



**INTERFIT TECHNO
PRODUCTS LIMITED**
COIMBATORE

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*7th
Annual
Report 1999-2000*



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. Raymond H Jensen
Mr. Shen Ming Show
Mr. M.Loganathan (Alternate Director to
Mr. Shen Ming Show)

BANKERS

BANK OF INDIA
Corporate Banking Branch
Chennai - 600 002

BANK OF INDIA
Main Branch
Coimbatore - 641 001

AUDITORS

KRISHAAN & CO.
Chennai - 600 006

REGD. OFFICE & WORKS :

SF No.112, Madhapur Road
Kaniyur Village
Palladam Taluk
Karumathampatti Via - 641 659
Coimbatore District


INTERFIT TECHNO PRODUCTS LIMITED
NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

NOTICE is hereby given that the 7th 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 Saturday, the 26th day of August 2000 at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March 2000 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Raymond H Jensen, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. A.V. Palaniswamy, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors for the current year and fix their remuneration. M/s. Krishnaa & Co, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

/ By order of the Board /

Place: Coimbatore
Date : 30.06.2000

For INTERFIT TECHNO PRODUCTS LTD.
K.Ramanujam
Whole-time Director

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 atleast 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 all 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 19.08.2000 to 26.08.2000 (both days inclusive) in connection with the 7th Annual General Meeting of the Company.

INTERFIT TECHNO PRODUCTS LIMITED



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2000.

FINANCIAL RESULTS :

The operating results for the year 1999-2000 are given below :

Profit before Interest and Depreciation

Less Interest

Depreciation

Preliminary Expenses written off

Add Prior period Adjustment

Net Loss for the Year

| (Rs. in Lakhs) | |
|----------------|---------|
| | 85.41 |
| 33.55 | |
| 5.25 | |
| 5.24 | |
| | 109.76 |
| | (34.35) |
| | (21.10) |

PERFORMANCE:

The Company had continued to export its products during the year under review. The sales for the year was Rs.589.06 lakhs as against Rs.735.16 lakhs during the previous year. This was mainly due to the international market scenario for stainless steel products.

In the international market, number of new players have entered the field of manufacturing and marketing stainless steel products during the past couple of years leading to undue pressure on the pricing of the products manufactured by us. On the other hand, steep increase in the cost of alloys like nickel, disproportionate increase in the price for stainless steel scrap in the Indian market compared to international market, increase in the power tariff, upward revision of freight charges, etc. have pushed up the cost of manufacturing. This had made our products uncompetitive in the international market, forcing us either to drop our prices to match the competition or to drop certain major customers/buyers who had demanded unreasonably low prices for our products.

OUTLOOK:

With the experience gained in the international market during the past three-four years in supplying products matching international quality requirements, your Directors are contemplating to enter the domestic market in a big way. Initial market response to our products has been very positive and encouraging. We are in the process of identifying already established reputed players in the related field for distributing our products in the domestic market and are confident of putting in place some firm marketing/distribution net work in a couple of months. Your Directors believe that a fair mix of both export and domestic sales will not only increase the volumes but also profitability of the Company.

In addition, the development of a range of stainless steel ball valves had been completed and we are confident that we will be able to meet the customers' requirement of this product commencing July/August this year.



INTERFIT TECHNO PRODUCTS LIMITED

NETWORTH:

The members would observe that the Company's networth had eroded by more than 50% and your Directors are taking the required steps to comply with the provisions of SICA 1985.

DIRECTORS:

Mr Raymond H Jensen, Director, who retires by rotation, and being eligible, offers himself for reappointment.
Mr A.V. Palaniswamy, Director, who retires by rotation, and being eligible, offers himself for reappointment.

AUDITORS:

M/s. Krishnaa & Co., Chartered Accountants, Chennai, Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for reappointment.

DEPOSITS:

The Company has not accepted any deposits from the public.

CONSERVATION OF ENERGY:

a) Energy Conservation measures taken:

Casting yield has been improved further resulting in power savings.

In the lost-wax process, for reclamation of wax, modifications were carried out in the process, avoiding repeated operations of re-melting, leading to considerable savings in energy.

b) Impact of measures taken:

The above measures are expected to result in considerable savings in the cost of production over the years

c) Power and fuel consumption:

i) The Company has consumed 19,87,746 Units of power during the year ended 31.3.2000.

ii) Consumption per Unit of Production:

7124 Units consumed per MT of Castings required for Stainless Steel Pipe Fittings.

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. 50,963,073.00 |
| Foreign Exchange used | Rs. 6,263,288.00 |

PARTICULARS OF EMPLOYEES:

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

INTERFIT TECHNO PRODUCTS LIMITED



INDUSTRIAL RELATIONS:

Relationship with the employees/labour was cordial during the year under review.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank M/s. Bank of India for the support extended to the Company during the year. Your Directors also wish to thank all the suppliers, employees, Government Departments/Agencies and others for their valuable contribution and assistance during the year.

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore
Date : 30.06.2000

T. DULIP SINGH
Chairman

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