



**INTERFIT TECHNO  
PRODUCTS LIMITED**  
COIMBATORE

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*14<sup>th</sup> Annual  
Report*  
*2006 - 2007*



## INTERFIT TECHNO PRODUCTS LIMITED

### BOARD OF DIRECTORS

**Mr V. Baskar Rao**, Whole Time Director

**Late Mr. T. Dulip Singh**

(Ceased to be a director w.e.f. 19.11.06)

**Mr. A.V. Palaniswamy**

**Mr. Shen Ming Show**

**Mr. M. Loganathan**

(Alternate Director to Mr Shen Ming Show)

**Mr. R. Alagar**

### 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, Palladam Taluk

Karumathampatti Via - 641 659

Coimbatore District

Ph : 0421-2333315

### SHARE TRANSFER AGENTS

**SKDC CONSULTANTS LTD.,**

11, Seth Narayandoss Layout,

Street No. 1, West Power House Road,

Coimbatore - 641 012

Ph : 0422-6549995



## INTERFIT TECHNO PRODUCTS LIMITED

### NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

Notice is hereby given that the 14th 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 7th day of August 2007 at 9.30 AM to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March 2007 together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. Alagar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the current financial year and fix their remuneration. M/s. Krishnaa & Co., Chartered Accountants, Cherinai, retire and are eligible for re-appointment.

/ By order of the Board /

Place : Coimbatore

For INTERFIT TECHNO PRODUCTS LTD.

Date : 29.06.2007

V. Bhaskar Rao

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 1st August 2007 to 7th August 2007 (both days inclusive) in connection with the 14th 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.



## 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 Bombay 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 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 Fourteenth Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2007.

### FINANCIAL RESULTS :

The operating results for the year 2006-2007 are given below :

Profit before interest and Depreciation  
& Other adjustments

Less : Interest

Depreciation

Preliminary & Product Development

Expenses written off

& Other Adjustments

Net Loss Before Tax

Provision for Tax

Current Tax

Deferred Tax

Fringe Benefit Tax

Net Loss

| (Rs. in Lakhs) |         |
|----------------|---------|
|                | 92.06   |
| 58.42          |         |
| 36.25          |         |
|                |         |
| 10.87          |         |
|                | 105.54  |
|                | (13.48) |
| Nil            |         |
| (12.07)        |         |
| 0.12           |         |
|                | 11.95   |
|                | (1.53)  |

### PERFORMANCE:

The Company experienced almost 100% increase in Stainless Steel raw material and other alloy prices in India and an appreciation of 10% on rupee against US Dollar. Competition from China increased due to lowering of Duties in India. Further due to increase in exemption limit on excise for small scale units the Company was not able to increase the prices to desired levels. The levy of sales tax on electricity consumption effective from 2002 and increase in prices of diesel fuel resulted in increase in the process cost of production. The above facts resulted in the company not achieving the desired results in sales and margin.

### DIRECTORS:

Late Mr.T. Dulipsingh, Chairman of the company, ceased to be a Director of the Company due to his sad demise. During his tenure as Chairman of the company, he had been giving guidance on various matters of importance. Your Board would like to place on record its gratitude to him.

Mr R. Alagar, Director, who retires by rotation, and being eligible, offers himself for reappointment.



## 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 2007 and of the Loss of the of the company and the cash flow statement for the year ended 31.03.2007 .
- (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.

## DELISTING

The shares are listed in Bombay Stock Exchange and will be continued to be listed in Bombay Stock Exchange which has extensive networking and the investors have access to on line dealings with the company's securities across the country. The company's shares have not been traded in Coimbatore Stock Exchange and Madras Stock Exchange for the past few years.

Members' approval has already been obtained for Delisting the Company's equity shares from Coimbatore and Madras stock Exchanges.

## 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 endeavors 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.

Some of the Measures included:

- Composition of Board of Directors ( eg. Majority Independent Directors)
- Constitution of various Board Committees for oversight and guidance concerning key decision making process connected with the functioning of the company.
- Code of Conduct
- Timely dissemination of information to Shareholders

### Board of Directors:

Composition of Board of Directors:

|                                     |   |
|-------------------------------------|---|
| Executive Director                  | 1 |
| Non-Executive Promoter Directors    | 1 |
| Non-Executive Independent Directors | 2 |

There are no pecuniary relationships or transaction with the Non-Executive Directors vis-à-vis the Company.



## INTERFIT TECHNO PRODUCTS LIMITED

### BOARD MEETINGS :

Dates of Board Meetings are fixed in advance and agenda papers are circulated to directors seven days before the meeting.

Attendance at Board Meetings & Last AGM & details of Membership of Directors in Board committees

Six meetings of the Board Meetings were held during the financial year on 19.05.2006, 29.06.2006, 29.07.2006, 31.10.2006, 11.12.2006 & 30.01.2007

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  | 2                              | Absent                  |
| 02.     | Mr. A.V. Palaniswamy  | 6                              | Present                 |
| 03.     | Mr V. Bahskar Rao   | 5                              | Present                 |
| 04.     | Mr. Shen Ming Show  | NIL                            | Absent                  |
| 05.     | Mr. M Loganathan (Alternate Director to Mr. Shen Ming Show) | 6                              | Present                 |
| 06.     | Mr. R. Alagar   | 6                              | Present                 |

### COMMITTEES OF THE BOARD

#### (I) AUDIT COMMITTEE :

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

The terms of reference include:

- Overseeing Financial Reporting Process
- Reviewing periodic financial results, financial statements and adequacy of Internal control systems.
- Approving Internal Audit Plans and reviewing efficacy of the function.
- Discussion and review of periodic audit reports and Discussion with external Auditors about the scope of audit including the observations of Auditors.

#### COMPOSITION AND ATTENDANCE:

The committee met 4 times during the period on the following dates: 29.06.2006, 20.07.2006, 31.10.2006 & 27.01.2007.

| Sl. No. | Name of the Members  | No of meetings held During the period 2006-2007 | No. of meeting attended |
|---------|----------------------|---|-------------------------|
| 01.     | Mr. R. Alagar        | 4   | 4                       |
| 02.     | Mr. M. Loganathan    | 4   | 4                       |
| 03.     | Mr. A.V. Palaniswamy | 4   | 4                       |



## INTERFIT TECHNO PRODUCTS LIMITED

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and Chief Financial Officer are invited to attend and participate at meetings of the Committee.

### SHARE TRANSFER COMMITTEE :

The Share Transfer Committee, which also functions as Investors Grievances Redressal Committee consists of Mr. R.Alagar, Independent Director, Mr.M.Loganathan, Independent Director and Mr.A.V.Palaniswamy, Director. 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 Limited, 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 31.03.2007.

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.

Mr. V. Bhaskar Rao was appointed as compliance officer. The Share Transfer Committee met 11 times during the financial year 2006-2007 for the above purpose.

### REMUNERATION COMMITTEE:

The Company does not have a Remuneration committee. The functions of the remuneration committee are carried out by the Board by passing necessary resolutions in the Members' meeting.

### 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> |
|-----------------------|---|-------------|-------------|
| 2003-2004             | Registered Office of the Company<br>SF No.112, Mathapur Road<br>Kaniyur Village,<br>Karumathampatti Via<br>Coimbatore - 641 659 | 31.08.2004  | 3.30 PM     |
| 2004-2005             |   | 31.08.2005  | 3.00 PM     |
| 2005-2006             |   | 31.08.2006  | 9.30 AM     |

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

- The Company regularly intimates unaudited, as well as audited, financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in English and Vernacular newspapers.
- The company from time to time presents all the relevant information as required by the legislation within stipulated time.
- The Management Discussion and Analysis Report forms part of the Report of the Directors.

### GENERAL SHAREHOLDER INFORMATION

- The 14th Annual General Meeting of the Members of the Company will be held on Tuesday the 7th day of August 2007 at 9.30 AM at the Registered Office of the Company, SF No.112, Mathapur Road, Kaniyur Village, Karumathampatti Via, Coimbatore 641 659.
- Normal Financial year : 1st April to 31st March
- Dates of Book Closure : 1st August 2007 to 7th August 2007.
- The Company's shares are listed in (i) Coimbatore Stock Exchange Ltd (ii) Madras Stock Exchange (iii) The Stock Exchange, Mumbai.
- Market Price Data

| Year | Month     | Highest   | Lowest     |
|------|-----------|-----------|------------|
|      |           | Rate (Rs) | Rate (Rs.) |
| 2006 | April     | 3.62      | 3.01       |
|      | May       | 4.05      | 3.51       |
|      | June      | 3.80      | 3.62       |
|      | July      | 8.60      | 3.43       |
|      | August    | 7.00      | 4.51       |
|      | September | 5.29      | 3.53       |
|      | October   | 4.18      | 3.71       |
|      | November  | 5.00      | 4.00       |
|      | December  | 5.35      | 4.27       |
|      | 2007      | 5.35      | 4.50       |
|      | January   | 5.35      | 4.50       |
|      | February  | 5.90      | 4.07       |
|      | March     | 4.88      | 3.11       |

- Share Transfer Agents : M/s. SKDC Consultants Limited, 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.
- 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 31.03.2007

|  | No of Shares     | %             |
|--|------------------|---------------|
| <b>A. PROMOTERS HOLDINGS</b>   |                  |               |
| <b>1. Promoters</b>  |                  |               |
| Indian Promoters   | 46,65,710        | 56.08         |
| Foreign Promoters  | 8,81,272         | 10.59         |
| <b>2. Person acting in Concert</b>   | NIL              | NIL           |
| <b>Sub Total</b>   | <b>55,46,982</b> | <b>66.67</b>  |
| <b>B NON-PROMOTERS</b>   |                  |               |
| <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) | 1,800            | 0.02          |
| c) FIIs  | NIL              | NIL           |
| <b>Sub Total</b>   | <b>2,300</b>     | <b>0.03</b>   |
| <b>4. Others</b>   |                  |               |
| a) Directors & Relatives   | NIL              | NIL           |
| b) Private Corporate Bodies  | 5,30,879         | 6.38          |
| c) Indian Public   | 20,37,410        | 24.49         |
| d) NRI-NRE/NRI-NRO/OCBs  | 1,65,128         | 1.98          |
| e) Any other (HUF)   | 37,301           | 0.45          |
| <b>sub Total</b>   | <b>27,70,718</b> | <b>33.30</b>  |
| <b>Grand Total</b>   | <b>83,20,000</b> | <b>100.00</b> |

## Note

|                       |           |       |
|-----------------------|-----------|-------|
| Total Foreign Holding | 10,46,400 | 12.57 |
| GDR & ADR Holdings    | Nil       | Nil   |

## 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.