







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)
Mr. M.J. Vijayaraaghavan

BANKERS

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 9th 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 17th August 2002 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March 2002 together with Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shen Ming Show 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 re-appointment.
4. To appoint Auditors for the current financial year and fix their remuneration. M/s. Krishna & Co, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT Mr. M.J. Vijayaraaghavan be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."

/ By order of the Board /

Place : Coimbatore
Date : 29.06.2001

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 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) Shareholders who desire to have conveyance for attending the meeting may contact the Secretarial Department (Phone No. 0422 - 216769) atleast 48 hours in advance to enable the company to make necessary arrangements.
- 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 13.8.2002 to 17.8.2002 (both days inclusive) in connection with the 9th Annual General Meeting of the Company.
- 5) Members are requested to intimate Change of Address, if any, immediately and quote the Registered Folio Number in the correspondence with the Company.
- 6) All communications should be addressed to: The Secretarial Department, Interfit Techno Products Limited, Administrative Office, 2 NKPM Layout, Kamaraj Road, Redfields, Coimbatore - 641 018



INTERFIT TECHNO PRODUCTS LIMITED

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT 1956

Item No. 5

Mr. M.J. Vijayaraaghavan was appointed as Additional Director of the Company with effect from 29.10.2001 and vacates his Office at this Annual general meeting pursuant to Section 260 of the Companies Act 1956 and the Articles of Association of the Company. A Notice under Section 257 of the said Act has been received from a member along with the required fees signifying his intention to propose the name of Mr. M.J. Vijayaraaghavan for appointment as a Director of the Company. Mr. M.J. Vijayaraaghavan has filed with the Company his consent to act as a Director.

The Directors recommend his appointment as a member of the Board in the interest of the Company.

None of the Directors, except Mr. Vijayaraaghavan, is in any way concerned or interested in the resolution.

SHAREHOLDER INFORMATION

A Stock Exchanges on which the Company's shares are listed :

1. **Coimbatore Stock Exchange Limited**
CSX Towers,
683-686 Trichy Road,
Coimbatore - 641 005
2. **The Stock Exchange,**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
3. **Madras Stock Exchange Limited,**
Exchange Bldg., Post Box No. 183,
No. 11, Second Line Beach,
Chennai - 600 001.

B Share Transfer Services :

Share Transfer Agents / Registrars for Dematerialised Form :

M/s. SKDC Consultants Ltd.
11, Seth Narayandoss Street No. 2,
West Power House Road,
Coimbatore - 641 012

For Materialised Form :

INTERFIT TECHNO PRODUCTS LIMITED

Administrative Office :
2, NKPM Layout,
Kamaraj Road, Redfields,
Coimbatore - 641 018.



INTERFIT TECHNO PRODUCTS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2002.

FINANCIAL RESULTS :

The operating results for the year 2001-2002 are given below :

Profit before Interest and Depreciation

Less Interest

Depreciation

Preliminary Expenses written off

Prior Period Income

Net Profit before Tax

Provision for Tax

Net Profit after Tax



PERFORMANCE:

The Company had continued to manufacture stainless steel pipe fittings and ball valves. In addition to exports, the company had moved its products in the domestic market and the response of the market is encouraging. The Company had posted a turnover of Rs. 1002.89 lakhs as against the previous year figure of Rs. 684.52 lakhs. The gross profit before interest and depreciation was Rs. 684.52 lakhs during the year under review as against the previous year figure of Rs.26.79 lakhs.

Despite the continued pressure on the selling prices of our products and the all-round increase in the input costs, including the cost of power, raw materials and other consumables, the improved performance was achieved by the consistent steps taken by the Company adopting various cost control measures, better work practices, and improved productivity.

OUTLOOK:

Presently, the Company has reasonable order position for export of Stainless Steel fittings and the management is taking various steps on an on-going basis to further improve the production process and productivity. Similarly the Company had successfully established production process for the value added Ball Valve line.

In addition to the exports, your Company is slowly and steadily penetrating the domestic market for its products, particularly Ball Valves. Thus, your management is confident of further improving the performance of the Company during the following year.

PREFERENTIAL ALLOTMENT OF EQUITY SHARES TO PROMOTERS :

A proposal to issue and allot 32,50,000 Equity Shares of the Company to M/s. Interfit India Limited, Promoters, is under the active consideration by your Company. As and when the proposal is approved, your Company will become a Subsidiary of Interfit India Limited from the date of allotment as the shareholdings of Interfit India Ltd. in your Company will exceed 50 % of the total paid up capital.



INTERFIT TECHNO PRODUCTS LIMITED

DIRECTORS:

Mr. Shen Ming Show, 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.
Mr. M.J. Vijayaraaghavan was appointed as Additional Director effective 29.10.2001 and he vacates his office at the ensuing Annual General Meeting. Mr. Vijayaraaghavan is a Practising Chartered Accountant for more than four decades. He is also on the Board of M/s. Shanthy Gears Limited, Coimbatore.

The Company has received notice under Section 257 of the Companies Act 1956 from a member signifying his intention to propose the name of Mr. Vijayaraaghavan as Director of the Company, liable to retire by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT :

Your Directors further report that

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures;
- (ii) the accounting policies selected by them have been applied consistently, judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at 31st March 2002 and of the Profit of the company for the year ended 31.03.2002.
- (iii) they 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;
- (iv) the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

The Company is taking necessary steps for implementation of the corporate governance in terms of the listing agreement which is required to be complied with by March 2003.

Audit Committee of the Directors had been constituted in compliance with the provisions of Section 292A of the Companies Act 1956.

AUDITORS:

M/s. Krishna & Co., Chartered Accountants, Chennai, Statutory Auditors of the Company, 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:

Adoption of better melting practices.

Shelling equipment will be modified for rack type drying. This will allow the shelling room to be reduced in size considerably and will dry the shells faster resulting in considerable reduction of power used for air conditioning of the shelling room.

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



INTERFIT TECHNO PRODUCTS LIMITED

- 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:
- The Company has consumed 21,17,484 Units of power during the year ended 31.3.2002.
 - Consumption per Unit of Production:
5,494 Units consumed per MT of Castings required for Stainless Steel Pipe Fittings & Ball Valves.

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. 7,92,43,618.00 |
| Foreign Exchange used | : | Rs. 1,28,81,316.00 |

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.

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 during the period. 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 : 29.06.2002

K. RAMANUJAM
Whole Time Director

A.V. PALANISWAMY
Director

ADDENDUM TO DIRECTORS' REPORT

We refer to Note No. 1 of Annexure to Auditors' Report dated 29.06.2002 for the year ended 31.03.2002 and state that necessary data for updating the Fixed Assets Register have since been compiled and the Fixed Assets Register will be updated shortly.

We refer to Note No. 17 of Annexure to Auditor's Report dated 29.06.2002 for the year ended 31.03.2002 and state that due to difficult cash flow conditions, the Company was not regular in remitting the ESI and PF dues within the stipulated dates.

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore
Date : 29.06.2002

K. RAMANUJAM
Whole Time Director

A.V. PALANISWAMY
Director



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s. INTERFIT TECHNO PRODUCTS LIMITED as at 31-03-2002 and also the annexed Profit and Loss Account of the Company 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. 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 hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the annexure referred to above, we report that :
 - 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 accounts as required by law have been kept by the company so far as appears from our examination of the books of the company.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the above books of accounts of the company.
 - d) In our Opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) Based on the representations made by the Directors of the company and taken on record by the Board of Directors, and the information and explanations given to us, we report that none of the Directors is, as at 31st March 2002, prima facie disqualified from being appointed as a director 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 financial statements, read together with 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 :-
 1. In the case of the Balance Sheet, of the STATE OF AFFAIRS of the company as on 31-3-2002.
 2. In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date

Place : COIMBATORE
Date : 29.06.2002

For and on behalf of
KRISHAAN & CO.,
Chartered Accountants,
V. KRISHNAN
Partner



ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT TO THE SHAREHOLDERS ON
THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Fixed Assets Register needs to be updated. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, Stores & Spare parts and raw materials have been physically verified by the management at reasonable intervals
4. The procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to the book records were not material in relation to the size of the company and nature of the business and have been properly dealt with in the books of accounts.
6. On the basis of our examination of stock records we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of Section 370 are no longer applicable to a company since 31st October 1998.
8. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of Section 370 are no longer applicable to a company since 31st October 1998.
9. The parties including employees to whom loans and advances in the nature of loans have been given by the company are repaying the principal amount and interest wherever applicable as stipulated.
10. 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 for the purchase of stores, raw materials, including components, plant and machinery, equipment and other Assets and for the sale of goods.
11. According to the information and explanations given to us, in respect of the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party, we state that they have