



**INTERFIT TECHNO
PRODUCTS LIMITED**
COIMBATORE

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*16th Annual
Report*
2008 - 2009



INTERFIT TECHNO PRODUCTS LIMITED

BOARD OF DIRECTORS

Mr. A.V. Palaniswamy, Managing Director

Mr. M. Loganathan, Non-Executive Independent Director

Mr. R. Alagar, Non-Executive Independent Director

Mr. K. Arunachalam, Non-Executive Independent Director
(Appointed as Director w.e.f. 02.01.2009)

Mr. V. Bhaskar Rao

(Ceased to be a Director w.e.f 02.01.2009)

Mr. Shen Ming Show

(Ceased to be a Director w.e.f 28.01.2009)

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, Suler 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



NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

Notice is hereby given that the 16th 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 Thursday the 30th day of July 2009 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 2009 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. Krishna & Co., Chartered Accountants, Chennai, retire and are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution.

"Resolved that Mr K Arunachalam be and is hereby appointed as Director of the Company whose office shall be liable for retirement by rotation"

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

"Resolved that subject to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, or any statutory modification or re-enactment thereof Mr A V Palaniswamy, be and is hereby appointed as a Managing Director of the Company for the period of five years with effect from 1st January, 2009 on the following remuneration, subject to approvals, if any, as may be required.

- | | | |
|----------------|---|--|
| a) Salary | : | Rs.48,000/- per month
(w.e.f. 01.04.2009) |
| b) Perquisites | : | Perquisites as detailed below are allowed in addition to Salary.
However, Perquisites shall be restricted to 50% of salary per annum. |

'Category A':

i) Housing:

The Company shall provide Housing rent of Rs. 14,000/- per month. The expenditure incurred for providing accommodation will be valued as per Income-tax Rules 1962.

ii) Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.



iii) Leave and Leave Travel Concession:

Leave - as per Rules of the Company. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company.

iv) Club Fees

Fees of Clubs subject to a maximum of two clubs. This will not include life membership and admission fees.

v) Personal Accident Insurance:

Personal Accident Insurance for an amount, the annual premium of which does not exceed Rs.5000/-

vi) Health Insurance:

The Health Insurance/Medical Policy for an amount, the annual premium of which does not exceed Rs.15,000/-

'Category B'

i) Gratuity:

Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling of Rs.100,000/-

'Category C'

i) Car:

Provision of Car for use on Company's business will not be considered as perquisites. Use of Car for private purpose shall be billed by the Company.

ii) Telephone:

Provision of telephone at residence will not be considered as perquisites but personal long distance calls shall be billed by the Company.

iii) Entertainment Expenses:

Reimbursement of entertainment expenses actually and properly incurred for the purpose of the business of the Company subject to a reasonable ceiling as may be fixed from time to time by the Company."

"Further resolved that the aforesaid minimum remuneration to be paid in the event of loss (or) in adequacy of profits in any financial year shall be as per Schedule XIII of the Companies Act, 1956"

"Further resolved that the Board of Directors be and hereby authorized to alter or vary the terms of remuneration set out herein above in such a manner so as not to exceed limits specified in Schedule XIII or any amendments thereto"

/ By order of the Board /

Place : Coimbatore

Date : 29.06.2009

For INTERFIT TECHNO PRODUCTS LTD.

Sd/- **A.V. Palaniswamy**

Managing 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 23rd July 2009 to 30th July 2009 (both days inclusive) in connection with the 16th 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, Suler Taluk,
 Karumathampatti (Via) - 641 659,
 Coimbatore District.

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

Agenda 4:

The Board of Directors of the Company had appointed Mr K Arunachalam as additional director with effect from 02.01.2009. He holds office only up to the date of the forthcoming Annual General Meeting. The Company has received notices in writing from members signing their intention to propose the appointment of Mr K Arunachalam as Director of the Company.

Your Directors recommend that the resolution proposing the appointment of Mr K Arunachalam be passed.

Except Mr K Arunachalam none of the other Directors is concerned or interested in this resolution

Agenda 5:

The Board of Directors had appointed Mr A V Palaniswamy as Managing Director for a period of five years with effect from 01.01.2009 subject to compliance of applicable provisions of the Companies Act, 1956 and subject to the approval of the members of the Company on the terms and conditions detailed in the resolution.

Mr A V Palaniswamy is highly qualified engineer with more than 35 years of experience in foundry management and marketing and his appointment will strengthen the company in achieving best production and marketing levels. Considering the need to have a Managing Director your Board has appointed Mr A V Palaniswamy. Your Board recommends that his appointment be confirmed by the members of the Company.

Except Mr A V Palaniswamy none of the other Directors is concerned or interested in this 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 Bombay Stock Exchange Limited**
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 Sixteenth Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2009.

FINANCIAL RESULTS :

The operating results for the year 2008-2009 are given below :

Profit before Interest and Depreciation & Other adjustments	
Less : Interest	
Depreciation	
Preliminary & Product Development Expenses written off & Other Adjustments	
Net Profit before Tax	
Provision for Tax	
Current Tax	
Deferred Tax (Assets) / Liability	
Fringe Benefit Tax	
Net Profit	

(Rs. in Lakhs)	
	75.86
41.92	
25.46	
6.70	
	74.08
	1.78
Nil	
(7.06)	
0.04	
	(7.02)
	8.80

PERFORMANCE:

Company could not achieve the desired sales and margins due to the worst power crisis in Tamilnadu. Power interruption and imposed power cut resulted in drastic production short fall and hence the sales and margins.

Power cut and interruptions are expected to continue for two to three years in Tamilnadu. Hence the Company has decided to utilize the captive diesel power generating capacity to manufacture products which requires lesser power. Products and markets have been identified and necessary Governmental approvals to add those items into the manufacturing range have been obtained.

DIRECTORS:

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

Mr A V Palaniswamy was appointed as the Managing Director at the Board Meeting on 02.01.2009 for a period of five years with effect from 01.1.2009. Mr A V Palaniswamy is highly qualified engineer with more than 35 years of experience in foundry management and marketing. He was one of the promoters of the company.



Mr K. Arunachalam was appointed as the Director at the Board Meeting on 02.01.2009.

Mr V. Bhaskar Rao was resigned from Directorship at the Board Meeting on 02.01.2009

Mr Shen Ming Show was resigned from Directorship at the Board Meeting on 28.01.2009.

COMPANY SECRETARY:

During the year, the Company appointed Mr. S. Aravinthan, ACS as Company Secretary and Compliance officer of the Company.

ISSUE OF SHARE CAPITAL:

During the financial year the Company issued 500000 9% Non-Convertible, Non-Cumulative Redeemable Preference Shares of Rs 100/- each to its holding company, Interfit India Limited.

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 2009 and of the Profit of the company and the cash flow statement for the year ended 31.03.2009.*
- (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 De-listing the Company's equity shares from Coimbatore and Madras stock Exchanges.

CORPORATE GOVERNANCE :

Company's Philosophy on Code of Corporate Governance:

The Company's philosophy of good corporate governance is reflected in commitment to achieve a balance between Stakeholders' interest and corporate goals through the efficient code of its business guided by transparency, accountability and integrity.



INTERFIT TECHNO PRODUCTS LIMITED

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.

Further Measures adhered are:

- Composition of Board of Directors (e.g. 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 Promoter Director	1
Non-Executive Independent Directors	3

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 24.04.08, 30.06.08, 28.07.08, 31.10.08, 05.12.08, 02.01.09, 28.01.09.

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	2	Present
03.	Mr. Shen Ming Show	NIL	Absent
04.	Mr. M Loganathan	7	Present
05.	Mr. R. Alagar	7	Present
06.	Mr. K. Arunachalam	1	N/A



COMMITTEES OF THE BOARD

(I) AUDIT COMMITTEE :

Composition :

The Audit Committee of the Board comprises three directors, namely Shri. R. Alagar, an Independent Director is the Chairman of the committee, Shri A.V. Palaniswamy, Non-Independent Director and Shri. M. Loganathan, an Independent Director are members. Shri S. Aravinthan, Company Secretary of the Company is the Secretary of the committee. 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: 30.06.2008, 28.07.2008, 31.10.2008, 28.01.2009.

Sl. No.	Name of the Members	No of meetings held During the period 2008-2009	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 31.03.2009.