri Vijay A. Kumbhani is on the Board of the Company since 1991. He is B. Tech. (Mechanical Engg.) from Indian Institute of Technology, Kharagpur and MFMM from Jammalal Bajaj Institute of Management. He has wide experience in operational activity of Plant and thorough market and technical Knowledge. In the past, he has served the Company as Technical Director and had looked after US Market. He was instrumental in setting up the internal policies and controls for the company. He is also a Committee member on the Audit Committee and Chairman of Share Transfer & Shareholder’s Grievance Committee of the Company. Other directorship / committee position: NIL

Shri V. A. Kumbhani holds 45,010 equity shares in the Company.

b) Shri Gautam B. Doshi

Shri Gautam B. Doshi has graduated with a Bachelors Degree in Electrical Engineering from the Indian Institute of Technology, Mumbai and a Master of Engineering degree in Electrical Engineering from University of California, Berkeley, USA. He joined Intel Corporation in 1988 and has held a series of increasingly senior technical position in microprocessor architecture, design. He holds 15 patents in the field of processor architecture, design and software and has been twice awarded Intel’s highest technical honor- the Intel Achievement Award. He has been instrumental in guiding the Company’s marketing efforts in the USA market.

CIRCUITS LIMITED

Other directorship / committee position: NIL

Shri Gautam B. Doshi holds 1, 75,100 equity shares in the Company

c) Shri Apurva R. Shah

Shri Apurva R. Shah, a Chartered Accountant and Cost and Works Accountant has graduated from the London School of Economics and Political Sciences with a distinction in International Accounting and Finance. He was a rank holder in the Chartered Accounting Examinations with an award for the highest distinction in Financial Accounting and in Direct Tax Laws. He is a partner at M/s. Rajendra & Company, Chartered Accountants. He is on the Board of M/s. Shantivijay Jewels Ltd., (also member on Audit Committee and Remuneration Committee), M/s. Asianstar Company Ltd., (also member on Audit Committee, Shareholders Committee and Remuneration Committee), M/s. Steelcast Ltd., (also alternate Chairman of Audit Committee and member on Remuneration Committee) and Gjewelcraft Ltd. He has over the years, developed expertise in areas such as Direct Taxation, Foreign Exchange Management Law, Financial Management and Business Restructuring and in Accounting.

Shri Apurva R. Shah does not hold any shares 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. A certificate to this effect given by Mr. Abhay B. Doshi, Managing Director of the Company is attached to this report.

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 292A 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 2010-11:

17-May-10, 24-July-10, 23-Oct-10 and 29-Jan-11.

The audit committee was reconstituted on July 25, 2009

The Composition of the Audit Committee and the details of the Meetings attended is as follows:

Sr. No.	Name of Director	Category	Committee	No. of Meeting attended
1	Apurva R. Shah	NI	Chairman	4
2	R.V. Gandhi	NI	Member	0
3	V.A. Kumbhani	NE	Member	4
4	Juzer Vasi	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 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 remuneration policy of the company is based on the need to attract the best available talent and is in line with the industry levels.

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	R.M.Premkumar	Member

The Remuneration Committee passed circular resolution on March 25, 2010 for approval of remuneration payable to Executive Chairman, Managing Director and Executive Director upon their reappointment w.e.f April 1, 2010. 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.

Details of remuneration paid to Directors:

(In Rupees)

Name of Director	Sitting Fees	Salaries & Perquisites	Performance Incentive	Total
A. Executive Directors				
Bhagwandas T. Doshi	Nil	16,81,127	Nil	16,81,127
Abhay B. Doshi	Nil	19,62,888	Nil	19,62,888
Rajiv B. Doshi	Nil	13,54,297	Nil	13,54,297
Total	Nil	49,98,312	Nil	49,98,312
B. Non-Executive Directors				
R.V. Gandhi	-	Nil	Nil	-
V.A. Kumbhani	44,000	Nil	Nil	44,000
Juzer Vasi	27,000	Nil	Nil	27,000
U. Nimmagadda	-	Nil	Nil	-
Gautam Doshi	15,000	Nil	Nil	15,000
Apurva R. Shah	32,000	Nil	Nil	32,000
R. M. Premkumar	15,000	Nil	Nil	15,000
Total	1,33,000	Nil	Nil	1,33,000

Salaries and perquisites include contribution to Provident Fund, Leave Travel Allowance, reimbursement of medical expenses, wherever applicable as per the rules of the Company. The services are terminable by either party by giving to the other 6(six) calendar month's notice in writing or by payment of a sum of equivalent remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed

- 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.

CIRCUITS LIMITED
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 (upto 24.07.2010)	Chairman, Non-Executive and Independent	0
2	V. A. Kumbhani	Member, (Chairman w.e.f. 24.07.2010)	24
3	Abhay B Doshi	Member	24
4	Rajiv B. Doshi (w.e.f. 24.07.2010)	Member	16

The Committee meets normally every fortnight and/ or at the frequency required on the exigency of the transfer volume. The Compliance Officer Mrs.Prema Radhakrishnan monitors the legal compliances.

Universal Capital Securities Pvt. Ltd, (Formerly Mondkar Computers Pvt. Ltd) the Registrar and Transfer Agents do pre-transfer scrutiny of shares. They are authorized to communicate with the transferor and transferee to redress and attend to their needs. They generate reports, update members' records and provide data to the Committee for various statutory compliances. There are no pending share transfers as on March 31, 2011.

Investors Services
Complaints received during the year:

Sr. No.	Particulars	2010-11	2009-10
1	Complaints received during the year	--	--
2	Resolved to the satisfaction of shareholders.	--	--
3	No. of pending complaints	--	--

There are no legal proceedings pending relating to transfer of shares.

The Shareholders' grievances are dealt by M/s. Universal Capital Securities Pvt. Ltd (Formerly Mondkar Computers Pvt. Ltd) and reported to the Committee regularly.

8. GENERAL BODY MEETINGS
The location and time of last three Annual General Meetings:

AGM	Year	Venue	Day & Date	Time	Special resolution, if any
20 th	2009-10	Gr. Floor, Frontside SDF – VI, Seepz – (SEZ), Andheri (E), Mumbai 400096	24-July-10	4.00 p.m.	Yes 1) Special Resolution for Re-appointment of Shri Abhay B. Doshi as Managing Director 2) Special Resolution for Re-appointment of Shri Bhagwandas T. Doshi as Whole Time Director 3) Special Resolution for Re-appointment of Shri Rajiv B. Doshi as Whole Time Director
19 th	2008-09	Gr. Floor, Backside SDF – VI, Seepz – (SEZ), Andheri (E), Mumbai 400096	12-Sep-09	11.00 a.m.	Nil
18 th	2007-08	Gr. Floor, Backside SDF – VI, Seepz – (SEZ), Andheri (E), Mumbai 400096	26-Jul-08	3.00 p.m.	Nil

No postal ballots were used for voting in last year. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

9. DISCLOSURES
(A) Related Party Transactions

The transactions with related parties as per Accounting Standard AS-18 are set out in notes to accounts in the Annual Report and were placed before the Audit Committee periodically.

(B) Risk Management

The Company has adopted a risk management policy. The Board of Directors has been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.

(C) Proceeds from Initial Public Offerings (IPO's)

The Company has not made any IPO or any other issue during the year.

(D) Management

The Management Discussion and Analysis Report forms part of this Annual Report

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.

The Company has adopted the non-mandatory requirements of clause 49 relating to remuneration committee. The company has a whistle blower policy and no employee is denied access to the Audit Committee.

(E) CEO/CFO Certification:

A certificate from the Managing Director / CFO of the company in terms of clause 49 V of the Listing agreement was placed before the Board at the Board meeting held on 28th May, 2011 to approve the audited annual accounts for the year ended 31st March 2011.

(F) Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding the compliance of conditions of corporate governance stipulated in the clause and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate from the Auditors of the Company to this effect and the same is given as an annexure to the Directors' Report.

10. MEANS OF COMMUNICATION

- Quarterly & Half yearly Results: The Company publishes its quarterly & Half-yearly financial results in the Newspapers and is regularly submitted to the Stock Exchange.
- The results are normally published in Free Press Journal & Navshakti newspapers.
- The results are displayed and available on Company's website: www.fineonlineindia.com.
- In view of the above and as cost and economy measures the quarterly results were not sent individually to the shareholders.
- There were no presentations made to the institutional investors or analysts.

11. GENERAL SHAREHOLDER INFORMATION:**I) Twenty First Annual General Meeting**

Day & Date	Time	Venue
Saturday the 30 th July, 2011	03.30 p.m.	Gr. Floor, Frontside SDF VI, Seepz-SEZ, Andheri (East), Mumbai 400096

Corporate Identification Number : L72900MH1989PLC131521

Financial Year: April to March**II) Financial Calendar (Tentative)**

- First Quarter Results : Last Week of July
- Second Quarter Results : Last Week of October
- Third Quarter Results : Last Week of January
- Annual Results : Second Week of May

CIRCUITS LIMITED

- III) Book Closure : Monday, 25th July, 2011 to Saturday, 30th July, 2011. (Both days inclusive)
- IV) Listing on Stock Exchange : Bombay Stock Exchange Ltd.
- V) Scrip Code : 517264
- VI) ISIN Code in NSDL and CDSL : INE087E01011
- VII) Stock Price Data during 2010-11 (BSE Table below gives the monthly highs and lows of the Company's shares on the Mumbai Stock Exchange (BSE))

High and Low prices of the Company's Shares on BSE with corresponding BSE sensex April'2010 to March'2011.

Months	High (Rs.)		Low (Rs.)	
	FLCL Price	BSE Sensex	FLCL Price	BSE Sensex
April 2010	20.70	18,047.86	9.25	17,276.80
May 2010	17.00	17,536.86	11.05	15,960.15
June 2010	14.20	17,919.62	10.71	16,318.39
July 2010	12.15	18,237.56	10.23	17,395.58
August 2010	11.53	18,475.27	9.96	17,819.99
September 2010	15.59	20,267.98	9.61	18,027.12
October 2010	18.55	20,854.55	14.75	19,768.96
November 2010	14.75	21,108.64	12.05	18,954.82
December 2010	13.80	20,552.03	11.20	19,074.57
January 2011	15.27	20,664.80	11.00	18,038.48
February 2011	11.98	18,690.97	10.87	17,295.62
March 2011	12.40	19,575.16	9.37	17,792.17

- VIII) Performance in comparison to Broad : This has been shown in the table based Indices given above in comparison with BSE Sensex.
- IX) Registrars & Transfer Agents (RTA) : M/s Universal Capital Securities Pvt. Ltd.
(Formerly Mondkar Computers Pvt. Ltd)
21, Shakil Niwas, Opp.Satyasaibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai 400093
Tel: 91-22 2825 7641, 91-22 2820 7203-05.
Fax: 2 820 7207 Email: info@unisec.in
- X) Share Transfer System:

All share transfers and related operations are conducted by M/s Universal Capital Securities Pvt. Ltd., (Formerly Mondkar Computers Pvt. Ltd) the Registrar and Share Transfer Agents of the Company. They are registered with SEBI. The company has constituted as Share Transfer and Shareholders Grievance Committee for redressing shareholders' and Investors' complaints.

XI) a) Distribution of Shareholding

Share Holdings of Nominal Value	Share Holders		Shares Held	
	Number	%	No.of shares	%
Upto 500	11185	96.36%	1365036	28.39%
501-1000	218	1.88%	183485	3.82%
1001-2000	83	0.72%	125377	2.61%
2001-3000	27	0.23%	70156	1.46%
3001-4000	16	0.14%	55108	1.15%
4001-5000	11	0.09%	52940	1.10%
5001-10000	18	0.16%	137616	2.86%
10000 and above	49	0.42%	2818068	58.61%
Total	11607	100.00%	4807786	100.00%

b) Categories of Shareholding as on 31st March 2011

	Category	No. of Shares Held	% Of Share holding
A	Promoter's holding		
1	Promoters		
	- Indian Promoters	10,73,242	22.32
	- Foreign Promoters	1,75,100	3.64
2	Person Acting in concert	--	--
	Sub - Total	12,48,342	25.96
B	Non-Promoters Holding		
3	Institutional Investors	--	--
A	Mutual funds & UTI	--	--
B	Bank, Financial Institutions, Insurance Companies (Central/ State Govt. Institution/ Non- Govt. Institutions)	1,96,466	4.09
C	FIIS	--	--
	Sub - Total	1,96,466	4.09
4	Others		
A	Private Corporate Bodies	2,87,045	5.97
B	Indian Public	24,89,972	51.79
C	NRIs/ OCBs	5,78,114	12.02
D	Any other shares in transit – clearing members	7,447	0.15
E	Trusts	400	0.01
	Sub - Total	33,62,978	69.95
	GRAND TOTAL	48,07,786	100.00

CIRCUITS LIMITED**XII) Dematerialisation of shares & Liquidity**

Demat Position as on 31 st March, 11	:	NSDL --	14,82,434	30.83%
	:	CDSL --	6,55,902	13.64%
Total Demat			<u>21,38,336</u>	<u>44.47%</u>

In Demat form the shares are tradable in the unit of one equity share giving maximum amount of flexibility and liquidity

XIII) Outstanding GDRs, ADRs, Warrants or any Convertible Instruments etc: Nil

XIV) Plant Location**Unit 1**

145, SDF-V, SEEPZ-SEZ
ANDHERI East, MUMBAI 400096
Tel: 91-22 2 829 0244 /45
Fax: 91-22 2 829 2554
E-mail: fineline@vsnl.com

Unit 2

HIGH TECHNOLOGY MULTILAYER UNIT
148, SDF-V, SEEPZ -SEZ,
ANDHERI (E), MUMBAI 400 096.
Tel: 91-22 42472222
Fax: 91-22 2 829 2554.
E-mail: flcindia@vsnl.com

XV) Address for Correspondence :**Registrar and Share Transfer Agents :**

M/s Universal Capital Securities Pvt. Ltd.
(Formerly known as Mondkar computers Pvt. Ltd.)
21, Shakil Niwas, Opp. Satyasaibaba Temple,
Mahakali Caves Road, Andheri (East)
Mumbai 400093
Tel: 91-22 2825 7641, 91-22 2820 7203-05.
Fax : 91-22 2 820 7207
E-mail: info@unisec.in

Registered office

Compliance Officer:
Ms. Prema Radhakrishnan
Fine-line Circuits Limited
145, SDF-V, SEEPZ-(SEZ)
ANDHERI (E), MUMBAI - 400 096
E-mail: fineline@vsnl.com

NON-MANDATORY REQUIREMENTS:**Remuneration Committee:**

The Board has already constituted a remuneration committee, the details of which are given in point 6 above.

Whistle Blower Policy

The company has a Whistle Blower Policy and no employee is denied access to the Audit Committee.

DECLARATION

As provided under clause 49 of the listing agreement with the Stock Exchange, the Board members and the senior management personnel have affirmed compliance with the code of conduct for the Board of directors and senior management for the year ended 31st March 2011.

On behalf of the Board

Place: Mumbai
Dated: 28th May, 2011

BHAGWANDAS T. DOSHI
EXECUTIVE CHAIRMAN

CERTIFICATE

To
THE MEMBERS OF
FINE LINE CIRCUITS LIMITED

We have examined the compliance of conditions of corporate governance by **FINE-LINE CIRCUITS LIMITED** for the year ended on 31st March 2011, as stipulated in clause 49 of the listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned clause of the listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DKP & Associates**
Chartered Accountants
(Firm Registration No. 126305W)

Paresh J. Ratanghayara
Partner
Membership No.: 103325

Mumbai
Dated: 28th May, 2011.

AUDITORS' REPORT**To the Members of FINE-LINE CIRCUITS LIMITED**

We have audited the attached Balance Sheet of **Fine - Line Circuits Limited** as at 31st March 2011 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 2 above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in so far as it relates to the Profit and Loss Account, of the "**Profit**" of the Company for the year ended on that date; and
 - (iii) in so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For **DKP & Associates**
Chartered Accountants
(Firm Registration No. 126305W)

Paresh J. Ratanghaya
Partner
Membership No.: 103325

Mumbai
Dated: 28th May, 2011.

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company is compiling records showing full particulars including quantitative details and situation of fixed assets and the same are currently being updated.
 - b. As explained to us, the fixed assets have been physically verified by the Management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The discrepancies noticed on physical verification of stock as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The Company has not granted any loans to the parties as listed in the register maintained under Section 301 of the Companies Act, 1956.
 - b. The Company had taken loans from three parties as listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 101,75,000/- and the closing balance outstanding in respect of all the parties is Rs. Nil.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms of the said loans were not prima facie prejudicial to the interest of the Company.
 - d. In respect of loans taken by the Company, the interest payments and the principal payments were regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating to Rs. 5,00,000 (Rupees Five Lacs Only) or more in respect of any party in the said financial year.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the arrangement made by the Company to have an internal audit done by a firm of Chartered Accountants is commensurate with the size of the Company and the nature of its business.

CIRCUITS LIMITED

8. The Central Government under Section 209 (1) (d) of the Companies Act, 1956, has prescribed the maintenance of cost accounts and records in respect of "Printed Circuit Board" manufactured by the Company. As explained to us, the Company is in the process of completing necessary records in respect of the same. Pending completion of the same, we are unable to offer any comment.
9. In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable:
 - (b) According to the information and explanations given to us, there are no disputed statutory dues pending as on 31st March, 2011.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit, or in the immediately preceding financial year.
11. Since there are no borrowings from the Financial Institutions, Banks or by way of debentures, the question of default in repayment of dues does not arise.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. Since the Company is not dealing or trading in Shares, Securities, debentures and other Investments, the Clause is not applicable.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not used funds raised on short-term basis for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **DKP & Associates**
Chartered Accountants
(Firm Registration No. 126305W)

Paresh J. Ratanghayara
Partner
Membership No.: 103325

Mumbai
Dated: 28th May, 2011.

BALANCE SHEET AS AT 31st MARCH, 2011

	SCH. NO.	AS AT 31.03.2011 RUPEES		AS AT 31.03.2010 RUPEES	
I. SOURCES OF FUNDS :					
Shareholders' Funds :					
Share Capital	1	48,264,860		48,264,860	
Reserves & Surplus	2	43,958,043	92,222,903	43,238,847	91,503,707
TOTAL			92,222,903		91,503,707
II. APPLICATION OF FUNDS					
Fixed Assets :	3				
Gross block		168,144,980		161,657,718	
Less : Accumulated Depreciation		139,088,637		135,528,250	
Net block			29,056,343		26,129,468
Capital Work-in-progress			2,572,980		-
Deferred Tax Asset			3,452,523		3,734,123
Current Assets, Loans and Advances :					
Inventories	4	54,598,866		37,262,941	
Sundry Debtors	5	22,836,755		30,650,967	
Cash & Bank Balances	6	2,568,633		4,908,663	
Loans & advances	7	9,718,308		12,085,192	
		89,722,561		84,907,763	
Less :					
Current Liabilities and Provisions :	8	32,581,504		23,267,647	
Current Liabilities		32,581,504		23,267,647	
Net Current Assets			57,141,057		61,640,116
TOTAL			92,222,903		91,503,707
NOTES ON ACCOUNTS	12				

Schedules 1 to 8 and 12 form an integral part of the Balance Sheet as at 31st March 2011

As per our Report of even date
For D K P & Associates
Chartered Accountants

Paresh J. Ratanghayara
Partner

Membership No. 103325

Place : Mumbai

Date : 28th May, 2011

For and on behalf of the Board

Bhagwandas T. Doshi
(Chairman)

Rajiv B. Doshi
(Executive Director)

Abhay B. Doshi
(Managing Director)

Place : Mumbai

Date : 28th May, 2011

CIRCUITS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCH. NO.	31 st March 2011 RUPEES		31 st March 2010 RUPEES	
I INCOME :					
Sales		240,726,188		202,947,989	
Less Custom & Excise Duty		232,722	240,493,466	232,263	202,715,726
Miscellaneous income	9		393,473		911,650
Variation in Stocks	10		831,130		1,414,609
TOTAL INCOME			241,718,069		205,041,985
II EXPENDITURE :					
Manufacturing and other Expenses	11		233,298,853		204,524,458
Depreciation			7,316,181		7,465,862
TOTAL EXPENDITURE			240,615,034		211,990,320
Profit / (Loss) before Taxes			1,103,035		(6,948,335)
Less : Provision for taxation					
Current tax		44,593		46,776	
Deferred tax		281,600	326,193	177,393	224,169
			776,842		(7,172,504)
Add : Excess (Short) provision for tax of earlier years (net)			(57,646)		53,721
Profit / (Loss) after taxes			719,196		(7,118,783)
Add : Balance brought forward from earlier year			35,365,896		42,484,679
PROFIT AVAILABLE FOR APPROPRIATION			36,085,092		35,365,896
Balance Carried to Balance Sheet			36,085,092		35,365,896
Basic and diluted earnings per share - Rs. (Nominal value per share : Rs. 10)			0.15		(1.48)
NOTES ON ACCOUNTS	12				

Schedules 9 to 11 form an integral part of the Profit and Loss Account for the year ended 31st March 2011

For and on behalf of the Board

As per our Report of even date
For D K P & Associates
 Chartered Accountants

Bhagwandas T. Doshi
 (Chairman)

Abhay B. Doshi
 (Managing Director)

Rajiv B. Doshi
 (Executive Director)

Paresh J. Ratanghayara
 Partner
 Membership No. 103325

Place : Mumbai
 Date : 28th May, 2011

Place : Mumbai
 Date : 28th May, 2011

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR APRIL 2010 TO MARCH 2011**

	2010-11	2009-10
A CASH FLOW FROM OPERATING ACTIVITIES :	Rs.	Rs.
Net profit[loss] before tax and extraordinary items	1,103,035	(6,948,335)
Adjustment for :		
Depreciation on fixed assets	7,316,181	7,465,862
Loss (gain) on sale of fixed assets (net)	355,037	(182,105)
Interest income	(225,851)	(388,888)
Sundry balances written back	-	(340,657)
Effect of exchange rate change due to revaluation	336,082	(745,160)
Debts written off / Provision for doubtful debts	204,059	4,570,876
Provision for doubtful debt written back	-	-
Operating profit before working capital changes	9,088,543	3,431,593
Adjustment for :		
Trade and other receivables	7,919,882	2,816,341
Inventories	(17,335,925)	13,913,955
Trade and other payables	8,069,955	(13,421,846)
Cash generated from operations	7,742,455	6,740,043
Taxes paid/Refund Received	2,492,827	(306,525)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	10,235,282	6,433,518
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(12,650,740)	(3,394,013)
Proceed from sale of fixed assets	266,094	342,459
Interest received	225,851	388,888
NET CASH USED IN INVESTING ACTIVITIES : (B)	(12,158,795)	(2,662,666)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Effect of exchange rate change	(416,517)	111,323
Short Term Loans taken	10,175,000	7,400,000
Short Term Loans repaid	(10,175,000)	(7,400,000)
Dividend paid	-	(1,444)
NET CASH GENERATED (USED) IN FINANCING ACTIVITIES : (C)	(416,517)	109,879
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(2,340,030)	3,880,731
Opening Balance of Cash and cash equivalents :	4,908,663	1,027,932
Closing Balance of Cash and cash equivalents :	2,568,633	4,908,663
(Figures in brackets are cash outflows)	-	-

As per our Report of even date
For D K P & Associates
Chartered Accountants

Paresh J. Ratanghayara
Partner

Membership No. 103325

Place : Mumbai

Date : 28th May, 2011

For and on behalf of the Board

Bhagwandas T. Doshi
(Chairman)

Rajiv B. Doshi
(Executive Director)

Place : Mumbai

Date : 28th May, 2011

Abhay B. Doshi
(Managing Director)

CIRCUITS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SCHEDULE 1. SHARE CAPITAL :		
Authorised :		
7,500,000 Equity Shares of Rs. 10/- each	75,000,000	75,000,000
Issued, Subscribed and Paid-up :		
4,807,786 (4,807,786) equity shares of Rs. 10/- each fully called up	48,077,860	48,077,860
	48,077,860	48,077,860
Add : Forfeited shares	187,000	187,000
(Amount originally paid up on 37,400 (37,400) Equity Shares)	48,264,860	48,264,860
Note : The Company had in the past bought back 5,84,814 equity shares of Rs. 10 each		
SCHEDULE 2. RESERVES & SURPLUS :		
Capital Reserve		
Balance as per last Balance Sheet	2,024,811	2,024,811
Capital Redemption Reserve		
Balance as per last Balance Sheet	5,848,140	5,848,140
Surplus in Profit & Loss Account	36,085,092	35,365,896
	43,958,043	43,238,847

SCHEDULE 3. FIXED ASSETS :

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	As at 01.04.2010	For the Year	Deduction	up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Plant and Machinery	150,695,767	9,425,564	4,027,081	156,094,250	127,622,402	6,311,241	3,610,450	130,323,193	25,771,057	23,073,365
Vehicles	1,694,684	1,211,491	349,844	2,556,331	1,077,926	341,837	145,344	1,274,419	1,281,912	616,758
Furniture & Fittings	1,780,810	34,022	-	1,814,832	1,333,450	93,125	-	1,426,575	388,257	447,360
Computers	3,089,930	163,411	-	3,253,341	2,789,417	160,973	-	2,950,390	302,951	300,513
Office Equipments	3,181,009	29,699	-	3,210,708	1,688,251	210,291	-	1,898,542	1,312,166	1,492,758
Intangible Assets	-									
Software	1,215,518	-	-	1,215,518	1,016,804	198,714	-	1,215,518	-	198,714
Total as at 31.03.2011	161,657,718	10,864,187	4,376,925	168,144,980	135,528,250	7,316,181	3,755,794	139,088,637	29,056,343	26,129,468
Previous Year	161,816,111	1,839,075	1,997,468	161,657,718	129,899,502	7,465,862	1,837,126	135,528,250	26,129,468	

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SCHEDULE 4. INVENTORIES :		
(As verified, valued and certified by the management)		
Raw Materials	16,308,196	8,994,892
Chemicals, Consumables, Stores & Tools	16,215,048	12,302,484
Goods in transit	9,848,063	4,569,136
Works in process	11,626,327	9,985,578
Finished Goods	601,232	1,410,851
	54,598,866	37,262,941

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SCHEDULE 5. SUNDRY DEBTORS :		
(Unsecured, considered good unless otherwise stated and subject to confirmation)		
a) Debts outstanding more than six months:-		
Considered good	58,290	832,060
Considered Doubtful	-	4,570,876
	58,290	5,402,936
Less Provision for Doubtful Debts	-	4,570,876
	58,290	832,060
b) Other Debts	22,778,465	29,818,907
	22,836,755	30,650,967
SCHEDULE 6. CASH & BANK BALANCES :		
Cash on hand	152,315	91,071
Balances with Scheduled Banks :-		
In Current Accounts #	2,225,960	4,280,825
Balances with Other Bank :-		
Union Bank of California (USA) - Current Account	190,358	536,767
	2,568,633	4,908,663
(# Includes an amount of Rs. 278800/- in Dividend Account, Previous Year Rs.278800/-)		
SCHEDULE 7. LOANS & ADVANCES :		
(Unsecured, considered good and subject to confirmation)		
Advances recoverable in cash or in kind or for value to be received	6,788,801	6,506,563
Deposits	2,402,231	2,456,287
Advance payment of tax (Net of Provisions)	527,276	3,122,342
	9,718,308	12,085,192
SCHEDULE 8. CURRENT LIABILITIES :		
Sundry creditors		
Amount due to Micro, Small and Medium Enterprises @	-	-
Other Creditors	26,915,208	19,269,695
Other liabilities	1,815,897	1,248,071
Advances from customers	169,592	55,500
Unpaid dividend #	278,800	278,800
Creditors for capital expenditure	3,402,007	2,415,581
	32,581,504	23,267,647
<p>@ The Company has not received information from the vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to the amounts unpaid as at the year end together with Interest paid / payable under this Act have not been given.</p> <p># This figure do not include any amount due and outstanding, to be credited to Investor Education and Protection Fund.</p>		

CIRCUITS LIMITED
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2011**

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SCHEDULE 9. MISCELLANEOUS INCOME :		
Other Misc. Income	167,622	-
Sundry Balances written back (Net)	-	340,657
Profit on Sale of Assets	-	182,105
Interest Income (Net)	225,851	388,888
(Tax deducted at source Rs. 7820/- Previous year Rs. 12710/-)	<u>393,473</u>	<u>911,650</u>
SCHEDULE 10. VARIATION IN STOCKS :		
Closing Stock of Finished Goods	601,232	1,410,851
Closing Work-in-process	<u>11,626,327</u>	<u>9,985,578</u>
	12,227,559	11,396,429
Opening Stock of Finished Goods	1,410,851	3,302,158
Opening Work-in-process	<u>9,985,578</u>	<u>6,679,662</u>
	<u>11,396,429</u>	<u>9,981,820</u>
	<u>831,130</u>	<u>1,414,609</u>
SCHEDULE 11. MANUFACTURING & OTHER EXPENSES :		
Raw Materials Consumed :		
Opening Stock	8,994,891	22,025,273
Purchases	<u>93,901,194</u>	<u>58,537,136</u>
	102,896,085	80,562,409
Less : Closing Stock	<u>16,308,196</u>	<u>8,994,891</u>
	86,587,889	71,567,518
Chemicals, Consumables, Stores & Tools Consumed :		
Opening Stock	12,302,484	17,715,447
Purchases	<u>57,909,324</u>	<u>39,003,944</u>
	70,211,808	56,719,391
Less : Closing Stock	<u>16,215,048</u>	<u>12,302,484</u>
	53,996,761	44,416,907
Power, Fuel & Water	20,381,604	19,490,387
Repairs & Maintenance		
Building	110,142	73,800
Plant & Machinery	2,496,941	2,601,925
Others	<u>1,090,608</u>	<u>595,118</u>
	3,697,691	3,270,843
Job Work Charges	359,044	715,859
PAYMENTS TO & PROVISIONS FOR EMPLOYEES :		
Salaries, Bonus and other allowances	34,072,781	30,113,463
Gratuity premium	1,409,946	702,874
Contribution to provident and other funds	2,149,218	2,049,043
Staff Welfare	<u>1,727,239</u>	<u>1,414,601</u>
	39,359,184	34,279,981

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
ESTABLISHMENT EXPENSES :		
Rent	2,658,368	2,660,086
Rates & Taxes	336,057	462,020
Insurance	226,004	253,572
Auditors' Remuneration :		
For Audit Fees	90,000	90,000
For Tax Audit Fees	25,000	25,000
Vehicle Expenses	542,104	586,090
Travelling & Conveyance	2,476,305	2,139,512
Legal & Professional Fees	1,449,762	1,160,544
Provision For Doubtful Debts	-	4,570,876
Bad Debts written off	4,703,243	-
Less :Provision For Doubtful Debts	(4,570,876)	-
Postage, Telephone etc.	1,603,597	1,386,731
Printing & Stationery	739,115	623,748
Directors' Sitting Fees	133,000	161,500
Security and Other Services	785,280	697,718
Sundry Expenses	1,872,826	876,439
Donations	12,500	6,001
Bank Charges	1,543,520	1,184,092
Loss on sale / discarding of Fixed Assets (Net)	<u>355,037</u>	<u>-</u>
	14,980,842	16,883,929
SELLING & DISTRIBUTION EXPENSES :		
Freight Outward	11,206,435	10,258,849
Clearing Charges on Export	634,305	450,766
Commission on Export	151,145	911,384
Compensation to Customers	1,943,953	2,278,035
	<u>13,935,838</u>	<u>13,899,034</u>
	<u>233,298,853</u>	<u>204,524,458</u>

SCHEDULE: 12 NOTES ON ACCOUNTS**1. SIGNIFICANT ACCOUNTING POLICIES:****A) General:**

The financial statements have been prepared on the historical cost convention and in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company. Accounting policies not specifically referred to otherwise are consistent with earlier years and in consonance with generally accepted accounting principles.

B) Method of Accounting:

All items of income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

C) Fixed Assets and Depreciation:

- i) Fixed Assets are stated at cost of acquisition, less accumulated depreciation. All costs including cost of financing till commencement of commercial production and including net pre-operative expenditure are capitalised.
- ii) Depreciation on fixed assets have been provided on written down value method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of assets in USA Branch, depreciation is provided on Straight Line Method, on Computers @ 20 %.

CIRCUITS LIMITED**D) Intangible Assets:**

Intangible assets are stated at cost of acquisition less accumulated depreciation. These assets are amortised over a period of two years on straight line basis.

E) Valuation of Inventories:

Raw materials, Chemicals, Consumables, Spares and Tools are valued at weighted average cost. Works in process is valued at estimated cost, based on stages of completion, or net realisable value whichever is less. Cost includes raw materials cost and related production overheads. Finished goods are valued at cost or estimated net realisable value, whichever is lower.

F) Foreign Currency Transactions:

- i) Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. All monetary items denominated in foreign currency at the end of the year are translated at the year end rates. The exchange difference arising on settlement of transaction / translation is recognised in the Profit and Loss Account.
- ii) In respect of branch, which is integral foreign operation, all the transactions are translated at the rates prevailing at the time of transactions or that approximates the actual rate as at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

G) Employees' Benefits:

- i) Short term Employees benefits are recognized as an Expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Profit & Loss Account in the year in which the Employee has rendered Services. The Expenses is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gain or losses in respect of the post employment and other long term benefits are charged to Profit & Loss Account.

H) Revenue Recognition:

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of Customs and other duties / Taxes and Returns.

I) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its receivable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

J) Taxation:

- (i) Current tax is provided after taking into consideration relief available under Income Tax Act, 1961.
 - (ii) Deferred tax is recognized on timing difference, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.
2. In the opinion of the management, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business and the provision for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.
 3. The disclosures of Employee Benefits as defined in the Accounting Standard AS-15 are given below:

Defined contribution Plan:

Contribution to defined contribution plan, recognised as expenses for the year as under:

Employers Contribution to Provident Fund Rs. 6, 98,379/- (Previous Year Rs. 7, 05,871/-)

Defined Benefit Plan:

The Employees' Gratuity fund scheme managed by a Trust is a defined benefit plan. The present value obligation is determined based on actuarial valuation. The obligation for leave encashment is recognized in the same manner as gratuity.

31.03.2011	31.03.2010
Gratuity (Funded) Through Trust	Gratuity (Funded) Through Trust

Assumptions

Discount rate	8%	8%
Salary Escalation	8%	8%

1. Present value of Defined Benefit Obligation

	Rs.	
Defined Benefit obligation at the beginning of the year	6,035,328	5,157,391
Interest Cost	482,826	412,591
Current Service cost	396,871	407,411
Benefits Paid	(201,988)	(468,751)
Actuarial (gain) / Loss on obligations	1,202,801	526,686
Defined Benefit of obligation as at end of the year	7,915,838	6,035,328

2. Reconciliation of opening and closing balances of fair value of plan assets

Fair value of plan assets at beginning of the year	7,477,550	7,265,851
Expected return on plan assets	672,552	643,814
Contributions	17,265	36,636
Benefits paid	(201,988)	(468,751)
Actuarial Gain / (Loss) on Plan assets	-	-
Fair value of plan assets at End of the year	7,965,379	7,477,550

3. Fair value of plan assets

Fair value of plan assets at beginning of the year	7,477,550	7,265,851
Actual return on plan assets	672,552	643,814
Contributions	17,265	36,636
Benefits Paid	(201,988)	(468,751)
Fair value of plan assets at end of the year	7,965,379	7,477,550
Funded Status	49,541	1,442,222

4. Actuarial Gain / (Loss) recognised

Actuarial Gain / (Loss) for the year -Obligation	(1,202,801)	(526,686)
Actuarial Gain / (Loss) for the year -Plan Assets	-	-
Total (Gain)/Loss for the year	(1,202,801)	(526,686)
Actuarial (gain)/Loss recognised in the year	(1,202,801)	(526,686)

5. Amounts recognised in the Balance Sheet

Present value of obligations as at the end of the year	7,915,838	6,035,328
Fair value of plan assets as at the end of the year	7,965,379	7,477,550
Funded status	49,541	1,442,222
Net Assets/(Liability) recognised in balance sheet	49,541	1,442,222

6. Expenses Recognised in statement of Profit and Loss Accounts

Current Service cost	396,871	407,411
Interest cost	482,826	412,591
Expected return on plan assets	672,552	643,814
Net Actuarial (gain)/Loss recognised in the year	1,202,801	526,686
Expenses recognised in statement of Profit & Loss	1,409,946	702,874

CIRCUITS LIMITED

	31.03.2011	31.03.2010
	Leave Encashment (Funded)	Leave Encashment (Funded)

Assumptions

Discount rate	8%	8%
Salary Escalation	5%	4%

1. Present value of Defined Benefit Obligation

	Rs.	
Defined Benefit obligation at the beginning of the year	875,551	562,966
Interest Cost	70,044	45,037
Current Service cost	757,560	543,683
Benefits Paid	-	-
Actuarial (gain) / Loss on obligations	(212,216)	(276,135)
Defined Benefit of obligation as at end of the year	1,490,939	875,551

2. Reconciliation of opening and closing balances of fair value of plan assets

Fair value of plan assets at beginning of the year	1,832,783	1,689,201
Expected return on plan assets	156,024	143,582
Contributions	5,585	-
Benefits paid	-	-
Actuarial Gain / (Loss) on Plan assets	8,934	-
Fair value of plan assets at End of the year	2,003,326	1,832,783

3. Fair value of plan assets

Fair value of plan assets at beginning of the year	1,832,783	1,689,201
Actual return on plan assets	164,958	143,582
Contributions	5,585	-
Benefits Paid	-	-
Fair value of plan assets at end of the year	2,003,326	1,832,783
Funded Status	512,387	957,232

4. Actuarial Gain / (Loss) recognised

Actuarial Gain / (Loss) for the year -Obligation	212,216	276,135
Actuarial Gain / (Loss) for the year -Plan Assets	8,934	-
Total Gain/(Loss) for the year	221,150	276,135
Actuarial Gain/(Loss) recognised in the year	221,150	276,135

5. Amounts recognised in the Balance Sheet

Present value of obligations as at the end of the year	1,490,939	875,551
Fair value of plan assets as at the end of the year	2,003,326	1,832,783
Funded status	512,387	957,232
Net Assets/(Liability) recognised in balance sheet	512,387	957,232

6. Expenses Recognised in statement of Profit and Loss Accounts

Current Service cost	757,560	543,683
Interest cost	70,044	45,037
Expected return on plan assets	156,024	143,582
Net Actuarial (gain)/Loss recognised in the year	(221,150)	(276,135)
Expenses recognised in statement of Profit & Loss	450,430	169,003

4. **Contingent Liabilities:**

	For the Year	
	2010 - 2011 Rs.	2009 - 2010 Rs.
a. Bonds issued in favour of the President of India in respect of customs duty on import of machinery & raw materials.	220,582,000	220,582,000
b. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	22,67,758	NIL

5. The net amount of foreign exchange difference Credited to Profit and Loss Account Rs 50,92,543/- (Previous year Rs. 630,188/- Debit).

6. Balance with other bank: Union Bank of California (USA), Maximum balance at any time during the year Rs. 90,66,222/- (Previous year Rs. 91,06,149/-)

7. **Managerial Remuneration: Break-up of Managerial Remuneration (excluding premium paid for Gratuity):**

	For the Year	
	2010 - 2011 Rs.	2009 - 2010 Rs.
a. Salary and Allowances	4,521,684	4,522,884
b. Contribution to Provident fund and other funds	291,465	260,521
c. Value of perquisites	185,163	216,407
Total	4,998,312	4,999,812

8. **Computation of net profit in accordance with section 198 read with Section 309(5) of the Companies Act, 1956:**

	2010-11	2009-10
Profit / (Loss) before tax	1,103,035	(6,948,335)
Add : Depreciation as per accounts	7,316,181	7,465,862
Add : Loss (Gain) on sale of Fixed Assets	355,037	(182,105)
Add : Directors Sitting fees	133,000	161,500
Managerial Remuneration	4,998,312	4,999,812
	13,905,565	5,496,734
Less : Depreciation as per Section 350 of Companies Act, 1956	7,316,181	7,465,862
Net Profit / (Loss) for the year	6,589,384	(1,969,128)
Salaries, Perquisites and Commission @ 10%	658,938	0
Minimum remuneration amounting to Rs.4,998,312 (Previous year Rs. 4,999,812/-) is paid as per provision of Schedule XIII Section II, Part A, of the Companies Act, 1956 since profit is inadequate		

9. **Related Party Disclosures: (As certified by the management)**

A. Key Management Personnel:

A - Key Management Personnel	Relationship
1. Shri. B. T. Doshi	Executive Chairman
2. Shri. A. B. Doshi	Managing Director
3. Shri. R. B. Doshi	Executive Director
B - Parties where control exists	Kapurwala Properties P. Limited

CIRCUITS LIMITED

b. Transactions with the above parties:

Name of Related Party	Nature of Transaction	For the Year	
		2010 - 2011	2009 - 2010
		Rs.	Rs.
A - Key Management Personnel			
1. Shri B. T. Doshi	Remuneration	1,681,127	1,707,096
	Loan taken	1,700,000	1,700,000
	Loan Repaid	1,700,000	1,700,000
	Interest Paid	0	0
2. Shri A. B. Doshi	Remuneration	1,962,888	1,961,414
	Loan taken	900,000	1,000,000
	Loan repaid	900,000	1,000,000
3. Shri R. B. Doshi	Remuneration	1,354,297	1,331,302
B - Parties where control exists			
Kapurwala Properties P. Ltd.			
	Loan taken	7,575,000	4,700,000
	Loan Repaid	7,575,000	4,700,000
	Interest on Loan	388,915	337,092

10. The break - up of deferred tax assets is as under:

Nature of timing difference	Deferred Tax Assets as on 31st March 2011	Deferred Tax Assets as on 31st March 2010
	Rs.	Rs.
A - Deferred Tax Assets		
1. Related to Fixed Assets	3,452,523	3,734,123
Total	3,452,523	3,734,123
Deferred Tax assets	3,452,523	3,734,123

11. Earning Per Share:

	Unit	As at 31.03.2011	As at 31.03.2010
Net Profit / (Loss) attributable to equity shareholders	Rs.	7,19,196	(7,118,783)
Weighted average number of equity shares outstanding during the year	Nos.	4,807,786	4,807,786
Nominal Value of share	Rs.	10	10
Basic and diluted earning per share	Rs.	0.15	(1.48)

Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956.

12. CAPACITY: (As certified by the management)

Unit	Licensed Capacity		Installed Capacity		Actual Production	
	2010 - 2011	2009 - 2010	2010 - 2011	2009 - 2010	2010 - 2011	2009 - 2010
Sqm.	N/A	N/A	31,000	31,000	22,520	18,495

13. The Ministry of Corporate Affairs, Government of India vide its General Notification No. S. O. 301 (E) dated 8th February, 2011 issued under Section 211 (3) of the Companies Act, 1956, has exempted certain classes of Companies from disclosing certain information in their Profit & Loss Account. The Company, being an 'Export Oriented Company' is entitled to the exemption. Accordingly, disclosure mandated by paragraphs 3 (i) (a), 3 (ii) (a), 3 (ii) (b) and 3 (ii) (d) of part II, Schedule VI to the Companies Act, 1956 have not been provided.

14. SEGMENT INFORMATION :

The Company has only single primary segment viz :- “**Printed Circuit Board**”. The Company has only one major secondary segment viz : Exports out of India. Hence, no additional information as required by Accounting Standard 17 is given.

15. a) Value of Imported & Indigenous Raw Materials Consumed

For the Year Ended 31st March	2011		2010	
	Rs.	%	Rs.	%
Imports	84,899,085	98.05%	69,681,282	97.36%
Indigenous	1,688,804	1.95%	1,886,236	2.64%
Total	86,587,889	100.00%	71,567,518	100.00%

b) Value of Imported & Indigenous Chemicals, Stores, Components and Spares Consumed :

For the Year Ended 31st March	2011		2010	
	Rs.	%	Rs.	%
Imports	24,841,641	46.01%	19,323,266	43.50%
Indigenous	29,155,120	53.99%	25,093,641	56.50%
Total	53,996,761	100.00%	44,416,907	100.00%

16. (a) Value of Imports on C.I.F. Basis :

For the Year Ended 31 st March	2011 (Rs.)	2010 (Rs.)
Raw Materials	93,160,403	56,647,450
Consumables & Spare Parts	26,848,449	14,546,257
Capital Goods	3,523,141	1,839,074

b. Expenditure in Foreign Currency:

For the Year Ended 31 st March	2011 (Rs.)	2010 (Rs.)
Foreign Travel	4,60,834	5,43,902
Foreign Branch Expenses	22,29,569	29,23,257

c. Earning in Foreign Exchange

For the Year Ended 31 st March	2011 (Rs.)	2010 (Rs.)
FOB Value of Exports	20,84,89,128	18,60,00,638

17. A sum of Rs. 20,561/- Net Debit [Previous year Rs. 6,354/- Net Credit] is included in establishment expenses representing net prior period item.

18. Foreign currency exposure that are not hedged by derivative instruments or forward contracts as at 31st March, 2011 amount to Rs. 4,42,91,929/- (Previous Year Rs. 4,86,31,959/-)

19. Previous year's figures have been regrouped / rearranged / recast wherever necessary.

Signature to schedules 1 to 12

As per our Report of even date
For D K P & Associates
 Chartered Accountants

Bhagwandas T. Doshi
 (Chairman)

Abhay B. Doshi
 (Managing Director)

Rajiv B. Doshi
 (Executive Director)

Paresh J. Ratanghayara
 Partner

Membership No. 103325

Place : Mumbai

Date : 28th May, 2011

Place : Mumbai

Date : 28th May, 2011

CIRCUITS LIMITED

Additional information pursuant to part IV of the schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile
I Registration Details :

Registration No	L72900MH1989PLC131521	State Code	11
Balance Sheet Date	31st March, 2011		

II Capital raised during the year

Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placement	Nil

III Position of Mobilisation and Deployment of Funds : (Amount in Rs.)

Total Liabilities	92,222,903	Total Assets	92,222,903
Paid up Capital	48,264,860	Reserves & Surplus	43,958,043
Secured Loans	Nil	Unsecured Loans	Nil
Deferred Tax Liabilities (Net)	Nil		

Application of Funds

Net Fixed Assets (Including CWIP)	31,629,323	Investments	Nil
Net Current Assets	57,141,057	Misc. Expenditure	Nil
Deferred Tax Assets (net)	3,452,523		

IV Performance of company

Turnover (Gross Revenue)	240,886,939	Total Expenditure	239,783,904
Profit/(Loss) Before Tax	1,103,035	Profit/(Loss) After Tax	719,196
Earning per Share	0.15	Dividend Rate	Nil

V Generic name of principal Product of the company

Product Description	Item Code No.	ITC Code
Printed Circuit Board	8534.00.20	Rigid Glass Epoxy Multi layer PCB
	8534.00.40	Rigid Glass Epoxy Double Side PCB
	8534.00.70	Rigid CEM PCB
	8534.00.80	Rigid Flex PCB
	8534.00.85	Ceramic base PCB
	8534.00.95	Backplane PCB
	8534.00.95	Impedance Controlled PCB
	8534.00.95	Metalic Heatsink PCB
	8534.00.95	Blind & Buried Vias PCB

For and on behalf of the Board

Bhagwandas T. Doshi
 (Chairman)

Abhay B. Doshi
 (Managing Director)

Rajiv B. Doshi
 (Executive Director)

 Place : Mumbai
 Date : 28th May, 2011

SEEPZ - SEZ is a Restricted Zone requiring prior permission for entry. The Shareholders / Proxies are requested to fax the form (mentioned below) to 022-28292554 or post to the attention of Accounts Department so as to reach latest by Thursday, July 28, 2011 to enable the Company take the individual permission for Entry to Seepz (SEZ).

ATTENDANCE SLIP

FINE-LINE CIRCUITS LIMITED

Regd. Office: 145, SDF V, Seepz (SEZ), Andheri (E), Mumbai - 400 096

[Please present the slip at the Company Counter outside Seepz gate on AGM date]

DP Id*	
--------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

No. of Share(s) Held	
----------------------	--

Name and Address of the Shareholder

.....

I / We hereby record my / our presence at the **Twenty-first Annual General Meeting** of Fine-Line Circuits Limited held at frontside SDF - VI, Seepz - SEZ, Andheri (E), Mumbai - 400 096 on Saturday, 30th July, 2011 at 3.30 p.m.

Signature of the Member / Proxy (to be signed at the time of handing over at the Meeting Hall).

* For Member holding shares in Electronic Form

.....TEAR HERE.....

PROXY FORM

FINE-LINE CIRCUITS LIMITED

Regd. Office: 145, SDF V, Seepz (SEZ), Andheri (E), Mumbai - 400 096

DP Id*	
--------	--

Regd. Folio No.	
-----------------	--

Client Id*	
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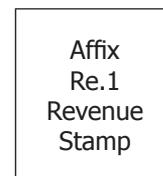
No. of Share(s) Held	
----------------------	--

I / We being a member of Fine-Line Circuits Limited hereby appoint of or failing him of as

my / our proxy to attend and vote for me / us and on my / our behalf at the **Twenty- first Annual General Meeting** of the Company to be held on Saturday, the 30th July, 2011 at 3.30 p.m. or at any adjournment thereof.

As witness my / our hand(s) this _____ day of _____ 2011

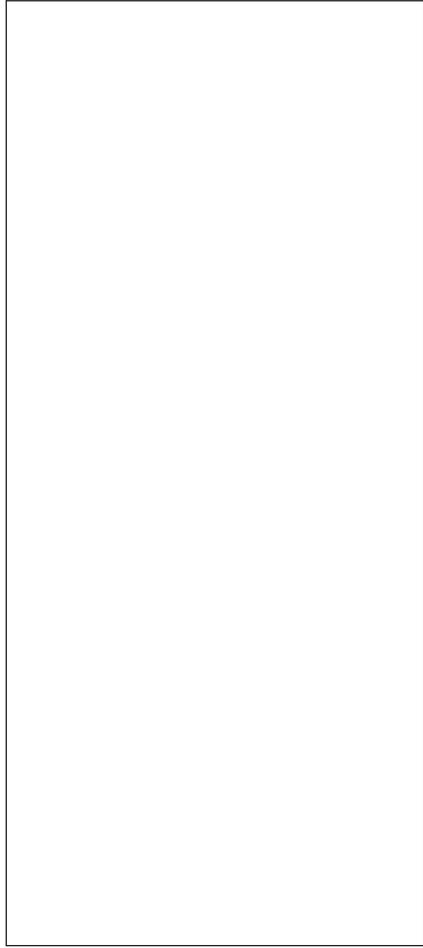
NOTE : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.



Signature

* For member holding shares in Electronic Form

BOOK POST



If undelivered, please return to :
FINE-LINE CIRCUITS LIMITED
145, SDF - V, Seepz (SEZ),
Andheri (E), Mumbai - 400 096.