

INDIA RADIATORS LIMITED

CHENNAI

A N N U A L R E P O R T

**AND ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER
1999**

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INDIA RADIATORS LIMITED

CHENNAI

CHAIRMAN EMERITUS

Dr. M.A. Chidambaram

CHAIRMAN

Shri. V. Chidambaram

DIRECTORS

Shri. N. Gnanadesikan

Shri. Pran Talwar

Shri. P.B. Vijayaraghavan

Shri. K. Nadasundaram

AUDITORS

M/s. Fraser & Ross

Chartered Accountants

4A, 'Kences Towers',

North Usman Road

P.B. No.4987, T.Nagar,

Chennai - 600 017.

BANKERS

State Bank of India, Commercial Branch,

Chennai - 600 001.

Catholic Syrian Bank Ltd.,

Chennai - 600 001.

Indian Bank,

Chennai - 600 001.

REGISTERED OFFICE

'South India House', 36-40, Armenian Street

Chennai - 600 001.

PRINCIPAL OFFICE

'Catholic Centre', I Floor, 64, Armenian Street

Chennai - 600 001.

Telephone : 5386541

Fax No. : 044-5380245

OFFICE & FACTORY

Pozhai, Chennai - 600 066.

Perungudi, Chennai - 600 096.

Telephone : 6418007 - 6418010

Telegram : 'BHERCOOL'

PIPDIC Indl. Estate, Sedarapet,

Pondicherry - 605 111.

Telephone / Fax : (0413) 677009/677376

INDIA RADIATORS LIMITED

BALANCE SHEET AT A GLANCE

	(Rs. in lacs)	
	As at 30th September, 1999	As at 31st March, 1998
What the Company has :		
Fixed Assets (Gross)	655.23	679.91
Less : Depreciation	<u>285.83</u>	<u>241.26</u>
Net Block	369.40	438.65
Current Assets :		
Stock	201.43	367.49
Book Debts	351.20	379.96
Cash and Bank Balances	24.15	37.14
Loans and Advances	<u>220.96</u>	<u>192.74</u>
Rights Issue Expenses	1.70	3.40
	<u>1168.84</u>	<u>1419.38</u>
What the Company Owes :		
Secured Loans	573.82	427.24
Unsecured Loans	168.70	96.39
Current Liabilities :		
Creditors	721.61	714.92
Taxation	38.21	38.21
Proposed Dividend	—	—
	<u>1502.34</u>	<u>1276.76</u>
NET WORTH	<u>(333.50)</u>	<u>142.62</u>
Represented by :		
Equity Capital	90.00	90.00
Reserves	<u>(423.50)</u>	<u>52.62</u>
	<u>(333.50)</u>	<u>142.62</u>

INDIA RADIATORS LIMITED

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

To

ALL SHAREHOLDERS

NOTICE

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Shareholders of INDIA RADIATORS LIMITED will be held on Friday, the 24th December, 1999 at 10.00 a.m. at M.A.Chidambaram Conference Hall, Southern India Chamber of Commerce & Industry, Indian Chamber Buildings, Esplanade, Chennai - 600 108, to transact the following business :

AGENDA

1. To receive and adopt the Directors' Report and Audited Accounts for the period ended 30th September, 1999 and the Balance Sheet as at that date.
2. To appoint a Director in the place of Mr. Pran Talwar, who retires by rotation at this Annual General Meeting as per Article 81 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 and being eligible, offers himself for re-election.
3. To appoint a Director in the place of Mr. P.B. Vijayaraghavan, who retires by rotation at this Annual General Meeting as per Article 81 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 and being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if deemed fit to pass the following resolution as an ordinary Resolution of which Notice has been received by the Company from a Member :

"RESOLVED that Mr. K. Nadasundaram be and is hereby appointed as a Director of the Company".

Place : Chennai

Date : 10th November, 1999

By Order of the Board

V. Chidambaram

Chairman

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.
2. The Register of Members and Share Transfer Books of the Company will be closed from 17th December, 1999 to 24th December, 1999, (both days inclusive).
3. Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business is annexed.

INDIA RADIATORS LIMITED

ANNEXURE TO NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956

Item No.5

Mr. K. Nadanasundaram was co-opted as a Director of the Company with effect from 17.03.1999. In accordance with Article 87 of the Articles of Association of the Company, he vacates his office at the forthcoming Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received Notice from a Member of the Company of his intention to propose Mr. K. Nadanasundaram as a candidate for the office of Director of the Company. On his appointment as a Director of the Company at the forthcoming Annual General Meeting, he will continue to be a Director of the Company.

Interested Directors

Mr. K. Nadanasundaram is interested in the above resolution relating to his appointment as Director.

No other Director is interested in the above resolution.

Place : Chennai
Date : 10th November, 1999

By Order of the Board
V. Chidambaram
Chairman

INDIA RADIATORS LIMITED

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 1999

Your Directors are submitting herewith their report together with Audited Accounts for the period ending 30th September, 1999.

The results for the year are as follows :

	Rs.
Net Loss before depreciation and provision for taxation	(4,19,87,062)
Add : Depreciation for the year	56,24,907
Net Loss before provision for taxation carried over to balance sheet	<u>(4,76,11,969)</u>

SALES

AUTOMOBILE RADIATORS & HEAVY DUTY RADIATORS :

The Company's sales during the 18 months period have been adversely affected due to the sluggish and recessionary market for heavy vehicles, light commercial vehicles and tractors. The Company was able to achieve a turnover of Rs.1,552 lacs for the period ended 30.09.99 (18 months) when compared to Rs.2,010 lacs for the previous accounting year ended 31.3.1999 (12 months). This is due to the Company not being able to produce enough quantity for want of orders and working capital.

HEAT EXCHANGER UNIT :

The Heat Exchanger unit in Pondicherry during the year increased its output and at present producing to one full shift and it is expected that the sales for the current financial year will considerably improve.

FINANCIAL RESULTS :

The Company has incurred a loss of Rs.476.12 lacs for the 18 months period ending 30.9.1999. This was consequent to drastic reduction in sales, operational difficulties due to labour unrest, strike and payment and settlement of long-term wages agreement in addition to our being unable to recover the increase in cost from our OE customers.

REFERENCE TO BIFR

Due to the capital of the Company being eroded, the Company has obliged to refer to BIFR.

DIRECTORS :

Mr. K.S.T Pani, Mr. VE. Subramanian, Mr. K. Varugis and Mr. R.V.G.K. Ranga Rao, Directors of the Company resigned from the Board with effect from 10.11.1999.

Mr. K. Nadasundaram was co-opted as a Director with effect from 17.03.1999.

Under Article 81 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956, the following Directors retire at this Annual General Meeting and being eligible, offer themselves for re-election.

1. Mr. Pran Talwar
2. Mr. P.B. Vijayaraghavan

THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 :

No employee of the Company is drawing a salary falling within the purview of the Rules.

AUDITORS

The Company's Auditors, M/s. Fraser & Ross, Chartered Accountants, retire and are eligible for re-appointment for the current year.

INFORMATION TECHNOLOGY YEAR 2000 COMPLIANCE (Y2K) :

The Computer hardware and utilisation software used by the Company are Y2K Compliant.

INDIA RADIATORS LIMITED

R & D, TECHNOLOGY ADAPTATION AND INNOVATION :

Specific Areas on which R & D carried out by the Company :-

- 1) Stringent functional requirements of major radiator makers in the world are adopted for incorporation.
- 2) Radiators for Export application-of major tractor makers established.
- 3) New Tractor Radiators developed as per the requirements of customers.
- 4) Prototypes submitted for Radiator after cooler combination of higher HP engines.

Expenditure of R & D is as follows :

	<u>1998-99</u>	<u>1997-98</u>
a) Capital	Rs.0.36 lacs	—
b) Recurring	Rs.0.22 lacs	Rs.1.08 lacs
c) Total R & D Expenditure as percentage of total turnover	0.037%	0.05%

POWER & FUEL CONSUMPTION :

1) Electricity		
A) Purchased	4,98,326 units	6,19,008 units
Total amount	Rs.29,66,016	Rs.27,66,295
Rate/unit	Rs.5.95	Rs.4.47
B) Own generation through diesel generators	19,040 units	15,515 units
Units per litre of diesel oil	1.20	1.35
Cost per unit	Rs.9.00	Rs.8.06

Place : Chennai
Date : 10th November, 1999

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

INDIA RADIATORS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF INDIA RADIATORS LIMITED

We have audited the attached Balance Sheet of India Radiators Limited as at 30th September, 1999 and also the Profit and Loss Account of the Company for the period ended on that date which are in agreement with the books of account :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) 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 purpose of our audit.
 - (b) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account.
 - (d) The accounts have been prepared on principles applicable to a 'Going Concern' despite erosion of net worth leading to a reference by the Company to the Board for Industrial & Financial Reconstruction (Note 1(a)(i)).
 - (e) We are unable to form an opinion regarding the quantum, if any, which would ultimately become irrecoverable out of the overdue debtors referred to in Note no.5 in Schedule 18.
 - (f) In our opinion the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-section 3(c) of Section 211 of the Companies Act, 1956 except accounting leave encashment on actual payment basis which is not in accordance with Accounting Standard 15 issued by the Chartered Accountants of India (Vide Accounting Policy No.c)(3) in Schedule 18)

Subject to the above in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the accounting policies and the notes thereon, subject to non-disclosure of the amount due to Small Scale Industries vide note no.8 of Schedule 18 give the information in the manner so required and the accounts give a true and fair view :

- i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 30th September, 1999 and
- ii) in the case of Profit and Loss Account, of the Loss for the period ended on that date.

Place : Chennai
Date : 10th November, 1999

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

INDIA RADIATORS LIMITED

ANNEXURE TO THE AUDITORS' REPORT FOR THE PERIOD ENDED 30th SEPTEMBER, 1999

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets, which is to be updated. A physical verification of fixed assets is being conducted in a phased manner by the management which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Reconciliation with the asset registers, to ascertain material discrepancies, if any, of the assets verified during the year is yet to be carried out.
2. None of the fixed assets has been revalued during the period.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the Management, at reasonable intervals during the period. In our opinion, the frequency of verification is reasonable.
4. The procedures of verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies between the physical stocks and book balances were not material and have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is generally on the same basis as in the preceding year, but for inclusion of excise duties on inventories which however has no impact on the loss for the period.
7. The Company has taken unsecured loans from companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and the terms and conditions of the loans are *prima facie* not prejudicial to the interest of the Company. The Company has not taken any loan, secured or unsecured, from firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under Section 370(IB) of the Companies Act, 1956. In respect of interest free loans from Directors, there is no stipulation of terms of repayment.
8. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties referred to in Section 301 of the Companies Act, 1956. As stated above, we have been informed that there are no companies under the same management as defined under Section 370(IB) of the Companies Act, 1956.
9. Loans or advances in the nature of loans have been given by the Company free of interest to :
 - a. Pozhal Panchayat amounting to Rs.22,500/- without any terms of repayment; and
 - b. To the employees who are repaying the principal amounts as stipulated.
10. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of raw materials, stores, components, equipments, plant and machinery and other assets and with regard to sale of goods.
11. In our opinion, the prices paid for purchase of materials and sale of materials and services, made in pursuance of contracts entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs.50,000 or more are not capable of being compared, since they are of semi-finished nature.
12. As explained to us, there were no unserviceable or damaged stores, finished goods and raw materials at the close of the financial period.

INDIA RADIATORS LIMITED

13. In our opinion and according to the information and explanations given to us, subject to borrowing certain unsecured loans in the nature of deposits aggregating Rs.20 lakhs, which is in excess of the limits prescribed in the Companies (Acceptance of Deposits) Rules, 1975, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of production scrap. The Company has no by-products.
15. In our opinion, the Company has an internal audit system which is, in general, commensurate with its size and nature of its business.
16. We were informed that the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
17. Provident Fund, Employees Pension Fund and Employees State Insurance dues have not been regularly deposited with the appropriate authorities and there have been serious delays as given below :
Provident Fund dues amounting to Rs.21,02,013 for the period January 1999 to September 1999 have not been remitted. An amount of Rs.4,58,039 relating to the period January 1999 and February 1999 have been since remitted. A further sum of Rs.4,96,244 representing employee contribution for the months of March 1999 to May 1999 have been since remitted.
Employees pension fund dues amounting to Rs.8,31,401 for the period January 1999 to September 1999 have not been remitted. An amount of Rs1,88,243 relating to the period January 1999 and February 1999 have been since remitted.
Employees State Insurance dues amounting to Rs.164,961 for the period January 1999 to March 1999 was remitted in the month of July 1999. The dues for the period April 1999 to August 1999 amounting to Rs.65354 was remitted in the month of September 1999.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales tax, Customs duty and Excise duty were outstanding as at September 30, 1999 in the books for a period of more than six months from the date they became payable.
19. Based on our examination of books of accounts carried out in accordance with the generally accepted auditing practices and information and explanations given to us, no personal expenses of employees or directors have been charged to Profit and Loss Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company has become a sick industrial undertaking within the meaning of Section 3(i)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and according to the information it is proposed to make a reference to the Board for Industrial and Financial Reconstruction.
21. The Company has a reasonable system of recording receipts, issues and consumption of materials and stores, commensurate with its size and nature of its business and the system provides for reasonable allocation of the materials to the relative jobs. There is a system of internal control commensurate with the size of the Company and the nature of its business.
22. The Company has a reasonable system of authorisation at proper levels with necessary control on the issue of stores and the allocation of stores. The Company has no system of allocating labour to jobs. There is a system of internal control commensurate with the size of the Company and the nature of its business.

For **FRASER & ROSS**
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 10th November, 1999

INDIA RADIATORS LIMITED

BALANCE SHEET AS AT 30th SEPTEMBER, 1999

	Schedule No.	As at 30.9.1999		As at 31.3.1998	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	90,00,000		90,00,000	
Reserves and Surplus	2	<u>7,28,925</u>	97,28,925	<u>52,61,561</u>	1,42,61,561
Loan Funds					
Secured Loans	3	5,73,82,078		4,27,24,066	
Unsecured Loans	4	<u>1,68,69,547</u>	<u>7,42,51,625</u>	<u>96,39,457</u>	<u>5,23,63,523</u>
			<u>8,39,80,550</u>		<u>6,66,25,084</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	6,43,60,886		6,68,52,416	
Less : Depreciation		<u>2,85,82,949</u>		<u>2,41,26,116</u>	
		<u>3,57,77,937</u>		<u>4,27,26,300</u>	
Add : Capital work-in-progress		<u>11,61,674</u>	3,69,39,611	<u>11,38,709</u>	4,38,65,009
Current Assets, Loans and Advances					
Inventories	6	2,01,43,199		3,67,48,896	
Sundry Debtors	7	3,51,19,612		3,79,96,194	
Cash and Bank Balances	8	24,14,643		37,13,802	
Loans and Advances	9	<u>2,20,96,695</u>		<u>1,92,73,877</u>	
		<u>7,97,74,149</u>		<u>9,77,32,768</u>	
Less : Current Liabilities and Provisions					
Current Liabilities	10	7,21,61,497		7,14,91,603	
Provisions	11	<u>38,21,000</u>		<u>38,21,000</u>	
		<u>7,59,82,497</u>	37,91,652	<u>7,53,12,603</u>	2,24,20,165
Profit and Loss Account		<u>4,76,11,969</u>			
Less : Balance in General Reserve as per last Balance Sheet		<u>45,32,636</u>	4,30,79,333		
Miscellaneous Expenditure Not Written off			<u>1,69,954</u>		<u>3,39,910</u>
			<u>8,39,80,550</u>		<u>6,66,25,084</u>
Accounting Policies and Notes on Accounts	18				

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

V. Chidambaram
Chairman

K. Nadanasundaram
Director

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

Place : Chennai
Date : 10th November, 1999

INDIA RADIATORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30th SEPTEMBER, 1999

	Schedule No.	For the Period ended 30.9.1999		For the year ended 31.3.1998	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales Less Returns	12	15,51,55,815		20,10,40,115	
Other Income	13	<u>10,77,574</u>		<u>15,32,014</u>	
			15,62,33,389		20,25,72,129
EXPENDITURE					
Materials	14	11,54,29,309		14,33,49,226	
Salaries, Wages and Employees Benefits	15	4,43,28,665		3,06,19,417	
Other Expenses	16	2,15,91,568		2,09,62,184	
Interest	17	1,67,00,953		93,32,453	
Share Issue Expenses written off		<u>1,69,956</u>		<u>1,13,304</u>	
			19,82,20,451		20,43,76,584
Loss before depreciation			<u>(4,19,87,062)</u>		<u>(18,04,455)</u>
Depreciation for the year			56,24,907		31,97,902
Loss before taxation			<u>(4,76,11,969)</u>		<u>(50,02,357)</u>
Provision for taxation			—		—
			<u>(4,76,11,969)</u>		<u>(50,02,357)</u>
Add : Net Short Provision for Income Tax for earlier years			—		(5,15,623)
Add : Balance brought forward from last year			—		15,36,616
			<u>(4,76,11,969)</u>		<u>(39,81,364)</u>
APPROPRIATIONS					
Balance carried to Balance Sheet			(4,76,11,969)		(39,81,364)
			<u>(4,76,11,969)</u>		<u>(39,81,364)</u>

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

V. Chidambaram
Chairman

K. Nadasundaram
Director

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

Place : Chennai
Date : 10th November, 1999

INDIA RADIATORS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	As at 30.9.1999		As at 31.3.1998	
	Rs.	Rs.	Rs.	Rs.
SHARE CAPITAL				
Authorised				
20,00,000 Equity shares of Rs.10 each		2,00,00,000		2,00,00,000
Issued, Subscribed and Paid-up				
9,00,000 Equity Shares of Rs.10 each		90,00,000		90,00,000
		<u>90,00,000</u>		<u>90,00,000</u>
RESERVES AND SURPLUS				
a. Capital Reserve				
Surplus on reissue of forfeited shares		1,125		1,125
b. General Reserve				
As per last Balance Sheet	—		85,14,000	
Add : Balance in Profit & Loss Account	—		<u>(39,81,364)</u>	45,32,636
c. Dividend Equalisation Reserve				
As per last Balance Sheet		75,000		75,000
d. Investment Allowance Reserve (Utilised) Account				
As per last Balance Sheet		6,52,800		6,52,800
		<u>7,28,925</u>		<u>52,61,561</u>
SECURED LOANS				
(a) From Bankers				
(i) Cash Credit secured by Hypothecation of Inventories and Book Debts and Equitable Mortgage by Deposit of title deeds of the Factory land and buildings situated at Pozhal, Chennai		2,69,92,758		1,75,91,256
(ii) Term Loan from State Bank of India Secured by a first charge on the Machinery acquired		—		35,300
(b) From Financial Institutions				
Secured on the Movable and Immovable properties, present & future of the Pondicherry unit, on pari passu basis in favour of Industrial Development Bank of India, Chennai and Pondicherry Industrial Promotion Development and Investment Corporation Pondicherry and guaranteed by the Chairman for Rs.90 lacs in favour of PIPDIC		2,34,25,336		1,80,66,997
(Interest accrued on the loan Rs.69,60,336) (1997-98 Rs.16,01,997)				
(c) Others				
(i) Secured on Hire Purchase of Vehicles and Hypothecation of Plant and Machinery, Equipment and other movable property		69,63,984		70,30,513
		<u>5,73,82,078</u>		<u>4,27,24,066</u>
UNSECURED LOANS				
a) Fixed Deposits - Due to Directors Rs.38,85,000 (Repayable within one year Rs.34,91,500)				
		62,53,000		20,17,000
b) Short Term Loans and Advances from others (Includes due to Directors Rs.36,16,547)				
		1,06,16,547		76,22,457
		<u>1,68,69,547</u>		<u>96,39,457</u>

INDIA RADIATORS LIMITED

FIXED ASSETS AS AT 30TH SEPTEMBER, 1999

SCHEDULE 5

Description	COST			DEPRECIATION			NET VALUE	
	As at 01.04.98 Rs.	Additions / (Deductions) during the period Rs.	As at 30.09.99 Rs.	As at 01.04.98 Rs.	Depreciation for the period Rs.	As at 30.09.99 Rs.	As at 30.09.99 Rs.	As at 31.03.98 Rs.
Freehold Land	76,357	—	76,357	—	—	—	76,357	76,357
Buildings	93,14,362	—	93,14,362	24,84,885	4,44,963	29,29,848	63,84,514	68,29,477
Leasehold Land	89,546	—	89,546	—	—	—	89,546	89,546
Plant and Machinery	4,93,42,613	2,57,521 (9,30,637)	4,86,69,497	1,83,11,351 (4,83,628)	45,13,204	2,23,40,927	2,63,28,570	3,10,31,262
Electrical Installation	25,10,568	5,674	25,16,242	5,23,681	1,65,356	6,89,037	18,27,205	19,86,887
Furniture and Fixtures	10,25,617	—	10,25,617	7,00,519	87,297	7,87,816	2,37,801	3,25,098
Office Equipments	5,17,179	—	5,17,179	1,62,886	36,849	1,99,735	3,17,444	3,54,293
Computers	14,86,204	36,862	15,23,066	11,51,228	1,53,103	13,04,331	2,18,735	3,34,976
Airconditioner, Water cooler and Refrigerator	3,01,755	—	3,01,755	2,15,644	15,497	2,31,141	70,614	86,111
Vehicles	21,88,216	2,25,000 (20,85,951)	3,27,265	5,75,921 (4,90,434)	2,08,638 (1,94,011)	1,00,114	2,27,151	16,12,295
	6,68,52,417	(24,91,531)	6,43,60,886	2,41,26,115 (9,74,062)	56,24,907 (1,94,011)	2,85,82,949	3,57,77,937	4,27,26,302

INDIA RADIATORS LIMITED

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

	As at 30.9.1999 Rs.	As at 31.3.1998 Rs.
INVENTORIES		SCHEDULE 6
Stores and Spares	2,44,523	2,91,763
Packing Materials	1,68,862	3,61,240
Tools	19,46,291	19,05,272
Raw Materials	61,62,500	1,49,51,020
Sub-Assemblies	52,74,277	72,02,304
Finished Goods	15,94,319	10,05,733
Work-in-progress	47,52,427	1,10,31,564
	<u>2,01,43,199</u>	<u>3,67,48,896</u>
SUNDRY DEBTORS		SCHEDULE 7
Unsecured and Considered Good		
a) Outstanding over six months	2,39,05,049	1,11,76,401
b) Other Debts	1,12,14,563	2,68,19,793
	<u>3,51,19,612</u>	<u>3,79,96,194</u>
CASH AND BANK BALANCES		SCHEDULE 8
Cash and cheques on hand	20,960	1,14,198
With Scheduled Banks		
On current accounts (including dividend account)	2,40,528	8,27,937
On Fixed Deposit account	—	—
a) under Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975	1,00,000	4,10,450
b) Import Margin Money	20,53,155	23,61,217
	<u>24,14,643</u>	<u>37,13,802</u>
LOANS AND ADVANCES		SCHEDULE 9
Unsecured and Considered Good		
Advances recoverable in cash or in kind or for value to be received	1,43,96,122	1,11,29,830
Interest accrued but not due	60,119	43,753
Advance payment of income tax and tax deducted at source	44,13,087	43,64,341
Balance with Central Excise Authorities	32,27,367	37,35,953
	<u>2,20,96,695</u>	<u>1,92,73,877</u>

INDIA RADIATORS LIMITED

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

	As at 30.9.1999	As at 31.3.1998
	Rs.	Rs.
LIABILITIES		
		SCHEDULE 10
Acceptances	69,98,240	2,52,51,510
Sundry Creditors	6,50,59,050	4,60,49,385
Unclaimed Dividends	39,246	1,04,834
Interest accrued but not due on loans	64,961	85,874
	<u>7,21,61,497</u>	<u>7,14,91,603</u>
 PROVISIONS		
		SCHEDULE 11
Taxation	38,21,000	38,21,000
	<u>38,21,000</u>	<u>38,21,000</u>
	For the period ended	For the year ended
	30.9.1999	31.3.1998
	Rs.	Rs.
 SALES		
		SCHEDULE 12
Automobile Radiators	10,96,80,353	14,99,73,852
Heavy Duty Radiators and Heat Exchangers	3,93,28,799	4,17,76,208
Automobile Spare Parts	59,99,425	89,89,950
Heavy Duty Spare parts	1,47,238	3,00,105
	<u>15,51,55,815</u>	<u>20,10,40,115</u>
 OTHER INCOME		
		SCHEDULE 13
For Services rendered	4,26,103	3,54,028
Interest (Gross)		
[Tax deducted at source Rs.37,326 (Rs.21,520)]	3,12,069	1,54,262
Royalty	—	7,54,600
Machinery Hire Charges	1,80,000	1,80,000
Claims and other receipts	11,958	—
Agency commission	—	17,124
Service charges	72,000	72,000
Profit on sale of assets	75,444	—
	<u>10,77,574</u>	<u>15,32,014</u>

INDIA RADIATORS LIMITED

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

	For the period ended 30.9.1999 Rs.	For the year ended 31.3.1998 Rs.
MATERIAL CONSUMPTION		
SCHEDULE 14		
i) Raw Materials		
Opening Stock	1,49,51,020	2,35,88,743
Add : Purchases	9,32,20,346	12,99,98,094
	<u>10,81,71,366</u>	<u>15,35,86,837</u>
Less : Closing Stock	61,62,500	1,49,51,020
	<u>10,20,08,866</u>	<u>13,86,35,817</u>
ii) Sub-Assemblies		
Opening Stock	72,02,304	77,64,452
Add : Purchases	1,05,44,526	1,18,41,935
	<u>1,77,46,830</u>	<u>1,96,06,387</u>
Less : Closing Stock	52,74,277	72,02,304
	<u>1,24,72,553</u>	<u>1,24,04,083</u>
	<u>11,44,81,419</u>	<u>15,10,39,900</u>
Less : Excise Duty Relief	1,06,84,803	1,36,00,841
	<u>10,37,96,616</u>	<u>13,74,39,059</u>
iii) Stores and Spares	48,51,876	61,45,651
iv) Packing Materials	27,57,255	38,23,407
	<u>11,14,05,747</u>	<u>14,74,08,117</u>
v) Increase/Decrease in Work-in-progress & Finished Goods		
Opening Stock		
Work in progress	1,10,31,564	1,02,61,239
Finished Goods	10,05,733	7,01,969
	<u>1,20,37,297</u>	<u>1,09,63,208</u>
Less : Closing Stock		
Work in progress	46,22,013	1,10,31,564
Finished Goods	17,24,733	10,05,733
	<u>56,90,551</u>	<u>(10,74,089)</u>
	<u>11,70,96,298</u>	<u>14,63,34,028</u>
vi) Less : Scrap Sales	16,66,989	29,84,802
	<u>11,54,29,309</u>	<u>14,33,49,226</u>
SALARIES, WAGES AND EMPLOYEE BENEFITS		
SCHEDULE 15		
Salaries and Wages	3,44,47,503	2,31,62,700
Contribution to E.P.F. and F.P.F.	39,02,364	27,65,631
Contribution to Gratuity Fund	19,95,763	12,45,687
Contribution to Superannuation Fund	5,98,892	4,62,320
Staff Welfare Expenses	33,84,143	29,83,079
	<u>4,43,28,665</u>	<u>3,06,19,417</u>

INDIA RADIATORS LIMITED

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

	For the period ended 30.9.1999 Rs.	For the year ended 31.3.1998 Rs.
OTHER EXPENSES		SCHEDULE 16
Rent (Net of recoveries)	4,02,842	4,51,632
Freight Charges (outward)	8,49,216	10,04,112
Insurance	9,19,537	8,64,216
Rates and Taxes	1,41,418	2,95,190
Power and fuel	29,66,016	27,66,295
Repairs and Maintenance		
i) Machinery	3,61,933	5,78,331
ii) Building	9,42,521	10,82,750
iii) Others	3,63,815	2,58,468
Payment to Auditors for :		
i) Audit	20,000	17,500
ii) Taxation Services	15,000	17,500
iii) Certification of Statements	19,300	7,250
iv) Reimbursement of Expenses	4,130	7,110
Discount	2,21,217	4,049
Small Tools Written off	4,54,244	4,96,877
Remuneration to Chairman and Managing Director	11,45,893	4,82,333
Directors' Sitting fees	25,000	16,000
Bank/discouinting charges	60,13,072	56,98,051
Travelling expenses [including Directors Rs.2,48,929/- (Rs.3,99,696/-)]	18,04,926	18,64,957
Loss on Sale of assets	2,63,959	—
Bad Debt written off	—	4,23,695
Advances written off	—	2,92,859
Exchange rate difference (Nett)	89,658	3,94,883
Miscellaneous expenses	45,67,871	39,38,126
	<u>2,15,91,568</u>	<u>2,09,62,184</u>
INTEREST		SCHEDULE 17
Secured Loan	1,32,39,585	32,90,230
Fixed Deposit	10,46,600	3,69,922
Others	24,14,768	56,72,301
	<u>1,67,00,953</u>	<u>93,32,453</u>

SCHEDULE 18

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- a) Due to accumulated losses upto the period ended 30th September, 1999 the net worth of the Company has eroded. Pending reference to the Board for Industrial and Financial Reconstruction under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, the accounts have been prepared on principles applicable to a going concern despite erosion of net worth.
- b) Financial statements are prepared under the historical cost convention. Generally revenue is recognised on accrual basis with provision made for known losses and expenses.

INDIA RADIATORS LIMITED

c) BALANCE SHEET

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

d) PROFIT AND LOSS ACCOUNT

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

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

	1998-99	1997-98
1. Contingent Liabilities		
a) Outstanding letters of credit opened with bankers for Import of Raw Materials, Spares, etc.	—	1,12,97,587
b) Bills discounted	84,36,745	1,75,59,434
c) Guarantees given by Bank for Import of Raw Materials and performance of contracts for which the Company has given counter guarantees	21,250	39,33,750
d) Income tax and Sales tax demands under dispute in respect of which appeals are pending	24,67,980	24,67,980
2. Estimated amount of contracts remaining to be executed on capital account and not provided for	95,838	1,16,238
3. i) The Honourable High Court of Madras has confirmed the Arbitrators award on 13.08.97 fixing the additional compensation at Rs.2,500 per ground, in respect of the land acquired from a Company to whom the Tamilnadu Government originally allotted the land, and the Company has informed the Government that it will abide by the terms of the award. The Government is yet to indicate its intention to reassign the land to the Company on those terms. Pending receipt of demand no provision has been made in these accounts.		
ii) The demand from Government for urban land tax on property at Pozhal for Rs.68,667 is contested through writ petition. The High Court of Madras has stayed demand and directed the Company to pay Rs.30,000 which has been paid and kept under advance. The case is pending before High Court of Madras for final disposal.		

INDIA RADIATORS LIMITED

4. Accrued interest on cash credit accounts have been provided at the rates mentioned in the loan agreements, which is subject to confirmation by the respective banks.
5. Balances in Sundry Debtors (including Rs.70,75,082 overdue) Loans and Advances and deposit accounts are subject to confirmation. However, in the opinion of the management, all current assets, debtors and loans/advances would except for certain items, in the ordinary course of business, realise the values as stated in the accounts and no provision is presently considered necessary.
6. The accounts have not been authenticated by the Company Secretary, since the post of the Company Secretary remained vacant on the date of signing the accounts.
7. In respect of certain inoperative Bank accounts aggregating Rs.3,81,500 neither Bank statements nor confirmation of balances although called for have been received.
8. The amount due to Small scale and Ancillary Industries as at the close of the financial period has not been identified and hence the amount outstanding, if any, has not been segregated and shown separately and interest, if any, thereon has not been provided for.
9. Current period figures are for 18 months and hence not comparable with those of the previous accounting year of 12 months. Previous year figures have been regrouped wherever necessary.

C. QUANTITATIVE AND OTHER PARTICULARS

1. Installed Capacity and Actual Production	Installed Capacity *		Actual Production	
	1998-99 (Nos.)	1997-98 (Nos.)	1998-99 (Nos.)	1997-98 (Nos.)
Automobile Radiators	24,000 truck type or 48,000 car/ jeep type (per single shift)	24,000 truck type or 48,000 car/ jeep type (per single shift)	60,216	73,766
Heavy Duty Radiators and Heat Exchangers	3,600 (per single shift)	3,600 (per single shift)	778	2,569
Heat Exchanger Unit - Pondicherry	50,000 (per single shift)	50,000 (per single shift)	6,355	2,134

* As certified by Management and not verified by Auditors being technical in nature.

2. Particulars in respect of :

	Opening Stock		Closing Stock		Sales	
	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
Automobile Radiators						
1998-99	568	2,03,814	372	15,68,242	60412	10,96,80,353
1997-98	78	2,40,205	568	2,03,814	73276	14,99,73,852
Heavy Duty Radiators						
1998-99	14	1,01,612	4	23,092	788	3,31,03,489
1997-98	20	3,05,210	14	1,01,612	2575	4,01,65,508
Heat Exchangers						
1998-99	486	6,94,337	—	—	6841	62,25,310
1997-98	122	1,07,430	486	6,94,337	1770	16,10,700
Others						
1998-99	—	5,970	—	2,985	—	61,46,663
1997-98	—	49,124	—	5,970	—	92,90,055

INDIA RADIATORS LIMITED

3. Raw Materials Consumed :	1998-99		1997-98	
	Quantity (M.Tonnes)	Value (Rs.)	Quantity (M.Tonnes)	Value (Rs.)
Copper Strips : Imported	0.712	1,61,425	22.713	51,69,445
Indigenous	106.998	2,10,87,820	118.781	2,40,65,877
Brass Strips : Imported	—	—	24.004	47,45,110
Indigenous	149.194	2,76,76,490	163.399	2,94,40,195
Solders	87.502	1,12,90,170	121.095	1,53,54,333
Brass Sheets	105.142	1,74,00,054	140.256	2,31,42,653
Brass Tubes : Imported	5.779	29,53,228	11.899	61,85,638
Indigenous	13.997	20,77,599	14.295	34,39,701
Steel Sheets	231.748	45,50,530	334.620	69,92,733
CRCA Sheets	82.802	23,67,073	93.203	25,66,576
Other Raw Materials	—	1,24,44,477	—	1,75,33,556
		<u>10,20,08,866</u>		<u>13,86,35,817</u>
		1998-99 (Rs.)		1997-98 (Rs.)
4. a. Value of Imports on C.I.F. Basis				
Raw Materials		37,51,495		98,77,944
Machinery		19,311		—
b. Expenditure incurred in Foreign Currency during the year on account of				
Technical know-how		—		—
Travel and other expenses		1,17,739		1,16,225
c. Value of Raw Materials, Spare Parts and Components consumed during the year				
1. Imported		31,14,652		1,61,00,193
Indigenous (including purchases through canalised agencies)		11,13,66,767		13,49,39,705
2. Percentage of each to total consumption				
Imported		2.72%		10.66%
Indigenous		97.28%		89.34%
d. Amount remitted during the year in foreign currency on account of Dividend				
1. Number of Non-Resident shareholders		—		41,526
2. Number of shares held by them		—		7
3. Year to which the Dividend relates		—		71,098
				1996-97
5. Earnings in Foreign Exchange				
i) Export of goods calculated on FOB basis		1,60,420		3,70,290
ii) Other Income		—		17,124
6. (a) Managing Director's Remuneration				
Salary		3,94,399		3,24,000
Contribution to Provident, Gratuity and Superannuation funds		634,256		93,851
Perquisites		1,17,238		64,482
		<u>11,45,893</u>		<u>4,82,333</u>

INDIA RADIATORS LIMITED

	1998-99 (Rs.)	1997-98 (Rs.)
(b) Joint Managing Director's Remuneration (included under respective heads of accounts)		
Salary from 1.4.1998 to 26.6.1998	57,333	2,29,500
Contribution to Provident, Gratuity and Superannuation Funds	32,908	93,880
Perquisites	22,102	92,763
	<u>1,12,343</u>	<u>4,16,143</u>

V. Chidambaram
Chairman

K. Nadasundaram
Director

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 10th November, 1999

INDIA RADIATORS LIMITED

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

I. Registration Details

Registration No.

		9	6	3
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 State Code

1	8
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Balance Sheet Date

3	0
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0	9
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9	9
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Date Month Year

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

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

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

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

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

Turnover	Total Expenditure														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>		1	5	6	2	3	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr></table>		2	0	3	8	4	5
	1	5	6	2	3	3									
	2	0	3	8	4	5									
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px; text-align: center;">-</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">2</td></tr></table>	-		4	7	6	1	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px; text-align: center;">-</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">2</td></tr></table>	-		4	7	6	1	2
-															
	4	7	6	1	2										
-															
	4	7	6	1	2										
Earning Per Share in Rs.	Dividend Rate %														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>			N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>			N	I	L				
		N	I	L											
		N	I	L											

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

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

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

V. Chidambaram
Chairman

K. Nadasundaram
Director

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai
Date : 10th November, 1999

INDIA RADIATORS LIMITED

ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT CASH FLOW STATEMENT FOR THE PERIOD ENDED 30.9.1999

	30.9.1999 (Rs.)	31.3.1998 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	(4,76,11,969)	(50,02,357)
Adjustments for :		
Depreciation	56,24,907	31,97,902
Loss on sale of fixed assets (net)	1,88,515	—
Interest and financial charges	1,67,00,953	93,32,453
Share issue expenses written off	1,69,956	1,13,304
Exchange currency fluctuation	89,658	3,94,883
Bad debts written off	—	4,23,695
Advances written off	—	2,92,859
	2,27,73,989	1,37,55,096
Interest received	(3,12,069)	(1,54,262)
Operating Profit before working capital	(2,51,50,049)	85,98,477
Adjustments for :		
Trade and Other Receivables	(74,28,931)	(46,03,185)
Trade payables	82,92,779	(11,49,346)
Inventories	1,66,05,697	1,74,69,545
	1,74,69,545	79,79,610
Cash generated from operations	(76,80,504)	1,08,25,556
Interest Paid	(79,97,664)	(76,75,752)
Direct Taxes and Dividend Tax	—	(81,000)
Cash Flow before Extraordinary Items	(1,56,78,168)	30,68,804
Extraordinary Items		
Exchange Currency Fluctuation (net)	(89,658)	(1,10,184)
Net Cash Flow from Operating Activities	(1,57,67,826)	29,58,620
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets (Includes Capital WIP)	(5,48,021)	(27,06,400)
Sale of Fixed Assets	16,60,000	—
Interest received	2,58,377	2,30,720
Net Cash used in Investing Activities	13,70,356	(24,75,680)

INDIA RADIATORS LIMITED

ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30.9.1999 (Continued)

	30.9.1999 (Rs.)	31.3.1998 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/repayment of Long Term borrowings	(20,06,413)	(21,15,514)
Proceeds/repayment from Banks	79,40,222	(28,90,606)
Dividends paid	(65,588)	(7,60,739)
Proceeds/repayment of Unsecured Loans	72,30,090	52,73,267
Net Cash used in Financing Activities	<u>1,30,98,311</u>	<u>(4,93,592)</u>
Net Increase/Decrease(-) in cash & cash equivalents	(12,99,159)	(10,652)
Cash & Cash equivalents as at March 31, 1998 (Opening Balance)	37,13,802	37,24,454
Cash & Cash equivalents as at September 30, 1999 (Closing Balance)	24,14,643	37,13,802

Note :

1. Current period figures are for 18 months and hence not comparable with those of the previous accounting year of 12 months.
2. Previous year figures have been regrouped wherever necessary to conform to current period classification.

V. Chidambaram
Chairman

K. Nadasundaram
Director

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

Place : Chennai

Date : 10th November, 1999

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement for the period ended 30th September, 1999. The Statement has been prepared by the Company in accordance with the requirements of listing agreement (Clause 32) and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the members of the Company.

Place : Chennai

Date : 10th November, 1999

For FRASER & ROSS
Chartered Accountants
Geetha Suryanarayanan
Partner

INDIA RADIATORS LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 50th ANNUAL GENERAL MEETING of the Company at M.A.Chidambaram Conference Hall, Southern India Chamber of Commerce & Industry, Indian Chamber Buildings, Esplanade, Chennai - 600 108, at 10.00 a.m. on Friday the 24th December 1999.

_____ Signature
Full name of the Shareholder
(in block capital)

Folio No. _____

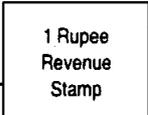
_____ Signature
Full name of Proxy
(in block capital)

**INDIA RADIATORS LIMITED
PROXY FORM**

I/We
of
in the district of
being a member/members of the above named Company, hereby appoint
.....of
in the district ofor failing him
ofin the district of
as my/our Proxy to vote for me/us on my/our behalf at the 50th Annual General Meeting of the Company,
to be held on 24th December 1999 and at any adjournment thereof.

Signed this day of 1999.

Signature.....



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

BOOK POST

If undelivered, please return to :

INDIA RADIATORS LIMITED

'Catholic Centre', 1st Floor,
64, Armenian Street, Chennai - 600 001.