



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

Mr. Philip K Baby, Executive Non-Independent Director

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, 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
Ph : 0422-6549995, 2539835



INTERFIT TECHNO PRODUCTS LIMITED

NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

Notice is hereby given that the **18th 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 11th day of August 2011 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 2011 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 a Director in place of Mr K Arunachalam, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the current financial year and fix their remuneration. M/s. Krishnaan & Co., Chartered Accountants, Chennai, retires and is eligible for re-appointment.

/ By order of the Board /

Place : Coimbatore
Date : 30.05.2011

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 4th August 2011 to 11th August 2011 (both days inclusive) in connection with the 18th 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, Sulur Taluk,
Karumathampatti (Via) - 641 659,
Coimbatore District.

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

1. Coimbatore Stock Exchange Limited
CSX Towers,
683-686 Trichy Road,
Coimbatore - 641 005
2. The Bombay Stock Exchange 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.
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road
Ganapathy
Coimbatore - 641 006

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2011.

FINANCIAL RESULTS :

The operating results for the year 2010-2011 are given below :

	(Rs. in Lakhs)	
Profit before Interest and Depreciation & Other adjustments		291.30
Less: Interest	48.27	
Depreciation	22.71	
Preliminary & Product Development Expenses written off & Other Adjustments	4.15	
	<u> </u>	<u>75.13</u>
Net Profit before Tax		216.17
Provision for Tax		
Current Tax	18.02	
Deferred Tax / (Liabilities)	0.12	
MAT Credit Entitlement	(17.60)	
	<u> </u>	<u>0.54</u>
Net Profit		<u>215.63</u>

PERFORMANCE:

Due to severe power cuts of above 70% and power interruption during the whole year in Tamil Nadu, component supplies from outside vendors were reduced substantially and has resulted in lower sales. However the company managed to reduce other costs, increase selling prices due to Global price increases and has maintained good margin. The Company hopes to have reduced power cuts during this year and expect to improve sales and margin.

DIRECTORS:

Mr K Arunachlam, Director, who retires by rotation, and being eligible, offers himself for reappointment.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors further report that

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures;
- (ii) the accounting policies selected by them have been applied consistently, judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of



affairs of the company as at 31st March 2011 and of the Profit of the of the company and the cash flow statement for the year ended 31.03.2011.

- (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:**

Company's policies recognize the importance of Corporate Governance and to demonstrate that the Company's customers and the shareholders are the ultimate beneficiaries of the Company's business profile.

In order to attain the above, your Company constantly endeavors for a system to develop, manufacture and supply most efficiently products that meet the customer requirements; to comply with the requirements of quality management systems and to strive for its continuous improvement in total quality, keeping abreast of the latest technologies; to train and develop employees to foster growth and to recognize responsibilities to the environment and community.

Some of the Measures included:

- Composition of Board of Directors (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
Executive Non- Independent Director	1
Non-Executive Independent Directors	3

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



INTERFIT TECHNO PRODUCTS LIMITED

BOARD MEETINGS:

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

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

Five meetings of the Board of Directors were held during the financial year on 09.04.10, 29.05.10, 07.08.10, 13.11.10, 14.02.11

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	5	Present
02.	Mr. M Loganathan	5	Present
03.	Mr. R. Alagar	5	Present
04.	Mr. K Arunachalam	5	Present
05.	Mr. Philip K Baby	5	Present

COMMITTEES OF THE BOARD

(I) AUDIT COMMITTEE

Composition:

The Audit Committee of the Board comprises three directors, namely Shri. R. Alagar, Chairman, Shri A.V. Palaniswamy and Shri. M. Loganathan, members. The composition of Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement.

The terms of reference Include:

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

Attendance:

The committee met 4 times during the period on the following dates: 29.05.2010, 07.08.2010, 13.11.2010, 14.02.2011

Sl. No.	Name of the Members	No. of meetings held during the period 2010-2011	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 31.03.2011.

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 is the compliance officer.

The Share Transfer Committee met 12 times during the financial year 2010-2011 for the above purpose.

REMUNERATION COMMITTEE:

The Company has a Remuneration committee consists of Mr. R.Alagar, Independent Director, Mr.M.Loganathan, Independent Director and Mr.K Arunachalam, Independent Director as members. The functions of the remuneration committee are monitoring the performance and remuneration of the executives of the Company.

GENERAL BODY MEETING:

Location and time for the last three Annual General Meetings held:

Financial year	Venue	Date	Time
2007-2008	Registered Office of the Company SF No. 112, Mathapur Road, Karumathampatti Via Coimbatore - 641 659	20.08.2008	9.30 A.M
2008-2009		30.07.2009	9.30 A.M
2009-2010		07.08.2010	9.30 A.M

For the forthcoming Annual General Meeting, there is no business/resolution that requires voting through postal ballot as per the new rule 4 of Companies (passing of Resolution by postal Ballot) Rules, 2001.

DISCLOSURES:

There are no materially significant related party transactions with the Company's Promoters, Directors, the Managements, the Subsidiaries or Relatives which may have potential conflict with the interest of the Company at large.



INTERFIT TECHNO PRODUCTS LIMITED

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 18th Annual General Meeting of the Members of the Company will be held on Thursday the 11th day of August 2011 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: 04th August 2011 to 11th August 2011.
- 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 2010-11 in Mumbai Stock Exchange is as below.

Month	No of shares Traded	High (Rs.)	Low (Rs.)
April 2010	372196	21.80	14.10
May 2010	153468	21.00	15.10
June 2010	61444	20.25	13.50
July 2010	226403	22.00	16.00
August 2010	58620	18.85	14.05
September 2010	70713	20.00	13.25
October 2010	290344	21.80	16.15
November 2010	46982	21.80	14.30
December 2010	41090	17.30	12.75
January 2011	25614	16.39	11.43
February 2011	32540	14.38	09.46
March 2011	17394	11.19	08.15



- 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 lodgment, 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 31.03.2011

	No. of Shares	%
A. PROMOTERS HOLDINGS		
1. Promoters		
Indian Promoters	46,97,810	56.46
Foreign Promoters	7,56,472	09.09
2. Personal acting in Concert	Nil	Nil
Sub Total	54,54,282	65.55
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)	100	0.01
c) FIs	Nil	Nil
Sub Total	600	0.02
4. Others		
a) Directors & Relatives	14,690	0.18
b) Private Corporate Bodies	4,79,397	5.76
c) Indian Public	20,43,841	24.56
d) NRI-NRE / NRI-NRO / OCBs	2,55,255	3.068
e) Any other (HUF)	71,935	0.86
Sub Total	28,65,118	34.43
Grand Total	83,20,000	100.00
Note		
Total Foreign Holding	10,11,727	12.16
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:



(a) M/s.SKDC Consultants Ltd.

Kanapathy Towers, 3rd floor,
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore – 641 006

(b) Compliance Officer

INTERFIT TECHNO PRODUCTS LIMITED

SF No 112, Mathapur Road, Kaniyur Village
Karumathampatti via – 641 659
Sulur Taluk, Coimbatore District

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:

In spite of slowdown of certain areas of Middle East market, company has comfortable order position and is continuing to improve its Domestic sales. During the year 2011-2012 the Company hopes to achieve better than 30% of the sales from the Domestic market at better margins. Company is taking steps to modernize its production facilities to increase productivity and reduce costs

AUDITORS:

M/s. Krishnaan & 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:

The Company has been taking necessary energy conservation measures on an ongoing basis to reduce cost of energy consumed. The company has installed newer packaged air conditioning system for individual process areas and eliminated the central Air conditioning system. This has resulted substantial reduction of power consumption.

C) Power and fuel consumption;

- i) The Company has consumed 9, 92,965 Units of power during the year 31.03.2011.
- ii) Consumption per Unit of Production :

5444 Units consumed per MT of Rough Castings as against 8012 units in the last year required for Stainless Steel Pipe Fittings & Ball Valves.

201 units consumed per MT of Finished Goods as against 168 units in the last year required for Stainless Steel Pipe fittings & SG Iron Pipe Fittings.



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 2011 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 misstatement. 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 2011, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2011 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 2011.
 - 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.

Place : COIMBATORE
Date : 30.05.2011

For and on behalf of
KRISHAAN & CO.,
Chartered Accountants,
Sd/- V. KRISHNAN
Partner
Membership No. 010970
Firm Regn. No. 001453S

**ANNEXURE TO THE AUDITORS' REPORT****STATEMENT REFERRED TO IN PARAGRAPH 2 OF THE AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF M/S. INTERFIT TECHNO PRODUCTS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011.**

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.
 - a) 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 any loans secured or unsecured to 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.



INTERFIT TECHNO PRODUCTS LIMITED

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, the disputed statutory dues aggregating to Rs.2.85 Lacs, that have not been deposited on account of matters pending before Appropriate Authorities are as under.

Sl. No	Name of the Statute	Nature of Duties	Forum where dispute is Pending	Amount (Rs. in lacs)
1.	Central Excise Act. 1944	Excise Duty	High Court	2.84

10. The Company has accumulated losses, which do not exceeds 50% of the Net Worth of the Company but 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..
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 not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
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 : 30.05.2011

For and on behalf of
KRISHAAN & CO.,
Chartered Accountants,
Sd/- V. KRISHNAN

Partner

Membership No. 010970

Firm Regn. No. 001453S

**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 2011, 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 : 30.05.2011

For and on behalf of
KRISHAAN & CO.,
Chartered Accountants,
Sd/- V. KRISHNAN

Partner

Membership No. 010970

Firm Regn. No. 001453S



INTERFIT TECHNO PRODUCTS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	SCHEDULE	31.3.2011		31.3.2010	
		Rs.	Rs.	Rs.	Rs.
I. SOURCE OF FUNDS					
1. SHARE HOLDERS FUNDS					
a. Share Capital	A	133,200,000		133,200,000	
b. Reserves & Surplus	B	<u>16,980,000</u>		<u>16,980,000</u>	
		150,180,000		150,180,000	
2. LOAN FUNDS					
Secured Loans	C	18,909,511		16,597,645	
Unsecured Loans	D	<u>1,352,460</u>		<u>1,919,116</u>	
		20,261,971		18,516,761	
TOTAL		<u>170,441,971</u>		<u>168,696,761</u>	
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
a. Gross Block	E	122,887,033		109,630,371	
b. Less: Depreciation		<u>80,214,407</u>		<u>77,943,577</u>	
		42,672,626		31,686,794	
2. INVESTMENTS - LONG TERM (UNQUOTED) (Including interest accrued on NSC)					
			—		10,075
3. CURRENT ASSETS, LOANS & ADVANCES					
a. Stock in Trade	F	40,360,404		39,918,730	
b. Sundry Debtors		18,552,431		14,318,609	
c. Cash & Bank Balances		5,479,361		555,228	
d. Loans & Advances		24,899,276		17,495,670	
e. Other Current Assets		<u>3,000</u>		<u>2,849</u>	
		89,294,472		72,291,086	
4. LESS: CURRENT LIABILITIES & PROVISIONS					
	G	<u>21,319,177</u>		<u>16,892,503</u>	
NET CURRENT ASSETS					
		67,975,295		55,398,582	
5. MISCELLANEOUS EXPENDITURE					
	H	122,798		355,733	
6. PROFIT & LOSS ACCOUNT					
		44,929,156		66,491,698	
7. DEFERRED TAX ASSET					
	I	<u>14,742,096</u>		<u>14,753,878</u>	
TOTAL		<u>170,441,971</u>		<u>168,696,761</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

Sd/- S. ARAVINTHAN
Company Secretary

Sd/- V. KRISHNAN
Partner, M.No. 010970,
Firm Regn. No. 001453S

Place : Coimbatore
Date : 30.05.2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE	YEAR ENDED	YEAR ENDED
		31.3.2011	31.3.2010
		Rs.	Rs.
INCOME			
Sales - Direct	1	266,935,456	337,777,158
Sales - Traded		175,000	—
Less : Excise Duty		<u>6,105,420</u>	<u>3,700,343</u>
Sales - Net		261,005,036	334,076,815
Other Income	2	1,371,197	220,777
Variation in opening and closing stocks	3	<u>(2,212,974)</u>	<u>(5,390,088)</u>
TOTAL INCOME		<u>260,163,259</u>	<u>328,907,505</u>
EXPENDITURE			
Purchase of Finished Goods		1,535,492	151,844
Consumption of Raw materials, stores & components	4	176,097,754	235,621,128
Lease Rent		3,600,000	3,600,000
Repairs & Maintenance	5	1,451,563	524,145
Employees Cost	6	16,156,481	14,177,539
Power & Fuel		96,98,045	9,665,842
Administrative Expenses	7	8,989,806	5,673,884
Selling Expenses	8	<u>13,425,340</u>	<u>23,086,202</u>
Sub Total		<u>230,954,481</u>	<u>292,500,584</u>
Profit before Interest, Depreciation & Other Adjustments		<u>29,208,778</u>	<u>36,406,921</u>
Less : Interest and bank charges	9	4,827,494	5,945,007
Depreciation		2,270,830	2,034,421
Product Development & Tool Room Exp. written off		<u>415,560</u>	<u>530,775</u>
Sub Total		<u>7,513,884</u>	<u>8,510,203</u>
Profit before Tax		21,694,894	27,896,718
Provision for Taxation			
Minimum Alternate Tax		1,802,640	—
Deferred Tax (Assets) / Liabilities		<u>11,892</u>	<u>(430,401)</u>
		19,880,472	28,327,119
MAT Credit Entitlement		<u>1,760,027</u>	<u>—</u>
		21,640,499	28,327,119
Prior Period Expenses		<u>(77,956)</u>	<u>—</u>
Net Profit for the year		<u>21,562,543</u>	<u>28,327,119</u>
LOSS BROUGHT FORWARD FROM PREVIOUS YEAR		<u>(66,491,698)</u>	<u>(94,818,817)</u>
BALANCE CARRIED OVER TO BALANCE SHEET		<u>(44,929,156)</u>	<u>(66,491,698)</u>

Schedule 1 to 9 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/- S. ARAVINTHAN
Company Secretary

Sd/- V. KRISHNAN
Partner, M.No. 010970,
Firm Regn. No. 001453S

Place : Coimbatore
Date : 30.05.2011



INTERFIT TECHNO PRODUCTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2011

A) Cash flows from operating activities	31.3.2011	31.3.2010
Net profit before taxation, and extraordinary item	21,616,938	27,896,718
Adjustments for:		
Depreciation & Amortization of Expenses-net	2,503,765	2,389,336
Foreign Exchange (gain) / loss	1,104,709	86,207
MAT Credit Entitlement	1,760,027	—
Interest Expenses	4,827,494	5,945,007
	31,812,933	36,317,268
Change in trade payables & Provisions	992,947	(2,575,137)
Change in Short Term Borrowings	1,988,970	(4,931,916)
Change in trade other receivables	(12,742,287)	(16,828,782)
Change in Inventories	(441,674)	(1,500,932)
Cash generated from operations	21,610,888	10,480,501
Less : Fringe Benefit Tax Paid	—	(16,933)
Income Tax Paid	(1,802,640)	—
Net cash from operating activities (A)	23,413,528	10,463,568
B) Cash flows from investing activities		
Purchase / Sale of Fixed Assets (incl. exchange fluctns.)	(13,256,662)	(4,271,761)
Sale of Fixed Assets	10,075	—
Net cash from investing activities (B)	(13,246,587)	(4,271,761)
C) Cash flows from financing activities		
Preference Share Capital Issued	—	—
Payment of long-term borrowing & Other Borrowings	(415,314)	(238,657)
Interest Expenses	(4,827,494)	(5,945,007)
Net cash from financing activities (C)	(5,242,808)	(6,183,664)
Net change in cash and cash equivalents (A+B+C)	4,924,133	8,143
Cash and cash equivalents at beginning of period	555,228	547,085
Cash and cash equivalents at end of period	5,479,361	555,228

Place : Coimbatore
Date : 30.05.2011

Sd/- S. ARAVINTHAN
Company Secretary

Sd/- A.V. PALANISWAMY
Managing Director

Sd/- M. LOGANATHAN
Director



SCHEDULES TO BALANCE SHEET

PARTICULARS	AS AT 31.3.2011 Rs.	AS AT 31.3.2010 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	50,00,000	50,00,000
	<u>137,50,000</u>	<u>137,50,000</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 (All the 5,00,000 Redeemable preference shares have been allotted to the Holding Company M/s. Interfit India Ltd at par)	50,00,000	50,00,000
	<u>133,20,000</u>	<u>133,20,000</u>
SCHEDULE B - RESERVES & SURPLUS		
General Reserve		
As per Last Balance Sheet	14,480,000	14,480,000
Share Premium - as per last Balance Sheet	1,000,000	1,000,000
Capital Reserve - Backward Area Subsidy - as per last Balance Sheet	1,500,000	1,500,000
	<u>16,980,000</u>	<u>16,980,000</u>
SCHEDULE C - SECURED LOANS		
From a Bank		
Working Capital Loans		
Export Packing Credit	18,909,511	16,597,645
	<u>18,909,511</u>	<u>16,597,645</u>
Working Capital loans comprising of cash credit EPC and other non fund based limits are secured by hypothecation of Stock and Book Debts and collaterally secured by the Equitable Mortgage of Block Assets and Hypothecation of machinery.		
Further the above are guaranteed personally by the Managing Director and a relative of the Managing Director and also by corporate guarantee of M/s Interfit India Ltd		
SCHEDULE D - UNSECURED LOANS		
Interest Free Sales Tax Loan (Refer Note 12 to the notes to accounts)	1,239,098	1,654,412
Unsecured Loan from Managing Director	113,362	264,704
	<u>1,352,460</u>	<u>1,919,116</u>



SCHEDULES TO BALANCE SHEET (Contd...)

SCHEDULE E - FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost Original	Additions	Deletions	Total	Upto Last year	Current Year	Withdrawn	Total	As on 31-3-2011	As on 31-3-2010
Land	1,218,334	—	—	1,218,334	—	—	—	—	1,218,334	1,218,334
Building	15,474,208	355,279	—	15,829,487	7,706,906	532,114	—	8,239,020	7,590,467	7,767,302
Plant & Machinery	81,233,312	11,340,729	—	92,574,041	62,774,746	1,106,560	—	63,881,306	28,692,735	18,458,567
Office Equipments	2,348,671	582,103	—	2,930,774	444,234	124,914	—	569,148	2,361,625	1,904,436
Furniture & fittings	467,712	223,313	—	691,025	394,796	14,588	—	409,384	281,641	72,916
Electrical Installation	6,774,946	—	—	6,774,946	5,616,578	320,236	—	5,936,814	838,133	1,158,369
Vehicles	1,220,424	—	—	1,220,424	308,171	113,391	—	421,562	798,862	912,253
Computers	892,763	755,238	—	1,648,001	698,146	59,026	—	757,172	890,829	194,617
TOTAL	109,630,371	13,256,662	—	122,887,033	77,943,577	2,270,829	—	80,214,406	42,672,627	31,686,794
PREVIOUS YEAR	105,358,610	4,271,761	—	109,630,371	75,909,156	2,034,421	—	77,943,577		



SCHEDULES TO BALANCE SHEET (Contd.)

PARTICULARS	AS AT 31.3.2011 Rs.	AS AT 31.3.2010 Rs.
SCHEDULE F - CURRENT ASSETS, LOANS AND ADVANCES		
a. STOCK AT CLOSE - As taken and Certified by the Management		
1. Raw Materials	5,668,029	3,099,814
2. Consumable Stores, Tools, Spares & Components	9,323,305	9,104,716
3. Work in Process	24,268,040	26,481,014
4. Packing Materials	184,087	201,266
5. Stock of Tools	916,944	1,031,921
	<u>40,360,404</u>	<u>39,918,730</u>
b. SUNDRY DEBTORS		
(Unsecured / Considered good)		
Debts outstanding for a period exceeding six months	2,494,351	2,963,784
Other Debts	16,058,080	11,354,825
	<u>18,552,431</u>	<u>14,318,609</u>
c. CASH AND BANK BALANCES		
i) Cash on Hand	79,080	82,814
ii) Balance with Scheduled Banks		
In Current Account	1,510,882	1,252
In Margin Money Account	566,225	471,161
In Deposit Account	3,323,144	—
	<u>5,479,361</u>	<u>555,228</u>
d. LOANS AND ADVANCES		
(Unsecured/ Considered Good)		
Advance recoverable in cash or in kind or for the value to be received	23,806,483	16,201,465
Deposits	1,092,793	1,312,828
	<u>24,899,276</u>	<u>17,495,670</u>
e. OTHER CURRENT ASSETS		
Export Incentives receivables	—	—
Interest Receivable	3,000	2,849
	<u>3,000</u>	<u>2,849</u>



INTERFIT TECHNO PRODUCTS LIMITED

SCHEDULES TO BALANCE SHEET (Contd...)

PARTICULARS	AS AT 31.3.2011 Rs.	AS AT 31.3.2010 Rs.
SCHEDULE G - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors - SSI Units	353,216	421,912
- Others	14,488,171	11,842,051
Advance against Supplies	1,043,611	1,215,164
Sundry Creditors for Expenses	2,283,478	2,255,517
Other Liabilities	670,355	556,246
	<u>18,838,830</u>	<u>16,290,891</u>
B. PROVISIONS		
Provision for Gratuity	658,317	600,847
Provision for Taxation	1,818,250	15,610
Provision for Fringe Benefit Tax	3,780	3,780
	<u>2,480,347</u>	<u>601,613</u>
SCHEDULE H - MISCELLANEOUS EXPENDITURE		
Product Development Expenditure		
Opening Balance	355,733	710,648
Add : Additions during the year	—	—
	<u>355,733</u>	<u>710,648</u>
Less : Written off during the year	232,935	354,915
	<u>122,798</u>	<u>355,733</u>
SCHEDULE I - DEFERRED TAX ASSETS		
Deferred Tax Asset (Net) (Refer No. 8(b) of Notes to Accounts)	14,742,096	14,753,878
	<u>14,742,096</u>	<u>14,753,878</u>



SCHEDULES TO PROFIT AND LOSS ACCOUNT

PARTICULARS	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
SCHEDULE - 1 SALES		
Export Sales - Manufactured	187,540,827	272,699,483
- Traded	175,000	—
Export Incentives - DEPB (Net)	12,321,942	14,269,584
Domestic Sales	67,072,687	50,808,091
	<u>267,110,456</u>	<u>337,777,158</u>
SCHEDULE - 2 OTHER INCOME		
Exchange Fluctuation (Gain)	1,104,709	—
Interest Received	106,083	144,652
Miscellaneous Income	39,437	—
Sundry Balance Written back	38,968	—
Lease Rent Received	82,000	76,125
	<u>1,371,197</u>	<u>220,777</u>
SCHEDULE - 3 VARIATION IN OPENING & CLOSING STOCKS		
Closing Stock		
- Finished Goods	—	—
- Work in Process	24,268,040	26,481,014
	<u>24,268,040</u>	<u>26,481,014</u>
Less :		
Opening Stock		
- Finished Goods	—	—
- Work in Process	26,481,014	31,871,102
	<u>24,481,014</u>	<u>31,871,102</u>
Net Increase / (Decrease) in Stocks	<u>(2,212,974)</u>	<u>(5,390,088)</u>
SCHEDULE - 4 MANUFACTURING EXPENSES		
CONSUMPTION OF RAW MATERIALS		
Opening Stock of Raw Materials	3,099,814	1,636,579
Add: Purchase of Raw Materials	143,548,709	190,146,804
	<u>146,648,523</u>	<u>191,783,383</u>
Less : Closing Stock of Raw Materials	5,668,029	3,099,814
Consumption of Raw materials	<u>140,980,495</u>	<u>188,683,569</u>



INTERFIT TECHNO PRODUCTS LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd.)

PARTICULARS	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
CONSUMPTION OF STORES & SPARES		
Opening Stock of Stores & spares	4,395,373	3,558,824
Add: Purchase of Stores & spares	13,222,200	20,129,437
	<u>17,617,573</u>	<u>23,688,261</u>
Less : Closing Stock of Stores & spares	3,751,530	4,395,373
Consumption of Stores & Spares	<u>13,866,043</u>	<u>19,292,888</u>
CONSUMPTION OF COMPONENTS		
Opening Stock of Components	4,709,343	382,550
Add: Purchase of Components	22,113,648	31,971,464
	<u>26,822,991</u>	<u>32,354,014</u>
Less : Closing Stock of Components	5,571,775	4,709,343
Consumption of Components	<u>21,251,217</u>	<u>27,644,671</u>
Total	<u>176,097,754</u>	<u>235,621,128</u>
SCHEDULE - 5 REPAIRS & MAINTENANCE		
Plant & Machinery	943,072	299,210
Building	196,053	53,016
Others	312,438	171,919
	<u>1,451,563</u>	<u>524,145</u>
SCHEDULE - 6 EMPLOYEES COST		
Salaries, Wages & Bonus	12,240,576	11,274,751
Staff Welfare	135,838	104,561
Contribution to ESI, PF & Gratuity	2,004,067	2,070,227
Director's Remuneration	1,776,000	728,000
	<u>16,156,481</u>	<u>14,177,539</u>



SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd.)

PARTICULARS	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
SCHEDULE - 7 ADMINISTRATIVE EXPENSES		
Water charges	179,100	157,300
Insurance	55,448	66,781
Advertisement	8,049	153,036
Rent	232,550	187,000
Rates & Taxes	649,838	386,945
Printing & Stationery	431,707	334,284
Postage & Telephones	241,465	493,474
Travelling & Conveyance	597,144	648,775
Vehicle maintenance	1,090,576	652,158
Auditors remuneration	272,348	232,128
Professional & Consultancy charges	1,398,873	701,544
Directors sitting fees	21,000	9,000
Miscellaneous Expenses	568,529	232,110
Exchange Fluctuation	—	86,207
Bad Debts written off	2,497,258	—
Sundry Balance Written off	38,338	606,423
Donation	10,000	64,500
Security charges	452,539	456,959
Other Expense	245,044	205,259
	8,989,806	5,607,103
SCHEDULE - 8 SELLING EXPENSES		
Ocean & Air Freight	2,976,771	2,893,021
Marine Insurance	73,950	69,585
Clearing & Forwarding Charges	2,540,312	3,015,572
ECGC premium	51,584	—
Packing materials consumed	3,574,067	4,602,334
Carriage Outwards	8,3,899	347,970
Discounts & Rebates on sales	90,479	7,375,812
Product Liability Insurance	283,724	230,366
Sales Commission	898,634	748,327
Royalty	2,121,920	3,803,216
	13,425,340	23,086,202
SCHEDULE - 9 INTEREST		
Interest on Working Capital - to a Bank	3,076,361	3,373,476
Bank Charges	1,751,133	2,571,531
	4,827,494	5,945,007

**SCHEDULE : I NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011****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 Realizable 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 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.

i. 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. 68,48,644/-. (Previous year Rs. 17,56,845/-)

Export bills discounted with Bankers as on 31.03.2011 Rs.1,11,84,752/- (Previous year Rs.85,04,380/-)

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, though reducing the claim to Rs.2,83,658/- against which the Company has preferred an appeal with the High Court, Chennai. However the Company has paid the duty amount of Rs.2,83,658/- under protest.



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 31-03-2011	AS AT 31-03-2010
A	LICENSED CAPACITY			
	Stainless Steel Pipe Fittings	MTS	1,200	1,200
	Stainless Steel Ball Valves	NOS	2,40,000	2,40,000
	S G Iron Pipe Fitting	MTS	10,000	
B	INSTALLED CAPACITY			
	Stainless Steel Pipe Fittings	MTS	1,200	1,200
	Stainless Steel Ball Valves	NOS	2,40,000	2,40,000
	S G Iron Pipe Fitting	MTS	10,000	10,000
C	OPENING STOCK OF GOODS PRODUCED			
	Stainless Steel Pipe Fittings	KGS	NIL	NIL
	Stainless Steel Ball Valves	NOS	NIL	NIL
	S G Iron Pipe Fitting	KGS	NIL	NIL
D	PRODUCTION			
	Stainless Steel Pipe Fittings	KGS	1,00,550	1,59,755
	Stainless Steel Ball Valves	NOS		
	S G Iron Pipe Fitting	KGS	21,62,015	33,15,929
	Purchase – Trading			
	SG Ductile Iron Machined Castings/ Pipe Fittings	KGS	NIL	NIL
	Roll Grooving Machine	Nos	35	NIL
	Bolts & Nuts	Nos	NIL	NIL
E	SALES – MANUFACTURING			
	Stainless Steel Pipe Fittings	KGS	85,435	81,145
	Stainless Steel Ball Valves	NOS		
	S G Iron Pipe Fitting	KGS	21,30,440	29,58,983
	SALES – TRADING			
	SG Ductile Iron Machined Castings/ Pipe Fittings	KGS	NIL	NIL
	Roll Grooving Machine	NOS	3	NIL
	Bolts & Nuts	NOS	NIL	NIL
	VALUE (Exclusive of Excise Duty & Export incentives)	RS.	24,86,83,094	31,98,07,231



INTERFIT TECHNO PRODUCTS LIMITED

			AS AT 31-03-2011	AS AT 31-03-2010
F	CLOSING STOCK OF GOODS PRODUCED			
	Stainless Steel Pipe Fittings	KGS	52,413	41,974
	Stainless Steel Ball Valves	NOS	NIL	NIL
	S G Iron Pipe Fitting	KGS	1,10,555	1,70,886
G	DETAILS OF RAW MATERIALS CONSUMED (QTY IN KGS)			
	Stainless Steel Scrap	KGS	1,01,190	87,783
	Ferro Chrome	KGS	750	809
	Ferro Moly	KGS	17	85
	Nickel	KGS	100	35
	Other Alloys	KGS	1,321	1,520
	S G Iron Castings	KGS	20,00,344	31,45,043
	TOTAL		21,03,722	32,35,275
	VALUE OF RAW MATERIALS CONSUMED	Rs.	14,09,80,495	18,86,83,569

H VALUE OF IMPORTS ON CIF BASIS	Rs.	Rs.
Raw Materials	NIL	NIL
Consumables & Spares & Trading items	1,05,60,217	22,78,561

I) VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS & STORES CONSUMED

	Value Rs.	%	Value Rs.	%
1. RAW MATERIALS				
Imported	Nil	Nil	54,74,474	2.90
Indigenous	14,09,80,495	100	18,32,09,095	97.10
Total	14,09,80,495	100.00	18,86,83,569	100.00
2. STORES, TOOLS & SPARES				
Imported	10,06,095	9.82	22,16,611	14.82
Indigenous	92,38,526	90.08	1,27,41,396	85.18
Total	1,02,44,621	100.00	1,49,58,007	100.00
3. COMPONENTS				
Imported	79,71,323	37.51	1,19,15,675	43.10
Indigenous	1,32,79,894	62.49	1,57,28,996	56.90
Total	2,12,51,217	100.00	2,76,44,671	100.00



	AS AT 31.03.2011	AS AT 31.03.2010
j) EARNINGS IN FOREIGN EXCHANGE		
F.O.B. VALUE OF EXPORTS Rs. (Excludes sales to Nepal Rs. 174,205)	18,44,90,106	18,94,78,923
k) AUDITORS' REMUNERATION (Including Service Tax)		
Audit fees	75,000	75,000
Certification fees	50,000	50,000
Tax Audit	50,000	50,000
Other services	15,000	Nil
Reimbursement of Expenses	<u>82,348</u>	<u>57,128</u>
Total	<u>2,72,348</u>	<u>2,32,128</u>
l) Expenditure in Foreign Currency	1,07,816	1,72,899
m) Interest on Loan includes		
Interest on Fixed Loans	Nil	Nil
Interest - Others (Including Bank Charges)	<u>48,27,494</u>	<u>59,45,007</u>
Total	<u>48,27,494</u>	<u>59,45,007</u>
n) Whole Time Director's Remuneration		
Salary	17,76,000	7,28,000
Perquisites	1,08,000	1,54,000
Reimbursement of Medical Expenses	Nil	Nil
Total	<u>18,84,000</u>	<u>8,82,000</u>

4. Net profit on account of Exchange fluctuation included in Profit & Loss Account Rs 11,04,709 (Previous Year Net Loss Rs 86,207/-)

5. 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:

	2010-11	2009-10
Employer's Contribution to Provident fund	Rs. 3,03,138	Rs. 2,59,661
Employer's Contribution to Employee State Insurance	Rs. 5,08,297	Rs. 4,66,073

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.



INTERFIT TECHNO PRODUCTS LIMITED

	Gratuity (partly funded) Rs.	Leave Encashment (Unfunded) Rs.
1 Components of Employer Expense		
(a) Current Service Cost	46,292	9,284
(b) Interest Cost	39,936	6,853
(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	1,97,145	(37,824)
(h) Total expense / (gain) recognized in the Profit & Loss Account	2,83,373	(21,688)
2 Net (Asset) / Liability recognized in the Balance Sheet as at 31st March 2011		
(a) Present Value of obligation as at 31st March 2011	6,76,939	51,234
(b) Fair Value of Plan Assets as at 31st March, 2011	18,623	Nil
(c) (Asset) / Liability recognized in the Balance Sheet	6,58,316	51,234
3 Change in Defined Benefit Obligation (DBO)		
(a) Present Value of Obligation as at 1st April, 2010	6,00,845	97,913
(b) Current Service Cost	46,292	9,284
(c) Interest Cost	39,936	6,853
(d) Curtailment Cost / (Credit)	Nil	Nil
(e) Settlement Cost / (Credit)	Nil	Nil
(f) Plan Amendments	Nil	Nil
(g) Acquisitions	Nil	Nil
(h) Actuarial (Gain) / Loss	1,97,145	(37,824)
(i) Benefits Paid	2,07,279	24,991
(j) Present Value of Obligation as at 31st March, 2011	6,76,939	51,234
4 Change in the Fair Value of Plan Assets		
(a) Present Value of Plan Asset as at 1st April, 2010	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, 2011	18,623	Nil

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



	Gratuity (partly funded)	Leave Encashment (Unfunded)
	Rs.	Rs.
6 Actuarial Assumptions		
(a) Discount Rate (per annum)	8%	8%
(b) Expected Rate of Return on Assets (per annum)	8.5%	
(c) Salary Escalation Rate per unit per annum	0.05	0.05
(d) Mortality Rate	LIC 94-96	LIC 94-96
(e) Valuation as on	31.03.2011	31.03.2011

6. 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”.

7. 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.

8. TAXATION

a. Provision for Income Tax including Minimum Alternate Tax u/s 115 JB has been made considering the carried forward losses for earlier years. The MAT credit entitlement of Rs.17.60 lacs has been accounted.

b. Deferred Taxation : (Rs. in lakhs)

	Accumulated as at 31.3.2010	Charge / (credit) in P&L during the year	As at 31.3.2011
Deferred Tax Liability on account of :			
Depreciation	263.38	0.13	263.51
Total	263.38	0.13	263.51
Deferred Tax Asset on Account of			
Gratuity	0.55	(0.26)	0.81
Leave encashment & Bonus	3.01	0.24	2.77
Unabsorbed Depreciation and business loss	407.35	—	407.35
Total	410.91		410.93
Net Deferred Tax Asset	147.53	0.11	147.42

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 utilized.

In accordance with Accounting Standard 22, the deferred tax Asset of Rs 0.12 lacs for the year have been recognised in Profit and Loss account.

9. EARNING PER SHARE

	2010-2011	2009-2010
Profit /Loss after taxation as per Profit and Loss A/c (Rs. in lacs)	** 215.63	283.13
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	2.59	3.40

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

**10. Related party information:**

1. RELATIONSHIP:

A. Where Control Exits:

- a) INTERFIT INDIA LIMITED
- b) MERIT INDUSTRIES LIMITED
- c) SEMA IMPEX PVT LTD
- c) HAITIMA INDIA PVT LTD

B. Key Management Personnel:

- A.V. Palaniswamy (Managing Director)
- R. Alagar (Director)
- M. Loganathan (Director)
- K. Arunachalam (Director)
- Philip K Baby (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 In 1(A) Above	Referred In 1(B) Above	Referred In 1(C) Above
Purchases		Nil	Nil
Goods & Materials	1384.79		
Machineries	100.00		
Sales		Nil	Nil
Goods & Materials	263.19		
Machineries			
Expenses			
Rent & Services			
Remuneration		18.84	1.35
Director Sitting Fees		0.21	
Royalty & Lease Rent	57.21		
Other Expenses	9.05	5.75	0.02
Income		Nil	Nil
Rent & Services	0.07		
Outstandings		Nil	Nil
Payable		1.13	
Receivable	69.21		

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



11. SEGMENT REPORT :

Rs. in lacs

REGION	Year ended 31.03.11	Year Ended 31.03.10
1. Segment Revenue		
(a) Outside India	1998.63	2869.69
(b) Within India	672.48	508.08
Total	2671.10	3377.77
2. Segment Results Profit/(Loss) before tax and interest from each segment.		
(a) Outside India	317.76	445.06
(b) Within India	64.90	60.32
Total	382.66	505.37
Less:		
(i) Interest	48.27	59.45
(ii) Other Un-allocable Expenditure net	131.15	169.16
(iii) Un-allocable Income	(13.71)	(2.21)
TOTAL PROFIT BEFORE TAX	216.95	278.97

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

12 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 Rs13, 50,177/- (Previous Year Rs.9,34,863/-)

13 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 31.03.2011 is 46,97,810. (Previous Year 46,97,810)

14 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.

15 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.

16 Previous year's figures have been regrouped and reclassified wherever necessary and practicable.



INTERFIT TECHNO PRODUCTS LIMITED

17. 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	31-03-2011		

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

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

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

Total Liabilities	170,442	Total Assets	170,442
Sources of Funds:		Application of Funds:	
Paid up Capital	133,200	Net Fixed Assets	42,673
Reserves & Surplus	16,980	Investments	—
Secured Loans	18,910	Net Current Assets	67,975
Unsecured Loans	1,352	Misc. Expenditure	123
		Deferred Tax Assets	14,742
		Accumulated Losses	44,929

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

Turnover	2,60,163	Total Expenditure	2,38,468
Profit before Tax	21,695	Profit after Tax	21,563
Earning per share	2.59	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
Item Code No.	73071101
Product Description	SG Cast Fittings

Sd/- A.V. PALANISWAMY
Managing Director

Sd/- M. LOGANATHAN
Director

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

Sd/- S. ARAVINTHAN
Company Secretary

Sd/- V. KRISHNAN
Partner, M.No. 010970,
Firm Regn. No. 001453S

Place : Coimbatore
Date : 30.05.2011