



INTERFIT TECHNO PRODUCTS LIMITED

COIMBATORE

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*15th Annual
Report*
2007 - 2008



INTERFIT TECHNO PRODUCTS LIMITED

BOARD OF DIRECTORS

Mr V. Bhaskar Rao, Whole Time Director

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

SHARE TRANSFER AGENTS

SKDC CONSULTANTS LTD.,

11, Seth Narayandoss Layout,

Street No. 1, West Power House Road,

Coimbatore - 641 012

Ph : 0422-6549995



Sl. No.	Name of the Members	No of meetings held During the period 2007-2008	No. of meeting attended
01.	Mr. R. Alagar (Chairman)	4	4
02.	Mr. M. Loganathan	4	4
03.	Mr. A.V. Palaniswamy	4	4

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the 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 31.03.2008.

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 18 times during the financial year 2007-2008 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 :

Financial Year	Venue	Date	Time
2004-2005	Registered Office of the Company SF No.112, Mathapur Road Kaniyur Village, Karumathampatti Via Coimbatore - 641 659	31.08.2005	3.00 PM
2005-2006		31.08.2006	9.30 PM
2006-2007		07.08.2007	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.



NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

Notice is hereby given that the 15th 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 Wednesday the 20th day of August 2008 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 2008 together with Reports 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 Auditors for the current financial year and fix their remuneration. M/s. Krishna & Co., Chartered Accountants, Chennai, retire and are eligible for re-appointment.

/ By order of the Board /

Place : Coimbatore
Date : 30.06.2008

For INTERFIT TECHNO PRODUCTS LTD.
Sd/- 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 13th August 2008 to 20th August 2008 (both days inclusive) in connection with the 15th 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 Fifteenth Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2008.

FINANCIAL RESULTS :

The operating results for the year 2007-2008 are given below :

Profit before Interest and Depreciation
& Other adjustments
Add : Profit on Sale of Assets

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 Profit

(Rs. in Lakhs)	
43.72	
41.79	
	85.51
54.71	
27.89	
9.38	
	91.48
	(5.97)
Nil	
(7.26)	
0.06	
	(7.20)
	1.23

PERFORMANCE:

The Company has gone through another year of difficult period due to extreme volatility in Input cost of Materials, Power, Shutdowns and Interruptions. Almost 40% of Production time lost due to Power Interruptions and shutdowns. Generated power is prohibitively expensive for our production purpose.

Company has taken steps to utilize higher than required melting capacities to manufacture castings of valve bodies for other customers. Market has accepted the revised higher selling price due to price increase of similar products from China. Sales turnover for the current year is expected to increase by 50%, which will result in the company making reasonable profits. Company has developed new chemistry composition fittings and valves specially suitable for building sector plumbing system and expect the sales to be substantial in the current year. Company is taking steps to reduce exports due to currency uncertainties and increase domestic markets to reduce cost of sales and improve margin.

**DIRECTORS:**

Mr A.V. Palaniswamy, 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 2008 and of the Profit of the of the company and the cash flow statement for the year ended 31.03.2008 .
- (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



INTERFIT TECHNO PRODUCTS LIMITED

Board of Directors:

Composition of Board of Directors:

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

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

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

Seven meetings of the Board of Directors were held during the financial year on 30.04.2007, 29.06.2007, 30.07.2007, 30.10.2007, 12.11.2007, 08.12.2007 & 30.01.2008.

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. A.V. Palaniswamy	7	Absent
02.	Mr V. Bhaskar Rao	4	Present
03.	Mr. Shen Ming Show	NIL	Absent
04.	Mr. M Loganathan (Alternate Director to Mr. Shen Ming Show)	7	Absent
05.	Mr. R. Alagar	7	Present

COMMITTEES OF THE BOARD

(I) AUDIT COMMITTEE :

Composition :

The Audit Committee of the Board comprises Three Directors, namely Shri. R. Alagar, Chairman, Shri. A.V. Palaniswamy and Shri. M. Loganathan, Members. The composition of Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

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.

Attendance:

The committee met 4 times during the period on the following dates: 29.06.2007, 30.07.2007, 30.10.2007 & 30.01.2008.



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**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 15th Annual General Meeting of the Members of the Company will be held on Wednesday the 20th day of August 2008 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 : 13th August 2008 to 20th August 2008.
- The Company's shares are listed in (i) Coimbatore Stock Exchange Ltd (ii) Madras Stock Exchange (iii) The Stock Exchange, Mumbai.
- Market Price Data
Market Price data and Number of shares traded for the year 2007-08 in Mumbai Stock Exchange are as below.

Year	Month	No. of Shares	Highest	Lowest
		Traded	Rate (Rs)	Rate (Rs.)
2007	April	4,758	5.00	2.47
	May	2,976	4.50	3.24
	June	20,964	4.72	3.70
	July	6,761	4.09	3.15
	August	18,676	4.00	3.30
	September	20,125	4.60	3.25
	October	6,500	4.70	4.38
	November	9,099	4.70	3.62
	December	15,386	6.74	3.62
2008	January	2,71,342	12.00	7.07
	February	28,436	9.82	6.70
	March	10,669	6.82	6.25