

INDIA RADIATORS LIMITED

CHENNAI

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ANNUAL REPORT
ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER
2000

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INDIA RADIATORS LIMITED

CHENNAI

CHAIRMAN

Shri. V.Chidambaram

DIRECTORS

Shri. N.Gnanadesikan

Shri. P.B.Vijayaraghavan

Shri. K.Nadanasundaram

Shri. G.Raja

Shri. M.Natarajan

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 : 5386185

Fax No. : 044-5386185

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) 677009/677154

INDIA RADIATORS LIMITED

BALANCE SHEET AT A GLANCE

	(Rs. in lacs)	
	As at 30th September, 2000	As at 30th September, 1999
What the Company has :		
Fixed Assets (Gross)	659.48	655.23
Less : Depreciation	311.12	285.83
Net Block	348.36	369.40
Current Assets :		
Stock	129.83	201.43
Book Debts	203.15	351.20
Cash and Bank Balances	21.15	214.15
Loans and Advances	215.13	220.96
Rights Issue Expenses	—	1.70
	917.62	1168.84
What the Company Owes :		
Secured Loans	652.55	573.82
Unsecured Loans	197.53	168.70
Current Liabilities :		
Creditors	630.91	721.61
Taxation	38.21	38.21
Proposed Dividend	—	—
	1519.20	1502.34
NET WORTH	(601.58)	(333.50)
Represented by :		
Equity Capital	90.00	90.00
Reserves	(691.58)	(423.50)
	(601.58)	(333.50)

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INDIA RADIATORS LIMITED

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

Principal Office : Catholic Centre, 64, Armenian Street, Chennai - 600 001.

To

ALL SHAREHOLDERS

NOTICE

Notice is hereby given that the Fifty First Annual General Meeting of the Shareholders of INDIA RADIATORS LIMITED will be held on Friday, the 16th March 2001 at 10.25 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 :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet and Profit & Loss Account as at 30.9.2000 and the Reports of the Directors and Auditors as at that date.
2. To elect a Director in the place of Mr.V.Chidambaram who retires by rotation and being eligible offers himself for re-election.
3. To elect a Director in the place of Mr.N.Gnanadesikan who retires by rotation 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 thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"RESOLVED THAT Mr.M.Natarajan, whose period of office is liable for determination of Directors by rotation, be and is hereby appointed a Director of the Company".

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

ORDINARY RESOLUTION

"RESOLVED THAT Mr.G.Raja, whose period of office is liable for determination of Directors by rotation, be and is hereby appointed a Director of the Company".

By Order of the Board
For INDIA RADIATORS LIMITED

V. Chidambaram

Chairman

Place : Chennai

Date : 22nd December, 2000

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 of the Company. The instrument appointing the proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will be closed from 9th March 2001 to 16th March 2001 (both days inclusive).
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business is annexed hereto.

INDIA RADIATORS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out the material facts relating to item nos.5 and 6 of the Notice convening the Fifty First Annual General Meeting:

Item Nos.5 & 6

M/s.Pondicherry Industrial Promotion Development and Investment Corporation (PIPDIC), one of the term loan lenders, has nominated Mr.M.Natarajan as its nominee on the Board of the Company with effect from 29.7.2000.

Mr.G.Raja was co-opted as an Additional Director, in the place of Mr.Pran Talwar, who passed away recently.

As per the provisions of Section 260 of the Companies Act, 1956, both the Additional Directors hold office only upto the date of the AGM. Further, in terms of Section 257 of the Companies Act, 1956, the Company has received notices from two shareholders, together with the required deposit, signifying their intention to propose the respective candidate as Directors of the Company.

On their appointment as Directors at the forthcoming Annual General Meeting, the new incumbents will continue to act as Directors of the Company.

Memorandum of Interest

Mr.M.Natarajan and Mr.G.Raja are deemed to be interested in the above resolutions relating to their appointment as Directors of the Company. No other Director is interested or concerned in the above resolutions.

Place : Chennai

Date : 22nd December, 2000

By Order of the Board
For INDIA RADIATORS LIMITED
V. Chidambaram
Chairman

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INDIA RADIATORS LIMITED**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS ON THE ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2000**

Your Directors are submitting herewith their report together with Audited Accounts for the year ending 30th September, 2000.

The results for the year are as follows :

	Rs.
Net Loss before depreciation and provision for taxation	(2,42,79,319)
Add : Depreciation for the year	25,29,275
Net Loss before provision for taxation carried over to balance sheet	<u>(2,68,08,594)</u>

SALES**AUTOMOBILE RADIATORS & HEAVY DUTY RADIATORS**

The Company sales during the 12 months period has been adversely affected due to suspension of manufacturing operations of Pozhal plant from 16.11.2000. The Company was able to achieve a turnover of Rs.139.74 lacs for the period ended 30.9.2000.

The Company's efforts to restart the operations with the co-operation of the customers and labour union has not succeeded due to working capital constraints.

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 with increased order on hand.

FINANCIAL RESULTS

The Company has incurred a loss of Rs.268.08 lacs for the 12 months period ending 30.9.2000. This is due to low sales of Radiators caused by suspension of operations of Pozhal plant from 16.11.2000 consequent to Working Capital constraints and non-cooperation of labour.

REFERENCE TO BIFR

Consequent to the erosion of networth of the Company, a reference to BIFR was made as required under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. After necessary hearing by BIFR, the Company has been declared a Sick Company in terms of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. Further, BIFR has appointed IDBI as the Operating Agency to work out the rehabilitation/revival package for the Company. IDBI, the Operating Agency, in turn has appointed Industrial and Technical Consultancy Organisation of Tamilnadu (ITCOT) to prepare the feasibility report for the turnaround of the Company. The Operating Agency is likely to finalise and submit its report to BIFR before March 2001. The Company on its part has been providing the required information to all the concerned agencies.

DIRECTORS

The Board of Directors sincerely regret to note the sad demise of the doyen of Indian Industry Dr.M.A.Chidambaram on 19.01.2000. He was one of the Founder Directors of the Company. He has done yeomen services to the Company as Chairman for several decades and recognising his contribution, he was nominated as Chairman Emeritus of the Company. Being a mentor and guide to the Company, his passing away is an irreparable loss to the Company and to the community as well.

Mr.Pran Talwar, Director of the Company passed away on 12.3.2000. The Directors wish to place on record their appreciation of the valuable services rendered by Mr.Pran Talwar during his tenure as Director of the Company.

INDIA RADIATORS LIMITED

Mr.G.Raja was co-opted as an Additional Director of the Company with effect from 28.4.2000.

Mr.M.Natarajan, a nominee of PIPDIC, was co-opted as an Additional Director of the Company with effect from 29.7.2000.

The following Directors retire at this Annual General Meeting and being eligible offer themselves for re-election.

1. Mr.V.Chidambaram
2. Mr.N.Gnanadesikan

PARTICULARS OF EMPLOYEES

No employee of the Company is in receipt of salary in excess of the limits prescribed in Section 217(2A) of the Companies Act, 1956.

AUDITORS

The Company's Auditors M/s.Fraser & Ross, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting.

As regards the Auditors' qualifications in their report, the explanations given in the notes on Accounts are self-explanatory.

TECHNOLOGY ABSORPTION, ENERGY CONSERVATION AND FOREIGN EXCHANGE EARNINGS

Efforts have been made to save energy cost by rationalisation of Electric Motor HP and reducing energy demand.

Place : Chennai
Date : 22nd December, 2000

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



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, 2000 and also the Profit and Loss Account of the Company for the year ended on that date which are in agreement with the books of account :

1. The accounts have been prepared on principles applicable to a 'going concern' despite suspension of activities at the factory at Pozhal Unit from November 1999 and erosion of net worth leading to a reference by the Company to the Board for Industrial and Financial Reconstruction (Note No.A (i) of Schedule 18).
2. Due to suspension of operations at Pozhal factory at Chennai and labour unrest, the accounts have been prepared with the available information. Vouchers and supporting documents in respect of purchases and material receipts / issues for production were not made available to us. Statement of account or certificate in confirmation of the balances in inoperative accounts of Rs.1,22,338 and margin money account Rs.18,23,155 were not made available to us.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 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 specified in paragraphs 4 and 5 of the said order.
4. Subject to our comments in Para 1 and 2 above and further to our comments in the Annexure referred to in paragraph 3 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 the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it 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) 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, issued by the Institute of Chartered Accountants of India, except for,
 - i) **accounting leave encashment on actual payment basis (vide Accounting Policy No.A(III)(3)) and non-provision of provident fund, gratuity and superannuation for the year as required under Accounting Standard 15 on Retirement benefits (vide Note no.5(a) and (c) of Schedule 18).**
 - ii) **Non-compliance of the revised Accounting Standard 2 on valuation of Inventories (Note no.8 of Schedule 18).**
 - (e) According to the information and explanations given to us, none of the Directors are disqualified from being appointed as a Director of a Public Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) **Attention is invited to the following matters :**
 - i) **Non reconciliation of the balance with excise authorities of Rs.10,80,373 at Pozhal and Perungudi Unit [vide Note no.9(i)].**
 - ii) **Non-provision of overdue debts of Rs.50,99,685 outstanding for more than three years [vide Note no.10(a)].**