

INDIA RADIATORS LIMITED
CHENNAI

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	<u>311.12</u>	<u>285.83</u>
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	<u>215.13</u>	<u>220.96</u>
Rights Issue Expenses	—	1.70
	<u>917.62</u>	<u>1168.84</u>
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	—	—
	<u>1519.20</u>	<u>1502.34</u>
NET WORTH	<u>(601.58)</u>	<u>(333.50)</u>
Represented by :		
Equity Capital	90.00	90.00
Reserves	<u>(691.58)</u>	<u>(423.50)</u>
	<u>(601.58)</u>	<u>(333.50)</u>

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

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)].**

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- iii) *Non reconciliation of group company debtors of Rs.39,26,564 [vide Note no.10(b)].*
- iv) *Provision for purchases Rs.22,63,678 made without supporting documents [vide Note no.11].*
- (g) *Subject to our observations in Para 4(d) above and read with the accounting policies and notes thereon and subject to non-disclosure of the amount due to small scale industries vide Note no.6 and non-disclosure of particulars as referred to in Clause 4C and 4D of Part II of Schedule VI vide Note no.12, give the information required by the Companies Act, 1956 in the manner so required.*
- (h) *Subject to our remarks in Paragraph 4 above, the consequential effect thereof on the loss for the year, carried forward loss, assets and liabilities, which are not presently quantifiable, 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, 2000 and*
 - ii) *in the case of Profit and Loss Account, of the Loss for the year ended on that date.*

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai

Date : 22nd December, 2000

ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDED 30th SEPTEMBER, 2000 REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE

1. *The Company has maintained records showing full particulars including quantitative details and situation of fixed assets, which has not been updated since 1994-95. Physical verification of the fixed assets have been carried out by the Management which, in our opinion, is reasonable taking into account the nature of the assets and the size of the business and we are informed that no material discrepancies were noticed on such verification during the year.*
2. *None of the fixed assets has been revalued during the year.*
3. *The stocks of finished goods, stores, spare parts and raw material has been physically verified by the Management, once during the year. In our opinion, the frequency of verification is reasonable.*
4. *The procedures of verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.*
5. *The discrepancies between the physical stocks and book balances were not material and have been properly dealt with in the books of account.*
6. *Though the stock records at Pozhal factory was made available, the vouchers/supporting documents for the year were not produced to us. The valuation of inventory has been made on the basis of overhead allocations adopted during the previous period and the same is not recomputed in accordance with revised mandatory Accounting standard-2 issued by the Institute of Chartered Accountants of India.*
7. *The Company has taken unsecured loans from companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and the conditions of the loans are prima facie not prejudicial to the interest of the Company. The Company has not taken any loan, secured or unsecured, from firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under Section 370(1B) of the Companies Act, 1956. In respect of loans taken*

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over by the Director, the rate of interest and conditions of the loans are prima facie not prejudicial to the interest of the Company.

8. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties referred to in Section 301 of the Companies Act, 1956. As stated above, we have been informed that there are no companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
9. Loans or advances in the nature of loans have been given by the Company free of interest to :
 - a. Pozhal Panchayat amounting to Rs.22,500/- without any terms of repayment; and
 - b. To the employees who are repaying the principal amounts as stipulated except loans advanced to employees of Pozhal unit which is under suspension of activities since November 1999, to be adjusted at the time of final settlement.
10. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of raw materials, stores, components, plant and machinery, equipments and other assets and with regard to sale of goods. **However due to non-availability of the supporting documents, we are unable to comment on the implementation of the internal control procedures on the purchase of raw materials, stores and components.**
11. According to the information and explanations given to us, there were no purchase of goods, materials and services and sale of goods and materials made in pursuance of contracts or arrangements to be entered in the register maintained under Section 301 of the Companies Act, 1956.
12. As explained to us, the Company has a procedure for the determination of unserviceable or damaged stores, finished goods and raw materials at the end of the year and adequate provision has been made in the accounts.
13. **The Company has not accepted deposits during the year. According to the information and explanations given to us, in respect of deposits accepted in earlier years, subject to borrowing certain unsecured loans in the nature of deposits aggregating to Rs.20 lacs which was in excess of the limits prescribed in the Companies (Acceptance of Deposits) Rules 1975 and the Company has not complied with the provisions of Section 58A of the Companies Act, 1956 in respect of**
 - i) **Non-payment of matured deposits of Rs.35,09,500 and interest accrued and due of Rs.6,07,528**
 - ii) **"Return of Deposit" not filed with the Registrar of Companies.**
 - iii) **Maintenance of Liquid assets as per Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.**
14. Due to closure of Pozhal factory there was no generation of production scrap and disposal thereof. In respect of other units, in our opinion, reasonable records have been maintained by the Company for the sale and disposal of production scrap. The Company has no by-products.
15. **During the year no internal audit was carried out.**
16. We were informed that the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
17. **Provident Fund, Employees Pension Fund and Employees State Insurance dues have not been regularly deposited with the appropriate authorities and there have been serious delays as given below:**

Due to financial constraints, the Company was depositing lumpsum amounts against Provident

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fund and Employee pension fund dues and the recoveries and dues aggregating Rs.13,59,804 were outstanding as at 30th September 2000.

Employees State Insurance dues relating to period September 1999 and October 1999 amounting to Rs.60,025 has not been remitted.

18. *According to the information and explanations given to us, and the books and records examined by us, no undisputed amounts payable in respect of customs duty, excise duty, sales tax, wealth tax and income tax were outstanding as at September 2000 for a period of more than six months from the date they became payable excepting Rs.9,69,393 in respect of Tax deducted at source on salaries, contractors and interest and Rs.5,82,249 in respect of Sales tax of Pozhal unit.*
19. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, and according to the information and explanations given to us, we have not come across any personal expenses of employees or Directors which have been charged to revenue, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is a Sick Industrial Company within the meaning of clause (o) of sub-section 1 of Section 3 of the Sick Industrial Companies (special provisions) Act, 1985 and on a reference the Board for Industrial and Financial Reconstruction had declared the Company as a sick company.
21. At Pondicherry unit, the Company has a reasonable system for recording receipts, issues and consumption of raw materials and stores, commensurate with its size and nature of its business and the system provides for reasonable allocation of materials to the relative jobs. There is a system of internal control commensurate with the size of the Company and the nature of its business.
22. At Pondicherry unit, the Company has a reasonable system of authorisation at proper levels with necessary control on the issue of stores and the allocation of stores. The Company has no system of allocating labour to jobs. There is a system of internal control commensurate with the size of the Company and the nature of its business.

Place : Chennai
Date : 22nd December, 2000

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

INDIA RADIATORS LIMITED

BALANCE SHEET AS AT 30th SEPTEMBER, 2000

	Schedule No.	As at 30.9.2000		As at 30.9.1999	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	90,00,000		90,00,000	
Reserves and Surplus	2	<u>7,28,925</u>	97,28,925	<u>7,28,925</u>	97,28,925
Loan Funds					
Secured Loans	3	6,52,55,045		5,73,82,078	
Unsecured Loans	4	<u>1,97,52,662</u>	8,50,07,707	<u>1,68,69,547</u>	7,42,51,625
			<u>9,47,36,632</u>		<u>8,39,80,550</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	6,47,85,913		6,43,60,886	
Less : Depreciation		<u>3,11,12,224</u>		<u>2,85,82,949</u>	
		3,36,73,689		3,57,77,937	
Add : Capital work-in-progress		<u>11,61,674</u>	3,48,35,363	<u>11,61,674</u>	3,69,39,611
Current Assets, Loans and Advances					
Inventories	6	1,29,82,867		2,01,43,199	
Sundry Debtors	7	2,03,14,800		3,51,19,612	
Cash and Bank Balances	8	21,14,710		24,14,643	
Loans and Advances	9	<u>2,15,13,044</u>		<u>2,20,96,695</u>	
		5,69,25,421		7,97,74,149	
Less : Current Liabilities and Provisions					
Current Liabilities	10	6,30,91,079		7,21,61,497	
Provisions	11	<u>38,21,000</u>		<u>38,21,000</u>	
		6,69,12,079	(99,86,658)	7,59,82,497	37,91,652
Profit and Loss Account		7,44,20,563		4,76,11,969	
Less : Balance in General Reserve as per contra		<u>45,32,636</u>	6,98,87,927	<u>45,32,636</u>	4,30,79,333
Miscellaneous Expenditure Not Written off			—		1,69,954
			<u>9,47,36,632</u>		<u>8,39,80,550</u>
Accounting Policies and Notes on Accounts	18				

Schedules 1 to 11 and 18 form part of this Balance Sheet.

V. Chidambaram
Chairman

K. Nadasundaram
Director

This is the Balance Sheet
referred to in our report
of even date.
For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 22nd December, 2000

INDIA RADIATORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER, 2000

	Schedule No.	For the Year ended 30.9.2000		For the year ended 30.9.1999	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales Less Returns	12	1,39,74,773		15,51,55,815	
Other Income	13	<u>6,98,222</u>		<u>10,77,574</u>	
			1,46,72,995		15,62,33,389
EXPENDITURE					
Materials	14	1,65,58,024		11,54,29,309	
Salaries, Wages and Employees Benefits	15	39,29,635		4,43,28,665	
Other Expenses	16	55,46,739		2,15,91,568	
Interest	17	1,27,47,962		1,67,00,953	
Share Issue Expenses written off		<u>1,69,954</u>		<u>1,69,956</u>	
			3,89,52,314		19,82,20,451
Loss before depreciation			<u>(2,42,79,319)</u>		<u>(4,19,87,062)</u>
Depreciation for the year			25,29,275		56,24,907
Loss before taxation			<u>(2,68,08,594)</u>		<u>(4,76,11,969)</u>
Add : Balance brought forward from last year			(4,76,11,969)		—
			<u>(7,44,20,563)</u>		<u>(4,76,11,969)</u>
APPROPRIATIONS					
Balance carried to Balance Sheet		(7,44,20,563)		(4,76,11,969)	
			<u>(7,44,20,563)</u>		<u>(4,76,11,969)</u>

Accounting Policies and Notes on Accounts 18
Schedules 12 to 18 form part of this Profit and Loss Account.

V. Chidambaram
Chairman

K. Nadasundaram
Director

This is the Profit & Loss
Account referred to in our
report of even date.
For **FRASER & ROSS**
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 22nd December, 2000

INDIA RADIATORS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	As at 30.9.2000		As at 30.9.1999	
	Rs.	Rs.	Rs.	Rs.
SHARE CAPITAL			SCHEDULE 1	
Authorised				
20,00,000 Equity shares of Rs.10 each		<u>2,00,00,000</u>		<u>2,00,00,000</u>
Issued, Subscribed and Paid-up				
9,00,000 Equity Shares of Rs.10 each		<u>90,00,000</u>		<u>90,00,000</u>
		<u>90,00,000</u>		<u>90,00,000</u>
RESERVES AND SURPLUS			SCHEDULE 2	
a. Capital Reserve				
Surplus on reissue of forfeited shares		1,125		1,125
b. General Reserve				
As per last Balance Sheet	45,32,636		—	
Less : Debit Balance in Profit & Loss Account as per contra	<u>45,32,636</u>	—	—	—
c. Dividend Equalisation Reserve				
As per last Balance Sheet		75,000		75,000
d. Investment Allowance Reserve (Utilised) Account				
As per last Balance Sheet		<u>6,52,800</u>		<u>6,52,800</u>
		<u>7,28,925</u>		<u>7,28,925</u>
SECURED LOANS			SCHEDULE 3	
(a) From Bankers				
(i) Cash Credit secured by Hypothecation of Inventories and Book Debts and Equitable Mortgage by Deposit of title deeds of the Factory land and buildings situated at Pozhal, Chennai		2,94,02,579		2,69,92,758
(b) From Financial Institutions				
Secured on the Movable and Immovable properties, present & future of the Pondicherry unit, on pari passu basis in favour of Industrial Development Bank of India, Chennai and Pondicherry Industrial Promotion Development and Investment Corporation, Pondicherry and guaranteed by the Chairman for Rs.90 lacs in favour of PIPDIC		2,84,07,617		2,34,25,336
(Interest accrued on the loan Rs.1,19,42,617/-) (1998-99 Rs.69,60,336/-)				
(c) From Others				
(i) Secured on Hire Purchase of Vehicles and Hypothecation of Plant and Machinery, Equipment and other movable property		<u>74,44,849</u>		<u>69,63,984</u>
		<u>6,52,55,045</u>		<u>5,73,82,078</u>
UNSECURED LOANS			SCHEDULE 4	
a) Fixed Deposits - [Due to Directors Rs.38,85,000 (Rs.38,85,000)]	62,53,000			62,53,000
[Repayable within one year Rs.62,38,000 (Rs.34,91,500)]				
b) Interest accrued and due on Fixed Deposits		6,07,529		—
c) Short Term Loans and Advances from others	1,28,92,133			1,06,16,547
[Includes due to Directors Rs. 58,68,871 (Rs.36,16,547)]				
		<u>1,97,52,662</u>		<u>1,68,69,547</u>

INDIA RADIATORS LIMITED

FIXED ASSETS AS AT 30TH SEPTEMBER, 2000

SCHEDULE 5

Description	COST			DEPRECIATION			NET VALUE	
	As at 30.09.1999	Additions / (Deductions) during the year	As at 30.09.2000	As at 30.09.1999	Depreciation for the year	As at 30.09.2000	As at 30.09.2000	As at 30.09.1999
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	76,357	—	76,357	—	—	—	76,357	76,357
Buildings	93,14,362	—	93,14,362	29,29,848	2,96,642	32,26,490	60,87,872	63,84,514
Leasehold Land	89,546	—	89,546	—	—	—	89,546	89,546
Plant and Machinery	4,86,69,497	4,25,027	4,90,94,524	2,23,40,927	19,27,549	2,42,68,476	2,48,26,048	2,63,28,570
Electrical Installation	25,16,242	—	25,16,242	6,89,037	1,08,659	7,97,696	17,18,546	18,27,205
Furniture and Fixtures	10,25,617	—	10,25,617	7,87,816	58,197	8,46,013	1,79,604	2,37,801
Office Equipments	5,17,179	—	5,17,179	1,99,735	24,566	2,24,301	2,92,878	3,17,444
Computers	15,23,066	—	15,23,066	13,04,331	82,598	13,86,929	1,36,137	2,18,735
Airconditioner, Water cooler and Refrigerator	3,01,755	—	3,01,755	2,31,141	9,414	2,40,555	61,200	70,614
Vehicles	3,27,265	—	3,27,265	1,00,114	21,650	1,21,764	2,05,501	2,27,151
Total	6,43,60,886	4,25,027	6,47,85,913	2,85,82,949	25,29,275	3,11,12,224	3,36,73,689	3,57,77,937

INDIA RADIATORS LIMITED

Schedules forming part of Balance Sheet and Profit and Loss Account (Continued)

	As at 30.9.2000 Rs.	As at 30.9.1999 Rs.
INVENTORIES		SCHEDULE 6
(As verified, valued and certified by the Management)		
Stores and Spares	22,388	2,44,523
Packing Materials	8,115	1,68,862
Tools	16,43,462	19,46,291
Raw Materials	28,47,909	61,62,500
Sub-Assemblies	58,10,409	52,74,277
Finished Goods	8,11,696	17,24,733
Work-in-progress	18,38,888	46,22,013
	<u>1,29,82,867</u>	<u>2,01,43,199</u>
SUNDRY DEBTORS		SCHEDULE 7
Unsecured		
a) Outstanding over six months :		
Considered Good	1,97,33,512	2,39,05,049
Considered Doubtful	11,03,219	—
	<u>2,08,36,731</u>	—
Less : Provision	11,03,219	—
b) Other Debts	5,81,288	1,12,14,563
	<u>2,03,14,800</u>	<u>3,51,19,612</u>
CASH AND BANK BALANCES		SCHEDULE 8
Cash and cheques on hand	19,586	20,960
With Scheduled Banks		
On current account (including dividend account)	1,71,969	2,40,528
On Fixed Deposit account		
a) under Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975	1,00,000	1,00,000
b) Import Margin Money	18,23,155	20,53,155
	<u>21,14,710</u>	<u>24,14,643</u>
LOANS AND ADVANCES		SCHEDULE 9
Unsecured and Considered Good		
Advances recoverable in cash or in kind or for value to be received	1,52,38,032	1,43,96,122
Interest accrued but not due	58,130	60,119
Advance payment of income tax and tax deducted at source	43,97,229	44,13,087
Balance with Central Excise Authorities	18,19,653	32,27,367
	<u>2,15,13,044</u>	<u>2,20,96,695</u>

INDIA RADIATORS LIMITED

Schedules forming part of Balance Sheet and Profit and Loss Account (Continued)

	As at 30.9.2000 Rs.	As at 30.9.1999 Rs.
LIABILITIES		SCHEDULE 10
Acceptances	42,85,805	69,98,240
Sundry Creditors	5,83,55,478	6,50,59,050
Unclaimed Dividends	39,246	39,246
Interest accrued but not due on loans	4,10,550	64,961
	<u>6,30,91,079</u>	<u>7,21,61,497</u>
 PROVISIONS		 SCHEDULE 11
Taxation	38,21,000	38,21,000
	<u>38,21,000</u>	<u>38,21,000</u>
	For the year ended 30.9.2000 Rs.	For the period ended 30.9.1999 Rs.
 SALES		 SCHEDULE 12
Automobile Radiators	32,19,570	10,96,80,353
Heavy Duty Radiators and Heat Exchangers	92,70,093	3,93,28,799
Automobile Spare Parts	14,82,130	59,99,425
Heavy Duty Spare parts	2,980	1,47,238
	<u>1,39,74,773</u>	<u>15,51,55,815</u>
 OTHER INCOME		 SCHEDULE 13
For Services rendered	1,76,595	4,26,103
Interest (Gross)	—	—
[Tax deducted at source Rs.18,054 (Rs.37,326)]	73,382	3,12,069
Machinery Hire Charges	—	1,80,000
Claims and other receipts	—	11,958
Service charges	—	72,000
Profit on sale of assets	—	75,444
Unclaimed Creditors written back	4,48,245	—
	<u>6,98,222</u>	<u>10,77,574</u>

INDIA RADIATORS LIMITED

Schedules forming part of Balance Sheet and Profit and Loss Account (Continued)

	For the year ended 30.9.2000 Rs.	For the period ended 30.9.1999 Rs.
MATERIAL CONSUMPTION		
SCHEDULE 14		
i) Raw Materials		
Opening Stock	61,62,500	1,49,51,020
Add : Purchases	81,86,099	9,32,20,346
	<u>1,43,48,599</u>	<u>10,81,71,366</u>
Less : Closing Stock	28,47,909	61,62,500
	<u>1,15,00,690</u>	<u>10,20,08,866</u>
ii) Sub-Assemblies		
Opening Stock	52,74,277	72,02,304
Add : Purchases	13,44,625	1,05,44,526
	<u>66,18,902</u>	<u>1,77,46,830</u>
Less : Closing Stock	58,10,409	52,74,277
	<u>8,08,493</u>	<u>1,24,72,553</u>
	<u>1,23,09,183</u>	<u>11,44,81,419</u>
Less : Excise Duty Relief	6,08,607	1,06,84,803
	<u>1,17,00,576</u>	<u>10,37,96,616</u>
iii) Stores and Spares	9,25,135	48,51,876
iv) Packing Materials	3,22,665	27,57,255
	<u>1,29,48,376</u>	<u>11,14,05,747</u>
v) Increase/Decrease in Work-in-progress & Finished Goods		
Opening Stock		
Work-in-progress	46,22,013	1,10,31,564
Finished Goods	17,24,733	10,05,733
	<u>63,46,746</u>	<u>1,20,37,297</u>
Less : Closing Stock		
Work-in-progress	18,38,888	46,22,013
Finished Goods	8,11,696	17,24,733
	<u>36,96,162</u>	<u>56,90,551</u>
	<u>1,66,44,538</u>	<u>11,70,96,298</u>
vi) Less : Scrap Sales	86,514	16,66,989
	<u>1,65,58,024</u>	<u>11,54,29,309</u>
SALARIES, WAGES AND EMPLOYEE BENEFITS		
SCHEDULE 15		
Salaries and Wages	22,39,970	3,44,47,503
Contribution to E.P.F. and F.P.F.	2,77,011	39,02,364
Contribution to Gratuity Fund	11,95,130	19,95,763
Contribution to Superannuation Fund	—	5,98,892
Staff Welfare Expenses	2,17,524	33,84,143
	<u>39,29,635</u>	<u>4,43,28,665</u>

INDIA RADIATORS LIMITED

Schedules forming part of Balance Sheet and Profit and Loss Account (Continued)

	For the year ended 30.9.2000 Rs.	For the period ended 30.9.1999 Rs.
OTHER EXPENSES		SCHEDULE 16
Rent (Net of recoveries)	1,21,200	4,02,842
Freight Charges (outward)	1,88,106	8,49,216
Insurance	4,84,977	9,19,537
Rates and Taxes	33,168	1,41,418
Power and fuel	8,26,042	29,66,016
Repairs and Maintenance		
i) Machinery	98,697	3,61,933
ii) Building	2,60,509	9,42,521
iii) Others	74,041	3,63,815
Audit Fees		
i) Audit	20,000	20,000
ii) Taxation Services	63,600	15,000
iii) Certification of Statements	10,500	19,300
iv) Reimbursement of Expenses	5,750	4,130
Discount	—	2,21,217
Small Tools Written off	3,02,829	4,54,244
Remuneration to Chairman and Managing Director	—	11,45,893
Directors' Sitting fees	9,000	25,000
Bank/discounting charges	79,383	60,13,072
Travelling expenses	2,07,828	18,04,926
[including Directors Rs.27,438/- (Rs.2,48,929/-)]		
Loss on Sale of assets	—	2,63,959
Exchange rate difference (Nett)	39,712	89,658
Provision for Doubtful Debts	11,03,219	—
Miscellaneous expenses	16,18,178	45,67,871
	<u>55,46,739</u>	<u>2,15,91,568</u>
INTEREST		SCHEDULE 17
Secured Loan	1,03,44,602	1,32,39,585
Fixed Deposit	9,54,189	10,46,600
Others	14,49,171	24,14,768
	<u>1,27,47,962</u>	<u>1,67,00,953</u>

SCHEDULE 18

NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

- i) Due to erosion of networth of the Company, as per the governing rules, the Company was, during the year, referred to the Board for Industrial & Financial Reconstruction which had declared the Company as a Sick Company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, and appointed IDBI as Operating Agency for the rehabilitation and steps are in progress for revival of the Company.

The accounts of the Company have, therefore, been prepared on the basis of the accounting principles applicable to a 'Going Concern'.

INDIA RADIATORS LIMITED

- ii) Financial statements are prepared under the historical cost convention. Generally revenue is recognised on accrual basis with provision made for known losses and expenses.

iii) BALANCE SHEET

1. a) Fixed Assets are stated at Cost of acquisition (net of MODVAT Credit availed) which includes capitalisation of pre-operative expenses including interest till the date of commissioning.
- b) Assets taken on financial lease are not capitalised and lease rentals are absorbed in the Profit and Loss Account.
- c) Expenditure incurred on assembling tools and machinery for Company use are kept in capital work in progress and are capitalised at the time of completion and put into use.
2. Inventories are valued at lower of cost or net realisable value. Cost of Raw Materials includes freight, excise and customs duties and is net of credits under MODVAT Scheme. Excise duty on finished goods is added on to cost.
3. The Company's liability towards gratuity and superannuation were covered by appropriate schemes with Life Insurance Corporation of India. During August 2000 the Company has opted for surrender of the Scheme. Leave encashment benefit on retirement will be accounted on payment.
4. Foreign currency transactions are recorded at the rate prevailing on the date of transaction. Foreign currency liabilities/receivables are translated at the rate of exchange prevailing as on 30th September and Gains/Losses on rate fluctuations between the date of transaction and date of payment/receipt/and year end translation are charged to Profit and Loss account.

iv) PROFIT AND LOSS ACCOUNT

5. All income and expenditure are accounted on accrual basis.
6. Sales are net of Excise Duty, discount and Sales Tax.
7. Depreciation on Fixed Assets is provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
8. Research and Development expenditure other than capital in nature is charged to revenue.
9. Share issue expenses (Rights issue) are amortized over a period of five years.

B. NOTES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. State Bank of India has treated the Loan account (Cash Credit) as a Non-performing Asset and have not debited interest for the period of 1st April, 1999 to 30th September, 2000. However Provision has been made at the contracted rates and is shown under secured loans. No provision has been made towards the interest on interest and Penal interest if any, which is not presently quantifiable.
2. Contingent Liabilities

	<u>1999-2000</u>	<u>1998-1999</u>
a) Bills discounted	84,36,745	84,36,745
b) Guarantees given by Bank for Import of Raw Materials and performance of contracts for which the Company has given counter guarantees	—	21,250
c) Income tax and Sales tax demands under dispute in respect of which appeals are pending	24,67,980	24,67,980
3. Estimated amount of contracts remaining to be executed on capital account and not provided for

	95,838	95,838
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4. a) The Honourable High Court of Madras has confirmed the Arbitrators award on 13.08.97 fixing the additional compensation at Rs.2,500 per ground, in respect of the land acquired from a Company to whom the Tamilnadu Government originally allotted the land, and the Company has informed the Government that it will abide by the terms of the award. The Government is yet to indicate its intention

INDIA RADIATORS LIMITED

- to reassign the land to the Company on those terms. Pending receipt of demand no provision has been made in these accounts.
- b) The demand from Government for urban land tax on property at Pozhal for Rs.68,667 is contested through writ petition. The High Court of Madras has stayed demand and directed the Company to pay Rs.30,000 which has been paid and kept under advance. The case is pending before High Court of Madras for final disposal.
5. a) No provision has been considered necessary for salary, provident fund contribution, employee state insurance dues, gratuity and superannuation of the employees of Pozhal unit, which is under suspension of operations since November 1999. The management contends that no further payments are due after suspension of operations, and the dispute is pending before various authorities. The ultimate liability if any, is not presently quantifiable.
b) The Company has since entered into a Memorandum of settlement with the workers at Perungudi unit. The amount payable as per the said terms aggregating to Rs.13,99,930 has been provided for in these accounts.
c) No provision has been made for the gratuity and contribution to superannuation fund for other employees.
 6. The amount due to Small Scale and Ancillary Industries as at the close of the financial year has not been identified and hence the amount outstanding, if any, has not been ascertained to show separately and interest, if any, thereon has not been provided for.
 7. i) In respect of certain inoperative bank accounts aggregating to Rs.1,22,338 neither Bank statements nor confirmation of balances, although called for have been received.
ii) In respect of Margin money accounts aggregating to Rs.18,23,155 neither the Bank Statements nor confirmation of balances, although called for have been received.
 8. Due to the suspension of operations, the supporting documents relating to stock at the Pozhal unit could not be accessed. The rates applied are in line with previous period. The same is not recomputed in accordance with revised Accounting standard-2 issued by the Institute of Chartered Accountants of India which has become mandatory for accounting periods commencing on or after 1.4.99.
 9. Loans and advances include :
 - i) Balance with Excise authorities Rs.10,80,373 of Pozhal and Perungudi units which has not been reconciled with Excise records.
 - ii) Advances given to staff of Pozhal unit Rs.13,64,239 which is to be adjusted on settlement.
 10. No provision is presently considered necessary in respect of.
 - a) Sundry Debtors of Rs.50,99,685 outstanding for more than 3 years which are subject to confirmation.
 - b) Group company Debtors of Rs.39,26,564 which is under reconciliation.
 - c) Loans and Advances and deposit accounts which are subject to confirmation.
However, in the opinion of the management, all current assets, debtors and loans/advances would except for certain items, in the ordinary course of business, realise the values as stated in the accounts.
 11. Current liabilities include provision for purchases Rs.22,63,678 made during the year which are estimated and are not supported by vouchers/supporting documents as the relevant documents are not accessible due to the suspension of operation at the Pozhal factory.

INDIA RADIATORS LIMITED

12. The particulars as required under Clause 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 is not quantifiable as the operations of the Pozhal unit has been suspended and records are not accessible.
13. The post of the Secretary has not yet been filled up as required under Section 383A of the Companies Act, 1956.
14. Current year figures are for 12 months and hence not comparable with those of the previous accounting period of 18 months. Previous period figures have been regrouped wherever necessary.

V. Chidambaram
Chairman

K. Nadasundaram
Director

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 22nd December, 2000

INDIA RADIATORS LIMITED

Balance Sheet Abstract and Company's General Business Profile as per Part IV to Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No.

		9	6	3
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 State Code

1	8
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 Balance Sheet Date

3	0
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0	9
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2	0	0	0
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Date Month Year

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

Public Issue	Rights Issue										
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		N	I	L							
		N	I	L							
Bonus Issue	Private Placement										
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		N	I	L							
		N	I	L							

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets														
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">1</td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">1</td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">4</td><td style="width: 20px; height: 15px; text-align: center;">9</td></tr></table>		1	6	1	6	4	9	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">1</td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">1</td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">4</td><td style="width: 20px; height: 15px; text-align: center;">9</td></tr></table>		1	6	1	6	4	9
	1	6	1	6	4	9									
	1	6	1	6	4	9									
Source of Funds															
Paid-up Capital	Reserves & Surplus														
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		9	0	0	0										
		7	2	9											
Secured Loans	Unsecured Loans														
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	6	5	2	5	5										
	1	9	7	5	3										
Application of Funds															
Net Fixed Assets	Investments														
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		N	I	L											
Net Current Assets	Misc. Expenditure														
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	-	9	9	8	6										
		N	I	L											
Accumulated Losses *															
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">9</td><td style="width: 20px; height: 15px; text-align: center;">8</td><td style="width: 20px; height: 15px; text-align: center;">8</td><td style="width: 20px; height: 15px; text-align: center;">8</td></tr></table>		6	9	8	8	8									
	6	9	8	8	8										

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

Turnover	Total Expenditure														
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">1</td><td style="width: 20px; height: 15px; text-align: center;">4</td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">7</td><td style="width: 20px; height: 15px; text-align: center;">3</td></tr></table>		1	4	6	7	3	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">4</td><td style="width: 20px; height: 15px; text-align: center;">1</td><td style="width: 20px; height: 15px; text-align: center;">4</td><td style="width: 20px; height: 15px; text-align: center;">8</td><td style="width: 20px; height: 15px; text-align: center;">2</td></tr></table>		4	1	4	8	2		
	1	4	6	7	3										
	4	1	4	8	2										
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax														
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px; text-align: center;">-</td><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">2</td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">8</td><td style="width: 20px; height: 15px; text-align: center;">0</td><td style="width: 20px; height: 15px; text-align: center;">9</td></tr></table>	-		2	6	8	0	9	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px; text-align: center;">-</td><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">2</td><td style="width: 20px; height: 15px; text-align: center;">6</td><td style="width: 20px; height: 15px; text-align: center;">8</td><td style="width: 20px; height: 15px; text-align: center;">0</td><td style="width: 20px; height: 15px; text-align: center;">9</td></tr></table>	-		2	6	8	0	9
-		2	6	8	0	9									
-		2	6	8	0	9									
Earning Per Share in Rs.	Dividend Rate %														
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">N</td><td style="width: 20px; height: 15px; text-align: center;">I</td><td style="width: 20px; height: 15px; text-align: center;">L</td></tr></table>			N	I	L	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px; text-align: center;">N</td><td style="width: 20px; height: 15px; text-align: center;">I</td><td style="width: 20px; height: 15px; text-align: center;">L</td></tr></table>			N	I	L				
		N	I	L											
		N	I	L											

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	8 7 0 8 9 1 0 0
Product Description	R A D I A T O R S
Item Code No. (ITC Code)	8 4 1 9 5 0 0 0
Product Description	H E A T E X C H A N G E R S

* Net of General Reserve Rs.4,533 (Thousands)

V. Chidambaram
Chairman

K. Nadasundaram
Director

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 22nd December, 2000

INDIA RADIATORS LIMITED

ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT CASH FLOW STATEMENT FOR THE YEAR ENDED 30.9.2000

	30.9.2000 (Rs.)	30.9.1999 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	(2,68,08,594)	(4,76,11,969)
Depreciation	25,29,275	56,24,907
Loss on sale of fixed assets (net)	—	1,88,515
Interest charges	1,27,47,962	1,67,00,953
Share issue expenses written off	1,69,954	1,69,958
Exchange currency fluctuation	39,712	89,658
Provision for doubtful debts	11,03,219	—
Small tools written off	3,02,829	4,54,244
	<u>1,68,92,951</u>	<u>2,32,28,233</u>
Interest received	73,382	3,12,069
Unclaimed creditors written back	448,245	—
	<u>1,63,71,324</u>	<u>(1,04,37,270)</u>
Operating Profit before working capital		2,29,16,164
Adjustments for :		
Trade and other receivables	1,42,67,397	1,18,875
Trade payables	(89,67,762)	7,56,395
Inventories	68,57,503	1,61,51,452
	<u>1,21,57,138</u>	<u>1,70,26,722</u>
Cash generated from operations	(17,19,968)	(76,69,083)
Tax refund received	33,912	(11,420)
Cash flow before extraordinary items	17,53,780	(76,80,503)
Extraordinary Items		
Exchange currency fluctuation (net)	(39,712)	(89,658)
Net Cash Flow from operating activities	17,14,068	(77,70,161)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets (Includes Capital WIP)	(4,25,027)	(5,48,021)
Sale of fixed assets	—	16,60,000
Interest received	57,317	2,58,377
	<u>(3,67,710)</u>	<u>13,70,356</u>
Net Cash used in Investing activities	13,46,358	(63,99,805)

INDIA RADIATORS LIMITED

**ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 30.9.2000 (Continued)**

		30.9.2000 (Rs.)	30.9.1999 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of long term borrowings	28,90,686	—	
Proceeds of Unsecured loans	22,75,586	72,30,090	
Dividends paid	—	(65,588)	
Proceeds from banks	—	92,99,672	
Interest paid	(68,12,563)	(16,46,291)	(1,13,63,528)
Net Cash used in financing activities		<u>(2,99,933)</u>	<u>(12,99,159)</u>
Net increase/decrease(-) in cash & cash equivalents		(2,99,933)	(12,99,159)
Cash & Cash equivalents as at September 30, 1999 (opening balance)		24,14,643	37,13,802
Cash & Cash equivalents as at September 30, 2000 (closing balance)		21,14,710	24,14,643

Note :

1. Previous year figures have been regrouped wherever necessary to confirm to current period classification.

V. Chidambaram
Chairman

K. Nadanasundaram
Director

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 22nd December, 2000

AUDITORS' CERTIFICATE

We have examined the above cash flow statement for the year ended 30th September, 2000. The Statement has been prepared by the Company in accordance with the requirements of listing agreement (clause 32) with Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our Report of even date to the members of the Company.

Place : Chennai
Date : 22nd December, 2000

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

INDIA RADIATORS LIMITED

Registered Office: 'South India House', 36-40, Armenian Street, Chennai - 600 001.
Principal Office : 'Catholic Centre', 1st Floor, 64, Armenian Street, Chennai - 600 001.

ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the Meeting Hall.

I hereby record my presence at the 51st ANNUAL GENERAL MEETING of the Company at M.A.Chidambaram Conference Hall, Southern India Chamber of Commerce & Industry, Indian Chamber Buildings, Esplanade, Chennai - 600 108, at 10.25 a.m. on Friday the 16th March 2001.

_____ Signature
Full name of the Shareholder
(in block capital)
Folio No. _____

_____ Signature
Full name of Proxy
(in block capital)

**INDIA RADIATORS LIMITED
PROXY FORM**

I/We
of
in the district of.....
being a member/members of the above named Company, hereby appoint.....
.....of
in the district of.....or failing him.....
of.....in the district of
as my/our Proxy to vote for me/us on my/our behalf at the 51st Annual General Meeting of the Company,
to be held on 16th March 2001 and at any adjournment thereof.

Signed this day of 2001.

Signature.....



Note : The Proxy Form must be deposited at the Registered Office of the Company at 36-40, Armenian Street, Chennai - 600 001, not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

BOOK POST

If undelivered, please return to :

INDIA RADIATORS LIMITED

'Catholic Centre', 1st Floor,

64, Armenian Street, Chennai - 600 001.