

INDIA RADIATORS LIMITED

CHENNAI

ANNUAL REPORT

AND ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER
2008

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INDIA RADIATORS LIMITED CHENNAI

Directors

Mr. K. Nadanasundaram
Mr. G. Raja
Mr. T. V. Venugopal
Mr. T. Govindarajan

Registered Office

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

Auditors

M/s. P.B. Vijayaraghavan & Co.,
Chartered Accountants
Old No.27 New No.14, Cathedral Garden Road
Nungambakkam
Chennai - 600 034

Factory :

- 1) Pozhal, Chennai - 600 066.
Telephone : 26591008
- 2) PIPDIC Indl. Estate,
Sedarapet, Pondicherry - 605 111.
Telephone : (0413) 2677154

Bankers

State Bank of India, Commercial Branch
Chennai - 600 001
Catholic Syrian Bank Limited, Chennai- 600 001.
Indian Bank, Chennai - 600 001.

INDIA RADIATORS LIMITED

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

NOTICE

To : ALL SHAREHOLDERS

NOTICE is hereby given that the Fifty Ninth Annual General Meeting of the Shareholders of INDIA RADIATORS LIMITED will be held on Friday, the **27th March 2009** at 03.30 p.m. at ICOSA Programme Centre, "**Jeevana Jyothi Building**", **No. 107, Pantheon Road, Egmore, Chennai - 600 008**, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet and Profit & Loss Account as at 30.9.2008 and the Reports of the Directors and Auditors as at that date.
2. To elect a Director in the place of Mr. T. V. Venugopal who retires by rotation and being eligible offers himself for re-election.
3. To elect a Director in the place of Mr. K. Nadanasundaram, who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board
For INDIA RADIATORS LIMITED
K. NADANASUNDARAM
Director

Place : Chennai
Dated : 31.12.2008

NOTES : 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.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE PERIOD ENDED 30th SEPTEMBER, 2008

Your Directors have pleasure in submitting their report together with the Audited Accounts for the year ended 30th September 2008.

The Company incurred a loss of Rs. 18.39 lacs for the year under report as shown below:

	Rs.
Net Loss before depreciation and provision for taxation	42,672
Add: Depreciation for the year	17,96,194
Net Loss before provision for taxation earned over to Balance sheet	<u>18,38,866</u>

The cumulative loss as at 30.9.2008 was Rs.15.56 crores. The present status of the Company is brought out in the notes to Accounts.

DIVIDEND

"No dividend is being recommended for the year ended 30.9.2008.

DIRECTORS

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

1. Mr.T.V Venugopal
2. Mr.K. Nadanasundaram

AUDITORS

The Company's Auditors M/s. P.B.Vijayaraghavan & Co., Chartered Accountants, retires at the conclusion of this Annual General Meeting and being eligible, offers themselves for re-appointment.

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

PUBLIC DEPOSIT

The directors hereby report that the company has not accepted any deposit from the public during the year under review.

PARTICULARS OF EMPLOYEES

No employees were covered under the purview of Section 217 (2A) of the Companies Act, 1956 read with Companies Particulars of Employees Rule, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

As the operations of the Company are at low level, and the power consumption was at minimum level, there is no scope for further improvement in this area.

DIRECTORS' RESPONSIBILITY STATEMENT

As per the Companies (Amendment) Act, 2000 your Directors have to give their responsibility statement which is as follows:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits or loss of the Company for that period.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors had prepared the annual accounts on a going concern basis.

ANNEXURE TO DIRECTOR'S REPORT

Reply to Qualification in Auditor's Report dated 31.12.2008:
Para 3 (d) (i)

After take over and sale of raw materials and stock at Pozhal by State Bank of India, under the orders of the Debt Recovery Tribunal left over inventory is negligible or nil.

Para 3 (d) (ii)

As in previous years the management proposed to compute and pay the retirement benefits to employees as and when they arise.

Para 3 (d) (iii)

As explained in the Annual report for the year ending September 2005 under Schedule 18- notes of accounts

Para 3 (d) (9) (v) & (v)

The Company is a Sick Industrial Company, we have been required to submit to Board for Industrial and Financial Reconstructions through Operating Agency (IDBI) a fully

INDIA RADIATORS LIMITED

tied up revival scheme after reaching OTS of outstanding dues to Banks and Institutions. We expect to get substantial relief in regard to outstanding dues. For this reason your Directors feel that accounts need not be loaded with interest charges which have already been treated as NPA by Banks and Financial Institutions.

Para 3 (d) (vi)

Necessary action will be taken in this regard

CORPORATE GOVERNANCE

A separate report on Corporate Governance together with Auditor's certificate regarding compliance of conditions of Corporate Governance forms part of the annual report.

For and on behalf of the Board.

Place : Chennai **K. Nadasundaram G. Raja**
Dated : 31.12.2008 **Directors.**

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's business objective is to make products that provide value to customers that can be sustained over the long term for shareholders, employees and other associates. Towards this objective, the management and employees of the Company constantly endeavor to improve the value of good business practices in achieving higher standards of corporate governance.

BOARD OF DIRECTORS

The Board has 4 members and all are Independent directors. The number of independent Directors constitute more than one third of the total numbers of directors.

During the year the Board met on four occasions: 9th October 2007, 31st January 2008, 30th April 2008 and 31st July 2008. The names of the Directors who attended the above Board Meetings and the last Annual General Meeting are given below:

Director	Category	Attendance Board Meetings	Last AGM
Mr. K. Nadasundaram	Independent	4	Yes
Mr. G. Raja	Independent	4	Yes
Mr. T.V. Venugopal	Independent	0	Yes
Mr. T. Govindarajan	Independent	4	Yes

Number of Directorship and memberships/chairmanships in Public Companies (including the Company)

Name of the Director	No. of Directorships	Committee Positions	Chairman Member
Mr. K. Nadasundaram	1	Nil	Nil
Mr. G. Raja	1	Nil	Nil
Mr. T.V. Venugopal	1	Nil	Nil
Mr. T. Govindarajan	1	Nil	Nil

None of the directors of the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in clause 49 of the Listing Agreement.

AUDIT COMMITTEE

The Audit Committee has the following Independent Directors.

1. Mr. K.Nadasundaram
2. Mr. G.Raja
3. Mr. T.Govindarajan

The Scope of the Committee includes:

- a) Review of Company's financial reporting process and the financial statement;
- b) Review of the internal control system.
- c) Post Audit review with Statutory Auditors, Scope of audit and observations of auditors.
- d) Review of the implementation of the recommendations of the external auditors.

During the year under review, four Audit Committee Meetings were held and the attendance of the Meeting is as follows:

Director	Meetings attended	Date of the Meetings
1. Mr.K.Nadasundaram	4	30-10-07, 25-03-08, 30-06-08, 29-08-08
2. Mr.G.Raja	4	- do-
3. Mr.T.Govindarajan	4	- do-

SHAREHOLDERS COMMITTEE :

The Committee comprises of three Independent Directors Mr. K. Nadasundaram, Mr. G. Raja and Mr. T.V. Venugopal. As the Company is BIFR status, there is no proper staff to handle the day to day affairs of the Company.

During the year under review, two Shareholders Committee Meetings were held and the attendance of the meetings is as follows:

Director	Meetings attended	Date of the Meeting
Mr.K.Nadasundaram	2	30-10-07, 25-03-08
Mr.G.Raja	2	- do-
Mr.T.V. Venugopal	2	- do-

REMUNERATION COMMITTEE

The Committee comprises of three Independent Directors Mr. K. Nadasundaram, Mr. G. Raja and Mr. T.V. Venugopal. Since the Company was referred to BIFR, the remuneration and sitting fees has not been paid to all the Directors during the year.

During the year under review, two Remuneration Committee Meetings were held and the attendance of the meetings is as follows:

Director	Meetings attended	Date of the Meeting
Mr. K. Nadasundaram	2	30-10-07, 25-03-08
Mr. G. Raja	2	- do-
Mr. T.V. Venugopal	2	- do-

GENERAL BODY MEETING

Location and Time of General Meetings

Date	Type	Time	Location
14th March 2005	AGM	10.05 A.M	Egmore, Chennai
13th March 2006	AGM	10.05 A.M.	-do-
30th March 2007	AGM	10/05 A.M.	-do-
28th March 2008	AGM	10.30 A.M.	-do-

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE APPOINTMENT AS REQUIRED UNDER CLAUSE 49 (VI) A OF THE LISTING AGREEMENT.

Information on Directors retiring by rotation seeking re-appointment and Additional Directors seeking appointment at this Annual General Meeting.

Name	T.V. Venugopal	K.Nadanasundaram
Date of Birth & Age	5.3.1947	2.9.1937
Appointed on	4.5.2001	17.3.1999
Qualification	D.M.E.	B.E.,
Experience	29 years	42 years
Directorship held in Other Public Companies	NIL	Nil
Membership / Chairmanship		
Committees across Public Companies.	NIL	Nil

DISCLOSURE:

There were no materially significant related party transactions, i.e., transaction of the Company of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.

There were instances of non compliance on matter related to capital Markets during the last three years as the Company's reference is pending before BIFR.

MEANS OF COMMUNICATIONS:

The Quarterly, Half yearly and the Annual Results of the Company are not sent to Stock Exchanges immediately at the Board's approval. The results are also not published in the News paper, due to financial constraints.

GENERAL SHAREHOLDERS INFORMATION

i) 59th Annual General Meeting

Venue : ICSA Programme Centre,
107, Pantheon Road, Egmore
Chennai - 600 008.

Date : 27th March 2009

Time : 3.30 p.m.

ii) Tentative Financial Calendar

Publication of Audited Results for 2007-2008.

The Company is not publishing its financial results in News paper, due to financial constraint and its reference is pending before BIFR.

BOOK CLOSURE:

The Register of Members & Share Transfer Book of the Company shall not be closed. Since there is no declaration of any dividend for the past several years.

LIST ON STOCK EXCHANGES:

The Company has listed its securities in Mumbai and Madras Stock Exchanges.

The Listing fees for Mumbai and Madras Stock exchanges were not paid for the past four years.

DEMATERIALIZATION OF SHARES:

There are no matters of Dematerialization of shares, since the Company reference is pending before BIFR.

DISTRIBUTION OF SHAREHOLDING

Category	No of Equity Shares	% of Shareholdings
A. Promoters Shareholding		
Indian Promoters / Persons		
Acting in concert	3,09,524	34%
Foreign Promoters	Nil	Nil
Non Promoters Holdings		
Mutual Fund and UTI	Nil	Nil
Financial Institutions and Banks	37,888	4%
Foreign Institutional Investors	Nil	Nil
Private Corporate Bodies	61,609	7%
Indian Public	4,44,839	49%
NRI's/OCBs	46,140	6%
Other Directors and relatives	NIL	Nil
Total	9,00,000	100%

REGISTRARS AND SHARE TRANSFER AGENT:

M/s. Cameo Corporate Services Limited, Chennai

PLANT LOCATION:

The Company's Factories are located one at Puzhal, Chennai-66. and other at Sedarapet, Pondicherry-605 111.

ADDRESS FOR CORRESPONDENCE :

Regd. Office : 'SOUTH INDIA HOUSE',
36-40 Armenian Street, Chennai - 1.
Factory Office : Ambattur Road, Puzhal,
Chennai - 600 066.

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

The Member of India Radiators Limited.

We have examined the compliance of conditions of Corporate Governance by India Radiators Limited, for the year ended 30th September, 2008 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; my examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the complaints of the conditions of Corporate Governance. It is neither an audit nor an expression of financial statement of the Company. In my opinion and to the best of my information and according to the explanations given to me, and the representation made by the Directors and the Management, I certify that the Company has not complied with the conditions on Corporate Governance as stipulated in the above mentioned Listing Agreement.

INDIA RADIATORS LIMITED

As required by the Guidance Notes on Certification on Corporate Governance issued by the Institute of Chartered Accountants of India, I state that the Registrars of the Company have certified that as on 30th September 2008, there were no investor grievances remaining unattended/ pending for a period exceeding one month, hereafter I could not comment on the status of the shareholders grievances.

I further state that, this 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.

Chennai
31.12.2008

For T. BALASUBRAMANIAN
Practicing Company Secretary

SECRETARIAL COMPLIANCE CERTIFICATE

[Issued in pursuance of sub rule (I) of Rule 3 of Companies (Compliance Certificate)

Rules 2001 and in accordance to the proviso to sub section (1) of Section 383 A of the Companies Act 1956]

NAME OF THE COMPANY	INDIA RADIATORS LIMITED
REGISTRATION NUMBER	18 - 963
AUTHORISED SHARE CAPITAL	Rs. 2,00,00,000/-
PAID UP CAPITAL	Rs. 90,00,000/-

To,
The Members
M/s. India Radiators Limited
36-40, Armenian Street,
Chennai - 600 001.

I have examined the registers, records, books and papers of M/S.INDIA RADIATORS LIMITED, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 30th September, 2008. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in **Annexure "A"** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded, however Register of Members & Register of Transfer have not updated.
2. The Company has filed the forms and returns as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, Regional Director, and Central Government, Company Law Board or other authorities under the Act and the rules made thereunder.
3. The Board of Directors of the Company duly met 4 (four) times on the dates referred to in **Annexure 'C'** to this certificate, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

4. The Company being a public limited Company, has the minimum prescribed paid up share capital and comments regarding maximum number of members during the said financial year, invitation to public, acceptance of deposit are not required.
5. The Company has not closed its Register of Members during the financial year
6. The Annual General Meeting of the company for the financial year ended on 30th September 2007 was held on 28th March, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose,
7. No Extra ordinary General Meeting was held during the financial year.
8. The Company has not violated the provisions of Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any Approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - (i) has no allotment/but the Company has not complied with the provisions and procedures prescribed under Sec 108 of the Act in case of transfer/transmission of securities during the financial year.
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) has not transferred the amount of dividend remaining unpaid and unclaimed for seven years from the date they become due for payment to the Investors Education and Protection Fund, established by the Central Government pursuant to Sec 205C and has not furnished any statement as prescribed under Sec 205A (6) of the Act. The Company has not issued any debentures and has not accepted deposits, and therefore the question of transfer of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection fund does not arise.
 - (v) has complied with the provisions of **Section 217 of the Companies Act, 1956.**
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.