

# INDIA RADIATORS LIMITED

CHENNAI

## ANNUAL REPORT

AND ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER

2013



### INDIA RADIATORS LIMITED

CHENNAI

#### **DIRECTORS**

Mr.K. Nadasundaram  
Mr. G. Raja  
Mr. T. Govindarajan

#### **Auditors**

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

#### **Bankers**

State Bank Of India, Commercial Branch  
Chennai – 600 001  
Catholic Syrian Bank Limited  
Chennai – 600 001.  
Indian Bank  
Chennai – 600 001.

#### **Registered Office:**

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

#### **Factory:**

Puzhal, Chennai – 600 066  
Telephone: 26591008

PIPDIC Industrial Estate  
Sedarapet

Pondicherry – 605 111  
Telephone: (0413) 2677154

# INDIA RADIATORS LIMITED

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

To  
ALL SHAREHOLDERS

## NOTICE

NOTICE is hereby given that the Sixty Fourth Annual General Meeting of the Shareholders of INDIA RADIATORS LIMITED will be held on Friday, the 28th March 2014 at 3.30 p.m. at ICSA Programme Centre, "Jivana 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 30.9.2013 and the Reports of the Directors and Auditors as at that date.
2. To elect a Director in the place of Mr. T. Govindarajan who retires by rotation and being eligible offers himself for re-election.
3. To appoint Auditors for the current year and fix their remuneration.

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

Place: Chennai

Date: 4<sup>th</sup> October 2013

### 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.

# INDIA RADIATORS LIMITED

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## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER, 2013

Your Directors are submitting herewith their report together with Audited Accounts for the year ending 30<sup>th</sup> September 2013.

The Company incurred a Loss of Rs.500.18 lacs for the year under report as shown below:

	Rs.
Net Loss before depreciation and provision for taxation	4,82,55,653
Add: Depreciation for the year	17,62,014
	-----
Net Loss before provision for taxation carried over to Balance sheet	5,00,17,667
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The cumulative loss as at 30.9.2013 was Rs.1866.75 lacs.

The present status of the Company is brought out in the notes to Accounts.

The members are aware that the company has been declared sick and reference made to BIFR for revival and the same was abated at the instance of the Banks and the BIFR order was set aside by the Hon'ble High Court in 2011. The case is pending before BIFR. The company has simultaneously submitted revival plan with funds provided by the New Investors. The secured creditors and other liabilities have been settled during the year. The company is awaiting sanction of the revival scheme from BIFR.

### DIVIDEND

No dividend is being recommended for the year ended 30.9.2013.

### DIRECTORS

Mr. T. Govindarjan, Director retires at this Annual General Meeting and being eligible offers himself for re-appointment.

### 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, and offer themselves for re-appointment.

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

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## **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.

## **CORPORATE GOVERNANCE**

A separate report on Corporate Governance together with Practicing Company Secretary Certificate regarding compliance of conditions of Corporate Governance forms part of the annual report.

For and on behalf of the Board.

Place: Chennai

**K.Nadanasundaram T. Govindarajan.**

Date: 4<sup>th</sup> October 2013.

Directors.

# INDIA RADIATORS LIMITED

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## 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 3 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: 29<sup>th</sup> October 2012, 31<sup>st</sup> January 2013, 30<sup>th</sup> April 2013 and 31<sup>st</sup> July 2013.

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. 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	
		Member	Chairman
Mr. K. Nadasundaram	1	Nil	Nil
Mr. G. Raja	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

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### AUDIT COMMITTEE

The Audit Committee has the following Independent Directors.

1. Mr.K.Nadanasundaram
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, two Audit Committee Meetings were held and the attendance of the Meeting is as follows:

Director	Meetings attended	Date of the Meetings
1. Mr.K.Nadanasundaram	2	29 <sup>th</sup> October 2012, 30 <sup>th</sup> April 2013
2. Mr.G.Raja	2	- do-
3. Mr.T.Govindarajan	2	- do-

### SHAREHOLDERS COMMITTEE:

The Committee comprises of all Independent Directors Mr. K. Nadanasundaram, Mr. G. Raja and Mr. T.Govindarajan. 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.Nadanasundaram	2	29 <sup>th</sup> October 2012, 30 <sup>th</sup> April 2013
Mr.G.Raja	2	- do-
Mr.T. Govindarajan	2	- do-

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### REMUNERATION COMMITTEE

The Committee comprises of all Independent Directors Mr. K. Nadanasundaram and Mr. G. Raja. 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 Meetings
1. Mr.K.Nadanasundaram	2	29 <sup>th</sup> October 2012, 30 <sup>th</sup> April 2013
2. Mr.G.Raja	2	- do-
3. Mr.T.Govindarajan	2	- do-

### GENERAL BODY MEETING

Location and Time of General Body Meetings

Date	Type	Time	Location
29st March 2011	AGM	10.05 A.M.	Egmore, Chennai
30th March 2012	AGM	3.30 P.M.	-do-
30th March 2013	AGM	3.30 P.M.	-do-

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

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

Name	K.Nadanasundaram	T. Govindarajan
Date of Birth & Age	2.9.1937 & 76	23.01.1952 & 62
Appointed on	17.3.1999	31.12.2002
Qualification	B.E.,	M.Sc., (Chem)
Experience	35 years	31 years
Directorship held in other Public Companies	NIL	Nil
Membership/Chairmanship Committees across Public Companies.	NIL	Nil

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### **DISCLOSURE:**

There were no materially significant related party transactions, ie., 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 relating to capital Markets during the last three years as the Company has been referred to 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) 64<sup>TH</sup> Annual General Meeting

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

Date: 28<sup>TH</sup> March 2014

Time: 3.30 p.m.

ii) Tentative Financial Calendar

Publication of Audited Results for 2013-2014.

The Company is not publishing its financial results in News paper, due to financial constraint and it is also recommended for Winding up by 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 are not paid for the past four years.

### **DEMATERIALIZATION OF SHARES:**

There are no matters of Dematerialization of shares, since the Company has been referred to BIFR, awaiting revival.



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## DISTRIBUTION OF SHAREHOLDING

Category	No of Equity Shares	% of Shareholdings
<b>A. Promoters Shareholding</b>		
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
<b>Total</b>	<b>9,00,000</b>	<b>100%</b>

REGISTRARS AND SHARE TRANSFER AGENT: M/s. Cameo Corporate Services Limited, Chennai

PLANT LOCATION: The Company's Factories are located one at Pozhal, Chennai – 66. and other at Sedarapet, Pondicherry – 605 111.

### ADDRESS FOR CORRESPONDENCE:

Regd. Office : 'SOUTH INDIA HOUSE', 36-40 Armenian Street, Chennai- 1.

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

The Members, India Radiators Limited.

We have examined the compliance of conditions of Corporate Governance by India Radiators Limited, for the year ended 30<sup>th</sup> September, 2013 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; our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of financial statement of the Company. In our opinion and to the best

We further state that, such 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

Place: Chennai  
Date: 4<sup>th</sup> October 2013

For T. BALASUBRAMANIAN  
Practicing Company Secretary

## **INDIA RADIATORS LIMITED**

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### **SECRETARIAL COMPLIANCE CERTIFICATE**

To,

The Members  
M/s. India Radiators Limited  
36-40, Armenian Street,  
South India House,  
Post Box No. 113,  
Chennai- 600 001.

We 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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 30<sup>th</sup> September, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has maintained the registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under.
2. The Company has filed the Balance sheet and Profit & Loss account for the year ended 30.09.2012 and the annual returns for the past 6 years have not been filed with the Registrar of Companies. The details are given in Annexure 'B'.
3. The Board of Directors of the Company duly met 4 (four) times on the dates referred to in Annexure 'C' to this certificate.
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 financial year, invitation to public, acceptance of deposit during the financial year are not required.
5. The Company has not closed its Register of Members during the financial year as per section 154 of the Act.
6. The Annual General Meeting of the company for the financial year ended on 30<sup>th</sup> September 2012 was held on 28<sup>th</sup> March, 2013 after giving due notice to the members of the Company.
7. No Extra ordinary General Meeting was held during the financial year.

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8. The Company has not advanced any loans to Directors in terms of Section 295 of the Companies Act.
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 not made any allotment of shares. 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 declared any dividend 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 transferred the balance amount of Unclaimed Dividend, which is outstanding from the period 1995-96 & 1996-97 to Central Government 'INVESTORS EDUCATION & PROTECTION FUND' account.
  - (v) Generally complied with the provisions of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is consisting of 3 Directors. There was no appointment of directors, additional directors, alternate directors, and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.

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17. The Company had been declared sick by Board for Industrial and Financial Reconstruction (BIFR) and has issued order for winding up. On appeal the AAIFR has remitted the matter to BIFR and the matter is pending before BIFR. In the meanwhile, the company has identified an Investor who is willing to provide funds to settle the dues of all creditors and restart the company and also brought in funds to settle the dues.
18. The Directors have not disclosed their interest in other firms / Companies to the Board of directors pursuant to the provisions of the Act and the rules made there under during the financial year.
19. The Company has not issued any securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares / debentures and hence the question of redemption of preference shares / debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As informed to us as and per the Audited Accounts of the company for the year ended 30.09.2013, all the deposits were settled by the promoters and the amount settled by the promoters has been classified as unsecured loan in the books of accounts. The company has not filed with the Registrar of Companies, a return duly certified by the Auditors with a copy to Reserve Bank of India, as prescribed in Rule 10 of Companies (Acceptance of Deposit Rules), 1975.

As the company had not returned the deposits in time, the Directors attracted the disqualification to hold the posts in terms of Section 274 (1) (g) of the Act.

24. As on 30<sup>th</sup> September, 2013, the following loans are outstanding: Secured loans from Pondicherry Industrial Promotion Development Corporation Rs. 2.47 Crores, Unsecured loan from Promoters and others Rs.11.26 Crores.

However, as per the index of charges maintained in the MCA Portal, 15 charges so far registered are pending to be satisfied for the loans obtained from various Banks and financial institutions. Necessary Form 17 has to be filed with the MCA and the matter set right. Hence, we are unable to comment on the limit of loans availed in terms of Section 293 (1) (d) of the Act.

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25. During the Year, the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from One State to another during the year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year ended 30<sup>th</sup> September 2013, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted Provident Fund Trust under section 418 of the Companies Act, 1956.

Date: 04.10.2013  
Place: Chennai

For BM & ASSOCIATES  
Company Secretaries  
T. Balasubramanian  
C.P. No 3402  
Partner

# INDIA RADIATORS LIMITED

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## "Annexure A"

### SECRETARIAL COMPLIANCE CERTIFICATE

Annexure to Point No.1 of Secretarial Compliance Certificate of  
**M/s. India Radiators Limited**

Sl.No.	Section Number	Name of the Register
1.	108	Share Transfer Register - Maintained by Registry
2.	150	Register of Members - Maintained by Registry
3.	143	Register of Charges
4.	303	Register of Directors
5.	307	Register of Directors' Shareholding
6.	301	Register of Contracts in which directors are interested

Date: 04.10.2013

Place: Chennai

For **BM & ASSOCIATES**

Company Secretaries

**T. Balasubramanian**

C.P. No 3402

Partner

# INDIA RADIATORS LIMITED

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## "Annexure B" – SECRETARIAL COMPLIANCE CERTIFICATE

Returns / Documents / Forms / filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 30 September 2013

Sl. No	Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Annual Return	159	Annual Return in respect of the AGM held on 28.03.2013	Not filed	No	No
2.	Form 23AC & ACA	220	Balance Sheet & Profit & Loss Account for the Year ended 30.9.2012	13/06/2013	No	Yes
3.	Form 66	383A	Compliance Certificate for the Year ended 30.9.2012	27/04/2013	Yes	No

REGIONAL DIRECTOR NIL  
CENTRAL GOVERNMENT NIL

## "Annexure C" – SECRETARIAL COMPLIANCE CERTIFICATE

Details of Board Meetings were held during the financial year ended 30<sup>th</sup> September 2013

1 <sup>st</sup> Quarter (October – December)	2 <sup>nd</sup> Quarter (Jan – March)	3 <sup>rd</sup> Quarter (April – June)	4 <sup>th</sup> Quarter (July - September)
29/10/2012	31/01/2013	30/04/2013	31/07/2013

Date: 04.10.2013  
Place: Chennai

For BM & ASSOCIATES  
Company Secretaries  
T. Balasubramanian  
C.P. No 3402  
Partner

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of India Radiators Limited.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of India Radiators Limited Limited ("the Company", which comprise the Balance Sheet as at September 30 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements.**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility.**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Qualified Opinion**

a. The Company has not evaluated the extent of impairment in the value of the fixed assets in accordance with the provisions of Accounting Standard-28-Impairment of Assets.



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- b. The has ceased providing interest on term loan accepted from PIPDIC from the date the loan becomes NPA. The same is not in accordance with Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets.

### Qualified Opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2013;
  - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
- and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

Attention of the share holders is invited to the following :

- a) Attention is invited to note No. 7 of Notes to the Balance Sheet and Profit and Loss A/c, wherein the company has settled the entire loan due to various banks / Financial institutions Under One Time Settlement scheme except loan due to PIPDIC.
- b. Attention is invited to Note No. 1 of Notes to the Balance Sheet and Profit and Loss A/c wherein the company had been referred to the Board for Industrial and Financial Reconstruction due to suspension of operations and consequent erosion of Net -worth. The Company had been declared sick by Board for Industrial and Financial Reconstruction (BIFR) and has issued order for winding up. On appeal the AAIFR has remanded the matter to BIFR and the matter is pending before BIFR. In the meanwhile, the company has identified as investor who is willing to provide funds to settle the dues of all creditors and restart the Company and also brought in funds to settle the dues.
- c) Attention is invited to Notes No.3 of notes to the Balance Sheet and Profit Loss A/c wherein the company has reached a settlement with workers union for payment of legal dues before the Labour Authorities. An Amount of Rs. 5.65 Crores has been provided for in the books of Accounts
- d) Attention is invited to Note No 5 of notes to the Balance Sheet and Profit and Loss A/c. where by the deposits accepted from various parties have been by the promoters. Hence the entire amount has been classified as Unsecured Loan payable to Estate of Mr. V. Chidambaram.
- e) The Balance amount of Rs. 39.176/- in Unclaimed Dividend account, which is outstanding from the period 1995-96 & 1996-97 has been transferred to Central Government 'INVESTORS EDUCATION & PROTECTION FUND' account.
- f) The reconciliation of the balance with excise authorities of Rs. 9,78,507/- at Puzhal and Perungudi Unit (vide note 4 (a) is pending.

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## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-Section (4A) of section 227 of the Companies Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227 (3) of the Act, we report that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company in so far as appears from examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
  - d) except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (32) of section 711 of the act
  - e) Since the company has not repaid the deposits accepted and interest thereon, the directors attracts disqualification u/s 274 (1)(g). The company has notified Form DDB before ROC. However, it was informed to us that the said deposits have been settled by a promoter viz., Mr. V. Chidambaram and hence the disqualification does not arise.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Chennai  
Dated : October 4, 2013

**For P B Vijayaraghavan & Co.,**  
Chartered Accountants  
Firm Reg. No. 004721S

**P.B. Santhanakrishnan**  
Partner,  
M.No. 20309

## **INDIA RADIATORS LIMITED**

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

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### **ANNEXURE REFERED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

- (i) (a) The company is maintained records, which has in general not been updated for many years. In some cases quantitative particulars and location of Fixed Asset have not been mentioned.
- (b) The management has a reasonable system of physical verification at periodic intervals. In the absence of physical verification of assets at Puzhal plant, we are unable to comment on discrepancies and impact, that may arise on physical verification.
- (c) Non of the fixed assets has been disposed off during the year.
- (ii) The inventories as per books of accounts are nil. Hence this clause does not arise.
- (iii) 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 not prejudicial to the interest of the company.
- (iv) 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 except on account of minor job works done during the year. Hence, we are unable to comment on the effectiveness of the internal control procedures.
- (v) According to the information and explanation given to us, there were no purchase of goods, materials and services and sale of goods and materials made in purchase of contracts of arrangements to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits during the year. In respect of deposits accepted in the prior years, it was informed to us that the promoters had settled the dues with interest and the amount settled by promoters in the books of accounts.
- (vii) According to the information and explanations given to us and based on the verification of books of accounts, there is no transaction except for same job works at Pondicherry. Hence, the company has not appointed any external audit firm or any staff to carry out the Internal Audit.
- (viii) 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.
- (ix) 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 30.09.2013 for a period of more than six months from the date they became payable excepting Rs. 22,79,963/- in respect of Dales Tax deducted at source on salaries, contractors and interest.

## INDIA RADIATORS LIMITED

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

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- (x) The accumulated losses of the company as on 30th September 2013 have exceeded 50% of the Net worth of the company. The company has incurred cash loss during the year. However, there is no cash loss during the immediately preceding previous year.
- (xi) During the year, the company has settled the loans accepted from various banks under one time settlement. However, the company has defaulted in repayment of term loan of Rs. 89 Lakhs due to PIPDIC.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Clauses relating to Chit Fund is not applicable to the said Company.
- (xiv) The Company does not deal with trading of shares or other securities.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) As per the written representation received from the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) As per the information and explanations given to us the funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, The Company has not made any preferential allotment of shares to the parties covered in the Register maintained U/s. 301 of the Company.
- (xix) According to the information and explanations given to us and the records examined by us, the Company has not issued any debentures and so the question of creating securities in respect of the debentures does not arise.
- (xx) The company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- (xxi) As represented to us by the management and based on our examination in the normal course of audit, no material frauds on or by the Company have been noticed or reported during the year.

Place : Chennai  
Dated : 4<sup>th</sup> October 2013

**For P B Vijayaraghavan & Co.,**  
Chartered Accountants  
Firm Reg. No. 004721S

**P.B.Santhanakrishnan**  
Partner, M.No. 203774

# INDIA RADIATORS LIMITED

**AUDITED BALANCE SHEET FOR THE YEAR ENDED 30TH SEPTEMBER 2013** (Rs. in INR)

	Particulars	Note No.	As At September 2013	As At 30th September 2012
			Amount	Amount
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	90,00,000	90,00,000
	(b) Reserves and surplus	2	-18,66,74,621	-13,83,85,512
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowing	3	6,02,72,440	10,57,55,741
	(b) Deferred tax liabilities (Net)		44,84,547	44,51,091
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions		-	-
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowing	4	7,70,00,000	1,15,00,000
	(b) Trade payables		5,68,82,082	4,07,48,984
	(c) Other current liabilities	5	39,245	29,55,050
	(d) Short-term provisions			38,21,000
	<b>TOTAL</b>		<b>2,10,03,693</b>	<b>3,98,46,354</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	6	1,48,68,417	1,66,22,287
	(ii) Intangible assets		-	-
	(iii) Capital work in progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non Current Investments		-	-
	Deferred tax assets (net)		-	-
	(c) Long-term loans and advances		-	-
	(e) Other non-current assets	7	-	5,58,295
<b>2</b>	<b>Current assets</b>			
	(a) Current Investments			
	(b) Inventories	8	-	8,739
	(c) Trade receivables	9	18,18,852	53,37,467
	(d) Cash and cash equivalents	10	757	78,103
	(e) Short-term loans and advances	11	38,09,130	1,72,41,463
	(f) Other current assets		5,06,537	-
	<b>TOTAL</b>		<b>2,10,03,693</b>	<b>3,98,46,354</b>

Notes to the Accounts

The schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date annexed  
For **P.B.Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn. No. 004721S

**K.Nadanasundaram**  
**T. Govindarajan**  
Directors

**P.B.Santhanakrishnan**  
Partner  
M.NO. 20309

Place : Chennai

Dated : 4.10.2013

# INDIA RADIATORS LIMITED

**AUDITED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER, 2013**

(Rs. in INR)

	Particulars	Refer Note No.	for the period ended 30th september 2013	for the period ended 30th September, 2012
	1	2	3	4
I.	Revenue from operations	12	9,02,400	16,10,532
II.	Other income	13	3,06,37,774	1,82,67,627
III.	Total Revenue (I + II)		3,15,40,174	1,98,78,159
IV.	Expenses:			
	Cost of materials consumed		-	-
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
	Employee benefit expenses	14	5,69,76,094	5,45,604
	Finance costs	16	2,0372,103	-
	Depreciation and amortization expense	6	17,62,014	17,62,279
	Other expenses	15	6,85,616	39,39,563
	Total expenses		7,97,95,827	62,47,446
	Profit before exceptional and extraordinary items and tax (III-IV)		-4,82,55,653	1,36,30,713
V.	Exceptional items		-	-
VI.	Profit before extraordinary items and tax (V - VI)		-4,82,55,653	1,36,30,713
VII.	Extraordinary Items		-	-
VIII.	Profit before tax (VII- VIII)		-4,82,55,653	1,36,30,713
IX.	Tax expense:			
X	(1) Current tax		-	-
	(2) Deferred tax Liability		33,456	-
XI	Profit (Loss) for the period		-4,82,89,109	1,36,30,713
XVI.	Basic and Diluted Earnings per equity share		-53.65	15.17

**Notes to the Accounts**

The schedules referred to above form an integral part of the Profit and Loss Account

As per our Report of even date annexed  
For **P.B.Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn. No. 004721S

Place : Chennai  
Dated : 4.10.2013

**K.Nadanasundaram**  
**T. Govindarajan**  
Directors

**P.B.Santhanakrishnan**  
Partner  
M.NO. 20309

# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

## NOTE 1- SHARE CAPITAL

Share Capital	As at 30th September 2013	As at 30th September 2012
	Amount	Amount
<b>Authorised</b> 20,00,000 Equity Shares of Rs. 10 each	2,00,00,000	2,00,00,000
<b>Issued</b> 9,00,000 Equity Shares of Rs.10 each	90,00,000	90,00,000
<b>Subscribed &amp; Paid up</b> 9,00,000 Equity Shares of Rs.10 each	90,00,000	90,00,000
Add :Shares Forfeited		
<b>Total</b>	<b>90,00,000</b>	<b>90,00,000</b>

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	9,00,000	90,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,00,000	90,00,000

Name of the Share Holder	As at 30th September 2013	
	No. of Shares held	% of Holding
M/s. SOUTH INDIA HOUSE INVESTMENTS LTD.	47188	5.24%
Mrs. SEETHA CHIDAMBARAM	303457	33.72%
BEHR GmbH & Company	46140	5.13%
<b>Total</b>	<b>396785</b>	<b>44.09%</b>

# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

## NOTE: 2 - RESERVES & SURPLUS

Reserves & Surplus	As at 30th September 2013	As at 30th September 2012
<b>a. Capital Reserves</b>		
Opening Balance	1,125	1,125
(+) Current Year Transfer		
(-) Written Back In Current Year		
Closing Balance	1,125	1,125
<b>b. Dividend Equalisation Reserve</b>		
Opening Balance	75,000	75,000
(+) Current Year Transfer	-	-
(-) Written Back In Current Year	-	-
Closing Balance	75,000	75,000
<b>c, Surplus</b>		
Opening Balance	-13,84,61,637	-15,20,92,350
(+) Net Profit/ (Net Loss) For the Current Year	-4,82,89,109	1,36,30,713
(+) Transfer From Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	-18,67,50,746	-13,84,61,637
<b>Total</b>	<b>-18,66,74,621</b>	<b>-13,83,85,572</b>



# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

## NOTE : 3 LONG TERM BORROWINGS

Long Term Borrowing	As at 30th September 2013	As at 30th September 2012
	Amount	Amount
<b>Secured</b>		
(a) Cash Credit From Bankers	-	4,13,00,708
(Secured by hypothecation of inventories and book debits and equitable mortgage by deposit of title deeds of the factory land buildings situated at Pozhal, Chennai)		
(b) Term loans From Financial Institutions	2,46,98,968	2,42,,29,968
(Secured on the movable and immovable properties, present and future of Pondicherry unit, on passu basis in favour of Pondicherry Industrial Promotion Development and Industrial Corporation, Pondicherry)		
	2,46,98,968	6,55,30,676
<b>Unsecured</b>		
(a) Unsecured Loan from Promoters	3,55,73,472	3,55,73,472
(b) Hire Purchase Loan from FLCI		46,51,593
	3,55,73,472	4,02,25,065
<b>Total</b>	<b>6,02,72,440</b>	<b>10,57,55,741</b>

## NOTE : 4 SHORT TERM BORROWINGS

Short Term Borrowing	As at 30th September 2013	As at 30th September 2012
	Amount	Amount
Un Secured From Others	7,70,00,000	1,15,00,000
<b>Total</b>	<b>7,70,00,000</b>	<b>1,15,00,000</b>

## NOTE : 5 OTHER CURRENT LIABILITIES

Other Current Liabilities	As at 30th September 2013	As at 30th September 2012
	Amount	Amount
Duties and Taxes	-	-
Unclaimed Dividend	39,245	39,245
Acceptances	-	29,15,805
<b>Total</b>	<b>39,245</b>	<b>29,55,050</b>

# INDIA RADIATORS LIMITED

FIXED ASSETS AS AT 30th SEPTEMBER 2013

**NOTE : 6 - FIXED ASSETS**

Description	Cost			Depreciation			Net Value		Rate
	as at 30-9-2012	Additions/ (Disposals) during the year	as at 30-9-2013	as at 30-9-2012	Depreciation for the year	as at 30-9-2013	as at 30-9-2013	as at 30-9-2012	
Free Land**	76,357	-	76,357	-	-	-	76,357	76,357	
Assigned Land***	73,68,014	-	73,68,014	-	-	-	73,68,014	73,68,014	-
Buildings	93,14,362	-	93,14,362	67,69,340	2,95,188	70,64,528	22,49,834	25,45,022	3.34%
Leasehold Land	89,546	-	89,546	-	89,546	89,546	-	-	
Plant & Machinery	2,84,65,800	-	2,84,65,800	2,23,10,109	13,52,125	2,37,42,234	47,23,566	60,75,691	4.75%
Electrical Installations	25,16,241	-	25,16,241	20,63,548	91,593	21,55,141	3,61,100	4,52,693	4.75%
Furniture & Fixtures	10,25,617	-	10,25,617	10,25,547	70	10,25,617	-	70	6.33%
Office Equipment	5,17,179	-	5,17,179	5,02,265	23,038	5,25,323	-	14,894	4.75%
Computer	15,23,066	-	15,23,066	15,23,066	-	15,23,066	-	-	16.21%
Air Conditioner, Water Cooler, and Refrigerator	3,01,754	-	3,01,754	3,01,755	-	3,01,755	-	-	4.75%
Vehicles	2,42,002	-	2,42,002	2,42,002	-	2,42,002	-	-	9.50%
<b>Total</b>	<b>5,14,39,938</b>	<b>-</b>	<b>5,14,39,938</b>	<b>3,48,17,652</b>	<b>17,62,014</b>	<b>3,65,79,666</b>	<b>1,48,68,417</b>	<b>1,66,22,287</b>	

\*\* 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.

\*\*\* Represents the Amount paid to Government of Tamilnadu for the land re-assignment in favour of M/s. India Radiators Ltd. for 6.86 Acres of Land at Puzhal.

# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

## NOTE : 7 OTHER NON CURRENT ASSETS

Short Term Loans and Advances	As at 30th September 2013	As at 30th September 2012
Electricity Deposits	-	1,19,285
Deposit L.P.G.	-	4,500
Deposit N2 Cylinder	-	70,000
Telephone Deposits	-	10,000
Deposits Others	-	3,54,510
Others	-	5,58,295

## NOTE : 8 - INVENTORIES

Partioulars	Tools
Opening Stock	8,739
Add : Purchase	-
Less : Provision for Diminution in Value	-
Less : Stores Consumed	8,739
<b>Closing Stock</b>	-

## NOTE : 9 - TRADE RECEIVABLES

Trade Receivables	As at 30th September 2013	As at 30th September 2012
Trade receivables outstanding for a period exceeding six months from the date of payment		
Secured, considered good	18,18,852	53,37,467
Unsecured, considered doubtful	-	-
Less : Provision for doubtful debts	-	-
	<b>18,18,852</b>	<b>53,37,467</b>

# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

## NOTE :10 CASH AND CASH EQUIVALENTS

Cash And Cash Equivalents	As at 30th September 2013	As at 30th September 2012
a. Balance with Banks	-	77,346
b. Cash on Hand	757	757
<b>Total</b>	<b>757</b>	<b>78,103</b>

## NOTE :11 SHORT TERM LOANS & ADVANCES

Short Term Loans and Advances	As at 30th September 2013	As at 30th September 2012
	Amount	Amount
a. Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good and doubtful	-	-
b. Other Loans and Advances		
Secured, considered good	38,09,130	1,72,41,463
Unsecured, considered good		
<b>Total</b>	<b>38,09,130</b>	<b>1,72,41,463</b>

## Note :12 REVENUE FROM OPERATIONS

Particulars	As at 30th September 2013	As at 30th September 2012
Labour Receipts	9,02,400	16,10,532
<b>Total</b>	<b>9,02,400</b>	<b>16,10,532</b>

## Note :1 3 OTHER INCOME

Particulars	As at 30th September 2013	As at 30th September 2012
Sundry Creditors Written Back	3,06,29,630	-
Loan Written Back	-	1,82,67,627
Excess Depreciation Written back	8,144	-
<b>Total</b>	<b>3,06,37,774</b>	<b>1,82,67,627</b>

# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

## NOTE : 14 - EMPLOYEE BENEFIT EXPENSES

Benefit of Expenses	For the period of 30th September 2013 Amount	For the period of 30th September 2012 Amount
Labour Wages	4,76,094	5,45,604
Workers Full and Final Settlement	5,65,00,000	
<b>Total</b>	<b>5,69,76,094</b>	<b>5,45,604</b>

## NOTE : 15 - OTHER EXPENSES

Particulars	For the period of 30th September 2013 Amount	For the period of 30th September 2012 Amount
Power Charges	4,81,803	4,25,881
Telephone Charges	17,728	23,315
Payment to Auditors		
Audit	90,000	10,000
Taxation Services	5,000	5,000
Other Charges	5,000	5,000
Tools Written off	8,739	4,367
Rent	-	-
Bank Charges	77,346	-
Management Fees	-	34,66,000
<b>Total</b>	<b>6,85,616</b>	<b>39,39,563</b>

## Note : 16 FINANCE COST

Particulars	For the period of 30th September 2013 Amount	For the period of 30th September 2012 Amount
Finance Costs	2,03,72,103	-
<b>Total</b>	<b>2,03,72,103</b>	<b>-</b>

# **INDIA RADIATORS LIMITED**

**Notes forming part of the financial statements for the year ended 30th September, 2013**

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## **INDIA RADIATORS LIMITED**

**Notes on Accounts for the year ended 30<sup>th</sup> September 2013**

### **SIGNIFICANT ACCOUNTING POLICIES:**

1. 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.
2. Fixed Assets
  - a. Fixed Assets are stated at Cost of acquisition (net of CENVAT Credit availed) which includes capitalization of pre-operative expenses including interest till the date of commissioning.
  - b. Expenditure incurred on assembly tools and machinery for the Company's use are kept in capital work in progress and are capitalized at the time of completion and put to use.
3. 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 CENVAT Scheme. Excise duty on finished goods is added on to cost.
4. Leave encashment benefit on retirement will be accounted at the time of payment.
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.

### **NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT.**

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

# **INDIA RADIATORS LIMITED**

**Notes forming part of the financial statements for the year ended 30th September, 2013**

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be adopted with respect to the company. The proposal submitted by the company provided for closure of unviable Pozhal unit, settlement of dues to the financial institutions and banks, workers' dues and dues to suppliers and running the company with viable Pondicherry unit. BIFR issued orders for winding up of the company in September 2003. Against the orders of BIFR, the company had 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 22.9.2005 along with our revised proposal.

BIFR on 05.08.2010 abated the reference of the company in view of the third proviso to section 15 (1) of SICA on the ground that the State Bank of India (SBI) has taken action under Section 13 (4) of the SARFAESI ACT by taking possession of the charged assets of the Company and the DRT has upheld the possession of the SBI and has only restrained the Bank from putting the property to auction. Therefore a request was made by the SBI to the BIFR to abate the reference and accordingly the BIFR passed the impugned order dt., 20<sup>th</sup> June 2010 abating the reference and this was further confirmed by AAIFR in their order dt. 20.10.2010. The Company appealed to High Court to quash the AAIFR and DRT orders and the Hon'ble Court set aside the orders dated June, 2011 and directed DRT to look into the matter of possession by the banks. Against this Order the Company filed Review Petition in the Hon'ble High Court and the Court by its order dated October, 2011 directed BIFR to continue the proceedings and decide the matter of abatement. The matter is now being heard before BIFR.

Meanwhile the company has identified an Investor who is willing to provide funds to settle the dues of all the creditors and restart the company. The investor has already brought in part of the funds. The Company has made one time settlement offer to three of the banks and financial institutions. The company has come to the settlement with IDBI during 2012. The company has also reached one time settlement with State Bank of India, Catholic Syrian Bank and Indian Bank between February 2013 to July 2013. The Entire OTS amount has been paid with funds provided by the Investor and all banks have issued No Due Certificate. The company has filed copies of the settlement with BIFR and the Hon'ble Bench on 24<sup>th</sup> July 2013 directed the company to submit the revival scheme to the OA within 60 days and the OA to prepare the draft rehabilitation scheme and submit the same to BIFR within 30 days for their approval. The company will submit the scheme for revival of the company along with reliefs and concessions based on the final accounts for the year

# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

ended 30<sup>th</sup> September 2013 to the OA providing for the net worth of the company to turn positive, wipe out accumulated losses over a time period and ensure long term viability. The next hearing will be on 24<sup>th</sup> October 2013.

## 2. Contingent Liabilities

Particulars	2012-2013	2011-12
a) Income tax and Sales tax demands under which dispute in respect of appeals are pending	22,79,963	22,79,963

3. The Pozhal unit where Operation stands suspended is proposed to be restarted as per the Revival Scheme under consideration. Negotiated settlement with the Workers Union has been reached for the Payment of the Legal dues before the Labour Authorities. An amount of Rs. 5.65 Crores has been provided for in the books of accounts.
4. Loans & Advances include:
  - a. Balance with Excise authorities Rs.9,78,507/- of Pozhal and Perungudi units which has not been reconciled with Excise records.
  - b. Advance given to staff of Pozhal unit Rs.38,09,130/- which is to be adjusted against final settlement.
5. Unsecured Loan of Rs. 3.56 Crores represents amount payable to Estate of Mr. V. Chidambaram towards settlement of Inter Corporate Deposits accepted from various parties and settled by him. No interest has been provided for in the books of accounts.
6. Interest has not been provided during the year on Secured Term Loan taken from Pondicherry Industrial Promotion Development and Investment Corporation Ltd. as these accounts have become NPA.
7. During the year, the company has settled the entire loan due to State Bank of India, Indian Bank and Catholic Syrian Bank under One Time Settlement scheme. The impact on sacrifice made by banks has been taken to Profit and Loss Account.
8. The post of the Secretary has not been filled up as required under section 383A of the Companies Act, 1956.



# INDIA RADIATORS LIMITED

Notes forming part of the financial statements for the year ended 30th September, 2013

9. There being only one line of activity during the year namely 'assembly and testing of thermostats', segment reporting is not considered necessary.
10. Related party disclosures:  
Related Parties wherein there exists control: Estate of Late V. Chidambaram  
Related Party Transactions  
Unsecured loan from Late V. Chidambaram and Mrs. Seetha Chidambaram – O/s. as on 30<sup>th</sup> September 2013 Rs. 3.56 Crores.
11. Income Tax expense is accounted in accordance with AS 22 – “Accounting for taxes on Income” which includes current taxes and deferred taxes. Deferred taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

## 12. Earnings per share

Particulars	30.9.2013	30.9.2012
Profit/(Loss) after taxation as per Profit and Loss account (in lakhs)	(482.89)	136.53
No. of shares used in computing earnings per share	9,00,000	9,00,000
Earnings per share-Basic and diluted(in rupees)	(53.65)	15.17
Face value per share (in rupees)	10	10

13. Previous period figures have been regrouped / reclassified wherever necessary.

This is the Balance Sheet referred to in our report of even date.

As per our Report of even date annexed  
For **P.B.Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn. No. 004721S

Place : Chennai  
Dated : 4.10.2013

**P.B.Santhanakrishnan**  
Partner  
M.NO. 20309

# INDIA RADIATORS LIMITED

**Cash Flow Statement for the year ended 30th September, 2013**

Sl. No	Particulars	2012-13	2011-12
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit (Loss) before Tax and Extraordinary items	-48,255,653	<b>13,630,710</b>
	Adjustment for:		
	Depreciation	1,753,817	1,762,279
	Waiver of Loan	-16,551,727	18,267,627
	Interest expenditure	-	-
	<b>Operating profit before Working Capital changes</b>	<b>-63,053,510</b>	<b>-2,874,638</b>
	Decrease / (Increase) in Inventories		4,370
	Decrease / (Increase) in Sundry Debtors	3,579,122	-1,610,242
	Decrease / (Increase) in Loans and Advances	13,432,333	-
	Increase / (Decrease) in Current Liabilities	9,396,293	1,014,510
	<b>Cash from operations</b>	<b>-36,645,772</b>	<b>-3,466,000</b>
	Exceptional Items	-	-
	<b>Cash from Operating Activities</b>	<b>-36,645,772</b>	<b>-3,466,000</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Addition to fixed assets and Capital work in progress	-	-
	<b>Net Cash from Investing activities</b>	-	-
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from borrowings	65,500,000	11,500,000
	Repayment of borrowings	-29,931,574	-8,034,000
	Interest paid	-	-
	<b>Net Cash from Financing activities</b>	<b>36,568,426</b>	<b>3,466,000</b>
<b>D</b>	<b>Total Increase / (Decrease) in cash and Cash equivalents during the Year (A+B+C)</b>	<b>-77,346</b>	-
	Cash and cash equivalents during the beginning of the year	78,103,	78,103
	Cash and Cash equivalents at the end of the year	757	78,103

Place : Chennai  
Dated : 4.10.2013

**K.Nadanasundaram  
T. Govindarajan  
Directors**

As per our Report of even date annexed  
For **P.B.Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn. No. 004721S

**P.B.Santhanakrishnan**  
Partner  
M.NO. 20309

# INDIA RADIATORS LIMITED

Regd. 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 here by record my presence at the 64th ANNUAL GENERAL MEETING of the Company at ICSA Programme Centre, JEEVANA JYOTHI BUILDING, 107, Pantheon Road, Egmore, Chennai-600 008, at 3.30 p.m. on Friday the March 28th 2014.

.....  
Full Name of the Shareholders  
(In Block Letters)

.....  
Signature

Folio No.....

.....  
Full Name of the Shareholders  
(In Block Letters)

.....  
Signature

## PROXY FORM

I/We.....

of.....In the district of.....

being a member/members of **INDIA RADIATORS LTD** 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 64<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 28<sup>th</sup> March 2014 at 3.30 p.m and at any adjournment thereof.

Signed this ..... day of .....2014.

Signature.....

Affix Re.1.00  
Revenue  
Stamp

Note: The Proxy must be deposited at the Registered Office of the Company at 36-40, Armenian Street, Chennai-00001, 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**

South India House

36-40, Armenian Street,

Chennai-600 001.