

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. Nadasundaram
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 ICSA 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-

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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.

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REGIONAL DIRECTOR
CENTRAL GOVERNMENT

NIL
NIL

ANNEXURE 'C' - SECRETARIAL COMPLIANCE CERTIFICATE

Annexure to Point No. 3 of Secretarial Compliance Certificate of M/s. India Radiators Limited

The Following Board Meetings were held during the financial year ended 30th September 2008

1 st Quarter (October-December)	2 nd Quarter (Jan-March)	3 rd Quarter (April-June)	4 th Quarter (July-September)
9.10.2007	31.1.2008	30.4.2008	31.7.2008

Place : Chennai

Date : 31.12.2008

Sd /

Name of the Company Secretary : T. Balasubramanian
C.P. No. : 3402

AUDITORS' REPORT

TO THE SHAREHOLDERS OF INDIA RADIATORS LIMITED

We have audited the attached Balance Sheet of **INDIA RADIATORS LIMITED** as at 30th September 2008 and the Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

1. On the basis that there has been suspension of activities in the factories viz. Puzhal unit from November 1999 and Pondicherry Unit from April 2003 and hence erosion of net worth leading to a reference by the company to the Board for Industrial and Financial Reconstruction. The Company had been declared sick by Board for industrial and Financial Reconstruction (BIFR) and has issued order for winding up. On appeal the AAFR has remanded the matter to BIFR in July, 2008 and the matter is pending before BIFR and hence it is not possible to express an opinion on the same. Consequently, there are entries in the accounts relating to consumption of material, bank charges, other write off and provisions.
2. As required by the Companies Auditor's Report Order, 2003 issued by the Central Government 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 the audit, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
3. Subject to our comments in paragraphs 1, 2 & 3 above and further to our comments in the Annexure referred to in paragraph 4 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, **except as stated below**
 - b) Subject to paragraphs 1 above, due to suspension of work, books of accounts as required by law have been kept only in the factory so far as it appears from our examination of such books at Head Office alone and not at Factories.
 - c) The Company's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of accounts at Head Office.

d) In our opinion the Profit & Loss A/c and Balance Sheet comply with Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 subject to -

- i. **Accounting Standard - 2 on Valuation of Inventories with regard to valuation of stock held at factory.** Further, attention is invited to note no. V (7) of notes on accounts.
- ii. **The company has not provided for any employment / retirement benefits as required by Accounting Standard - 15 on Employee Benefits (revised).** Further, attention is invited to note no. V (4) of notes on accounts.
- iii. **The company has neither impaired nor identified the assets to be impaired in accordance with the provisions of Accounting Standard - 28 on Impairment of Assets.**
- iv. **The company has provided for Rs. 413 lakhs in lieu of principal and interest payable" to Bankers for the Cash Credit facility extended on a consortium basis by State Bank of India, Indian Bank and Catholic Syrian Bank with State Bank of India as Consortium Leader. The company has received a notice u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from the banks on 23.11.2007 demanding it to pay Rs. 967 lakhs as on 30.09.2007 comprising of principal and interest. The company has not provided for the difference amounting to Rs. 554 lakhs as on 30.09.2008. The same is not in line with Accounting Standard - 29 on Provisions, Contingent Liabilities and Contingent Assets.**
- v. **The company has received notices u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from Industrial Development Bank of India Limited (IDBI) and Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC) demanding it to pay a sum of Rs. 387 lakhs and Rs. 285 lakhs as on 13.11.2006 and 30.06.2004 respectively aggregating a sum of Rs. 672 lakhs. The demand comprises of principal and interest payable by the company. The company has provided for Rs. 505 lakhs as on 30.09.2007. The company has not provided for the difference amounting to Rs. 167 lakhs as on 30.09.2008. The same is not in line with Accounting Standard - 29 on Provisions, Contingent Liabilities and Contingent Assets.**
- vi. **There is a balance of Rs. 39,175.50 in Unclaimed Dividend, which is outstanding from the period 1995-96 & 1996-97; hence such amount has to be transferred to Central Government 'INVESTORS EDUCATION & PROTECTION FUND' account.**

We are unable to comment on the effect of the items mentioned in the paragraphs (i) to (iii) on the loss of the company due to suspension.

INDIA RADIATORS LIMITED

- e) The directors of the company attract disqualification u/s 274 (1) (g) as on 30.09.2008.
- f) Due to suspension of operations of Puzhal factory at Chennai, the accounts have been prepared with the available information. **Statements of account or certificate on confirmation of balances in inoperative bank accounts balances amounting to Rs 27,695 are not available.**
- g) **Balances in the accounts of Sundry Debtors, Creditors and Loans & Advances of the respective parties are as per books of account are taken subject to confirmation and reconciliation.**
- h) **Attention is invited to the following matters:**
- i) **Non reconciliation of the balance with excise authorities of Rs 3,57,904/- at Puzhal Unit [vide Note V (8)(a)]**
- ii) **Non provision of interest on inter corporate deposits and unsecured loans [Vide Note No. V (12)]**
4. **Subject to our remarks in foregoing paragraphs**, the effect of which is not ascertainable except to the extent of figures mentioned in para 5 d, f and g and consequently the effect on the loss for the year is not ascertainable, the accounts read with the accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 30th September 2008.
- ii) In the case of the Profit and Loss Account, of the **Loss** for the year ended on that date.

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. *The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, which has in general not been updated for many years. In some cases quantitative particulars and location of Fixed Asset has not been mentioned. We are informed that the management has a reasonable system of physical verification at periodic intervals. If the absence of physical verification of assets at Puzhal plant, we are unable to comment on discrepancies, if any, that may arise on physical verification.*
2. None of the fixed assets have been revalued during the year.
3. We are informed that the stock of finished goods, spare parts and raw materials have been physically verified by the management during the year.
4. The procedures for physical verification of stocks followed by the management are adequate in relation to the size of the unit and the nature of its business.
5. We are unable to comment up on the discrepancies if any noticed on physical verification of stocks as compared to the book records.
6. During the year, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained U/s.301 which are prima facie prejudicial to the interest of the company. We are informed that there are no companies under the same management as defined in Section 370 (1B). [Section 370(1B) has since been deleted].
7. **Loans or advances in the nature of loans have been given by the company, free of interest to**
- a) **Puzhal panchayat amounting to Rs 22,500/- without any terms of repayment.**
- b) **Employees as Salary advance amounting to Rs.37,99,130 /- which is pending adjustment.**
8. The company has neither carried out commercial production during the year nor entered into transactions involving purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to sale of goods. **Hence, we are unable to comment on the effectiveness of the internal control procedures.**
9. 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 of arrangements to be entered in the register maintained under Section 301 of the Companies Act, 1956.
10. As explained to us, at Pondicherry unit unserviceable or damaged stores, raw materials and finished goods and trading stocks are determined at the close of the year and adequate amounts are being written off in the accounts, after review.
11. *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, the company has borrowed 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 in respect of*
- (i) *Non-Payment of matured deposits of Rs 62,53,000/- and interest accrued and due of Rs.38,38,718/-.*
- (ii) *Return of deposits has not been filed with Registrar of Companies.*
- (iii) *Non Maintenance of Liquid assets as per Rule 3A of the Companies (Acceptance of Deposits) Rules 1975*
12. As explained to us, the Company's operations do not generate any by-products and in our opinion, reasonable records have been maintained at Pondicherry for the sale of scrap.
13. *According to the information and explanations given to us and based on the verification of books of accounts, there are no transactions. Hence, the company has not appointed any external audit firm or any staff to carry out the Internal Audit.*
14. We are informed that the Central Government has not prescribed maintenance of Cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
15. *Provident Fund, Employees Pension Fund and Employees State Insurance dues have not been regularly deposited on due dates with the appropriate authorities.*
16. *According to the information and explanations given to us, and the books and records examined by us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Excise Duty, Customs Duty and Sales Tax were outstanding as at 30.09.2008 for a period of more than six months from the date they became payable excepting Rs 21,38,649/- In respect of Sales Tax and tax deducted at source on salaries, contractors and interest.*
17. According to the information and explanations given to us no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations and in accordance with generally accepted business practice.
18. *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.*

Place : Chennai
Dated : 31.12.2008

For P.B. Vijayaraghavan & Co.,
Chartered Accountants
P. B. Santhanakrishnan
Membership No. 020309

INDIA RADIATORS LIMITED

AUDITED BALANCE SHEET AS AT 30th SEPTEMBER 2008

	Schedule No.	As at 30-09-2008		As at 30-09-2007	
		Rs.	Rs	Rs.	Rs
SOURCE OF FUNDS					
Shareholder's Funds					
Share Capital	1	9,000,000		9,000,000	
Reserves and Surplus	2	<u>76,125</u>		<u>76,125</u>	
			9,076,125		9,076,125
Loan Funds					
Secured Loans	3	91,832,302		91,832,302	
Unsecured Loans	4	33,648,054		32,333,054	
Deferred Tax Liability		<u>4,451,091</u>		<u>4,451,091</u>	
			<u>129,931,447</u>		<u>128,616,447</u>
			<u>139,007,572</u>		<u>137,692,572</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	44,071,925		44,071,925	
Less : Depreciation		<u>27,768,536</u>		<u>25,972,342</u>	
			16,303,389		18,099,583
Current Assets, Loans and Advances :					
Inventories	6	177,793		199,915	
Sundry Debtors	7	1,0277,000		1,027,000	
Cash and Bank Balances	8	82,222		67,399	
Loans and Advances	9	<u>20,469,781</u>		<u>19,170,154</u>	
		21,756,796		20,464,468	
Less : Current Liabilities and Provisions					
Current Liabilities	10	50,177,946		50,157,946	
Provisions	11	<u>3,821,000</u>		<u>3,821,000</u>	
		53,998,946		53,978,946	
			(32,242,150)		(33,514,478)
Profit and Loss Account		155,599,133		153,760,267	
Less : Balance in General Reserve		652,800	154,946,333	652,800	153,107,467
			<u>139,007,572</u>		<u>137,692,572</u>
Accounting Polices and Notes on Accounts Schedules 1 to 11 and 17 form part of this Balance Sheet	17				

Place : Chennai
Date : 31-12-2008

K. Nadasundaram
G. Raja
T. Govindarajan
Directors

This is the Balance sheet referred to in our report of even date
For **P.B. Vijayaraghavan & Co.,**
Chartered Accountants
P.B. Santhanakrishnan
Partner

INDIA RADIATORS LIMITED

AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 2008

	SCH No.	As at 30-09-2008		As at 30-09-2007	
		Rs.	Rs	Rs.	Rs
INCOME :					
Sales less returns	12	-		-	
Other Income	13	-		-	
EXPENDITURE :					
Materials	14	-		260,523	
Salaries, Wages and Employees benefits	15	-		63	
Other Expenses	16	42,672		57,798	
			<u>42,672</u>		<u>313,384</u>
Loss before Depreciation			(42,672)		(318,384)
Depreciation for the year			1,796,194		1,809,661
			<u>(1,838,866)</u>		<u>(2,128,045)</u>
Loss before Taxation			(1,838,866)		(2,128,045)
Add : Balance brought forward from last year			(153,760,267)		(151,632,222)
			<u>(155,599,133)</u>		<u>(153,760,267)</u>
APPROPRIATION:					
Balance carried to Balance Sheet			<u>(155,599,133)</u>		<u>(153,760,267)</u>
Basic and Diluted Earnings per Share			(2.04)		(2.36)

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Accounting Policies and
Notes on Accounts
Schedules 12 to 16 form part of this
Profit and Loss Account.

Place : Chennai
Date : 31-12-2008

K. Nadasundaram
G. Raja
T. Govindarajan
Directors

This is the Balance sheet referred to in our
report of even date
For **P.B. Vijayaraghavan & Co.,**
Chartered Accountants
P.B. Santhanakrishnan
Partner

INDIA RADIATORS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - 1

SHARE CAPITAL :	As at 30-09-2008 Rs.	As at 30-09-2007 Rs.
Authorised :		
20,00,000 Equity shares of Rs.10/- each	<u>20,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and Paid-up		
9,00,000 Equity Shares of Rs.10 each	<u>9,000,000</u>	<u>9,000,000</u>
	<u>9,000,000</u>	<u>9,000,000</u>

SCHEDULE - 2

RESERVES AND SURPLUS :

a. Capital Reserve		
Surplus on reissue of forfeited shares	1,125	1,125
b. Dividend Equalisation Reserve		
As per last Balance Sheet	75,000	75,000
	<u>76,125</u>	<u>76,125</u>

SCHEDULE - 3

SECURED LOANS

(a) From Bankers

Cash Credit secured by hypothecation of Inventories and book debts and equitable mortgage by deposit of title deeds of the factory Land & Buildings situated at Puzhal, Chennai (Interest accrued and due - Rs. 126,98,385/-)	41,300,707	41,300,707
--	------------	------------

(b) From Financial Institutions

Secured on the movable and immovable properties, present & futures 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 (Interest Accrued on the Loan Rs. 3,40,66,595/-)	50,531,595	50,531,595
---	------------	------------

	<u>91,832,302</u>	<u>91,832,302</u>
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SCHEDULE - 4

UNSECURED LOANS

a) Fixed Deposits - {Amount overdue - Rs. 62,53,000/- (Rs. 62,53,000/-)}	6,253,000	6,253,000
b) Interest accrued and due on Fixed Deposits	3,838,718	3,838,718
c) Short Term Loans and Advances from others	18,904,743	17,589,743
d) The balance amount due to FLCI on account of hire purchase dues and outstanding in the books is treated as unsecured as the secured assets have been repossessed and sold by FLCI under the Order of City Civil Court.	4,651,593	4,651,593
	<u>33,648,054</u>	<u>32,333,054</u>

INDIA RADIATORS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

FIXED ASSETS AS AT 30TH SEPTEMBER, 2008

(Amount in Rs.)

Schedule 5

Description	Cost			Depreciation			Net Value	
	As at 30-09-2007	Additions / (Deductions) during the year	As at 30-09-2008	As at 30-09-2007	Depreciation for the year	As at 30-09-2008	As at 30-09-2008	As at 30-09-2007
Freehold Land **	76,357	-	76,357	-	-	-	76,357	76,357
Buildings	9,314,362	-	9,314,362	5,293,400	295,188	5,588,588	2,725,774	4,020,962
Leasehold Land	89,546	-	89,546	-	-	-	89,546	89,546
Plant and Machinery	28,465,799	-	28,465,799	15,629,484	1,352,125	16,981,609	11,484,190	12,836,315
Electrical Installations	2,516,242	-	2,516,242	1,584,741	112,435	1,697,176	819,066	931,501
Furniture & Fixtures	1,025,617	-	1,025,617	1,023,872	335	1,024,207	1,410	1,745
Office Equipments	517,179	-	517,179	387,095	23,038	410,133	107,046	130,084
Computers	1,523,066	-	1,523,066	1,523,066	-	1,523,066	-	-
Air Conditioner and Water Cooler	301,755	-	301,755	294,166	7,589	301,755	-	7,589
Vehicles	242,002	-	242,002	236,518	5,484	242,002	-	5,484
Total	44,071,925	-	44,071,925	25,972,342	1,796,194	27,768,536	16,303,389	18,099,583

** Represents the amount paid for the value of Land for acquisition from another group company. On the company's application, the High Court of Madras has passed orders for re-assignment of Land in June, 2008 in favour of the company. Orders of Government are awaited and further provision for the value of land will be made on receipt of the State Government's Order and the terms and conditions for re-assignment of Land.

SCHEDULE - 6

INVENTORIES :

(As verified, valued and certified by the Management)

	As on 30-09-2008 Rs.	As on 30-09-2007 Rs.
Stores & Spares	8,866	8,866
Packing Materials	2,680	2,680
Tools	44,242	66,363
Raw Materials	110,406	110,406
Sub-Assemblies	11,599	11,599
Finished Goods	-	-
Work - in - progress	-	-
	<u>177,793</u>	<u>199,914</u>

SCHEDULE - 7

SUNDRY DEBTORS :

Unsecured

a) Outstanding over six months :

b) Other Debts

-	-
1,027,000	1,027,000
<u>1,027,000</u>	<u>1,027,000</u>

SCHEDULE - 8

CASH AND BANK BALANCES

Cash & Cheques on hand

With Scheduled Banks

On Current Account (Including Dividend A/c)

On Fixed Deposit Account

a. Import Margin Money

756	756
81,466	66,643
-	-
<u>82,222</u>	<u>67,399</u>

INDIA RADIATORS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - 9

LOANS AND ADVANCES

UNSECURED AND CONSIDERED GOOD

	As at 30-09-2008 Rs.	As at 30-09-2007 Rs.
Advances Recoverable in Cash or in Kind or for value to be received	15,027,203	13,727,576
Interest Accrued but not due	58,130	58,130
Advance payment of Income tax and tax deductd at source	4,405,941	4,405,941
Balance with Central Excise Authorities	978,507	978,507
	<u>20,469,781</u>	<u>19,170,154</u>

SCHEDULE - 10

LIABILITIES

Acceptances	2,915,805	2,915,805
Sundry Creditors	47,222,895	47,202,895
Unclaimed Dividend	39,246	39,246
	<u>50,177,946</u>	<u>50,157,946</u>

SCHEDULE - 11

PROVISIONS

Taxation	3,821,000	3,821,000
	<u>3,821,000</u>	<u>3,821,000</u>

* Total outstanding dues to Small Scale Industrial undertakings Rs. 3,26,499/-

Outstanding amount to SSI units exceeding Rs. 1 lac and pending for more than 30 days

Sl.No.	Name of the Party	Amount
1.	Karpaga Vinayakar Industries	Rs. 2,89,623/-

SCHEDULE - 12

SALES

Heat Exchangers	-	-
	<u>-</u>	<u>-</u>

SCHEDULE 13

OTHER INCOME

For services rendered	-	-
Insurance	-	-
Excess on machinery adjusted	-	-
Interest Writtenback (for the year 2003-04)	-	-
	<u>-</u>	<u>-</u>

SCHEDULE 15

SALARIES, WAGES & EMPLOYEE BENEFITS

Contribution to EPF and FPF	-	63
	<u>-</u>	<u>63</u>

SCHEDULE 16

OTHER EXPENSES

Rates & Taxes	-	-
Audit Fees		
1. Audit	10,000	10,000
2. Taxation Services	5,000	5,000
3. Other Charges	5,000	5,000
Small Tools Written off	22,121	33,182
Miscellaneous Expenses	551	4,616
	<u>42,672</u>	<u>57,798</u>

INDIA RADIATORS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 14 MATERIAL CONSUMPTION	For the year ended 30-09-2008 Rs.	For the year ended 30-09-2007 Rs.
1. Raw Materials		
Opening Stock	125,672	329,230
Add : Purchases	-	-
	125,672	329,230
Less : Clsing Stock	125,672	125,672
	-	203,558
2. Sub - Assembles		
Opening Stock	11,599	44,957
Add : Purchases	-	-
	11,599	44,957
Less :Closing Stock	11,599	11,599
	-	33,358
	-	236,916
Less : Excise duty relief	-	-
	-	236,916
3. Stores & Spares	-	3,770
4. Packing Materials	-	446
	-	241,133
5. Increase / Decrease in Work-in-progress		
Opening Stock		
Work-in-progress	-	19,390
Finished Goods	-	-
	-	19,390
Less : Sales	-	-
	-	19,390
Less : Closing Stock		
Work-in-progress	-	-
Finished Goods	-	-
	-	-
	-	19,390
	-	260,523
6. Less : Scrap Sales	-	-
	-	260,523
	-	260,523
	-	260,523

Schedule 17:

Notes on Accounts:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. The Company was 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(OA) for determination of the measures to be adopted with respect to the company. The proposal submitted by the company provided for closure of unviable Puzhal Unit, settlement of dues to the financial institutions and banks, worker's dues and dues to suppliers and running the company with viable Pondicherry unit. BIFR issued orders for winding up of company in September, 2003. Against the Orders of BIFR the company has gone on appeal to AAIFR to rescind the BIFR Order. The Company's appeal to AAIFR against BIFR Order for winding up was admitted on 22.9.05 along with our revised proposal. The Revised proposal submitted by company provided for settlement of dues to banks and others and the workers from sale proceeds of the land at Pozhal for which the orders of State Government are still awaited. The AAIFR has now remanded the case to BIFR in July, 2008 and the matter is pending before BIFR.

Pending approval of the revised scheme providing for continued running of Pandy unit the company has arranged to take job order from others from November, 2008. The running of the unit on commercial scale depends on the approval of the scheme by AAIFR and provision of working capital funds.

INDIA RADIATORS LIMITED

Pending approval of revival plan by BIFR, the accounts of the Company have, therefore, been prepared on the basis of the accounting principles applicable to a 'Going Concern'.

ii) Financial statements have been prepared under the historical cost convention. Generally revenue is recognized 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 capitalization of pre-operative expenses including interest till the date of commissioning.
- b) Expenditure incurred on assembling tools and machinery for Company use are kept in capital work in progress and are capitalized 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. Leave encashment benefit on retirement will be accounted on payment.

IV) PROFIT AND LOSS ACCOUNT

1. All income and Expenditure are accounted on accrual basis.
2. Sales are net of Excise Duty, discount and Sales Tax.
3. Depreciation on Fixed Assets is provided on straight-line method at the rates prescribed under schedule XIV to the Companies Act, 1956.

V) NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT.

1. No provision for Interest (for CC interest provision and Interest on Fixed Deposits) amounting to Rs.35,98,973/- has been made in the books of account for the year ended September 2008.

2. Contingent Liabilities

	2007-08	2006-07
a) Income tax and Sales Tax demands under Which dispute in respect of appeals are Pending	22,79,963	22,79,963
b) Arbitration award compensation	NIL	3,40,000
c) Penal interest charged by First Leasing Company of India Ltd.	56,22,228	56,22,228

3. a) The Tamilnadu Government has already informed the High Court of Madras that they have resolved to reassign the land to individual Companies purchased from original assignee. The Land on which the Radiator unit was functioning is on Govt. Land in respect of which assignment in favour of India Radiators Limited is still pending. The High Court of Madras has directed the government vide its order dated 03.06.2008 to reassign the land in favour of the company. The matter is pending with the Government and the company is following closely.
- b) The demand from Government for urban land tax on property at Puzhal for Rs.68,667/- is contested through writ petition. The High Court of Madras has stayed the 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.
4. a) The Closure of the unviable Puzhal Unit, where the operations stand suspended from 15.11.1999 has been proposed in the revised scheme submitted to AAIFR and approval of the scheme is pending. The compensation for the closure period to the workers of Puzhal unit from 15.11.1999 is still under negotiation and no settlement has been reached. Pending all these no provision has been made in the books of accounts for the statutory gratuity and compensation dues as also the ex-gratia if any. The workers has been informed that any meaningful settlement will become possible only after the orders of the State Government for reassignment of Puzhal Land in favour of the company is passed and after knowing the terms and conditions of such orders.
- b) No provision has been made for the gratuity and superannuation dues for other than workers.
5. Total outstanding dues of Small Scale Industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the Company.
6. In respect of certain inoperative bank accounts aggregating Rs.27,695/-neither Bank statements nor confirmation of balances, although called for have been received.
7. Owing to suspension of operations, the supporting documents relating to stock at the Puzhal 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 01.04.99.
There is no change in the position reported in the previous years accounts in regard to the sale of stocks at Puzhal by DRT and presently lying with Recovery Officer.
8. Loans & Advances include:
 - a) Balance with Excise authorities Rs.9,78,507/- of Puzhal and Perungudi units which has not been reconciled with Excise records.
 - b) Advance given to staff of Puzhal unit Rs.37,99,130/- which is to be adjusted against final settlement.

INDIA RADIATORS LIMITED

9. No provision is presently considered necessary in respect of Loans & 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, would realise the values as stated in the accounts.
10. Current Liabilities include provision for purchases amounting to Rs.22,63,678/- made during the year 1999-2000 which are estimated and are not proved with vouchers/supporting documents. The final values will be determined when the relevant records of the Puzhal factory become accessible.
11. Interest has not been provided on Inter Corporate Deposits taken from three companies and unsecured loan given by Promoters.
12. Interest has not been provided on Secured Loan taken from Industrial Development Bank of India, Pondicherry Industrial Promotion Development and Investment Corporation Ltd as these accounts has become NPA. Regarding Interest on cash credit account with State Bank of India, Indian Bank and The Catholic Syrian Bank, interest has not been provided in the books of accounts from October, 2004 as these accounts has become NPA.
13. A sum of Rs.4,57,983/- paid in earlier years to IDBI has been adjusted towards interest by the institution. However the Company has treated it as payment towards principal.
14. The post of the Secretary has not been filled up as required under section 383A of the Companies Act, 1956.
15. There being only one line of activity during the year, segment reporting is not considered necessary.
16. The running cost of the Puzhal and Pondicherry unit including Power, maintenance and other charges for the Years 2004-05, 2005-06, 2006-07 and 2007-08 are being borne by associates. The cumulative amount thus spent is about Rs. 65.00 lacs
17. Related party disclosures:
Related Parties wherein there exists control:
(Late) Mr.V. Chidambaram
Related Party relationship
Unsecured Loan given by (Late) Mr.V. Chidambaram outstanding as on 30.9.2008, Rs. 1,19,93,711/-.
Interest has not been provided for the same.
Unsecured Loan given by Mrs. Seetha Chidambaram outstanding a on 30.9.2008 Rs.13,15,000/-. Interest has not been provided for the same.
18. The Accounting standard AS-22 'Accounting for taxes on income' - has come into effect from April 1,2001 and accordingly the provision for deferred tax liability has been made. Consequently the cumulative net deferred tax liability upto March,2001 amounting to Rs. 42.50 Lacs has been charged to Profit and Loss Account on April,1,2001. Deferred tax liability arising out of timing difference relating to Depreciation of Rs.44.51 lakhs.
19. Earnings per share

	30.9.2008	30.9.2007
Profit / (Loss) after taxation as per Profit & Loss Account	(18.38)	(21.28)
No. of Shares used in computing earnings Per share	9,00,000	9,00,000
Earnings per share - Basic and diluted (In rupees)	(2.04)	(2.36)
Face Value per share (in Rupees)	10	10

20. Previous period figures have been regrouped wherever **necessary**.

B. QUANTITATIVE AND OTHER PARTICULARS

1. Installed Capacity and Actual Production

	Installed	Capacity	Actual Production	
	2007-08	2006-07	2007-08	2006-07
	Nos.	Nos.	Nos	Nos.
Automobile Radiators, Heavy Duty Radiators and Heat Exchangers	NIL	NIL	NIL	NIL
Heat Exchanger Unit- Pondicherry	50,000	50,000	NIL	NIL

Place : Chennai
Date : 31-12-2008

K. Nadasundaram
G. Raja
T. Govindarajan
Directors

This is the Balance sheet referred to in our report of even date
For **P.B. Vijayaraghavan & Co.,**
Chartered Accountants
P.B. Santhanakrishnan
Partner

INDIA RADIATORS LIMITED

ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT CASH FLOW STATEMENT FOR THE PERIOD ENDED 30-09-2008

	Amount (Rs) 30-09-2008	Amount (Rs) 30-09-2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	(1,838,866)	(2,128,045)
Add : Depreciation	1,796,194	1,809,661
Interest charges	-	-
Exchange currency fluctuation	-	-
Bad Debts Written off	-	-
Small tools written off	22,121	33,182
Loss on sale of stock	-	-
Amount Written off	-	-
	1,818,315	1,842,843
Less : Interest Income	-	-
	1,818,315	1,842,843
Operating profit before Working Capital changes	(20,551)	(285,202)
Trade and other receivables	-	-
Trade and other payables	-	-
Inventories	-	-
Cash generated from operations	(20,551)	(285,202)
Net cash flow from Operating activities before extraordinary items	(20,551)	(285,202)
Exchange currency fluctuation (net)	-	-
Net cash flow from Operating activities	(20,551)	(285,202)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets (Includes Capital W.I.P.)	-	-
Sale of Fixed Assets	-	-
Interest received	-	-
Net Cash from investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	-	-
Proceeds from Unsecured loans	-	-
Increase in Working Capital	-	-
Interest paid	-	-
Net Cash used in Financing activities	-	-
D. Net Increase / (Decrease) in cash flow	14,823	(4,679)
E. Opening Cash & Cash Equivalents	67,399	72,078
F. Closing Cash & Cash Equivalents	82,222	67,399

Place : Chennai
Date : 31-12-2008

K. Nadasundaram
G. Raja
T. Govindarajan
Directors

For P.B. Vijayaraghavan & Co.,
Chartered Accountants
P.B. Santhanakrishnan
Partner

INDIA RADIATORS LIMITED

Registered Office : 'South India House' 36-40, 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 59th ANNUAL GENERAL MEETING of the Company at ICSA Programme Centre, 'JEEVANA JYOTHI BUILDING', 107, Pantheon Road, Egmore, Chennai - 600 008. at 03.30 p.m. on Friday the March 27th 2009.

Full name of the Shareholder
(in Block Letters)

Signature

Folio No _____

Full name of the Shareholder
(in Block Letters)

Signature

.....
.....

PROXY FORM

I/We

Of

In the district of

Being a member/ members of INDIA RADIATORS LIMITED hereby appoint

..... of

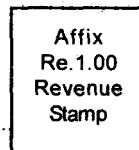
in the district of..... or failing him

of..... in the district of.....

As my/our proxy to vote for me/us on my/our behalf, at the 59th Annual General Meeting of the Company to be held on Friday, the 27th March 2009 at 03.30 p.m. and at any adjournment thereof.

Signed this day of 2009.

Signature



Note : The proxy 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

Ambattur Road, Puzhal,
Chennai - 600 066.