



**INTERFIT TECHNO
PRODUCTS LIMITED**

COIMBATORE

**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, Sulur 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 :

		(Rs. in Lakhs)	
₹	Profit before Interest and Depreciation & Other adjustments		75.86
	Less : Interest	41.92	
*	Depreciation	25.46	
	Preliminary & Product Development Expenses written off & Other Adjustments	6.70	
		<u>6.70</u>	<u>74.08</u>
	Net Profit before Tax		1.78
	Provision for Tax		
	Current Tax	Nil	
	Deferred Tax (Assets) / Liability	(7.06)	
	Fringe Benefit Tax	0.04	
		<u>0.04</u>	<u>(7.02)</u>
	Net Profit		<u>8.80</u>

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.



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.



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. S Aravinthan was appointed as compliance officer.

The Share Transfer Committee met 13 times during the financial year 2008-2009 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>
2005-2006	Registered Office of the Company SF No.112, Mathapur Road Kaniyur Village, Karumathampatti Via Coimbatore - 641 659	31.08.2006	9.30 AM
2006-2007		07.08.2007	9.30 AM
2007-2008		20.08.2008	9.30 AM

Further two Extra Ordinary General Meetings were conducted on 02.01.2009 and 28.01.2009 for increase in Authorised Share Capital and issue of Redeemable Non- Convertible, Non-Cumulative Preference shares respectively.

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 at large except those specified in the SI No: 12 of the Notes forming part of Accounts which may have potential conflict with the interest of the Company

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

- (a) 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.
- (b) The company from time to time presents all the relevant information as required by the legislation within stipulated time.
- (c) The Management Discussion and Analysis Report forms part of the Report of the Directors.

**GENERAL SHAREHOLDER INFORMATION**

- a) The 16th Annual General Meeting of the Members of the Company will be held on Wednesday the 30th day of July 2009 at 9.30 AM at the Registered Office of the Company, SF No.112, Mathapur Road, Kaniyur Village, Karumathampatti Via, Coimbatore 641 659.
- b) Normal Financial year : 1st April to 31st March
- c) Dates of Book Closure: 23rd July 2009 to 30th July 2009.
- d) The Company's shares are listed in (I) Coimbatore Stock Exchange Ltd (ii) Madras Stock Exchange (iii) The Stock Exchange, Mumbai.
- e) Market Price Data

Market Price data and Number of shares traded for the year 2008-09 in Mumbai Stock Exchange are as below.

Year	Month	No. of Shares Traded	Highest	Lowest
			Rate (Rs)	Rate (Rs.)
2008	April	6,108	7.15	6.73
	May	24,395	7.88	6.5
	June	3,096	6.64	5.71
	July	5,404	5.43	4.55
	August	2,799	4.76	4.51
	September	1,988	4.75	4.32
	October	7,805	4.52	4
	November	2,009	4.14	3.62
	December	359	3.44	2.27
	2009	January	2,912	2.16
February		10,009	1.92	1.59
March		1,507	1.74	1.31

- f) 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.
- 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 31.03.2009

	No of Shares	%
A. PROMOTERS HOLDINGS		
1. Promoters		
Indian Promoters	46,97,810	56.46
Foreign Promoters	8,81,472	10.59
2. Person acting in Concert		
	NIL	NIL
Sub Total	55,79,282	67.05



B NON-PROMOTERS

3. Institutional Investors

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
Sub Total	2,300	0.03

4. Others

a) Directors & Relatives	NIL	NIL
b) Private Corporate Bodies	5,16,728	6.21
c) Indian Public	20,29,080	24.4
d) NRI-NRE/NRI-NRO/OCBs	1,55,809	1.87
e) Any other (HUF)	36,801	0.44
Sub Total	27,38,418	32.92
Grand Total	83,20,000	100.00

Note

Total Foreign Holding	10,45,081	12.56
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.

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

- | | |
|--|--|
| <p>(a) M/s. SKDC Consultants Ltd.,
11, Seth Narayanadoss Layout
Street No. 1, West Power House Road
Coimbatore - 641 012
Ph : 0422 - 6549995</p> | <p>(b) The Compliance Officer
INTERFIT TECHNO PRODUCTS LIMITED
SF No. 112, Madhapur Road
Kaniyur Village,
Karumathampatti Via - 641 659
Sulur Taluk, Coimbatore District</p> |
|--|--|

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 :**

Company has started manufacturing the new products, in addition to existing Fittings and Ball valves of Stainless steel. Market acceptance is good and results are positive. Company is outsourcing power intensive components from other manufacturers and concentrating on finishing and assembly operation requiring lesser power. Based on the sales and margin levels achieved in the limited period, Company expects to reduce its carry forward losses substantially and show positive earnings and Balance sheet within two years

AUDITORS:

M/s. Krishnaa & 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) Company could not adopt effectively the energy conservation measures, due to frequent and unannounced power interruption and 40% power cut. The power interruption has increased power utilisation per unit of production and power consuming equipments have been damaged to a great extent. Company is hoping that power situations will improve after the monsoon season, starting June - July.
- b) Power and fuel consumption :
- i) The Company has consumed 8, 96,555 Units of power during the year 31.03.2009.
- ii) Consumption per Unit of Production :
- 7059 Units consumed per MT of Rough Castings as against 4818 units in the last year required for Stainless Steel Pipe Fittings & Ball Valves.

TECHNOLOGY ABSORPTION :

The Company has not entered into any Technical Collaboration agreement and hence furnishing of particulars regarding technology absorption does not arise.

FOREIGN EXCHANGE INFLOW AND OUTGO:

Foreign exchange inflow	:	Rs.	1,65,45,919/-
Foreign exchange used	:	Rs.	18,19,735/-

**PARTICULARS OF EMPLOYEES :**

During the period under review, there was no employee drawing remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS :

Relationship with the employees / labour was cordial during the year under review.

CORPORATE GOVERNANCE :

The requisite Certificate from the Auditors of the Company, M/s. Krishna & Co confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank M/s. Bank of India for the support extended during the period. Your Directors also wish to thank all the suppliers, employees, Government Departments/Agencies and others for their valuable contribution and assistance during the year.

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore
Date : 29.06.2009

Sd/- **A.V. PALANISWAMY**
Managing Director

Sd/- **M. LOGANATHAN**
Director

**ADDENDUM TO DIRECTORS' REPORT**

1. With reference to Note No.9 (b) of Annexure to Audit report dated 29-06-2009 for the year ended 31-03-2009, the disputed statutory dues aggregating to 3.86 lakhs has been deposited since the matter is pending before the appropriate appellate authorities.
2. We refer to Note 10 of Annexure to audit report dated 29-06-2009 for the year ended 31-03-2009. The accumulated loss of the company as at 31-03-2009 is Rs. 9.48 crores. The main cause of the loss is only the claim of depreciation and that the cash losses are lesser than the depreciation loss. Further the market value of the assets, particularly the Land and Building are much higher than the value stated in the books. The company has repaid all the dues to the secured creditors except working capital loan, which is continuous one, covered by the assets. Further the efforts taken by the Company to widen the product range and improve its manufacturing facilities has started yielding anticipated results and the Company expects to reduce its carry forward losses substantially and show positive earnings and Balance sheet as early as possible

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore
Date : 29.06.2009

Sd/- **A.V. PALANISWAMY**
Managing Director

Sd/- **M. LOGANATHAN**
Director



REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of M/s. INTERFIT TECHNO PRODUCTS LIMITED as at 31st March 2009 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An Audit includes examining, on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (CARO 2003), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 of the said order.
3. Further to our comments in Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books of the company.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company.
 - d) In our opinion, the Balance Sheet the Profit & Loss Account and the Cash Flow dealt with by this report comply with Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable.
 - e) On the basis of the written representations received from the Directors as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2009.
 - ii) In the case of the Profit & Loss Account, of the PROFIT for the year ended on that date.
 - iii) In so far as it relates to the Cash Flow Statement, of the Cash flows of the company for the year ended on that date.

For and on behalf of
 KRISHAAN & CO.,
 Chartered Accountants,
 Sd/- ABHIJEET KAR
 Partner
 Membership No. 216727

Place : COIMBATORE
 Date : 29.06.2009



ANNEXURE TO THE AUDITORS' REPORT

STATEMENT REFERRED TO IN PARAGRAPH 2 OF THE AUDITORS REPORT OF EVEN DATE TO THE MEMBER OF M/S. INTERFIT TECHNO PRODUCTS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2009.

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that:

1. In respect of Fixed Assets:

- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the fixed assets have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected

2. In respect of its inventories:

- a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification as compared to the book records.
3. The company has not granted (or) taken any loans secured or unsecured to / from Companies / Firms or other parties listed in the Register maintained u/s 301 of the Companies Act, 1956.

In view of the above 3 (b)(c) and (d) are not applicable to the company for the year.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purposes of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:

- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



6. The Company has not accepted any deposits from the public.
7. In our opinion, the Internal Audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the manufacturing activities of the Company.
9. In respect of statutory dues:
 - a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of income-tax, wealth-tax, service-tax, sales-tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us and also based on Management representation, statutory dues aggregating to Rs 3.86 Lacs, though disputed has been deposited and the disputes pending before Appropriate Authorities are as under.

Sl. No.	Name of the Statute	Nature of Dues	Forum where dispute is pending	Amount (Rs. in lacs)
1.	Central Excise Act, 1944	Excise Duty	High Court, Chennai	3.86

10. The Company has accumulated losses, which exceeds 50% of the Net Worth of the Company and has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the bank in respect of Term Loans availed, except some marginal delays in repayment. During the year the company has repaid in full all the Term Loans to the Bank.
12. In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the question of maintenance of records reporting on deficiencies does not arise.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit /society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the Company.
14. In our opinion during the period under audit, the company did not engage in-trading in shares / securities and debentures.
15. The Company has not given any guarantees for loans taken by others from Banks or financial institutions.
16. The Company has not taken any new term loans during the year.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for Long term Investments and vice versa.



18. According to the information and explanations given to us, during the period under audit, the company has made preferential allotment of Preference shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 and the price at which shares have been issued is not prejudicial to the interest of the Company.
19. According to the information and explanations given to us, the Company has not issued any Debentures.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

Place : COIMBATORE
Date : 29.06.2009

For KRISHAAN & CO.,
Chartered Accountants,
Sd/- **ABHIJEET KAR**
Partner
Membership No. 216727

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT BY THE AUDITORS OF THE COMPANY

C E R T I F I C A T E

To
The Members of
M/s Interfit Techno Products Ltd
Coimbatore - 641 659

We have examined the compliance of conditions of Corporate Governance by M/s Interfit Techno Products Ltd for the year ended 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the directors and the management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : COIMBATORE
Date : 29.06.2009

For and on behalf of
KRISHAAN & CO.,
Chartered Accountants,
Sd/- **ABHIJEET KAR**
Partner
Membership No. 216727



BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	SCHEDULE	31.3.2009		31.3.2008	
		Rs.	Rs.	Rs.	Rs.
I. SOURCE OF FUNDS					
1. SHARE HOLDERS FUNDS					
a. Share Capital	A	133,200,000		83,200,000	
b. Reserves & Surplus	B	16,980,000		16,980,000	
		<u>150,180,000</u>		<u>100,180,000</u>	
2. LOAN FUNDS					
Secured Loans	C	17,578,734		27,893,801	
Unsecured Loans	D	1,893,069		2,100,802	
		<u>19,471,802</u>		<u>29,994,603</u>	
TOTAL		<u>169,651,802</u>		<u>130,174,603</u>	
II. APPLICATION OF FUNDS					
1. FIXED ASSETS	E				
a. Gross Block		105,358,610		105,240,285	
b. Less: Depreciation		75,909,156		73,362,367	
		<u>29,449,454</u>		<u>31,877,918</u>	
2. INVESTMENTS - LONG TERM (UNQUOTED) (Including interest accrued on NSC)			10,075		10,075
3. CURRENT ASSETS, LOANS & ADVANCES	F				
a. Stock in Trade		38,417,798		41,483,896	
b. Sundry Debtors		12,263,099		10,810,816	
c. Cash & Bank Balances		547,085		516,262	
d. Loans & Advances		2,696,278		3,328,845	
e. Other Current Assets		12,036		3,000	
		<u>53,936,296</u>		<u>56,142,818</u>	
4. LESS: CURRENT LIABILITIES & PROVISIONS	G	23,596,965		68,404,237	
NET CURRENT ASSETS			30,339,331		(12,261,419)
5. MISCELLANEOUS EXPENDITURE	H		710,648		1,232,444
6. PROFIT & LOSS ACCOUNT			94,818,817		95,698,125
7. DEFERRED TAX ASSET	I		14,323,477		13,617,460
TOTAL			<u>169,651,802</u>		<u>130,174,603</u>

Schedule A to I and the Notes on the Accounts form part of this Balance Sheet.

Sd/- **A.V. PALANISWAMY**
Managing Director

Sd/- **M. LOGANATHAN**
Director

As per our report of even date annexed
for KRISHAAN & CO.,
Chartered Accountants

Place : Coimbatore
Date : 29.06.2009

Sd/- **ABHIJEET KAR**
Partner



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	SCHEDULE	YEAR ENDED	YEAR ENDED
		31.3.2009	31.3.2008
		Rs.	Rs.
INCOME			
Sales - Direct	1	59,603,847	54,657,016
Sales - Traded		27,470,666	4,703,397
Less : Excise Duty		6,248,766	7,388,489
Sales - Net		80,825,747	51,971,924
Other Income	2	1,204,425	231,044
Variation in opening and closing stocks	3	1,656,985	1,001,768
TOTAL INCOME		83,687,157	53,204,736
EXPENDITURE			
Purchase of Finished Goods		20,637,254	3,527,548
Cost of Raw Materials consumed	4	20,326,019	20,095,718
Cost of Stores, Tools & Spares Consumed	5	9,401,046	9,343,830
Cost of Components consumed	6	647,916	967,978
Cost of Tools Developed		1,761,490	—
Employees Cost	7	4,678,675	3,785,261
Power & Fuel		7,854,453	7,279,902
Other Manufacturing Expenses	8	2,260,495	1,933,667
Administrative Expenses	9	2,490,423	610,933
Selling Expenses	10	6,042,571	1,287,321
Sub Total		76,100,339	48,832,158
Profit before Interest, Depreciation & Other Adjustments		7,586,818	4,372,578
Less : Interest and bank charges	11	4,192,332	5,471,362
Depreciation		2,546,789	2,739,459
Profit on Sale of Assets		—	(4,179,558)
Product Development & Tool Room Exp. written off		670,089	923,340
Sub Total		7,409,210	4,954,603
Profit (Loss) before Tax		177,608	(582,025)
Provision for Taxation		—	—
Current Tax		—	—
Deferred Tax (Assets) / Liabilities		(706,017)	(725,695)
Fringe Benefit Tax – Earlier Years		537	—
– Current Year		3,780	5,650
		879,308	138,020
Prior year Adjustments		—	(14,675)
Net Profit (Loss) for the year		879,308	123,345
LOSS BROUGHT FORWARD FROM PREVIOUS YEAR		(95,698,125)	(95,998,476)
Adjustment for Decrease in Opening Provision for retirement benefits		—	177,006
BALANCE CARRIED OVER TO BALANCE SHEET		(94,818,817)	(95,698,125)

Schedule 1 to 11 and the Notes on the Accounts form part of this Profit & Loss Account.

Sd/- **A.V. PALANISWAMY**
Managing Director

Sd/- **M. LOGANATHAN**
Director

As per our report of even date annexed
for **KRISHAAN & CO.,**
Chartered Accountants
Sd/- **ABHIJEET KAR**
Partner

Place : Coimbatore

Date : 29.06.2009



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2009

	31.3.2009	31.3.2008
A) Cash flows from operating activities		
Net profit before taxation, and extraordinary item	177,608	(596,700)
Adjustments for:		
Depreciation & Amortization of Expenses-net	3,068,585	2,919,643
Foreign Exchange (gain) / loss	1,001,251	(349,284)
Profit on Sale of Fixed Assets	—	(4,179,558)
Interest Expenses	4,192,332	5,471,362
	8,439,776	3,265,463
Change in trade payables & Provisions	(44,750,100)	3,712,823
Change in Short Term Borrowings	(901,122)	(186,173)
Change in Trade and other receivables	—	1,806,363
Change in Inventories	3,066,098	(3,748,273)
	(35,008,785)	4,850,202
Less : Fringe Benefit Tax Paid	(7,093)	(4,785)
	(35,015,878)	4,845,417
B) Cash flows from investing activities		
Purchase / Sale of Fixed Assets (incl. exchange fluctns.)	(118,325)	(1,951,387)
Sale of Fixed Assets	—	12,300,000
	(118,325)	10,348,613
C) Cash flows from financing activities		
Preference Share Capital Issued	50,000,000	—
Payment of long-term borrowing & Other Borrowings	(10,642,642)	(9,649,135)
Interest Expenses	(4,192,332)	(5,471,362)
	35,165,026	(15,120,497)
Net change in cash and cash equivalents (A+B+C)	30,823	73,533
Cash and cash equivalents at beginning of period	516,262	442,729
Cash and cash equivalents at end of period	547,085	516,262

Place : Coimbatore
Date : 29.06.2009

Sd/- **A.V. PALANISWAMY**
Managing Director

Sd/- **M. LOGANATHAN**
Director

**SCHEDULES TO BALANCE SHEET**

PARTICULARS	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
-------------	------------------------	------------------------

SCHEDULE A - SHARE CAPITAL**Authorised:**

87,50,000 Equity Shares of Rs.10/- each (Previous year 87,50,000 Equity Shares of Rs. 10/- each)	87,50,000	87,50,000
5,00,000 9% Non-Convertible Non Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year 1,25,000 Preference Shares of Rs. 100/- each)	50,00,000	12,50,000
	<u>137,50,000</u>	<u>100,00,000</u>

Issued, Subscribed and Paid up:

83,20,000 Equity Shares of Rs.10/- each fully paid up (Previous year 83,20,000 Equity Shares of Rs. 10/- each)	83,20,000	83,20,000
5,00,000 9% Non-Convertible Non Cumulative Redeemable Preference Shares of Rs. 100/- each	50,00,000	—
(All the 5,00,000 Redeemable preference shares have been allotted at par to M/s. Interfit India Ltd the Holding Company)		
	<u>133,20,000</u>	<u>83,20,000</u>

SCHEDULE B - RESERVES & SURPLUS**General Reserve**

As per Last Balance Sheet	14,480,000	14,480,000
Share Premium	1,000,000	1,000,000
Capital Reserve - Backward Area Subsidy	1,500,000	1,500,000
	<u>16,980,000</u>	<u>16,980,000</u>



SCHEDULES TO BALANCE SHEET (Contd...)

PARTICULARS	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
-------------	------------------------	------------------------

SCHEDULE C - SECURED LOANS

From a Bank		
Rupee Term Loan	—	9,618,898
Working Capital Loan - Term Loan	—	816,011
- Others	17,578,734	17,458,892
	<u>17,578,734</u>	<u>27,893,801</u>

Rupee Term Loans are Secured by creation of Equitable Mortgage by Deposit of Title Deeds relating to Land & Buildings of the Company and hypothecation of all present & future movable assets.

Working Capital loan is secured by hypothecation of stocks of Raw Materials, Consumables, Tools, Work-in-Process, Finished Goods and a charge on the Block assets of the Company.

Further the above Loans are guaranteed personally by a Director and two former Directors of the Company and by a Corporate Guarantee from M/s. Interfit India Ltd, the holding company.

SCHEDULE D - UNSECURED LOANS

Interest Free Sales Tax Loan (Refer Note 14 to the notes to accounts)	1,893,069	2,100,802
	<u>1,893,069</u>	<u>2,100,802</u>

SCHEDULES TO BALANCE SHEET (Contd...)

SCHEDULE E - FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost Original	Additions Deletions	Deletion	Total	Upto Last year	Current Year	Withdrawn Year	Total	As on 31-3-2009	As on 31-3-2008
Land	1,218,334	—	—	1,218,334	—	—	—	—	1,218,334	1,218,334
Building	15,474,208	—	—	15,474,208	6,659,574	523,666	—	7,183,240	8,290,968	8,814,634
Plant & Machinery	78,052,896	13,800	—	78,066,696	60,214,137	1,547,736	—	61,761,873	16,304,823	17,838,759
Office Equipments	2,196,210	104,525	—	2,300,735	231,226	105,520	—	336,746	1,963,989	1,964,984
Furniture & fittings	428,356	—	—	428,356	374,423	9,828	—	384,251	44,105	53,933
Electrical Installation	6,774,946	—	—	6,774,946	4,975,792	320,549	—	5,296,341	1,478,605	1,799,154
Vehicles	401,071	—	—	401,071	227,684	35,552	—	263,236	137,835	173,387
Computers	694,263	—	—	694,263	679,531	3,937	—	683,468	10,795	14,732
TOTAL	105,240,285	118,325	—	105,358,610	73,362,367	2,546,789	—	75,909,156	29,449,454	31,877,918
PREVIOUS YEAR	121,579,622	1,951,387	18,290,724	105,240,285		2,739,459	10,170,282	73,362,367		





SCHEDULES TO BALANCE SHEET (Contd...)

PARTICULARS	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
SCHEDULE F - CURRENT ASSETS, LOANS AND ADVANCES		
a. STOCK AT CLOSE - As taken and Certified by the Management		
1. Raw Materials	1,636,579	4,163,083
2. Consumable Stores, Tools, Spares & Components	3,941,374	4,423,460
3. Work in Process	31,871,102	30,214,117
4. Packing Materials	36,628	32,606
5. Stock of Tools	932,115	889,139
6. Tools development in progress	—	1,761,491
	38,417,798	41,483,896
b. SUNDRY DEBTORS (Unsecured / Considered good)		
Debts outstanding for a period exceeding six months	3,903,711	2,613,343
Other Debts	8,359,388	8,197,473
	12,263,099	10,810,816
c. CASH AND BANK BALANCES		
i) Cash on Hand	102,138	74,077
ii) Balance with Scheduled Banks		
In Current Account	18,962	12,540
In Margin Money Account	425,985	429,645
	547,085	516,262
d. LOANS AND ADVANCES (Unsecured/ Considered Good)		
Advance recoverable in cash or in kind or for the value to be received	1,431,707	1,890,177
Deposits	1,264,571	1,438,668
	2,696,278	3,328,845
e. OTHER CURRENT ASSETS		
Export Incentives receivables	10,536	—
Interest Receivable	1,500	3,000
	12,036	3,000

**SCHEDULES TO BALANCE SHEET (Contd...)**

PARTICULARS	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
SCHEDULE G - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors - SSI Units	154,469	22,105
- Others	16,424,622	61,236,931
Advance against Supplies	5,344,489	5,364,201
Sundry Creditors for Expenses	1,291,653	1,283,262
Amount due to banks as temporary overdraft/ as per books of account only	—	142,320
Other Liabilities	195,074	107,528
	23,410,307	68,156,347
B. PROVISIONS		
Provision for Gratuity	167,268	191,040
Provision for Taxation	15,610	15,610
Provision for Fringe Benefit Tax	3,780	41,240
	186,658	247,890
SCHEDULE H - MISCELLANEOUS EXPENDITURE		
Product Development Expenditure		
Opening Balance	1,232,444	1,412,628
Add : Additions during the year	—	613,990
	1,232,444	2,026,618
Less : Written Off	521,796	794,174
	710,648	1,232,444
SCHEDULE I - DEFERRED TAX ASSETS		
Deferred Tax Asset (Net)	14,323,477	13,617,460
(Refer No. 10(b) of Notes)		
	14,323,477	13,617,460



SCHEDULES TO PROFIT AND LOSS ACCOUNT

PARTICULARS	Year ended 31-3-2009 Rs.	Year ended 31-3-2008 Rs.
SCHEDULE - 1 SALES		
Export Sales - Manufactured	965,171	1,441,169
- Traded	27,470,666	4,703,397
Export Incentives	10,536	50,550
Domestic Sales	58,628,140	53,165,298
	<u>87,074,513</u>	<u>59,360,413</u>
SCHEDULE - 2 OTHER INCOME		
Labour Charges received	28,358	14,698
Interest Received	62,942	65,550
Miscellaneous Income	39,125	49,600
Sundry Balance Written back	1,074,000	101,196
	<u>1,204,425</u>	<u>231,044</u>
SCHEDULE - 3 VARIATION IN OPENING & CLOSING STOCKS		
Closing Stock		
- Finished Goods	—	—
- Work in Process	31,871,102	30,214,117
	<u>31,871,102</u>	<u>30,214,117</u>
Less :		
Opening Stock		
- Finished Goods	—	—
- Work in Process	30,214,117	29,212,349
	<u>30,214,117</u>	<u>29,212,349</u>
Net Increase / (Decrease) in Stocks	<u>1,656,985</u>	<u>1,001,768</u>
SCHEDULE - 4 CONSUMPTION OF RAW MATERIALS		
Opening Stock of Raw Materials	4,163,083	3,669,036
Add: Purchase of Raw Materials	17,799,515	20,589,765
	<u>21,962,598</u>	<u>24,258,801</u>
Less : Closing Stock of Raw Materials	1,636,579	4,163,083
Consumption of Raw materials	<u>20,326,019</u>	<u>20,095,718</u>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd...)**

PARTICULARS	Year ended 31-3-2009 Rs.	Year ended 31-3-2008 Rs.
SCHEDULE - 5 CONSUMPTION OF STORES & SPARES		
Opening Stock of Stores & spares	4,133,897	3,511,288
Add: Purchase of Stores & spares	<u>8,825,973</u>	<u>9,966,439</u>
	12,959,870	13,477,727
Less : Closing Stock of Stores & spares	<u>3,558,824</u>	<u>4,133,897</u>
Consumption of Stores & Spares	<u>9,401,046</u>	<u>9,343,830</u>
SCHEDULE - 6 CONSUMPTION OF COMPONENTS		
Opening Stock of Components	289,563	438,965
Add: Purchase of Components	<u>740,903</u>	<u>818,576</u>
	1,030,466	1,257,541
Less : Closing Stock of Components	<u>382,550</u>	<u>289,563</u>
Consumption of Components	<u>647,916</u>	<u>967,978</u>
SCHEDULE - 7 EMPLOYEES COST		
Salaries, Wages & Bonus	4,027,602	3,108,284
Staff Welfare	29,336	157,723
Contribution to ESI, PF & Gratuity	531,737	460,754
Director's Remuneration	<u>90,000</u>	<u>58,500</u>
	<u>4,678,675</u>	<u>3,785,261</u>
SCHEDULE - 8 OTHER MANUFACTURING EXPENSES		
Labour Charges	1,838,146	1,534,077
Repairs & Maintenance		
- Plant & Machinery	129,729	119,890
- Building	107,838	8,942
- Others	54,789	61,956
Insurance	70,268	97,717
Water Charges	56,100	86,275
Testing Charges	<u>3,625</u>	<u>24,810</u>
	<u>2,260,495</u>	<u>1,933,667</u>



SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd...)

PARTICULARS	Year ended 31-3-2009 Rs.	Year ended 31-3-2008 Rs.
SCHEDULE - 9 ADMINISTRATIVE EXPENSES		
Advertisement	57,521	—
Rent	108,000	111,000
Rates & Taxes	461,179	249,135
Printing & Stationery	140,835	107,515
Postage & Telephones	62,860	79,386
Travelling & Conveyance	90,097	67,742
Vehicle maintenance	1,157	736
Auditors remuneration	185,277	186,219
Professional & Consultancy charges	323,930	119,427
Directors sitting fees	10,500	9,000
Miscellaneous Expenses	47,816	30,057
Exchange Fluctuation- (Net)	1,001,251	(349,284)
	<u>2,490,423</u>	<u>610,933</u>
SCHEDULE - 10 SELLING EXPENSES		
Ocean & Air freight	545,970	139,324
Marine Insurance	11,690	3,306
Clearing & Forwarding Charges	453,186	111,437
ECGC premium	126,038	166,510
Packing materials consumed	34,262	40,936
Carriage Outwards	5,724	12,266
Discounts & Rebates on sales	4,865,701	813,542
	<u>6,042,571</u>	<u>1,287,321</u>
SCHEDULE - 11 INTEREST		
Interest on Term Loan	211,366	2,477,015
Interest on Working Capital	3,331,990	2,568,624
Bank Charges	648,976	425,723
	<u>4,192,332</u>	<u>5,471,362</u>

**SCHEDULE : I NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009****1. SIGNIFICANT ACCOUNTING POLICIES:****a. Basis of Accounting**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by Company.

b. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes, the useful lives of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from such estimates.

c. Recognition of Income & Expenditure

- i. Revenue / Income and cost / expenditure are generally accounted on accrual basis as they are earned (or) incurred except in case of significant uncertainties.
- ii. Export sales are accounted on the basis of the dates of dispatch.
- iii. Benefit on account of entitlement under the DEPB scheme accounted on estimated basis and recognized in the year of export.
- iv. Interest income is recognized on time proportion basis.

d. Sales

Export Sales are exclusive of Excise Duty and Sales Tax since exempt.

Domestic Sales are inclusive of excise duty but exclusive of sales tax.

e. Fixed Assets

Fixed assets including Capital Work in Progress are stated at historical cost less accumulated depreciation..

Impairment in fixed assets, if any, is recognized in books of accounts in the financial year concerned as per Accounting standard 28 - 'Impairment of Assets' issued by Institute of Chartered accountants of India.

f. Foreign Currency Transactions

- i. The transactions involving Foreign Currencies are accounted for at the rates prevailing on the date of transactions. Gains/ Losses arising out of fluctuation in exchange rates are recognized in the Profit & Loss account.



- ii. In case of forward contracts, if any, the difference between the forward rate and the exchange rate at the date of transaction is recognized in the Profit & Loss account over the life of the contract.
- iii. Foreign currency monetary assets & Liabilities are restated at the exchange rate prevailing at the year end and overall net gain/ loss is adjusted to the Profit & Loss account.

g. Investments

Investments are stated at cost.

h. Depreciation

- i. Depreciation on fixed assets is provided under straight line method.
- ii. Depreciation has been charged for the assets used during the year at the rates prescribed in Schedule XIV of the Companies Act, 1956 read with relevant circulars issued by the Department of Company Affairs from time to time.
- iii. Assets costing upto Rs. 5000 are depreciated fully in the year of purchase.

i. Deferred Revenue Expenditure

The stocks of Tools including those developed in-house are being written off over a period of 10 years. Expenses incurred on New Product Development are written off over a period of 5 years.

j. Inventories

- i. Inventories of Raw materials, Stores and spare parts, work in process and Finished Goods are stated "at cost or Net Realisable Value, whichever is lower".
- ii. In determining the cost of Raw Materials and Components, Jigs and Dies, stores and Machinery Spares "Average Cost" method is used.
- iii. Stocks of tools are valued at cost and are written off over a period of ten years.

k. Retirement Benefits

Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the services are recognized in the period in which the employee renders the related service.

Post Employment / Retirement Benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss account as incurred.

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss account as incurred.

Defined Obligation Plans- The Present Value of the obligation under such plans, is determined based on an actuary valuation, using the Projected Unit Credit Method. Actuarial gains and Losses arising on such valuation are recognized immediately in the Profit and Loss account. In the case of Gratuity, which is partly funded with the Life Insurance Corporation of India under its Group Gratuity(Cash Accumulation) Scheme, the fair value of the plan Asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.



Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination Benefits

Termination Benefits are recognized as and when incurred.

l. Taxation

Income-tax expense comprises Current tax and deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

The Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The Deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

m. Leases

Premises and Equipments:

For Premises and equipments taken on lease, lease rentals payable are charged to revenue.

For equipments given on lease, lease rentals receivable are credited to revenue.

n. Subsidy

i. Backward Area Subsidy received is in the nature of promoters' contribution and hence the same has been credited to capital reserve and treated as part of shareholders' funds.

ii. Genset Subsidy received has been deducted from the gross value of the Genset.

o. Borrowing Cost

The borrowing cost represents interest payable on loans taken for carrying out business operations and the same is charged to revenue.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR:

Letter of Credit established by the Bankers and outstanding as on the date of the Balance sheet Rs. 17,91,216/- (Previous year Rs. 39,06,261/-)

Export bills discounted with Bankers as on 31.03.2009 Rs1,31,07,399/- (Previous year Rs. 26,26,233/-)

In respect of the appeal filed by the Central Excise department for the Modvat Claim of Rs 3,85,764/- the CEGAT has decided in favour of the department, against which the Company has preferred an appeal with the High Court, Chennai. However the Company has paid the duty amount under protest.

Relief of Rs 7,86,266/- granted by the Sales Tax Appellate authorities for Asst years 1996-97, 97-98 & 98-99 has been further appealed against by the Sales Tax department, which is pending decision.

The Appeal preferred for 1999-2000 for levy of tax and penalty of Rs 2,57,100/- has been decided in favour of the Company and relief given to the extent of Rs 2,40,270/-. The Company has preferred further appeals seeking relief for the balance amount, which however has been paid.



3. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4-C AND 4-D OF PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956.

		AS AT 31.03.2009	AS AT 31.03.2008
a) LICENSED CAPACITY			
Stainless steel pipe fittings	MTS	1,200	1,200
Stainless steel ball valves	NOS.	240,000	240,000
b) INSTALLED CAPACITY			
Stainless Steel Pipe Fittings	MTS	1,200	1,200
Stainless Steel Ball Valves	NOS.	240,000	240,000
c) OPENING STOCK OF GOODS PRODUCED			
Stainless Steel Pipe Fittings	KGS	Nil	Nil
Stainless Steel Ball Valves	NOS.	Nil	Nil
d) PRODUCTION			
Stainless Steel Pipe Fittings	KGS	1,59,755	1,37,933
Stainless Steel Ball Valves	NOS.	6,911	16,924
PURCHASE - TRADING			
SG Ductile Iron Machined Castings / Pipe Fittings	KGS.	293,229	62,048
Pig Iron	MTS.	Nil	Nil
Bolts & Nuts	Nos.	Nil	Nil
e) SALES - MANUFACTURING			
Stainless Steel Pipe Fittings	KGS	1,59,755	1,37,933
Stainless Steel Ball Valves	NOS.	6,911	16,924
SALES - TRADING			
SG Ductile Iron Machined Castings / Pipe Fittings	KGS	293,229	62,048
Pig Iron	MTS	Nil	Nil
Bolts & Nuts	Nos.	Nil	Nil
VALUE (Exclusive of Excise Duty and Export incentives)	Rs.	8,08,15,211	5,19,21,374
f) CLOSING STOCK OF GOODS PRODUCED			
Stainless Steel Pipe Fittings	KGS	Nil	Nil
Stainless Steel Ball Valves	NOS.	Nil	Nil



	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
g) DETAILS OF RAW MATERIALS CONSUMED (QUANTITY IN KGS)		
Stainless Steel Scrap	2,00,560	1,59,406
Ferro Chrome	1,122	4,450
Ferro Moly	75	650
Nickel	113	168
Other Alloys	4,437	2,740
	<hr/>	<hr/>
Total	2,06,307	1,67,414
Value of Raw Materials consumed	Rs. 2,03,26,019	20,095,718

h) VALUE OF IMPORTS ON CIF BASIS			
Raw Materials	Rs.	Nil	Nil
Consumables & Spares & Trading items	Rs.	23,81,837	20,92,116

i) VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS & STORES CONSUMED				
	Value Rs.	%	Value Rs.	%
1. RAW MATERIALS				
Imported	Nil		Nil	
Indigenous	2,03,26,019	100.00	20,095,718	100.00
Total	<hr/>	<hr/>	<hr/>	<hr/>
	2,03,26,019	100.00	20,095,718	100.00
2. STORES, TOOLS & SPARES				
Imported	23,81,837	25.33	20,92,116	22.39
Indigenous	70,19,209	74.67	72,51,714	77.61
Total	<hr/>	<hr/>	<hr/>	<hr/>
	94,01,046	100.00	93,43,830	100.00
3. COMPONENTS				
Imported	Nil	Nil	Nil	Nil
Indigenous	6,47,916	100.00	9,67,978	100.00
Total	<hr/>	<hr/>	<hr/>	<hr/>
	6,47,916	100.00	9,67,978	100.00

)) EARNINGS IN FOREIGN EXCHANGE			
F.O.B. VALUE OF EXPORTS	Rs.	2,77,69,042	58,95,142
(Excludes sales to Nepal Rs. 109,135)			



	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
k) AUDITORS' REMUNERATION (Including Service Tax)		
Audit fees	82,725	91,012
Certification fees	55,150	56,180
Tax Audit	55,150	56,180
Other services	Nil	Nil
Reimbursement of Expenses	<u>10,277</u>	<u>5,219</u>
Total	<u>2,03,302</u>	<u>2,08,591</u>
l) Expenditure in Foreign Currency	Nil	17,63,071
m) Interest on Loan includes		
Interest on Fixed Loans	2,11,366	24,77,015
Interest - Others (Including Bank Charges)	<u>39,80,966</u>	<u>29,94,347</u>
Total	<u>41,92,332</u>	<u>54,71,362</u>
n) Whole Time Director's Remuneration		
Salary	90,000	1,95,000
Perquisites	Nil	Nil
Reimbursement of Medical Expenses	<u>Nil</u>	<u>Nil</u>
Total	<u>90,000</u>	<u>1,95,000</u>
4. Net Loss on account of Exchange fluctuation included in Profit & Loss Account Rs 10,01,251 (Previous Year Net Gain Rs 3,49,284/-)		
5. Investments in National Savings Certificates, have been pledged with Sales Tax Authorities.		
6. Prior year adjustments represents :		
a. Debits relating to earlier years	Nil	14,675
b. Credits relating to earlier years	<u>Nil</u>	<u>Nil</u>
Total	<u>Nil</u>	<u>14,675</u>



7. Disclosure Pursuant to Accounting Standard - 15 "Employee Benefits "

Defined Contribution Plans

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:

	2008-09	2007-08
Employer's Contribution to Provident fund	Rs.1,13,403	Rs.1,43,467
Employer's Contribution to Employee State Insurance	Rs.1,60,888	Rs.2,09,341

Defined Benefit Plan

The present Value of obligation is determined based on actuarial valuation using Projected Unit Credit method. Under this method the present value of the accrued service benefits is calculated after taking into account the usual decrements such as death, withdrawal etc before normal retirement date and projecting the qualifying salary up to the expected date of cessation of service as assumed in the probability distribution of decrements stated above using actuarial techniques based on multiple decrement table and related commutation function.

	Gratuity (partly funded) Rs.	Leave Encashment (Unfunded) Rs.
1 Components of Employer Expense		
(a) Current Service Cost	15,643	15,691
(b) Interest Cost	12,838	2,739
(c) Expected Return on Plan Assets	Nil	Nil
(d) Curtailment Cost (Credit)	Nil	Nil
(e) Settlement Cost / (Credit)	Nil	Nil
(f) Past Service Cost	Nil	Nil
(g) Actuarial (Gain) / Loss	48,058	(6,043)
(h) Total expense / (gain) recognized in the Profit & Loss Account	76,539	12,388
2 Net Asset / (Liability) recognized in the Balance Sheet as at 31st March 2009		
(a) Present Value of obligation as at 31st March 2009	1,85,891	37,858
(b) Fair Value of Plan Assets as at 31st March, 2009	18,623	Nil
(c) (Asset) / Liability recognized in the Balance Sheet	1,67,268	37,858
3 Change in Defined Benefit Obligation (DBO)		
(a) Present Value of Obligation as at 1st April, 2008	2,09,663	47,190
(b) Current Service Cost	15,643	15,691
(c) Interest Cost	12,838	2,739
(d) Curtailment Cost / (Credit)	Nil	Nil



	Gratuity (partly funded)	Leave Encashment (Unfunded)
	Rs.	Rs.
(e) Settlement Cost / (Credit)	Nil	Nil
(f) Plan Amendments	Nil	Nil
(g) Acquisitions	Nil	Nil
(h) Actuarial (Gain) / Loss	48,058	(6,043)
(i) Benefits Paid	1,00,311	21,720
(j) Present Value of Obligation as at 31st March, 2009	1,85,891	37,858
4 Change in the Fair Value of Plan Assets		
(a) Present Value of Plan Asset as at 1st April, 2008	18,623	Nil
(b) Acquisition Adjustment	Nil	Nil
(c) Return on Plan Assets	Nil	Nil
(d) Actuarial Gain / Loss	Nil	Nil
(e) Actual Company Contribution	Nil	Nil
(f) Benefits Paid	Nil	Nil
(g) Fair Value of Plan Assets as at 31st March, 2009	18,623	Nil

5. Plan Assets are managed by Life Insurance Corporation of India in terms of the Group Gratuity Scheme.

6 Actuarial Assumptions

(a) Discount Rate (per annum)	8%	7.5%
(b) Expected Rate of Return on Assets (per annum)	8.5%	
(c) Salary Escalation Rate per unit per annum	0.04	0.04
(d) Mortality Rate	LIC 94-96	LIC 94-96
(e) Valuation as on	31.03.2009	31.03.2009

8. Disclosure as required by Accounting Standard 19 "Leases" issued by the Institute of Chartered Accountants of India are given below:

The Company has taken premises on lease which is generally non cancellable and the lease payments are recognised in the statement of Profit and Loss account under "Rent".

9. In the opinion of Directors, current assets, loans and advances have the values at which they are stated in the Balance Sheet, if realised in the ordinary course of business.



10. TAXATION

- a. No provision for Income tax has been made considering the carried forward losses of earlier years
- b. **Deferred Taxation :** (Rs. in lakhs)

	Accumulated as at 31.3.2008	Charge / Credit in P&L during the year	As at 31.3.2009
Deferred Tax Liability on account of :			
Depreciation	273.52	(7.15)	266.37
Total	273.52	(7.15)	266.37
Deferred Tax Asset on Account of			
Gratuity	0.17	(0.14)	0.03
Leave encashment	2.19	(0.03)	2.16
Unabsorbed Depreciation and business loss	407.35	—	407.35
Bonus	(0.01)	0.07	0.06
Total	409.70	(0.10)	409.60
Net Deferred Tax Asset	136.18	(7.06)	143.23

The Company's financial projections for future years indicate that the unabsorbed depreciation and business losses allowable under the provisions of Income Tax Act 1961 will be fully utilized.

In accordance with Accounting Standard 22, the deferred tax Asset of Rs 7.06 lacs for the year have been recognised in Profit and Loss account.

11. EARNING PER SHARE

	2008-2009	2007-2008
Profit /Loss after taxation as per Profit and Loss a/c (Rs. in lacs)	** 8.80	1.23
Weighted average number of Equity Shares outstanding	83,20,000	83,20,000
Nominal / Face value per share Rs	10	10
Basic and diluted earnings per share in rupees	0.11	0.01

** Since no Preference dividend on non-cumulative preference shares provided for in the books, entire profit after tax is attributed towards equity share holders.

12. Related party information:

1. RELATIONSHIP:

A. Where Control Exits:

- a) INTERFIT INDIA LIMITED
- b) MERIT INDUSTRIES LIMITED



B. Key Management Personnel:

- V. Bhaskar Rao (Resigned from Directorship)
- A.V. Palaniswamy (Managing Director)
- R. Alagar (Director)
- M. Loganathan (Director)
- K. Arunachalam (Director)

C. Relatives of Key Management Personnel and their Enterprises

Mrs. Kumudha Palaniswamy

Notes: 1. Related party relationship on the basis of the requirements of AS18 as in 1(A) to (C) is pointed and relied upon by the auditors.

TRANSACTIONS WITH RELATED PARTIES

Rs in lakhs

	Referred 1(A) above	Referred in 1 (B) above	Referred in 1(C) above
Purchases		Nil	Nil
Goods & Materials	206.43	—	—
Machineries	—	—	—
Sales		Nil	Nil
Goods & Materials	56.86	0.03	—
Machineries	—	—	—
Expenses			Nil
Rent & Services	1.08	—	—
Remuneration	—	1.90	—
Director Setting Fees	—	0.10	—
Other Expenses	21.36	0.49	—
Income		Nil	Nil
Rent & Services	0.36	—	—
Outstandings		Nil	Nil
Payable	240.30	—	—
Receivable	151.84	—	—

The auditors have relied on the information furnished by the management with regard to Related Party Disclosures.

**13. SEGMENT REPORT :**

Rs. in lacs

REGION	Year ended 31.03.09	Year Ended 31.03.08
1. Segment Revenue		
(a) Outside India	284.46	61.95
(b) Within India	586.28	531.65
Total	870.75	593.60
2. Segment Results Profit/(Loss) before tax and interest from each segment.		
(a) Outside India	45.68	3.77
(b) Within India	1.58	33.72
Total	47.25	37.50
Less:		
(i) Interest	41.92	54.71
(ii) Other Un-allocable Expenditure net	32.17	42.88
(iii) Un-allocable income	(28.61)	(54.11)
TOTAL PROFIT BEFORE TAX	1.78	(5.98)

Note : Segmental Capital Employed : Not identifiable with the reported segments.

14. The company has been granted Eligibility Certificate whereby the company is entitled to the benefit of IFST deferral scheme for manufacturing SS Fittings for nine years ending 30.11.03 for deferral of sales tax not exceeding Rs. 390.45 lakhs against which the company had availed RS 25.89 lakhs. Such sales tax deferred has to be repaid before November 2012 in stipulated installments commencing from December 2003 and the Company so far has paid Rs 6,96,206/-.
15. The Company is a subsidiary of Interfit India Ltd under the provisions of section 4(1)(b)(ii) of the Companies Act 1956. The total no of equity shares held by the holding company M/s Interfit India Ltd as on 31.03.2009 is 46,97,810/-. Further, the company allotted 5,00,000, 9% Redeemable non-convertible, non-cumulative preference shares of Rs. 100 each during the year 2008-09 to the holding company.
16. As per the information available with the company till date, none of the suppliers have informed the company about their having registered themselves under the "Micro, Small and Medium enterprises development Act, 2006. As such information as required under the Act can not be compiled and therefore not disclosed for the year.
17. Confirmations of Balances have been sought from parties and the necessary adjustments have been made wherever applicable from those received. In respect of others, the balances as appearing in the books have been adopted.
18. Previous year's figures have been regrouped and reclassified wherever necessary and practicable.



20. ADDITIONAL INFORMATION AS REQUIRED BY PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration Details

Registration No.	181-008034	State Code	18
Balance Sheet Date	31-03-2009		

II. Capital raised during the year (Amount Rs. in Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	50000

III. Position of Mobilisation and deployment of funds: (Amount Rs. in Thousands)

Total Liabilities	169,651	Total Assets	169,651
-------------------	---------	--------------	---------

Sources of Funds:

Paid up Capital	133,200
Reserves & Surplus	16,980
Secured Loans	17,578
Unsecured Loans	1,893

Application of Funds:

Net Fixed Assets	29,449
Investments	10
Net Current Assets	30,339
Misc. Expenditure	711
Deferred Tax Assets	14,323
Accumulated Losses	94,819

IV. Performance of the Company: (Amount Rs. in Thousands)

Turnover	88,279	Total Expenditure	88,101
Profit before Tax	178	Profit after Tax	879
Earning per share	0.11	Dividend Rate	N.A.

V. Generic Names of principal products, services of the Company:

Item Code No.	73071900
Product Description	Stainless Steel Pipe Fittings

Item Code No.	84818003
Product Description	Stainless Steel Ball Valves

Sd/- **A.V. PALANISWAMY**
Managing Director

Sd/- **M. LOGANATHAN**
Director

As per our report of even date annexed
for **KRISHAAN & CO.**,
Chartered Accountants
Sd/- **ABHIJEET KAR**
Partner

Place : Coimbatore
Date : 29.06.2009