



NATIONAL FITTINGS LIMITED **(FORMERLY 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
(Resigned with effect from 30.05.2013)

BANKERS

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

AUDITORS

KRISHAAN & CO.
10'C', Wing, 6th Floor, Parsn Manere,
Flat No. 442, Anna Salai, Chennai - 600 006

REGD. OFFICE & WORKS

SF No.112, Madhapur Road
Kaniyur, Sulur Taluk
Karumathampatti Via - 641 659
Coimbatore District

SHARE TRANSFER AGENTS

SKDC CONSULTANTS LTD.,
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road
Ganapathy
Coimbatore - 641 006



NATIONAL FITTINGS LIMITED

NATIONAL FITTINGS LIMITED

Registered Office: 112, Madhapur Road, Kaniyur Village,
Karumathampatti (via), Coimbatore - 641 659

CIN No. : L29199TZ1993PLC008034 Tel : +91 99432 93000 / 99439 93001

Email : admin@nationalfitting.com Web : www.nationalfitting.com

NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

Notice is hereby given that the 21st ANNUAL GENERAL MEETING of the Company will be held at the Registered Office of the Company at SF No.112, Madhapur Road, Kaniyur, Sulur Taluk, Karumathampatti, Coimbatore - 641 659 on Thursday the 14th day of August 2014 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 2014 together with Reports of the Directors and Auditors thereon.
2. To declare a dividend on 9% Non-Convertible Non-Cumulative Redeemable Preference shares for the financial year ended 31st March, 2014.
3. To declare a dividend on Equity shares for the financial year ended 31st March, 2014.
4. To elect and appoint Directors in place of those retiring by rotation.
5. To appoint M/s. Krishnaa & Co., Chartered Accountants, Chennai as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of forth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"Resolved that pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the said Act, Mr M Loganathan (holding DIN No: 01936839), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 14.08.2014."

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

"Resolved that pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the said Act, Mr R Alagar (holding DIN No: 0023112), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 14.08.2014."

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

“Resolved that subject to the provisions of Section 196, 197, 203 and any other applicable provisions of Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Section 198, 269, 309 and 310 and any other applicable provisions of Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) Mr A V Palaniswamy (holding Din No: 01817391), be and is hereby appointed as Managing Director of the Company for the period of five years with effect from 1st January, 2014 on the following remuneration, subject to the approvals, if any, as may be required.”

- a) Salary : Rs.1,00,000/- per month
- 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) 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.

- ii) 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.

- iii) Club Fees:

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

- iv) Personal Accident Insurance:

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

- v) 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.



NATIONAL FITTINGS LIMITED

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."

"RESOLVED FURTHER that where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director such remuneration as minimum remuneration as may be prescribed in Section II of Part II of the Schedule V to the Companies Act, 2013, from time to time."

/ By order of the Board /

Place : Coimbatore
Date : 30.05.2014

For NATIONAL FITTINGS LIMITED
Sd/- **A.V. Palaniswamy**
DIN No. 01817391
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 07th August, 2014 to 14th August 2014 (both days inclusive) in connection with the 21st Annual General Meeting of the Company.
- 4) The Dividend Rs 1/- per Equity shares of Rs.10/- each has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and after 30.08.2014 to those members whose names appear in the Register of Members of the Company as on the book closure dates
- 5) Members holding shares in electronic form are hereby informed that Bank Account details registered against their depository accounts will be used by the Company for payment of dividend. Any changes of Bank particulars are to be advised to their Depository Participants. Members holding shares in physical form are requested to intimate any change in their address or bank mandate to M/s SKDC Consultants Limited, Share Transfer Agent or to the Company immediately.

- 6) Members are requested to intimate Change of Address, if any, immediately and quote the Registered Folio Number in the correspondence with the Company.
- 7) All communications should be addressed to:

The Secretarial Department,
NATIONAL FITTINGS LIMITED
Registered Office:
SF No 112, Madhapur Road,
Kaniyur, Suler Taluk,
Karumathampatti (Via)
Coimbatore - 641 659
Ph: 99432 93000 / 99439 93001

SHAREHOLDER INFORMATION

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

1. **The Bombay Stock Exchange Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
2. **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.
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road
Ganapathy
Coimbatore - 641 006
Ph : 0422 - 6549995, 2539835

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Agenda 6 & 7

In consistent with Section 149 and any other applicable provisions of the Companies Act, 2013 on appointment and tenure of Independent directors for re-appointing such Independent directors for a period of one term that does not exceed five years, Mr M Loganathan and Mr R Alagar, Independent Directors of the Company, being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. It is therefore proposed to appoint Mr M Loganathan and Mr R Alagar, as Independent Directors on the Board of the Company for a term of five consecutive years commencing from 14.08.2014 and a brief profile of them is also provided at the end of this notice.

None of the Directors or Key Management Personnel of the Company and their relatives, other than the Independent Directors for their respective appointment, is concerned or interested, in these resolutions. The Board commends the Ordinary Resolutions as set out at agenda No 6 and 7 for approval of the Members.

Agenda 8

The Board of Directors at their Board Meeting on 13th February, 2014 had appointed Mr A V Palaniswamy as Managing Director for a period of five years with effect from 01.01.2014 subject to compliance of applicable provisions of the Companies Act, 2013 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 40 years of experience in manufacturing technologies 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 as Managing Director.

Since the age of Mr A V Palaniswamy exceeds seventy (02.03.1942) a special resolution is required for his appointment U/s 196 (3) (a) of the Companies Act, 2013

Your Board recommends that his appointment be confirmed by the members of the Company.

Except Mr A V Palaniswamy none of the Directors is concerned or interested in this resolution.

Profile of Directors seeking appointment/re-appointment at the Annual General Meeting and other Directorships

Mr M LOGANATHAN (Din No: 01936839)

Mr M Loganathan, aged about 63, joined the Board of the Company in December, 1994

Mr M Loganathan is an engineering graduate having experience in the foundry and assembly line operations for more than three decades. He started his career in Interfit India Limited and function as Vice President – Operations. His contribution to the Company in all spheres is commendable.

He is a member of the Audit Committee, Stakeholder's Relationship Committee and Nomination and Remuneration Committee,

Shareholding in the Company

Nil

Directorship in other companies

Interfit India Limited
Merit Industries Limited
Sema Impex Private Limited
Haitima India Private Limited

Membership / Chairmanship of Board Committees in other Companies

Interfit India Limited

In Interfit India Limited he is a member of the Audit Committee and Share Transfer Committee.

Mr R ALAGAR (Din No: 0023112)

Mr R Alagar, aged about 65, joined the Board of the Company in August, 2005.

Mr R Alagar is a commerce graduate and a Company Secretary. He was employed himself in various companies for more than 10 years and now a Practicing Company Secretary for more than 14 years. He is having immense knowledge in various Corporate Laws and in financial fields.

He is the Chairman of the Audit Committee and Stakeholder's Relationship Committee. He is a Member of Nomination & remuneration Committee.

Shareholding in the Company

Nil

Directorship in other companies

Entrust Software & Services Private Limited

Membership/Chairmanship of Board Committees in other Companies

Nil

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Balance Sheet and Profit and Loss Statement for the year ended 31.03.2014.

FINANCIAL RESULTS :

The operating results for the year 2013-2014 are given below :

	(₹ in Lakhs)	
Profit before Interest and Depreciation and Other adjustments		694.25
Less: Interest	63.59	
Depreciation	71.90	135.49
Net Profit before Tax		558.76
Provision for Tax :		
Current Tax	117.92	
Deferred Tax Assets / Liability	44.94	222.86
Net Profit after Tax		335.90
Amount brought forward from previous year		(84.60)
Amount available for appropriation		251.30
Appropriations		
General Reserve	100.00	
Dividend on Preference Shares		45.00
Dividend on Equity Shares		83.20
Dividend Distribution Tax		21.79
Surplus carried over to Balance Sheet		1.31

FINANCIAL PERFORMANCE:

The Company's gross income for the financial year ended 31st March, 2014 was Rs.3732.49 lacs compared to Rs.3169.12 lacs in the previous year. The profit before tax for the Company is Rs. 558.76 lacs as against Rs.335.84 lacs in the previous year. The depreciation for the year is Rs.71.90 lacs compared to Rs.70.13 lacs in the previous year.

After providing Taxation, the Company's net profit stands at Rs.335.90 lacs against Rs.132.53lacs in the previous year.

Your company proposes to transfer Rs. 100 lacs to General Reserve out of the amount available for appropriation and an amount of Rs.1.31 lacs is to be carried over to Balance Sheet after appropriation of Dividend on Preference Shares and Equity Shares including dividend tax.

The Net worth of the company is at Rs.1753 lacs as on 31.03.2014 as against Rs.1417 lacs in the previous year.

DIVIDEND:

The Board of Directors has recommended a dividend of Rs 9/- per Preference Share on 500000 9% Non-Convertible Non-Cumulative Redeemable Preference shares of Rs 100/- each aggregating to Rs 45 lacs excluding dividend tax for the financial year ended 31st March, 2014.

The Board of Directors has recommended a dividend of Re 1/- per Equity share on 8320000 equity shares Rs 10/- each aggregating to Rs 83.20 lacs excluding dividend tax for the financial year ended 31st March, 2014, which if approved in the ensuing Annual General Meeting will be paid to all the equity shareholders, whose names appear in the Register of Members as on 14th August, 2014.

REDEMPTION OF 9% NON-CONVERTIBLE NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES

The company has considered the option of redeeming 2,00,000 preference shares out of the 5,00,000 9% Redeemable Non-Convertible Non-Cumulative Preference shares of Rs.100/- each which was approved by Board at their meeting on 30.05.2014.

PERFORMANCE:

Improved production and purchase of components from outside sources results in improved sales and the favorable foreign exchange helped to improve the margins substantially.

Power cut of nearly 70% of the normal requirement still exists in Tamil Nadu. Cost addition due to Diesel Generator power has been minimal and the increased production and sale has reduced the overhead costs.

During the year, the company made a net profit of Rs.335.90 lacs and by virtue of this, the net worth of the company has improved. With the business of the company continuing to improve, the company hopes to generate adequate surplus to evaluate the possibilities of adding additional capacities.

NAME OF THE COMPANY:

The name of the company has been changed from Interfit Techno Products Limited to National Fittings Limited with effect from 27.09.2013 after obtaining approval from Registrar of Companies, Tamil Nadu, Coimbatore.

DIRECTORS:

Mr K Arunachallam, Director resigned from Directorship – w.e.f 30.05.2013.

Mr M.Loganathan, Director, who retires by rotation, and being eligible, offers himself for reappointment for a term of five years.

Mr R Alagar, Director, who retires by rotation, and being eligible, offers himself for reappointment for a term of five years.

Mr A V Palaniswamy was appointed as the Managing Director at the Board Meeting on 13th February, 2014 for a period of five years with effect from 01.01.2014. Mr A V Palaniswamy is highly qualified engineer with more than 40 years of experience in manufacturing technologies and marketing. He was one of the promoters of the company.

COMPANY SECRETARY:

Mr. S. Aravinthan, ACS, is the Company Secretary and Compliance officer of the Company.

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, prudent Judgments and estimates have been made to give a true and fair view of the state of affairs of the company as at 31st March 2014 and of the Profit of the company and the cash flow statement for the year ended 31.03.2014.
- (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.
- (v) there is an adequate and efficient system of internal financial controls.
- (vi) there is adequate system for the compliance with the provisions of applicable laws.

LISTING OF SHARES IN EXCHANGES AND 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 Madras Stock Exchange for the past few years.

Members' approval has already been obtained for De-listing the Company's equity shares from Madras stock Exchange. Company will continue to meet the listing norms in these exchanges till such time the delisting approval is obtained.

CORPORATE GOVERNANCE :

Company's Philosophy on Code of Corporate Governance:

Company's policies recognize the importance of Corporate Governance and recognize 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 customers' 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 (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

I. BOARD OF DIRECTORS:

a) Composition of Board of Directors:

Executive Promoter Director	1
Non-Executive Independent Directors	2