

INDIA RADIATORS LIMITED

CHENNAI

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SEI	✓
YE	✓	✓		

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ANNUAL REPORT

AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH
1998

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INDIA RADIATORS LIMITED

CHENNAI

CHAIRMAN EMERITUS

Dr. M.A. Chidambaram

CHAIRMAN

Shri. V. Chidambaram

VICE-CHAIRMAN

Shri. J.G. Masilamani

MANAGING DIRECTOR

Shri. N. Gnanadesikan

DIRECTORS

Shri. R.V.G.K. Ranga Rao

Shri. K. Varugis

Shri. Pran Talwar

Shri. K.S.T. Pani

Shri. VE. Subramanian

Shri. P.B. Vijayaraghavan

AUDITORS

M/s. Fraser & Ross

Chartered Accountants

4A, 'Kences Towers', North Usman Road
P.B. No.4987, T.Nagar, Chennai - 600 017.

BANKERS

State Bank of India, Commercial Branch, Chennai - 600 001.

Catholic Syrian Bank Ltd., Chennai - 600 001.

Indian Bank, Chennai - 600 001.

REGISTERED OFFICE

'South India House', 36-40, Armenian Street

Chennai - 600 001.

PRINCIPAL OFFICE

'Catholic Centre', I Floor, 64, Armenian Street

Chennai - 600 001.

Telephone : 586185

Fax No. : 044-580245

OFFICE & FACTORY

Pozhal, Chennai - 600 066.

Perungudi, Chennai - 600 096.

Telephone : 6418007 - 6418010

Telegram : 'BHERCOOL'

PIPDIC Indl. Estate, Sedarapet, Pondicherry - 605 111.

Telephone / Fax : (0413) 677009/677376

INDIA RADIATORS LIMITED

BALANCE SHEET AT A GLANCE

	(Rs. in lacs)	
	As at 31st March, 1998	As at 31st March, 1997
What the Company has :		
Fixed Assets (Gross)	679.91	654.86
Less : Depreciation	241.26	209.28
Net Block	438.65	445.58
Current Assets :		
Stock	367.49	447.29
Book Debts	364.37	334.76
Cash and Bank Balances	37.14	37.24
Loans and Advances	132.96	202.98
Rights Issue Expenses	3.40	4.53
	1344.01	1472.38
What the Company Owes :		
Secured Loans	427.24	461.28
Unsecured Loans	96.39	43.66
Current Liabilities :		
Creditors	639.55	664.01
Taxation	38.21	96.72
Proposed Dividend	—	8.91
	1201.39	1274.58
NET WORTH	<u>142.62</u>	<u>197.80</u>
Represented by :		
Equity Capital	90.00	90.00
Reserves	52.62	107.80
	<u>142.62</u>	<u>197.80</u>

INDIA RADIATORS LIMITED

'South India House', 36-40, Armenian Street, Chennai - 600 001.

To
ALL SHAREHOLDERS

NOTICE

NOTICE is hereby given that the Forty Ninth Annual General Meeting of the Shareholders of INDIA RADIATORS LIMITED will be held on Monday, the 28th September, 1998 at 4.30 p.m. at Hotel Dasaprakash, No.100, Poonamallee High Road, Chennai - 600 084, to transact the following business :

AGENDA

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1998 and the Balance Sheet as at that date.
2. To appoint a Director in the place of Mr. R.V.G.K. Ranga Rao, who retires by rotation at this Annual General Meeting as per Article 81 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 and being eligible, offers himself for re-election.
3. To appoint a Director in the place of Mr. VE. Subramanian, who retires by rotation at this Annual General Meeting as per Article 81 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 and being eligible, offers himself for re-election.
4. To appoint a Director in the place of Mr. P.B. Vijayaraghavan, who retires by rotation at this Annual General Meeting as per Article 81 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 and being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if deemed fit to pass the following resolution as an ordinary Resolution of which Notice has been received by the Company from a Member :

"RESOLVED that Mr. K. Varugis be and is hereby appointed as a Director of the Company".

Place : Chennai
Date : 31st July, 1998

By Order of the Board
V.S. Ramanathan
Secretary

NOTES

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member.
2. The Register of Members and Share Transfer Books of the Company will be closed from 21st September, 1998 to 28th September, 1998, (both days inclusive).
3. Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business is annexed.

INDIA RADIATORS LIMITED

ANNEXURE TO NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956

Item No.6

Mr. K. Varugis was co-opted as a Director of the Company with effect from 28.11.1997. In accordance with Article 87 of the Articles of Association of the Company, he vacates his office at the forthcoming Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received Notice from a Member of the Company of his intention to propose Mr. K. Varugis as a candidate for the office of Director of the Company. On his appointment as a Director of the Company at the forthcoming Annual General Meeting, he will continue to be a Director of the Company.

Interested Directors

Mr. K. Varugis is interested in the above resolution relating to his appointment as Director.

No other Director is interested in the above resolution.

Place : Chennai

Date : 31st July, 1998

By Order of the Board
V.S. Ramanathan
Secretary

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INDIA RADIATORS LIMITED**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 1998**

Your Directors have pleasure in submitting herewith their report together with Audited Accounts for the year ended 31st March, 1998.

The results for the year are as follows :

	Rs.
Net Loss before depreciation and provision for taxation	(18,04,455)
Add : Depreciation for the year	31,97,902
Net Loss before provision for taxation	(50,02,357)
Add : Net Short Provision for Income Tax for earlier years	5,15,623
Net Loss after provision for taxation	(55,17,980)
Less : Balance brought forward from previous year	15,36,616
	<u>(39,81,364)</u>

SALES**AUTOMOBILE RADIATORS :**

The Year 1997-98 had gone through an unforeseen sluggish and recessionary market for the Vehicle and the Automotive Components Manufacturers and we being the predominant supplier to the O.E.M. market had to face this recession.

Our turnover has come down to Rs.20.10 crores as against Rs.22.02 crores of last year including the Heat Exchanger Division. The production of the units could not be operated in full level due to recessionary trend.

The first quarter of the current financial year has further deteriorated and this trend is likely to continue for the next quarter also.

HEAVY DUTY RADIATORS :

There is a marginal relief in the production and the sale of the Heavy Duty Radiators, since the requirement of these radiators is able to cover our production capacity.

HEAT EXCHANGER PROJECT :

Due to lower demand from the vehicle manufacturers, this unit is operating only to a level of 10% of the production capacity. Steps have been taken to cater to the requirements of other vehicle manufacturers.

RELATIONS WITH EMPLOYEES & OTHERS :

The Directors would like to record their appreciation of the loyal and diligent services of the Officers, Staff and Workers during this period. Your Directors would like to record their deep appreciation for the co-operation and assistance rendered by the Company's Bankers, IDBI, PIPDIC and Foreign Collaborators.

DIRECTORS :

Mr. Manfred Rau, Director of the Company resigned from the Board with effect from 28.11.1997. The Directors place on record their appreciation of the valuable services rendered by Mr. Manfred Rau to the Company during his tenure as Director.

At the same Board Meeting held on 28.11.1997 the Board of Directors co-opted Mr. K. Varugis (erstwhile Alternate Director to Mr. Manfred Rau) as an Additional Director of the Company with effect from 28.11.97.

Under Article 81 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956, the following Directors retire at this Annual General Meeting and being eligible, offer themselves for re-election.

1. Mr. R.V.G.K. Ranga Rao
2. Mr. VE. Subramanian
3. Mr. P.B. Vijayaraghavan

INDIA RADIATORS LIMITED

At the Board Meeting of the Company held on 26.06.1998, Mr. V. Chidambaram resigned from the Office of the Managing Director of the Company and the Board appointed Mr. N. Gnanadesikan who was the Joint Managing Director of the Company as the Managing Director from 27.06.1998 till 26.06.2000.

THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 :

No employee of the Company is drawing a salary falling within the purview of the Rules.

AUDITORS

The Company's Auditors, M/s. Fraser & Ross, Chartered Accountants, retire and are eligible for re-appointment for the current year.

R & D, TECHNOLOGY ADAPTATION AND INNOVATION :

Specific Areas on which R & D carried out by the Company :-

- 1) Stringent functional requirements of major radiator makers in the world are adopted for incorporation.
- 2) Radiators for Export application of major tractor makers established.
- 3) New Tractor Radiators developed as per the requirements of customers.
- 4) Prototypes submitted for Radiator after cooler combination of higher HP engines.

Expenditure of R & D is as follows :

	<u>1997-98</u>	<u>1996-97</u>
a) Capital	—	Rs.0.04 lacs
b) Recurring	Rs.1.08 lacs	Rs.0.77 lacs
c) Total R & D Expenditure as percentage of total turnover	0.05%	0.04%

POWER & FUEL CONSUMPTION :

1) Electricity		
A) Purchased	6,19,008 units	5,68,822 units
Total amount	Rs.27,66,295	Rs.20,31,896
Rate/unit	Rs.4.47	Rs.3.57
B) Own generation through diesel generators	15,515 units	20,041 units
Units per litre of diesel oil	1.35	1.40
Cost per unit	Rs.8.06	Rs.6.35

Place : Chennai
Date : 31st July, 1998

For and on behalf of the Board,
V. Chidambaram
Chairman