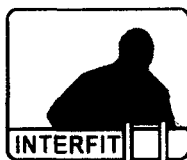


SALES & MARKETING INDIA



**INTERFIT TECHNO  
PRODUCTS LIMITED**  
COIMBATORE

report  junction.com

*11<sup>th</sup> Annual  
Report*  
2003 / 2004



## INTERFIT TECHNO PRODUCTS LIMITED

### BOARD OF DIRECTORS

Mr. T. Dulip Singh, Chairman  
Mr. K. Ramanujam, Whole Time Director  
Mr. A.V. Palaniswamy  
Mr. Raymond H Jensen  
Mr. Shen Ming Show  
Mr. M.J. Vijayaraaghavan  
Mr. M. Loganathan (Alternate Director to  
Mr. Shen Ming Show)

### BANKERS

BANK OF INDIA  
Main Branch  
324, Oppanakara Street  
Coimbatore - 641 001

### AUDITORS

KRISHAAN & CO.  
10, 'C' Wing, 6th Floor, Parsn Manere,  
602, Anna Salai, Chennai - 600 006

### REGD. OFFICE & WORKS

SF No.112, Madhapur Road  
Kaniyur Village, Paliadam Taluk  
Karumathampatti Via - 641 659  
Coimbatore District  
Ph : 0421-2333315 / 2332563

### SHARE TRANSFER AGENTS

SKDC Consultants Ltd.,  
11, Seth Narayandass Layout,  
Street No. 1, West Power House Road,  
Coimbatore - 641 012  
Ph : 0422-2499856



## NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

NOTICE is hereby given that the 11th 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 Tuesday, the 31st August 2004 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 2004 together with Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A.V. Palaniswamy who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shen Ming Show, 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.

### 5. SPECIAL BUSINESS

To consider and pass, with or without modification, the following resolution as special resolution:

"RESOLVED that subject to the approval of the shareholders in a general meeting and subject to the provisions of sections 269, 198, 309 and other applicable provisions of the Companies Act 1956 read with Schedule XIII thereto, Sri. K.Ramanujam, be and is hereby appointed Whole Time Director of the Company, without any remuneration, with effect from 1.04.2004 for a period of five years, whose period of office shall not be subject to retirement of Directors by rotation during his tenure of office as Whole Time Director".

/ By order of the Board /

Place : Coimbatore

Date : 30.06.2004

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) Pursuant to Clause 16 of the listing agreement with the Stock Exchanges, the Register of Members and Share Transfer Register will remain closed from 25.08.2004 to 31.08.2004 (both days inclusive) in connection with the 11th Annual General Meeting of the Company



- 4) Members are requested to intimate Change of Address, if any, immediately and quote the Registered Folio Number in the correspondence with the Company.
- 5) All communications should be addressed to: The Secretarial Department, INTERFIT TECHNO PRODUCTS LIMITED, Registered Office : SF No 112, Madhapur Road, Kaniyur Village, Palladam Taluk, Karumathampatti (Via) - 641 659, Coimbatore District.

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

### **Agenda 5 :**

The members are aware that Mr. K.Ramanujam was appointed as Whole Time Director for a period of five years , whose period of office expired on 31.03.2004 . At their meeting held on 30.06.2004, the board of Directors have resolved to reappoint him for a further period of five years from 1.04.2004, without any remuneration.

Mr. K.Ramanujam is a qualified Chartered Accountant and has vast experience in project management , finance and accounts. He was associated with the group for more than two decades .

Excepting Mr.K.Ramanujam none of the Directors is in any way interested or concerned in the above resolution. Your Directors recommend approval of the above 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, Fort,  
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 Physical and Demat Segments :

**M/s. SKDC Consultants Ltd.**  
11, Seth Narayandoss Layout,  
Street No. 1, West Power House Road,  
Coimbatore - 641 012



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2004.

### FINANCIAL RESULTS :

The operating results for the year 2003-2004 are given below :

Profit before Interest and Depreciation  
& Other adjustments

Less Interest

Depreciation

Preliminary Expenses written off

Prior Period Expenses

Net Loss before Tax

Provision for Tax

Net Loss after Tax

(Rs. in Lakhs)	
	(44.89)
77.28	
68.77	
2.76	
0.05	
	148.85
	193.74
	5.50
	199.24

### PERFORMANCE:

During the year under review the Company had continued to manufacture Stainless Steel Pipe Fittings & Stainless Steel Ball Valves. The Company has been predominantly exporting its products in addition to catering to the domestic market.

During the year the market for the major rawmaterials like Stainless steel scrap, Nickel, Ferro molybdenum and other alloys had been highly volatile and the prices had gone up by nearly 100 % in the case of scrap. However we are not able to pass on the increase in input cost to our buyers, due to severe competition. However, your Company could convince the buyers for accepting price increase during the last quarter of the year.

The Company has posted a turnover of Rs 643.02 Lakhs as against Rs 874.37 Lakhs in the previous year. The gross profit / ( Loss ) before interest & depreciation was Rs (44.89 ) lakhs during the year under review as against Rs 53.45 lakhs in the previous year.

### DIRECTORS:

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

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

Mr. K.Ramanujam was appointed as Whole Time Director for a period of five years, whose period of office expired on 31.03.2004 . At their meeting held on 30.06.2004, the board of Directors have resolved to reappoint him for a further period of five years from 1.04.2004, without any remuneration.



Mr. K.Ramanujam is a qualified Chartered Accountant and has vast experience in project management , finance and accounts. He was associated with the group for more than two decades .

#### **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 2004 , Loss of the company and the cash flow statement for the year ended 31.03.2004 .
- (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 :**

##### **Company's Philosophy on Code of Corporate Governance:**

Company's policies recognize the importance of Corporate Governance and to demonstrate that the Company's customers and the shareholders are the ultimate beneficiaries of the Company's business profile.

In order to attain the above, your Company constantly endeavours for a system to develop, manufacture and supply most efficiently products that meet the customer requirements; to comply with the requirements of quality management systems and to strive for its continuous improvement in total quality, keeping abreast of the latest technologies; to train and develop employees to foster growth and to recognize responsibilities to the environment and community.

#### **Board of Directors:**

##### **a) Composition of Board of Directors:**

Executive Directors	1
Non-Executive Promoter Directors	3
Non-Executive Independent Directors	2

There are no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.

##### **b) Attendance at Board Meetings & Last AGM & details of Membership of Directors in Board committees**

Four meetings of the Board Meetings were held during the financial year on 30.06.2003, 31.07.2003, 31.10.2003 & 31.01.2004



## INTERFIT TECHNO PRODUCTS LIMITED

Attendance of Directors at the Board Meeting held during the period and last AGM are :

Sl. No.	Name of the Directors	No. of Board Meetings Attended	Last AGM Present/absent
01.	Mr. T Dulip Singh	4	Present
02.	Mr. A.V. Palaniswamy	3	Present
03.	Mr. K Ramanujam	4	Present
04.	Mr. M Loganathan (Alternate Director to Mr. Shen Ming Show)	3	Present
05.	Mr. Raymond H Jensen	NIL	Absent
06.	Mr. Shen Ming Show	NIL	Absent
07.	Mr. M J Vijayaraaghavan	2	Present

### WHOLE TIME DIRECTOR:

Mr. K.Ramanujam was appointed as Whole Time Director for a period of five years, whose period of office expired on 31.03.2004 . At their meeting held on 30.06.2004, the board of Directors have resolved to reappoint him for a further period of five years from 1.04.2004, without any remuneration.

Mr. K.Ramanujam is a qualified Chartered Accountant and has vast experience in project management , finance and accounts. He was associated with the group for more than two decades .

### AUDIT COMMITTEE :

Audit Committee of the Directors had been constituted in compliance with the provisions of Section 292A of the Companies Act 1956. The committee met 3 times during the period on the following dates : 30.06.2003, 31.10.2003 & 27.01.2004.

The main objective of Audit Committee is to monitor and provide effective supervision of the financial reporting process with a view to ensure accurate, timely and proper financial disclosures as required by the management and legislation.

The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements. The Audit Committee reviews the financial statements before submission to the Board, the internal audit function, internal controls and other related matters.

Composition and attendance of Members at the Audit Committee held during the period

Sl. No.	Name of the Members	No of meetings held During the period 2003-2004	No. of meeting attended
01.	Mr. A.V. Palaniswamy	3	3
02.	Mr. M Loganathan	3	3
03.	Mr. M J Vijayaraaghavan	3	3



### SHARE TRANSFER COMMITTEE :

The Share Transfer Committee also functions as Investors Grievances Redressal Committee. The Board had delegated to the Share Transfer Committee to authorise transfers/transmissions, issue of duplicate share certificates and transposition of names of shareholders.

The Company has appointed M/s. SKDC Consultants Ltd, Coimbatore as Share Transfer Agent. Transfer/transmissions, issue of duplicate certificates etc as well as requests for dematerialisation are approved/confirmed, as the case may be, within the prescribed period through the above Share Transfer Agent. No valid transfer request remained pending for transfer to the transferees as on 31.03.2004.

The Committee monitors the redressal of the Investors Grievances. The management provided top priority for grievances and all the communication received from shareholders were satisfactorily complied with, within the stipulated time.

Compliance Officer: Mr. B. Murugesan was appointed as Compliance Officer. The Share Transfer Committee met 18 times during the period financial year 2003-2004 for the above purpose.

### GENERAL BODY MEETING :

Location and time for the last three Annual General Meetings held :

<i>Financial Year</i>	<i>Venue</i>	<i>Date</i>	<i>Time</i>
2000-2001	Registered Office of the Company SF No.112, Mathapur Road Kaniyur Village, Karumathampatti Via Coimbatore - 641 659	01.09.2001	3.00 PM
2001-2002		17.08.2002	3.00 PM
2002-2003		23.08.2003	3.30 PM

For the forthcoming Annual General Meeting, there is no business/resolution that requires voting through postal ballot as per the new rule 4 of Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

### DISCLOSURES :

There are no materially significant related party transactions with the Company's Promoters, Directors, the Managements, the Subsidiaries or Relatives which may have potential conflict with the interest of the Company at large.

There are no instances of non-compliance by the Company on any matters related to capital markets, nor have any penalty/strictures been imposed on the Company by any authority on any matter relating to capital markets during the last three years.

### MEANS OF COMMUNICATION

Financial results, quarterly/half yearly results, are published within the stipulated period in English and vernacular newspapers. The Company from time to time presents all the relevant information as required by the legislation within the prescribed time.

### GENERAL SHAREHOLDER INFORMATION

- The 11th Annual General Meeting of the Members of the Company will be held on Tuesday the 31st August, 2004 at 3.30 PM at the Registered Office of the Company , SF No.112, Mathapur Road, Kaniyur Village, Karumathampatti Via, Coimbatore 641 659.



## INTERFIT TECHNO PRODUCTS LIMITED



- b) Normal Financial Year : 1st April to 31st March
- c) Dates of Book Closure : 25.08.2004 to 31.08.2004.
- d) The Company's shares are listed in (i) Coimbatore Stock Exchange Ltd (ii) Madras Stock Exchange Ltd., (iii) The Stock Exchange, Mumbai
- e) Market Price Data : Due to very few transactions in the Company's scrips, this information is not presented.
- f) Share Transfer Agents : M/s. SKDC Consultants Ltd, Coimbatore  
Share Transfer System : All shares have been transferred and returned within 30 days from the date of lodgement, provided the necessary documents were in order.
- g) Dematerialisation of Shares : Trading in the Company's shares in dematerialised form has been made compulsory. The Company entered into an agreement with the Depositories NSDL and CDSL for dematerialised form of shares and the Company provides option to members for dematerialisation. All requests for dematerialisation of shares are processed and confirmed through the Electronic Agent and the concerned depository.

## DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2004

	No of Shares	%
<b>A. PROMOTERS HOLDINGS</b>		
1. Promoters		
Indian Promoters	50,72,780	60.97
Foreign Promoters	4,80,062	5.77
2. Person acting in Concert	NIL	NIL
<b>Sub Total</b>	<b>55,52,842</b>	<b>66.74</b>

## B NON-PROMOTERS

<b>3. Institutional Investors</b>		
a) Mutual Funds & UTI	500	0.01
b) Bank, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	100	0.00
c) FIIs	NIL	NIL
<b>Sub Total</b>	<b>600</b>	<b>0.01</b>
<b>4. Others</b>		
a) Private Corporate Bodies	5,07,711	6.10
b) Indian Public	18,49,529	22.23
c) NRI-NRE/NRI-NRO/OCBs	4,09,318	4.92
d) Any other	NIL	NIL
<b>sub Total</b>	<b>27,66,558</b>	<b>33.25</b>
<b>Grand Total</b>	<b>83,20,000</b>	<b>100.00</b>


**INTERFIT TECHNO PRODUCTS LIMITED**
**INVESTORS HELP DESK**

Share transfer and all other investor related activities are attended to and processed at the Company's Registered Office and at the Office of the Share Transfer Agent, as necessary.

For lodgement of transfer deeds and any other documents or for any grievances/ complaints, kindly contact at the following address :

(a) M/s. SKDC Consultants Ltd.,  
11, Seth Narayanadoss Layout  
Street No. 1, West Power House Road  
Coimbatore - 641 012

(b) The Compliance Officer  
INTERFIT TECHNO PRODUCTS LIMITED  
SF No. 112, Madhapur Road  
Kaniyur Village, Palladam Taluk  
Karumathampatti Via - 641 659  
Coimbatore District

**INVESTOR EDUCATION AND PROTECTION FUND**

No amount is required to be transferred to Investor Education and Protection Fund.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**TRENDS & DEVELOPMENT :**

*Though the company could manage the severe competition, due to high volatility of market for inputs like stainless steel scrap, ferro moly, nickel and other alloys, the Company registered lower than expected sales performance.*

Introduction of ball valves & Fittings to the domestic market has been successful and acceptance level has increased substantially. We hope to double our domestic sale of Ball Valves and Fittings in the coming year.

Steps are being taken to relocate some of the operations to a different location in order to improve productivity and to save on cost of production. Your Director are also in the process of assessing the viability of introducing alternate product lines to augment the sales turnover.

**AUDITORS:**

M/s. Krishaan & 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 and
- (b) Impact of measures taken

The Company had been taking necessary energy conservation measures on an ongoing basis and to reduce cost of energy consumed.