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AGM	/		SHI	/
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## 4th ANNUAL REPORT

1996 -97



For Interfit Techno Products Ltd

*Deethullumay*  
Company Secretary.

**INTERFIT TECHNO PRODUCTS LIMITED**

**COIMBATORE**

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INTERFIT TECHNO PRODUCTS LIMITED

### **Board of Directors**

Mr. T. Dulip Singh, Chairman  
Mr. K.Ramanujam, Whole Time Director  
Mr. A.V.Palaniswamy  
Mrs. Kumudha Palaniswamy  
Mr. Clifton De Silva  
Mr. Raymond H Jensen  
Mr. Shen Ming Show  
Mr. M.Loganathan

### **Company Secretary**

Mr. S. Senthil Kumar

### **Bankers**

INDIANBANK  
31, Variety Hall Road  
COIMBATORE - 641 001

BANK OF INDIA  
324, Oppanakara street  
Coimbatore - 641 001

### **Auditors**

KRISHAAN & CO  
MADRAS - 600 006

### **Registered Office & Works:**

S.F.No.112 Madhapur Road  
Kaniyur Village  
Palladam Taluk  
Karumathampatti Via 641 659  
COIMBATORE District

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INTERFIT TECHNO PRODUCTS LIMITED

## INTERFIT TECHNO PRODUCTS LIMITED

NOTICE OF ANNUAL GENERAL MEETING  
TO THE SHAREHOLDERS

Notice is hereby given that the 4th ANNUAL GENERAL MEETING of the Company will be held at the Registered Office of the Company at SF No.112, Madhapur Road, Kaniyur Village, Via Karumathampatti - 641 659, Coimbatore District, on Monday the 29th day of September 1997 at 11.00 AM to transact the following business:

1. To receive, consider and adopt the audited statements of accounts for the year ended 31.3.1997 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. Shen Ming Show, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. Raymond H Jensen, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the current year and fix their remuneration. M/s. Krishna Co, Chartered Accountants, Madras, retire and are eligible for re-appointment.

/ By order of the Board /

Place: Coimbatore  
Date: 28.06.1997

For INTERFIT TECHNO PRODUCTS LTD.

S. Senthil Kumar  
Company Secretary

## NOTES:

- 1) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and such a Proxy need not be a member. The Proxy form duly stamped and executed should be deposited at the Registered Office of the Company at least forty eight hours before the time fixed for the commencement of the meeting.
- 2) Members/Proxies should bring the Attendance slip duly filled in, to the meeting.
- 3) Members are requested to intimate Change of Address, if any, immediately and quote the Registered Folio Number in the correspondence with the Company.
- 4) Pursuant to Clause 16 of the listing agreement with the Stock Exchanges, the Register of Members and Share Transfer Register will remain closed from 16.09.1997 to 29.09.1997 (both days inclusive) in connection with the 4th Annual General Meeting of the Company.

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INTERFIT TECHNO PRODUCTS LIMITED

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.1997.

**PROJECT DETAILS****Phase II :**

The production of Ball Valves in a commercially feasible manner was commenced only by the end of May 1996. Even though the Ball Valves has been fully developed, the Production/Operational process required certain redesigning/modifications to meet the requirements of International Market.

**FINANCIAL RESULTS :**

The operating results are given below :		(Rs. in Lakhs)	
		1996-97	1995-96
Profit before Interest and Depreciation and preliminary expenses		48.7	11.32
Less : Interest	85.05		45.38
Depreciation	44.36		27.79
preliminary expenses	5.53		.03
Net Loss		<u>86.23</u>	<u>61.88</u>

**PERFORMANCE :**

During the year under review, the Company has produced and exported Stainless Steel Pipe Fittings. The turnover during The year 1996-97 was Rs. 499/- Lakhs as against Rs. 317/- lakhs during 1995-96, an increase by 2.74 times. Further, Operating profit before interest, depreciation and preliminary expenses for the year 1996-97 stands at Rs. 48.71 lakhs as against Rs. 11.32 lakhs during 1995-96, an increase by 4.30 times

**STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT :****(I) Profitability**

Particulars	Projection 1996-97	Actuals 1996-97
(Rupees in lakhs)		
Turnover	1846.08	498.68
PBDIT	740.22	43.18
Depreciation	113.44	44.36
Interest & Tax	99.12	85.05
Net Profit / Loss	527.13	(-) 86.23



**(2) Lower Turnover & Profitability are due to the following:**

Lower Profitability was due to:

- Increase in cost of power/frequent Power interruptions
- Increase in the rate of interest on Term Loans
- Delay in completion and commissioning of the Ball Valve Line due to delay in receipt of Public Issue Funds.
- Decrease in the prices of materials in the International market.
- Redesigning of operational process to meet the requirements of International Market.

**OUTLOOK :**

The market remains very receptive and there is increase in export potential for Stainless Steel Pipe Fittings and Ball Valves. Over the last 12 months the company was engaged in redesigning several management and operational processes to cater to the needs of the global customers.

In order to make our Products acceptable to International Market, the Company has initiated/taken effective measures for obtaining the prestigious ISO 9002 Quality System Certification. The Company has recently concluded an agreement with a Japanese Company for the export of 150 tons per year of Stainless Steel Pipe Fittings.

In order to overcome the high rate of interest on the present borrowing the Company has swapped the rupee term loan by foreign currency loan

**DIRECTORS**

Sri A. Senthil Maharaj, Alternate Director for Sri. Raymond H Jensen, resigned from directorship due to his personal preoccupation with effect from 26.03.1997. Your Directors record their appreciation for the services rendered by Sri.A. Senthil Maharaj.

Sri. Shen Ming Show, Director, who retires by rotation, and being eligible, offers himself for reappointment.

Sri Raymond H Jensen, Director, who retires by rotation, and being eligible, offers himself for reappointment.

**AUDITORS :**

M/s. Krishna & Co., Chartered Accountants, Madras, Statutory Auditors, will retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**DEPOSITS :**

The Company has not accepted any deposits from the public.

**CONSERVATION OF ENERGY :**

**a) Energy Conservation measures taken :**

The Company has emphasized on the conservation of energy at the project implementation stage itself and has taken several steps in this direction. Significant areas covered and being implemented on continuous basis are:

**INTERFIT TECHNO PRODUCTS LIMITED**

- i) The melting process has been streamlined to improve Casting yield per mould.
- ii) Installed Maximum demand indicator with alarm facility for regular monitoring of maximum demand.
- iii) Unutilised steam escaping from the Boiler is being utilised for washing the castings, in the Fetting department. Usage of separate Boiler in this respect is thus avoided.
- iv) The Company has taken steps to improve Casting yield per mould.

## b) Impact of measures taken :

The adoption of energy conservation measure of the type indicated above are expected to result in saving melting energy and economy of operations, which will further reduce the production cost over the years.

## c) Power and fuel consumption :

- i) The Company has consumed 14,98,838 Units of power during the year ended 31st March 1997.
- ii) Consumption per Unit of Production:  
7507 Units per Metric Ton of Stainless Steel Pipe Fittings and ball valves produced.

**TECHNOLOGY ABSORPTION :**

The Company has not entered into any Technical Collaboration agreement and hence furnishing of particulars regarding technology absorption does not arise.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Foreign exchange earned	Rs. 47,486,903
Foreign exchange used	Rs. 8,641,802

**PARTICULARS OF EMPLOYEES :**

During the period under consideration, there was no employee drawing remuneration in excess of the limits prescribed under 217 (2A) of the Companies Act, 1956.

**ACKNOWLEDGEMENT :**

Your Directors take this opportunity to thank M/s.Indian Bank and M/s Bank of India for the support extended during the period. Your Directors also wish to thank all the suppliers, contractors, architect, employees, Government Departments/Agencies and others who participated in the implementation of the Project.

For and on behalf of the Board

Place : Coimbatore  
Date : 28.06.97

**K.RAMANUJAM**  
Whole -Time Director

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INTERFIT TECHNO PRODUCTS LIMITED

**INTERFIT TECHNO PRODUCTS LIMITED****AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of **M/s. INTERFIT TECHNO PRODUCTS LIMITED** as at 31-03-1997 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 the books
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the above books of account
  - d) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required:

**Give a true and fair view**

1. In the case of the Balance Sheet of the STATE OF AFFAIRS of the Company as on 31-03-1997.
2. In the case of the Profit and Loss Account, LOSS for the year ended on that date.

Place: COIMBATORE

Date: 28.06.97

**For KRISHAAN & CO.,**  
Chartered Accountants

**S.SYAMSUNDAR**  
Partner

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