

INDIA RADIATORS LIMITED

CHENNAI

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ANNUAL REPORT
AND ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER
1999

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INDIA RADIATORS LIMITED

CHENNAI

CHAIRMAN EMERITUS

Dr. M.A. Chidambaram

CHAIRMAN

Shri. V. Chidambaram

DIRECTORS

Shri. N. Gnanadesikan

Shri. Pran Talwar

Shri. P.B. Vijayaraghavan

Shri. K. Nadasundaram

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 : 5386541

Fax No. : 044-5380245

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 30th September, 1999	As at 31st March, 1998
What the Company has :		
Fixed Assets (Gross)	655.23	679.91
Less : Depreciation	285.83	241.26
Net Block	<u>369.40</u>	<u>438.65</u>
Current Assets :		
Stock	201.43	367.49
Book Debts	351.20	379.96
Cash and Bank Balances	24.15	37.14
Loans and Advances	<u>220.96</u>	<u>192.74</u>
Rights Issue Expenses	1.70	3.40
	<u>1168.84</u>	<u>1419.38</u>
What the Company Owes :		
Secured Loans	573.82	427.24
Unsecured Loans	168.70	96.39
Current Liabilities :		
Creditors	721.61	714.92
Taxation	38.21	38.21
Proposed Dividend	—	—
	<u>1502.34</u>	<u>1276.76</u>
NET WORTH	<u>(333.50)</u>	<u>142.62</u>
Represented by :		
Equity Capital	90.00	90.00
Reserves	<u>(423.50)</u>	<u>52.62</u>
	<u>(333.50)</u>	<u>142.62</u>

INDIA RADIATORS LIMITED

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

To

ALL SHAREHOLDERS

NOTICE

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Shareholders of INDIA RADIATORS LIMITED will be held on Friday, the 24th December, 1999 at 10.00 a.m. at M.A.Chidambaram Conference Hall, Southern India Chamber of Commerce & Industry, Indian Chamber Buildings, Esplanade, Chennai - 600 108, to transact the following business :

AGENDA

1. To receive and adopt the Directors' Report and Audited Accounts for the period ended 30th September, 1999 and the Balance Sheet as at that date.
2. To appoint a Director in the place of Mr. Pran Talwar, 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. 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.
4. To appoint Auditors for the current year and fix their remuneration.

SPECIAL BUSINESS

5. 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. Nadanasundaram be and is hereby appointed as a Director of the Company".

Place : Chennai

Date : 10th November, 1999

By Order of the Board

V. Chidambaram

Chairman

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 17th December, 1999 to 24th December, 1999, (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.5

Mr. K. Nadanasundaram was co-opted as a Director of the Company with effect from 17.03.1999. 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. Nadanasundaram 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. Nadanasundaram is interested in the above resolution relating to his appointment as Director.

No other Director is interested in the above resolution.

Place : Chennai

Date : 10th November, 1999

By Order of the Board

V. Chidambaram

Chairman



INDIA RADIATORS LIMITED**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS ON THE ACCOUNTS
FOR THE PERIOD ENDED 30TH SEPTEMBER, 1999**

Your Directors are submitting herewith their report together with Audited Accounts for the period ending 30th September, 1999.

The results for the year are as follows :

	Rs.
Net Loss before depreciation and provision for taxation	(4,19,87,062)
Add : Depreciation for the year	56,24,907
Net Loss before provision for taxation carried over to balance sheet	<u>(4,76,11,969)</u>

SALES**AUTOMOBILE RADIATORS & HEAVY DUTY RADIATORS :**

The Company's sales during the 18 months period have been adversely affected due to the sluggish and recessionary market for heavy vehicles, light commercial vehicles and tractors. The Company was able to achieve a turnover of Rs.1,552 lacs for the period ended 30.09.99 (18 months) when compared to Rs.2,010 lacs for the previous accounting year ended 31.3.1999 (12 months). This is due to the Company not being able to produce enough quantity for want of orders and working capital.

HEAT EXCHANGER UNIT :

The Heat Exchanger unit in Pondicherry during the year increased its output and at present producing to one full shift and it is expected that the sales for the current financial year will considerably improve.

FINANCIAL RESULTS :

The Company has incurred a loss of Rs.476.12 lacs for the 18 months period ending 30.9.1999. This was consequent to drastic reduction in sales, operational difficulties due to labour unrest, strike and payment and settlement of long-term wages agreement in addition to our being unable to recover the increase in cost from our OE customers.

REFERENCE TO BIFR

Due to the capital of the Company being eroded, the Company has obliged to refer to BIFR.

DIRECTORS :

Mr. K.S.T Pani, Mr. VE. Subramanian, Mr. K. Varugis and Mr. R.V.G.K. Ranga Rao, Directors of the Company resigned from the Board with effect from 10.11.1999.

Mr. K. Nadanasundaram was co-opted as a Director with effect from 17.03.1999.

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. Pran Talwar
2. Mr. P.B. Vijayaraghavan

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.

INFORMATION TECHNOLOGY YEAR 2000 COMPLIANCE (Y2K) :

The Computer hardware and utilisation software used by the Company are Y2K Compliant.

INDIA RADIATORS LIMITED

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 :

	1998-99	1997-98
a) Capital	Rs.0.36 lacs	—
b) Recurring	Rs.0.22 lacs	Rs.1.08 lacs
c) Total R & D Expenditure as percentage of total turnover	0.037%	0.05%

POWER & FUEL CONSUMPTION :

1) Electricity		
A) Purchased	4,98,326 units	6,19,008 units
Total amount	Rs.29,66,016	Rs.27,66,295
Rate/unit	Rs.5.95	Rs.4.47
B) Own generation through diesel generators	19,040 units	15,515 units
Units per litre of diesel oil	1.20	1.35
Cost per unit	Rs.9.00	Rs.8.06

Place : Chennai

Date : 10th November, 1999

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

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INDIA RADIATORS LIMITED**REPORT OF THE AUDITORS TO THE MEMBERS OF INDIA RADIATORS LIMITED**

We have audited the attached Balance Sheet of India Radiators Limited as at 30th September, 1999 and also the Profit and Loss Account of the Company for the period ended on that date which are in agreement with the books of account :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we state that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for purpose of our audit.
 - (b) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account.
 - (d) The accounts have been prepared on principles applicable to a 'Going Concern' despite erosion of net worth leading to a reference by the Company to the Board for Industrial & Financial Reconstruction (Note 1(a)(i)).
 - (e) We are unable to form an opinion regarding the quantum, if any, which would ultimately become irrecoverable out of the overdue debtors referred to in Note no.5 in Schedule 18.
 - (f) In our opinion the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-section 3(c) of Section 211 of the Companies Act, 1956 except accounting leave encashment on actual payment basis which is not in accordance with Accounting Standard 15 issued by the Chartered Accountants of India (Vide Accounting Policy No.c)(3) in Schedule 18)

Subject to the above in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the accounting policies and the notes thereon, subject to non-disclosure of the amount due to Small Scale Industries vide note no.8 of Schedule 18 give the information in the manner so required and the accounts give a true and fair view :

- i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 30th September, 1999 and
- ii) in the case of Profit and Loss Account, of the Loss for the period ended on that date.

Place : Chennai
Date : 10th November, 1999

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner