

**INDIA RADIATORS LIMITED**  
**CHENNAI**

**ANNUAL REPORT**  
AND ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER  
**2002**

**53**

**INDIA RADIATORS LIMITED**  
**CHENNAI**

**DIRECTORS**

Shri. K.Nadanasundaram  
Shri. G.Raja  
Shri. T.V.Venugopal  
Shri. M.Natarajan  
Shri. 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.  
The 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**

39/1 G.N. Chetty Street  
I Floor, Mylapore  
Chennai - 600 004.

**OFFICE & FACTORY**

Puzhal, Chennai - 600 066.  
Telegram : 'BHERCOOL'  
PIPDIC Indl. Estate,  
Sedarapet,  
Pondicherry - 605 111.  
Telephone / Fax : (0413) 2677154

**BALANCE SHEET AT A GLANCE**

	As at 30th September, 2002	As at 30th September, 2001	(Rs. in lacs)
<b>What the Company has :</b>			
Fixed Assets (Gross)	658.62	658.62	
Less : Depreciation	361.11	336.22	
Net Block	<u>297.51</u>	<u>322.40</u>	
<b>Current Assets :</b>			
Stock	87.00	120.86	
Book Debts	8.43	118.22	
Cash and Bank Balances	14.61	28.65	
Loans and Advances	190.48	184.20	
	<u>598.03</u>	<u>451.93</u>	
<b>What the Company Owes :</b>			
Secured Loans	849.22	745.61	
Unsecured Loans	267.41	258.01	
<b>Current Liabilities :</b>			
Creditors	504.23	508.02	
Taxation	38.21	38.21	
Deferred Tax Liabilities	44.51	—	
	<u>1703.58</u>	<u>1549.85</u>	
<b>NET WORTH</b>	<u>(1105.55)</u>	<u>(775.52)</u>	
<b>Represented by :</b>			
Equity Capital	90.00	90.00	
Reserves	(1195.55)	(665.52)	
	<u>(1105.55)</u>	<u>(775.52)</u>	

## INDIA RADIATORS LIMITED

Regd. Office : 'South India House', 36-40, Armenian Street, Chennai - 600 001.  
Principal Office : 39/1 G.N. Chetty Street, 1st Floor, Mylapore, Chennai - 600 004.

To  
ALL SHAREHOLDERS

### NOTICE

Notice is hereby given that the Fifty Third Annual General Meeting of the Shareholders of INDIA RADIATORS LIMITED will be held on Wednesday, the 26th March, 2003 at 10.15 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, consider and adopt the audited Balance Sheet & Profit & Loss Account as at 30.9.2002 and the Reports of the Directors and Auditors as at that date.
2. To elect a Director in the place of Mr.T.V.Venugopal who retires by rotation and being eligible offers himself for re-election.
3. To elect a Director in the place of Mr.M.Natarajan who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr.T.Govindarajan, whose period of office is liable for determination of Directors by rotation, be and is hereby appointed a Director of the Company".

By Order of the Board  
For India Radiators Limited

Place : Chennai  
Date : 31st December, 2002

K. Nadasundaram  
Director

### NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing the proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will be closed from 19th March 2003 to 26th March 2003 (both days inclusive).
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business is annexed hereto.

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out the material facts relating to Item No.5 of the Notice convening the Fifty Third Annual General Meeting.

#### Item No.5

Mr. T.Govindarajan was co-opted as an Additional Director in the place of Mr. N.Gnanadesikan who has resigned from the Board on 23rd September, 2002.

As per the provisions of Section 260 of the Companies Act, 1956, Mr. T.Govindarajan, Director hold office upto the date of the AGM. Further, in terms of Section 257 of the Companies Act, 1956, the Company has received notice from a shareholder, together with the required deposit, signifying their intention to propose the candidate as Director of the Company.

On his appointment as Director at the Forthcoming Annual General Meeting, the new incumbent will continue to act as Director of the Company.

#### MEMORANDUM OF INTEREST

Mr. T. Govindarajan, is deemed to be interested in the above resolution relating to his appointment as Director of the Company. No other Director is interested or concerned in the above resolution.

By Order of the Board  
For India Radiators Limited

Place : Chennai  
Date : 31st December, 2002

K. Nadasundaram  
Director

# INDIA RADIATORS LIMITED

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2002

Your Directors are submitting herewith their report together with Audited Accounts for the year ending 30th September, 2002.

The Company incurred a loss of Rs.285.55 lacs for the year under report as shown below:

	Rs.
Net Loss before depreciation and provision for taxation	(2,60,65,575)
Add : Depreciation for the year	24,89,242
Net Loss before provision for taxation carried over to balance sheet	<u>(2,85,55,517)</u>

The cumulative loss as at 30.9.2002 was Rs.11.96 crores.

### PRODUCTION AND SALES

#### AUTOMOBILE RADIATORS & HEAVY DUTY RADIATORS

The Company sales during the year have been severely affected due to continued suspension of manufacturing operations of Puzhal plant from 16.11.1999 and closure of Perungudi unit. Although the order load was encouraging the capacity utilisation of the heat exchanger unit at Pondicherry continued to be at sub-optimal level due to working capital constraints. The Company is taking other measures on this front with the positive response received from the vehicle manufacturer to improve the turnover.

The Company was able to achieve a turnover of Rs.63.85 lacs for the period ended 30.9.2002 on Pondicherry plant production and sales.

### REFERENCE TO BIFR

As members may be aware, the Company had been declared a Sick Industrial Company by BIFR in terms of Section 3 of the Sick Industrial Companies (Special provisions) Act, 1985 and IDBI has been appointed as the Operating Agency to work out the rehabilitation/revival package for the Company.

BIFR has given further directions to IDBI (OA) in regard to the Revival Plan for the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that, subject to the observations made in Notes on Accounts:

- 1) in the preparation of the annual accounts, the applicable accounting standards had been followed.
- 2) the Directors had selected such accounting policies and applied them consistently and made judgements 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) 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 deducting fraud and other irregularities.
- 4) the Directors had prepared the annual accounts on a going concern basis.

### DIRECTORS

The Board of Directors sincerely regret to note the sad demise of the doyen of Automobile Industry Mr. V. Chidambaram on 12.10.2002. He was associated with the Company in various capacities for three decades and lastly as Chairman till 3rd March, 2001. After relinquishing his charge as Chairman of the Company he was kind enough to be as Chairman Emeritus of the Company. Being a mentor and guide to the Company, his passing away is an irreparable loss to the Company and to the Automobile community as well.

Mr. N.Gnana Desikan, Director of the Company submitted his resignation from the Board of the Company with effect from 23.9.2002.

The Board wishes to place on record the invaluable services rendered by the outgoing Directors.

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

1. Mr.T.V.Venugopal
2. Mr.M.Natarajan

### 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.P.B.Vijayaraghavan & Co., Chartered Accountants, retire at the conclusion of the Annual General Meeting and are eligible for re-appointment for the current year.

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

### TECHNOLOGY ABSORPTION, ENERGY CONSERVATION AND FOREIGN EXCHANGE EARNINGS

Efforts have been made to save energy cost through improving energy conservation measures.

Place : Chennai  
Date : 31st December, 2002

For and on behalf of the Board,  
K. Nadanasundaram      G. Raja  
Directors

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, 2002 and the Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. The accounts have been prepared on the basis that the Company is a going concern despite suspension of activities in one of the factories viz. Puzhal Unit from November 1999 and erosion of net worth leading to a reference by the Company to the Board for Industrial and Financial Reconstruction. The Company had been declared sick by the Board for Industrial and Financial Reconstruction (BIFR) and the proceedings are pending. Hence it is not possible to express an opinion on the same. (Refer Note A(i), Schedule 18).
2. Due to suspension of operations at Puzhal factory at Chennai, the accounts have been prepared with the available information. Statement of account or certificate in confirmation of the balances in inoperative bank accounts for Rs.1,04,734 and margin money account Rs.7,50,000 were not made available to us.
3. Balance in Debtors, Creditors and Loans & Advances are as per books of account and have not been confirmed.
4. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
5. Subject to our comments in Paragraphs 1, 2 and 3 above and further to our comments in the Annexure referred to in paragraph 4 above, we state that :
  - (a) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) Subject to paragraphs 1, 2 & 3 above, in our opinion, proper books of account as required by law have been kept so far as it appears from our examination of such books.
  - (c) 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, subject to
    - i. Non-provisioning for liability towards Gratuity and other retirement benefits as required by Accounting Standard - 15 on "Treatment of Retirement Benefits" [vide Note (v) 4(a) and (ii) (3) of Schedule 18], and
    - ii. Non-compliance of the revised Accounting Standard 2 on "Valuation of Inventories" [vide Note (v) (7) of Schedule 18].The impact of the above on the loss for the year is not quantifiable.
  - (d) The Company's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of accounts.
  - (e) The directors of the Company attract disqualification u/s 274(1)(g) as on 30.9.2002.
  - (f) Attention is invited to the following matters:
    - i) Non reconciliation of the balance with excise authorities of Rs.9,50,501 at Puzhal and Perungudi Unit [vide Note (v) 8(a)].
    - ii) Provision for purchases Rs.22,63,678 made in 1999-2000 without supporting documents [vide Note no.(v) 10].
    - iii) Non-provision of interest on inter corporate deposits and unsecured loans [vide Note no.(v) 11].
6. The overall effect of the paras 5 (c) and (f) is not quantifiable.
7. Subject to our remarks in foregoing paragraphs, the accounts read with the accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 30th September, 2002 and
  - ii) in the case of Profit and Loss Account, of the Loss for the year ended on that date.

For P.B.VIJAYARAGHAVAN & CO  
Chartered Accountants  
P.B.Santhanakrishnan  
Partner

Place : Chennai  
Date : 31st December, 2002

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, which has in general not been updated since 1994-95 and in some cases since 1989-90. In some cases quantitative particulars and location of Fixed Asset has not been mentioned. We are informed that the management has a reasonable of Physical verification at periodic intervals at Pondicherry plant. Due to suspension of activities, physical verification of assets has not been carried out at Puzhal plant. In the absence of physical verification of assets at Puzhal plant, we are unable to comment on discrepancies, if any, that may arise on physical verification.

## INDIA RADIATORS LIMITED

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2. None of the fixed assets has been revalued during the year.
3. The stocks of finished goods, spare parts and raw material have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
4. The procedures for physical verification of stocks followed by the Management are adequate in relation to the size of the unit and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to the book records were not significant and have been properly dealt with in the books of account.
6. On the basis of our examination of stock records at Pondicherry unit, we are of the opinion that the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles. However, stock records along with the relevant supporting documents were not made available for Puzhal unit. Valuation has been done on the same basis as in 1999 and has not been recomputed in accordance with revised Accounting Standard 2 which has been made mandatory for accounting periods commencing after April 1999.
7. During the year, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 which are prima facie prejudicial to the interest of the Company. We are informed that there are no companies under the same management as defined in Section 370(1B). [Section 370(1B) has since been deleted].
8. During the year, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 which are prima facie prejudicial to the interest of the Company. We are informed that there are no companies under the same management as defined in Section 370(1B). [Section 370(1B) has since been deleted].
9. **Loans or advances in the nature of loans have been given by the Company, free of interest to:**
  - a. **Puzhal Panchayat amounting to Rs.22,500/- without any terms of repayment.**
  - b. **Employees as Salary advance which is pending adjustment.**
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and with regard to sale of goods. **However due to non-availability of supporting documents, we are unable to comment on the implementation of the internal control procedures.**
11. According to the information and explanations given to us, there were no purchase of goods, materials and services and sale of goods and materials made in pursuance of contracts of arrangements to be entered in the register maintained under Section 301 of the Companies Act, 1956.
12. As explained to us, at Pondicherry unit unserviceable or damaged stores, raw materials and finished goods and trading stocks are determined at the close of the year and adequate amounts are being written off in the accounts, after review. At Puzhal unit unserviceable or damaged stores, raw materials and finished goods and trading stocks have not been determined at the close of the year and no amount has been written off in the accounts.
13. **The Company has not accepted deposits during the year. According to the information and explanations given to us, in respect of deposits accepted in earlier years, the Company has borrowed certain unsecured loans in the nature of deposits aggregating to Rs.20 lacs which was in excess of the limits prescribed in the Companies (Acceptance of Deposits) Rules 1975 and the Company has not complied with the provisions of Section 58A in respect of**
  - i) **Non-payment of matured deposits of Rs.62,53,000 and interest accrued and due of Rs.28,98,505.**
  - ii) **Return of Deposit has not been filed with the Registrar of Companies.**
  - iii) **Maintenance of Liquid assets as per Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.**
14. As explained to us, the Company's operations do not generate any by-products and in our opinion, reasonable records have been maintained at Pondicherry for the sale of scrap.
15. **No Internal Audit has been carried out during the year nor were any staff appointed for this purpose.**
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 on due dates with the appropriate authorities.**
18. **Provident Fund and Employee Pension Fund dues aggregating Rs.1,49,966 were outstanding as at 30.09.2002.**
19. **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, customs duty, excise duty and sales tax were outstanding as at 30.9.2002 for a period of more than six months from the date they became payable excepting Rs.21,38,649 in respect of Sales Tax and tax deducted at source on salaries, contractors and interest.**
20. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account other than those payable under contractual obligations and in accordance with generally accepted business practice.
21. The Company is a Sick Industrial Company within the meaning of clause (a) of Sub-section (1) of Section 3 of the Sick Industrial Companies (special provisions) Act, 1985 and on a reference the Board for Industrial and Financial Reconstruction had declared the Company as a sick company.

Place : Chennai  
Date : 31st December, 2002

For P.B.VIJAYARAGHAVAN & CO  
Chartered Accountants  
P.B.Santhanakrishnan  
Partner

**INDIA RADIATORS LIMITED**

**BALANCE SHEET AS AT 30th SEPTEMBER, 2002**

	Schedule No.	As at 30.9.2002		As at 30.9.2001	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	90,00,000		90,00,000	
Reserves and Surplus	2	76,125	90,76,125	76,125	90,76,125
<b>Loan Funds</b>					
Secured Loans	3	8,49,21,979		7,45,61,379	
Unsecured Loans	4	2,67,41,248		2,58,01,035	
Deferred Tax Liability		44,51,091		—	
			<u>11,61,14,318</u>		<u>10,03,62,414</u>
			<u>12,51,90,443</u>		<u>10,94,38,539</u>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	5	6,47,00,650		6,47,00,650	
Less : Depreciation		3,61,11,006		3,36,21,764	
Net Block		2,85,89,644		3,10,78,886	
Add : Capital work-in-progress		11,61,674		11,61,674	
			2,97,51,318		3,22,40,560
<b>Current Assets, Loans and Advances</b>					
Inventories	6	87,00,129		1,20,85,752	
Sundry Debtors	7	8,41,605		1,18,22,383	
Cash and Bank Balances	8	14,61,330		28,65,849	
Loans and Advances	9	1,90,48,062		1,84,20,138	
		<u>3,00,51,126</u>		<u>4,51,94,122</u>	
<b>Less : Current Liabilities and Provisions</b>					
Current Liabilities	10	5,04,23,476		5,08,01,711	
Provisions	11	38,21,000		38,21,000	
		<u>5,42,44,476</u>		<u>5,46,22,711</u>	
			(2,41,93,350)		(94,28,589)
Profit and Loss Account		12,02,85,276		8,72,79,368	
Less: Balance in General Reserve		6,52,800		6,52,800	8,66,26,568
			<u>11,96,32,476</u>		<u>8,66,26,568</u>
			<u>12,51,90,443</u>		<u>10,94,38,539</u>
Accounting Policies and Notes on Accounts	18				
Schedules 1 to 11 and 18 form part of this Balance Sheet.					

G. Raja  
Director

T.V. Venugopal  
Director

K. Nadasundaram  
Director

T. Govindarajan  
Director

This is the Balance Sheet referred to in our report of even date.  
For P.B.VIJAYARAGHAVAN & CO.  
Chartered Accountants  
P.B. Santhanakrishnan  
Partner

Place : Chennai  
Date : 31st December, 2002

# INDIA RADIATORS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER, 2002

	Schedule No.	For the year ended 30.9.2002		For the year ended 30.9.2001	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales Less Returns	12	63,84,560		50,79,867	
Other Income	13	4,49,964		34,77,218	
			68,34,524		85,57,085
<b>EXPENDITURE</b>					
Materials	14	33,59,261		38,54,869	
Salaries, Wages and Employees Benefits	15	2,05,802		32,00,779	
Other Expenses	16	1,58,34,663		40,31,897	
Interest	17	1,35,00,373		1,23,33,884	
			3,29,00,099		2,34,21,429
Loss before depreciation			(2,60,65,575)		(1,48,64,344)
Depreciation for the year			24,89,242		25,27,097
Loss before taxation			(2,85,54,817)		(1,73,91,441)
Add : Balance brought forward from last year			(8,72,79,368)		(6,98,87,927)
Deferred Tax Liability			(44,51,091)		—
			(12,02,85,276)		(8,72,79,368)
<b>APPROPRIATIONS</b>					
Balance carried to Balance Sheet			(12,02,85,276)		(8,72,79,368)
Basic and Diluted Earnings per Share			(31.73)		(19.32)
Accounting Policies and Notes on Accounts	18				

Schedules 12 to 18 form part of this Profit and Loss Account.

G. Raja  
Director

T.V. Venugopal  
Director

K. Nadasundaram  
Director

T. Govindarajan  
Director

This is the Profit & Loss Account  
referred to in our report  
of even date.  
For P.B.VIJAYARAGHAVAN & CO.  
Chartered Accountants  
P.B. Santhanakrishnan  
Partner.

Place : Chennai  
Date : 31st December, 2002

# INDIA RADIATORS LIMITED

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

	As at 30.9.2002 Rs.	As at 30.9.2001 Rs.
<b>SHARE CAPITAL</b>		
<b>SCHEDULE 1</b>		
<b>Authorised</b>		
20,00,000 Equity shares of Rs.10 each	2,00,00,000	2,00,00,000
<b>Issued, Subscribed and Paid-up</b>		
9,00,000 Equity Shares of Rs.10 each	90,00,000	90,00,000
	90,00,000	90,00,000
<b>RESERVES AND SURPLUS</b>		
<b>SCHEDULE 2</b>		
<b>a. Capital Reserve</b>		
Surplus on reissue of forfeited shares	1,125	1,125
<b>b. Dividend Equalisation Reserve</b>		
As per last Balance Sheet	75,000	75,000
	76,125	76,125
<b>SECURED LOANS</b>		
<b>SCHEDULE 3</b>		
<b>(a) From Bankers</b>		
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 Puzhal, Chennai (Interest accrued and due - Rs.1,08,56,428/- (2000-2001 Rs.79,50,497/-)	3,56,34,649	3,25,95,738
<b>(b) From Financial Institutions</b>		
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 (Interest accrued on the loan Rs.2,51,70,737/-) (2000-2001 Rs.1,78,49,048/-)	4,16,35,737	3,43,14,048
<b>(c) From Others</b>		
Secured on Hire Purchase of Vehicles and Hypothecation of Plant and Machinery, Equipment and other movable property	76,51,593	76,51,593
	8,49,21,979	7,45,61,379
<b>UNSECURED LOANS</b>		
<b>SCHEDULE 4</b>		
<b>a) Fixed Deposits - [Amount overdue Rs.62,53,000/- (Rs.62,53,000/-)]</b>	62,53,000	62,53,000
<b>b) Interest accrued and due on Fixed Deposits</b>	28,98,505	19,58,292
<b>c) Short Term Loans and Advances from others</b>	1,75,89,743	1,75,89,743
	2,67,41,248	2,58,01,035

# INDIA RADIATORS LIMITED

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

### FIXED ASSETS

### SCHEDULE 5

Description	COST			DEPRECIATION			NET VALUE	
	As at 30.09.2001 (Rs.)	Additions/ (Deductions) during the year (Rs.)	As at 30.09.2002 (Rs.)	As at 30.09.2001 (Rs.)	Depreciation for the year (Rs.)	As at 30.09.2002 (Rs.)	As at 30.09.2002 (Rs.)	As at 30.09.2001 (Rs.)
Freehold Land	76,357	—	76,357	—	—	—	76,357	76,357
Buildings	93,14,362	—	93,14,362	35,22,272	2,95,188	38,17,460	54,96,902	57,92,090
Leasehold Land	89,546	—	89,546	—	—	—	89,546	89,546
Plant and Machinery	4,90,94,524	—	4,90,94,524	2,61,96,727	19,28,251	2,81,24,978	2,09,69,546	2,28,97,797
Electrical Installation	25,16,242	—	25,16,242	9,10,131	1,12,435	10,22,566	14,93,676	16,06,111
Furniture and Fixtures	10,25,617	—	10,25,617	9,03,372	56,521	9,59,893	65,724	1,22,245
Office Equipments	5,17,179	—	5,17,179	2,48,867	23,038	2,71,905	2,45,274	2,68,312
Computers	15,23,066	—	15,23,066	14,68,954	47,268	15,16,222	6,844	54,112
Airconditioner, Water cooler and Refrigerator	3,01,755	—	3,01,755	2,48,332	7,639	2,55,971	45,784	53,423
Vehicles	2,42,002	—	2,42,002	1,23,109	18,902	1,42,011	99,991	1,18,893
<b>Total</b>	<b>6,47,00,650</b>	<b>—</b>	<b>6,47,00,650</b>	<b>3,36,21,764</b>	<b>24,89,242</b>	<b>3,61,11,006</b>	<b>2,85,89,644</b>	<b>3,10,78,886</b>

### INVENTORIES

(As verified, valued and certified by the Management)

	Rs.	As at 30.9.2002 Rs.	As at 30.9.2001 Rs.
Stores and Spares		11,511	19,735
Packing Materials		2,560	5,618
Tools		13,12,579	14,47,170
Raw Materials		3,80,580	29,07,997
Sub-Assemblies		48,63,079	55,89,065
Finished Goods		1,78,999	1,84,459
Work-in-progress		19,50,821	19,31,708
		<u>87,00,129</u>	<u>1,20,85,752</u>

### SUNDRY DEBTORS

#### Unsecured

	Rs.	As at 30.9.2002 Rs.	As at 30.9.2001 Rs.
a) Outstanding over six months:	1,11,61,911		
Less: Bad Debts Written off	<u>1,08,20,914</u>	3,40,997	1,11,63,688
b) Other Debts		<u>5,00,608</u>	<u>6,58,695</u>
		<u>8,41,605</u>	<u>1,18,22,383</u>

### CASH AND BANK BALANCES

	Rs.	As at 30.9.2002 Rs.	As at 30.9.2001 Rs.
Cash and cheques on hand		5,714	10,193
With Scheduled Banks			
On current account (including dividend account)		7,05,616	11,82,501
On Fixed Deposit account			
a) under Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975		—	1,00,000
b) Import Margin Money		<u>7,50,000</u>	<u>15,73,155</u>
		<u>14,61,330</u>	<u>28,65,849</u>

# INDIA RADIATORS LIMITED

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

	As at 30.9.2002 Rs.	As at 30.9.2001 Rs.
<b>LOANS AND ADVANCES</b>		<b>SCHEDULE 9</b>
<b>Unsecured and Considered Good</b>		
Advances recoverable in cash or in kind or for value to be received	1,36,26,041	1,27,87,408
Interest accrued but not due	58,130	58,130
Advance payment of income tax and tax deducted at source	44,05,941	43,85,840
Balance with Central Excise Authorities	9,57,950	11,88,760
	1,90,48,062	1,84,20,138
<b>LIABILITIES</b>		<b>SCHEDULE 10</b>
Acceptances	36,65,805	42,85,805
Sundry Creditors *1	4,67,18,425	4,64,76,660
Unclaimed Dividends	39,246	39,246
	5,04,23,476	5,08,01,711
* - Total outstanding dues to Small Scale Industrial undertakings Rs.2,76,064		
1 - Outstanding amount to SSI units exceeding Rs.1 lac and pending for more than 30 days		
Sl.No.	Name of the party	Amount
1.	Karpaga Vinayagar Industries	2,30,141
<b>PROVISIONS</b>		<b>SCHEDULE 11</b>
Taxation	38,21,000	38,21,000
	38,21,000	38,21,000
	For the year ended 30.9.2002 Rs.	For the year ended 30.9.2001 Rs.
<b>SALES</b>		<b>SCHEDULE 12</b>
Automobile Radiators	—	6,32,697
Heavy Duty Radiators and Heat Exchangers	63,84,560	44,47,170
	63,84,560	50,79,867
<b>OTHER INCOME</b>		<b>SCHEDULE 13</b>
For Services rendered	3,44,730	2,84,000
Interest	1,05,234	1,05,205
Claims and other receipts	—	18,91,513
Profit on sale of assets	—	15,772
Provision no longer required written back	—	11,80,728
	4,49,964	34,77,218

# INDIA RADIATORS LIMITED

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

	For the year ended 30.9.2002 Rs.	For the year ended 30.9.2001 Rs.
<b>MATERIAL CONSUMPTION</b>		
<b>SCHEDULE 14</b>		
1) Raw Materials		
Opening Stock	3,17,964	28,47,909
Add : Purchases	24,35,115	27,42,581
	<u>27,53,079</u>	<u>55,90,490</u>
Less : Closing Stock	3,80,580	29,07,997
	<u>23,72,499</u>	<u>26,82,493</u>
2) Sub-Assemblies		
Opening Stock	50,89,065	58,10,409
Add : Purchases	3,70,448	1,84,850
	<u>54,59,513</u>	<u>59,95,259</u>
Less : Closing Stock	48,63,079	55,89,065
	<u>5,96,434</u>	<u>4,06,194</u>
Less : Excise Duty Relief	29,68,933	30,88,687
	<u>1,04,041</u>	<u>2,18,346</u>
	<u>28,64,892</u>	<u>28,70,341</u>
3) Stores and Spares	4,59,523	4,26,367
4) Packing Materials	1,08,304	83,604
	<u>34,32,719</u>	<u>33,80,312</u>
5) Increase/Decrease in Work-in-progress & Finished Goods		
Opening Stock		
Work-in-progress	19,31,708	18,38,888
Finished Goods	1,84,459	8,11,696
	<u>21,16,167</u>	<u>26,50,584</u>
Less : Closing Stock		
Work-in-progress	19,50,821	19,31,708
Finished Goods	1,78,999	1,84,459
	<u>(13,653)</u>	<u>5,34,417</u>
	<u>34,19,066</u>	<u>39,14,729</u>
6) Less : Scrap Sales	59,805	59,860
	<u>33,59,261</u>	<u>38,54,869</u>
<b>SALARIES, WAGES AND EMPLOYEE BENEFITS</b>		
<b>SCHEDULE 15</b>		
Salaries and Wages	35,700	30,46,161
Contribution to E.P.F., F.P.F. and E.S.I	96,917	42,992
Contribution to Superannuation Fund	—	(1,778)
Staff Welfare Expenses	73,185	1,13,404
	<u>2,05,802</u>	<u>32,00,779</u>

# INDIA RADIATORS LIMITED

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

	For the year ended 30.9.2002 Rs.	For the year ended 30.9.2001 Rs.
<b>OTHER EXPENSES</b>	<b>SCHEDULE 16</b>	
Rent (Net of recoveries)	59,500	67,770
Freight Charges (outward)	1,01,760	83,051
Insurance	1,14,186	31,502
Rates and Taxes	31,843	33,028
Power and fuel	3,58,204	3,34,218
Repairs and Maintenance		
1) Machinery	1,27,207	82,280
2) Building	1,55,197	1,74,762
3) Others	62,037	28,163
Audit Fees		
1) Audit	20,000	20,000
2) Taxation Services	10,000	10,000
3) Certification of Statements	10,000	10,000
Telephone Charges	76,806	94,662
Small Tools Written off	1,34,591	2,01,886
Legal Fees	23,000	1,56,700
Bank/discounting charges	83,537	65,832
Travelling expenses [including Directors Rs.1,500/- (Rs.1,500/-)]	90,536	1,36,971
Loss on Sale of assets	—	1,978
Exchange rate difference (Nett)	36,659	50,687
Factory Security Charges	1,16,613	2,35,297
Royalty	91,363	3,14,110
Miscellaneous expenses	2,20,677	1,64,283
Amount Written-off	—	17,34,717
Stocks Written-off	30,90,033	—
Bad Debts Written-off	1,08,20,914	—
	<b>1,58,34,663</b>	<b>40,31,897</b>
<b>INTEREST</b>	<b>SCHEDULE 17</b>	
Secured Loan	1,21,47,541	1,09,73,234
Fixed Deposit	9,40,213	9,40,213
Others	4,12,619	4,20,437
	<b>1,35,00,373</b>	<b>1,23,33,884</b>

### SCHEDULE 18

#### NOTES ON ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

- i) Due to erosion of networth of the Company, as per the governing rules, the Company was 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 to enquire into and make a report. The matter is pending with the Operating Agency for the rehabilitation. The accounts of the Company have, therefore, been prepared on the basis of the accounting principles applicable to a 'Going Concern'.
- ii) Financial statements have been prepared under the historical cost convention. Generally revenue is recognised on accrual basis with provision made for known losses and expenses.
- iii) **Balance Sheet**
  1. a) Fixed Assets are stated at Cost of acquisition (net of MODVAT Credit availed) which includes capitalisation of pre-operative expenses including interest till the date of commissioning.
  - b) Expenditure incurred on assembling tools and machinery for Company use are kept in capital work in progress and are capitalised at the time of completion and put into use.
2. Inventories are valued at lower of cost or net realisable value. Cost of Raw Materials includes freight, excise and customs duties. Excise duty on finished goods is added on to cost.

## INDIA RADIATORS LIMITED

3. 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 transaction are charged to Profit and Loss account.

### iv) Profit and Loss Account :

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

### v) Notes to the Balance Sheet and Profit and Loss Account

1. State Bank of India has treated the Loan account (Cash Credit) as a Non-performing Asset and have not debited interest for the period from 1st April, 1999 to 30th September, 2002. However Provision has been made at the contracted rate and is shown under Secured Loans. No provision has been made towards the interest on interest and Penal interest if any, which is not presently quantifiable.

2. Contingent Liabilities	2001-2002	2000-2001
a) Income tax and Sales tax demands under which dispute in respect of which appeals are pending	22,79,963	22,79,963
b) Penal Interest charged by First Leasing Company	56,22,228	56,22,228
c) Arbitration award compensation	3,40,000	3,40,000

3. a) The Tamilnadu Government has already informed the High Court of Madras that they have resolved to reassign the land to individual Companies purchased from original assignee. The Company has moved the Government for issue of orders for reassignment in its favour subject to payment of the amount due as per the Arbitration Award. Pending receipt of demand no provision has been made in the accounts.  
b) The demand from Government for urban land tax on property at Puzhal for Rs.68,667/- is contested through writ petition. The High Court of Madras has stayed demand and directed the Company to pay Rs.30,000/- which has been paid and kept under advance. The case is pending before High Court of Madras for final disposal.
4. a) No provision has been considered necessary for salary, provident fund contribution, employee state insurance dues, gratuity and superannuation of the employees of Puzhal unit, which is under suspension of operations since November 1999 and Pondicherry unit. The management has viewed that no further payments are due after suspension of operations, and the dispute is pending before various authorities. The ultimate liability if any, is not presently quantifiable.  
b) No provision has been made for the gratuity and contribution to superannuation fund for other employees.
5. The total outstanding dues to Small Scale Industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the Company.
6. a) In respect of certain inoperative bank accounts aggregating to Rs.1,04,734/- Bank statements or confirmation of balances, have not been received, although called for.  
b) In respect of Margin money accounts aggregating Rs.7,50,000 confirmation of balances has not been received, although called for.
7. Owing to the suspension of operations, the supporting documents relating to stock at the Puzhal unit could not be accessed. The rates applied are in line with previous period. The same is not recomputed in accordance with revised Accounting standard-2 issued by the Institute of Chartered Accountants of India which has become mandatory for accounting periods commencing on or after 1.4.99. Net realisable value of the inventories at Puzhal has not been ascertained.
8. Loans and advances include:  
a) Balance with Excise authorities Rs.9,50,501/- of Puzhal and Perungudi units which has not been reconciled with Excise records.  
b) Advances given to staff of Puzhal unit Rs.35,26,480/- that is to be adjusted against final settlement.
9. No provision is presently considered necessary in respect of Loans and Advances and deposit accounts which are subject to confirmation. However, in the opinion of the management, all current assets, debtors and loans/advances would except for certain items, [provision made in the books] in the ordinary course of business, realise the values as stated in the accounts.
10. Current liabilities include provision for purchases amounting to Rs.22,63,678/- made during the previous year which are estimated and are not proved with vouchers/supporting documents. The final values will be determined when the relevant records of the Puzhal factory become accessible.
11. Interest has not been provided on Inter Corporate Deposits taken from Riviera Auto Components, SICCO Private Limited and Vee Tee Chains and unsecured loan given by Mr. V.Chidambaram.
12. A sum of Rs.4,57,983 paid in earlier years to IDBI has been adjusted towards interest by the institution. However the Company has treated it as payment towards principal.
13. The post of the Secretary has not yet been filled up as required under Section 383A of the Companies Act, 1956.
14. There has been burglary/theft notified in November 2001 of stock of Raw Materials, Components and Sub-Assemblies worth estimated at Rs.31 lacs at Puzhal factory. The Company has lodged a complaint with the police station and the insurance claim is pending with The New India Assurance Company Ltd.

## INDIA RADIATORS LIMITED

### 15. SEGMENT INFORMATION FOR THE YEAR ENDED 30TH SEPTEMBER, 2002.

#### INFORMATION ABOUT PRIMARY BUSINESS SEGMENT

Rupees

BUSINESS SEGMENT	OIL COOLERS		RADIATORS		CONSOLIDATED TOTAL	
	Curr. year	Prev. year	Curr. year	Prev. year	Curr. year	Prev. year
<b>REVENUE</b>						
External Sales	6729290	4731170	—	632697	6729290	5363867
Inter-segment Sales	—	—	—	—	—	—
Total Revenue	6729290	4731170	—	632697	6729290	5363867
<b>RESULT</b>						
Segment Result	151405	(1646817)	(1179654)	(3036324)	(1028249)	(4683141)
Unallocated corporate expenses					220482	479621
Operating Profit					(1248731)	(5162762)
Interest expense					(13500373)	(12333884)
Interest income					105234	105205
Income Tax					—	—
Profit from ordinary activities					(14643870)	(17391441)
Extraordinary Loss	—	—	13810947	—	13910947	—
Uninsured earthquake damage to factory						
Net Profit					(28554817)	(17391441)
<b>OTHER INFORMATION</b>						
Segment assets	28926760	30744436	24955999	39211624	53882759	69956058
Unallocated corporate assets					5919687	7199626
Total assets					59802446	77155684
Segment liabilities	4342352	4805022	81876527	78553182	88018879	83358204
Unallocated corporate liabilities					79888824	71626921
Total liabilities					165907703	154985125
Capital expenditure						
Depreciation	1620878	1620878	868364	906218	2489242	2527096
Non-cash expenses other than depreciation	—	—	134591	201886	134591	201886
<b>INFORMATION ABOUT SECONDARY BUSINESS SEGMENT</b>						
		PONDY		CHENNAI		TOTAL
Revenue by Geographical Market		6729290		—		6729290
Segment Assets		28926760		24955998		53882759
Capital expenditure		—		—		—

#### Notes:

- The Company has identified Business Segment as the primary segment and Geographical segment as the secondary segment for disclosure.
- The business segments identified are Radiators and Oil Coolers.  
The following are the activities considered under each business segment.
  - Radiators includes manufacturing and Automobile Radiators.
  - Oil Coolers includes manufacturing of Plate Type Oil Coolers.
- The Geographical Segments considered for disclosure is Chennai and Pondicherry. All the manufacturing facilities are located in respective locations. Geographical segments are segregated based on the location of assets.
- Segment Revenue and Segment Expenses include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- Segmental assets include all operating assets used by the respective segment and principally consists of operating cash, debtors, inventories and fixed assets, net of allowances and provisions. Segmental liabilities include all operating liabilities and primarily consist of creditors and accrued liabilities. Segment assets and liabilities do not include income tax assets and liabilities. Assets and liabilities that cannot be allocated to the business segment are shown as part of unallocated corporate assets and liabilities respectively.

#### 16. Related party Disclosures:

Related Parties wherein there exists control:

Mr. V.Chidambaram

Related Party relationships:

Unsecured Loan given by Mr. V.Chidambaram outstanding as on 30.9.2002, Rs.1,19,93,711. Interest has been provided for the same.

Fixed Deposit given by Mr. V.Chidambaram outstanding as on 30.9.2002, Rs.4,31,250.

# INDIA RADIATORS LIMITED

17. The Accounting standard AS-22 'Accounting for taxes on income' has come into effect from April 1, 2001 and accordingly the provision for deferred tax liability has been made. Consequently the cumulative net deferred tax liability up-to March, 2001 amounting to Rs.42.50 lacs has been charged to Profit and Loss Account on April 1, 2001. A sum of Rs.2 lacs has been charged to the Profit & Loss account with the Deferred Tax Liability relating to previous years consequent to developments during the year. Deferred tax asset has not been recognised as the Company is of the opinion that there is no evidence to justify realization of the same in view of the losses of the Company.

Deferred tax liability arising out of timing difference relating to Depreciation Rs.44.51 lakhs.

18. Earning per share	30.9.2002	30.9.2001
Profit/(Loss) after taxation as per Profit & Loss Account	(285.56)	(173.91)
No. of Shares used in computing earnings per share	9,00,000	9,00,000
Earnings per share - Basic and diluted (in rupees)	(31.7)	(19.32)
Face value per share (in rupees)	10	10
19. Debtors include a sum of Rs.3,42,610 due from TATA Cummins Limited, which is subject to reconciliation.		
20. A sum of Rs.6,20,000 held as Margin Deposit with Catholic Syrian Bank has been adjusted against liability towards acceptances and is subject to confirmation by the bank.		
21. Previous period figures have been regrouped wherever necessary.		

## B. QUANTITATIVE AND OTHER PARTICULARS

1. Installed Capacity and Actual Production	Installed Capacity		Actual Production			
	2001-02	2000-01	2001-02	2000-01		
	Nos.	Nos.	Nos.	Nos.		
Automobile Radiators, Heavy Duty Radiators and Heat Exchangers	75,600	75,600	—	—		
Heat Exchanger Unit - Pondicherry	50,000	50,000	7,010	4,893		
2. Particulars in respect of	Opening Stock		Closing Stock		Sales	
	Quantity	Value	Quantity	Value	Quantity	Value
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Automobile Radiators						
2001-02	39	1,78,999	39	1,78,999	—	—
2000-01		Not Quantifiable		Not Quantifiable		Not Quantifiable
Heat Exchangers						
2001-02	6	5,460	—	—	7,016	63,84,560
2000-01	—	—	6	5,460	4,887	44,47,170
3. Raw Materials Consumed	2001-02		2000-01			
	Quantity	Value	Quantity	Value		
	Kg.	Rs.	Kg.	Rs.		
C.R.Sheets (Nos.)	1,553	4,29,984	6,257	12,38,042		
Copper Strips	1,576	5,48,722	1,060	3,23,681		
C.R.Steel Sheets	18,546	4,83,158	8,468	2,59,762		
C.R.S.S. Coils	6,227	9,10,635	5,100	8,61,008		
4. a. Value of Imports on C.I.F Basis						
Raw Materials		2,18,096		9,01,840		
b. Expenditure in Foreign Currency during the year on account of Technical Know-how		2,24,353		25,746		
c. Value of Raw Materials, Spare Parts and Components consumed during the year						
Imported		4,29,984		12,38,042		
Indigenous		25,38,949		18,50,645		
Percentage of each to total Consumption						
Imported		14.48%		40.08%		
Indigenous		85.52%		59.92%		

G. Raja  
Director

T.V. Venugopal  
Director

K. Nadasundaram  
Director

For P.B.VIJAYARAGHAVAN & CO.  
Chartered Accountants  
P.B. Santhanakrishnan  
Partner

Place : Chennai  
Date : 31st December, 2002

T. Govindarajan  
Director

# INDIA RADIATORS LIMITED

## Balance Sheet Abstract & Company's General Business Profile as per part IV to Schedule VI of the Companies Act, 1956

### I. Registration Details

Registration No.	<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;"></td><td style="width: 20px; height: 20px;"></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>					9	6	3	State Code	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">8</td></tr> </table>	1	8
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Balance Sheet Date	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	3	0	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">9</td></tr> </table>	0	9	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><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;">0</td><td style="width: 20px; height: 20px; text-align: center;">2</td></tr> </table>	2	0	0	2	
3	0											
0	9											
2	0	0	2									
	Date	Month	Year									

### II. Capital Raised during the year [Amount Rs. in thousands]

Public Issue	Rights Issue																
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					N	I	L										
					N	I	L										
Bonus Issue	Private Placement																
<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;">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; 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										

### III. Position of Mobilisation and Deployment of Funds [Amount Rs. in 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;"></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;">9</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;">5</td></tr> </table>			1	7	9	4	3	5	<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;">1</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;">4</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr> </table>			1	7	9	4	3	5
		1	7	9	4	3	5										
		1	7	9	4	3	5										
<b>Sources of Funds</b>																	
Paid-up Capital	Reserves and Surplus																
<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;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>					9	0	0	0	<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;">7</td><td style="width: 20px; height: 20px; text-align: center;">6</td></tr> </table>						7	6	
				9	0	0	0										
					7	6											
Secured Loans	Unsecured Loans																
<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;">8</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">2</td></tr> </table>			8	4	9	2	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;"></td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">1</td></tr> </table>			2	6	7	4	1		
		8	4	9	2	2											
		2	6	7	4	1											
<b>Application of Funds</b>																	
Net Fixed Assets	Investments																
<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;">2</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">1</td></tr> </table>			2	9	7	5	1	<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;">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	
		2	9	7	5	1											
					N	I	L										
Net Current Assets	Miscellaneous 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;"></td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr> </table>			2	4	1	9	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;">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	
		2	4	1	9	3											
					N	I	L										
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;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">1</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><td style="width: 20px; height: 20px; text-align: center;">2</td></tr> </table>			1	1	9	6	3	2									
		1	1	9	6	3	2										

### IV. Performance of Company [Amount Rs. in 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;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr> </table>					5	8	3	5	<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;"></td><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;">5</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;">9</td></tr> </table>					3	5	3	8	9	
				5	8	3	5												
				3	5	3	8	9											
+ - 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;"></td><td style="width: 20px; height: 20px; text-align: center;">✓</td><td style="width: 20px; height: 20px;"></td><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;">8</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr> </table>		✓			2	8	5	5	5	<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;">✓</td><td style="width: 20px; height: 20px;"></td><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;">8</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr> </table>		✓			2	8	5	5	5
	✓			2	8	5	5	5											
	✓			2	8	5	5	5											
+ - Earnings Per Share 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; text-align: center;">✓</td><td style="width: 20px; height: 20px;"></td><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;">1</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr> </table>		✓			3	1	7	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;">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		
	✓			3	1	7	3												
					N	I	L												

### V. Generic Names of Three Principal Products / Service 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

G. Raja  
Director

T.V. Venugopal  
Director

K. Nadasundaram  
Director

For P.B.VIJAYARAGHAVAN & CO.  
Chartered Accountants  
P.B. Santhanakrishnan  
Partner

Place : Chennai  
Date : 31st December, 2002

T. Govindarajan  
Director

# INDIA RADIATORS LIMITED

## ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT CASH FLOW STATEMENT FOR THE PERIOD ENDED 30.9.2002

		30.9.2002 (Rs.)	30.9.2001 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Tax and Extraordinary Items		(2,85,54,817)	(1,73,91,441)
Add: Depreciation	24,89,242		25,27,097
Loss on sale of fixed assets	—		1,978
Interest charges	1,35,00,373		1,23,33,884
Share issue expenses written off	—		—
Exchange currency fluctuation	36,659		50,687
Bad debts written off	1,08,20,914		—
Small tools written off	1,34,591		2,01,886
Stock written off	30,90,033		—
Amounts not recoverable written off	—		17,34,717
	<u>3,00,71,812</u>		<u>1,68,50,249</u>
Less: Interest income	1,05,234		1,05,205
Creditors & Provision no longer required written back	—		11,80,728
Profit on sale of assets	—	2,99,66,578	15,772
<b>Operating Profit before working capital changes</b>		<u>14,11,761</u>	<u>(18,42,897)</u>
Trade and other receivables	(4,68,060)		99,35,711
Trade and other payables	(7,88,535)		(63,39,417)
Inventories	1,60,999	(10,95,596)	6,95,229
<b>Cash generated from operations</b>		<u>3,16,165</u>	<u>24,48,626</u>
Tax refund received	—		—
<b>Net Cash flow from operating activities before extraordinary items</b>		<u>3,16,165</u>	<u>24,48,626</u>
Exchange currency fluctuation (net)	(36,659)		(50,687)
<b>Net Cash Flow from operating activities</b>		<u>2,79,506</u>	<u>23,97,939</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Purchase of Fixed Assets (Includes Capital WIP)	—		—
Sale of fixed assets	—		—
Interest received	1,05,234		20,100
<b>Net Cash from investing activities</b>		<u>1,05,234</u>	<u>20,100</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings	—		—
Proceeds from Unsecured loans	—		—
Increase in Working Capital	1,32,981		—
Interest paid	(19,22,240)		(16,66,900)
<b>Net Cash used in financing activities</b>		<u>(17,89,259)</u>	<u>(16,66,900)</u>
<b>D. Net Increase/(Decrease) in cash flow</b>		<u>(14,04,519)</u>	<u>7,51,139</u>
<b>E. Opening Cash &amp; Cash Equivalents</b>		<u>28,65,849</u>	<u>21,14,710</u>
<b>F. Closing Cash &amp; Cash Equivalents</b>		<u>14,61,330</u>	<u>28,65,849</u>

G. Raja  
Director

T.V. Venugopal  
Director

K. Nadasandaram  
Director

For P.B.VIJAYARAGHAVAN & CO.  
Chartered Accountants  
P.B. Santhanakrishnan  
Partner

Place : Chennai  
Date : 31st December, 2002

T. Govindarajan  
Director

### AUDITORS' CERTIFICATE

We have examined the above cash flow statement for the year ended 30th September, 2002. The Statement has been prepared by the Company in accordance with the requirements of listing agreement (clause 32) with Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our Report of even date to the members of the Company.

Place : Chennai  
Date : 31st December, 2002

For P.B.VIJAYARAGHAVAN & CO  
Chartered Accountants  
P.B. Santhanakrishnan  
Partner