

# **INDIA RADIATORS LIMITED**

**67<sup>th</sup> ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**BOARD OF DIRECTORS**

T Govindarajan	Director (DIN: 02603986)
B Narendran	Director (DIN: 01159394)
E N Rangaswami	Director (DIN: 06463753)
Rita Chandrasekar	Director (DIN: 03013549)
K Nadanasundaram	Whole-time Director (DIN: 02135505)

**AUDIT COMMITTEE**

Rita Chandrasekar	Chair person
T Govindarajan	Member
B Narendran	Member
E N Rangaswami	Member

**CHIEF FINANCIAL OFFICER**

R Subbaraya Davey

**COMPANY SECRETARY & COMPLIANCE OFFICER**

P Subramanyam

**AUDITORS**

Venkatesh & Co.,  
Chartered Accountants  
151, Mambalam High Road,  
T. Nagar, Chennai-600 017

**BANKER**

ICICI Bank  
Nungambakkam Branch.  
Chennai - 600034

**REGISTERED OFFICE**

South India House  
36-40, Armenian Street,  
Chennai – 600 001.  
E-Mail: cs@indiaradiators.com  
www.indiaradiators.com

**ADMINISTRATIVE OFFICE**

88, Mount Road,  
Guindy,  
Chennai - 600 032

**FACTORY**

6, Ambattur Road,  
Puzhal,  
Chennai – 600 066

PIPDIC Industrial Estate,  
Sedarpet,  
Pondicherry – 605 111

**REGISTRARS & SHARE TRANSFER**

**AGENT** M/s.Cameo Corporate Services  
Limited Unit: India Radiators Limited  
No.:1, Club House Road,  
Subramanian Building, 5<sup>th</sup> Floor  
Chennai - 600 002

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# INDIA RADIATORS LIMITED

CIN L27209TN1949PLC000963

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

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty Seventh Annual General Meeting of INDIA RADIATORS LIMITED will be held on Wednesday the 12 July 2017 at 9.30 AM at ICSA Programme Centre, Jivana Jyothi Building, No.107, Pantheon Road, Egmore, Chennai -600008 to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the year ended 31 March 2017 and the Reports of Directors and Auditors thereon.

**"RESOLVED THAT** Pursuant to Section 129 and other applicable provisions, if any, of the Companies Act, 2013, the financial statements of the Company together with the Reports of the Directors, Auditors thereon and the report of Secretarial Auditor as circulated to the members and presented to the meeting be and are hereby considered and adopted".

2. To appoint a Director in place of Mr. E N Rangaswami (DIN: 06463753 ), who retires at this meeting and being eligible, offers himself for re-appointment by passing the following as an Ordinary Resolution:

**"RESOLVED THAT** Pursuant to Section 152 and other applicable provisions, if any of the Companies Act 2013, Mr. E N Rangaswami (DIN: 06463753), Director who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company."

3. To ratify the appointment of Auditors by passing the following as an Ordinary Resolution:

**"RESOLVED THAT** Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the re-appointment of M/s Venkatesh & Co., Chartered Accountants, Chennai (Registration No. 0046365), as the Auditors of the Company to hold office, from the conclusion of this annual general meeting till the conclusion of the next annual general meeting, for the fourth year in the first term of five years as recommended by the Board of Directors of the Company is ratified at a remuneration of Rs. 50,000."

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications(s) the following resolution as an **Special Resolution**:

**"RESOLVED FURTHER THAT** pursuant to Sections 196 and 197 read in conjunction with the Schedule V, and other applicable provisions, if any, of the Companies Act, 2013 the Company hereby accords its consent and approval for the reappointment of Mr. K Nadasundaram (DIN: 02135505) as Whole-time Director of the Company for a period of One year from 13 November 2016 to 12 November 2017 on the following terms and conditions and notwithstanding that he has attained the age of 70 years.

- i. Basic Salary at the rate of Rs. 25,000 (Rupees twenty five thousand only) per month.
- ii. Leave on full pay and allowance, as per the rules of the Company, but not more than one month's leave for eleven months of service. However, leave accumulated but not availed will not be allowed to be encashed.
- iii. No Sitting Fees shall be paid to the Whole Time Director for attending meeting of the Board of Directors or any Committee of the Board.
- iv. Reimbursement of expenses incurred for travelling, boarding and lodging including for his attendant(s) during business trips; provision of car for use on the Company's business; shall be reimbursed and not considered as perquisites.
- v. In the event of inadequacy or absence of profits during the term of the Agreement, the Whole-time director shall be entitled to the aforesaid remuneration as Minimum Remuneration and the same subject to the provisions of the applicable laws and approval of the Central Government or such other approvals as may be required under the relevant laws.

**RESOLVED FURTHER THAT** the Board, including any Committee thereof, be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the aforesaid resolution."

5. To consider and if thought fit, to pass with or without modifications(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), and other enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, required from any authority, the Authorized Share Capital of the Company be amended by increasing the existing share capital of Rs. 2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 Equity Shares of Rs.10/- each to Rs. 18,00,00,000 /- (Rupees Eighteen Crores only) divided into 20,00,000 Equity Shares of Rs.10/- each and 1,60,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each (Rupees Ten only) for the purposes of issuance and allotment of Preference shares of the Company at par".

6. To consider and if thought fit, to pass with or without modifications(s) the following resolution as a **Ordinary Resolution**:

**RESOLVED THAT** pursuant to Section 13 and other applicable provisions of the Companies act 2013, (including any statutory modification or re-enactment thereof, for the time being in force) the existing clause V of Memorandum of Association of the Company be substituted with the following clause:

Clause V – Memorandum of Association.

- V. The Authorised share capital of the Company is Rs. 18,00,00,000 /- (Rupees Eighteen Crores only) divided into 20,00,000 Equity Shares of Rs.10/- each and 1,60,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each.

7. To consider and if thought fit, to pass with or without modifications(s) the following resolution as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 55 and 62 such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as amended from time to time and subject to the Memorandum and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board") or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, consent of the Company be and is hereby accorded to the Board to issue at par, 1,60,00,000 9% Cumulative Redeemable Preference Shares ("CRPS") of 10 /- on a preferential basis on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting"

"RESOLVED FURTHER that in accordance with the provisions of Section 55 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, the particulars in respect of allotment are, as under:

- (i) CRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital;
- (ii) CRPS shall be non participating in the surplus funds;
- (iii) CRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;
- (iv) Holders of CRPS shall be paid dividend on a cumulative basis;
- (v) CRPS shall not be convertible into equity shares;
- (vi) CRPS shall carry voting rights as per the provisions of Section 47(2) of the Act; and
- (vii) CRPS shall be redeemable."

"RESOLVED FURTHER that the Board, be and is hereby authorized to do all such acts, deeds and things and take all such steps and actions, execute all such deeds, documents and writings and also give such directions and delegations, as it may in its absolute discretion deem fit, including paying such fees and incurring such other expenses in relation thereto and file documents, forms, etc. as required with the regulatory/ statutory authorities and authorize the officials of the company for the aforesaid purpose, as deemed fit."

By Order of the Board  
For **India Radiators Limited**

**K NADANASUNDARAM**  
(DIN: 02135505)  
Whole-time Director

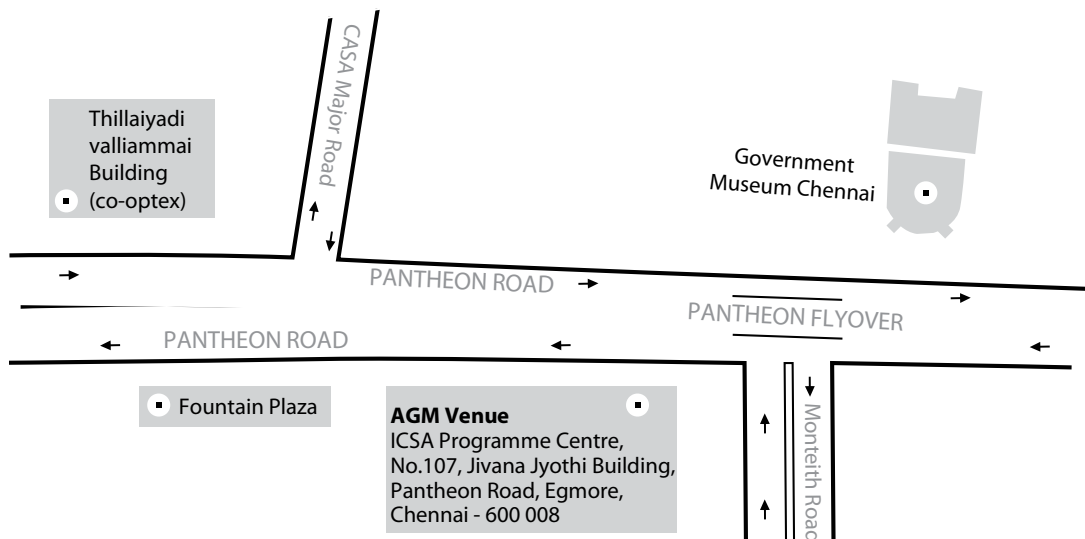
Place : Chennai

Date : 29 May 2017

## NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and the Transfer Books will remain closed from 06 July 2017 to 12 July 2017 both days inclusive.
3. Members are requested to bring their copies of Annual Report.
4. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members facility to cast their vote electronically on all resolutions set forth in this Notice through remote e-voting services provided by Central Depository Services (India) Limited (CDSL).
5. The Company has appointed Mr. R Kannan, Practising Company Secretary as the scrutinizer for E-voting
6. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.
7. The share holding of the Members will be reckoned as on the date of 05 July 2017 for the purpose of E-voting.
8. As per SEBI directive, submission of self attested PAN copy of transferee/ legal heir including joint holders, if any is mandatory for registration of transfer / transmission / transposition of shares. Hence the respective transferee/ legal heir including joint holders are requested to attach their self attested PAN copy to Company/RTA while lodging the documents for registration
9. Members those who hold share(s) in physical form are requested to notify immediately any change in their address to the Company/ RTA.
10. Shareholders are aware that, the Ministry of Corporate Affairs has allowed Companies to send Notices for meetings and other shareholders correspondences in electronic form. Hence the Shareholders are requested to register their E-mail ID's with the Registrars of the Company by submitting EARF( E-mail address Registration Form).

## Route Map and Land Mark



## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No 4

#### BRIEF PROFILE OF DIRECTOR SEEKING REAPPOINTMENT

Mr. K Nadasundaram (DIN: 02135505), was appointed as a Whole Time Director (WTD) of the company with effect from 13 November 2016 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013, subject to approval of the Members. Hence, his re-appointment needs to be approved by a special resolution passed by the members of the Company, as he has attained the age of 70 years.

##### 1. Background details

He is an Engineering Graduate (Mechanical) and has over 40 years of vast experience in the field of Factory Management, Industrial Engineering and Business Administration and considering his long association with the Company, in the opinion of the board, he is suitable for the said position.

He is not holding directorship in any other company.

##### 2. Past Remuneration

Rs. 25,000/- (Rupees Twenty five thousand only) per month.

##### 3. Job profile and suitability

The WTD will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the directions given by the Board from time to time in all respects and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall supervision of the Board of Directors.

The WTD shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel

##### 4. Remuneration proposed to the Appointee

The remuneration proposed to be paid to Mr. K Nadasundaram has been approved by the Nomination and Remuneration committee and the Board of Directors at its meeting held on 10 November 2016.

##### 5. Comparative remuneration profile with respect of industry, size of the Company, profile of the position and person

The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.

##### 6. Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel, if any

Mr. K Nadasundaram has no pecuniary relationship directly or indirectly, with the Company (except to the extent of the remuneration received / receivable by him from the Company).

The Board recommends the adoption of this Resolution as a Special Resolution. None of the Directors of your Company is concerned or interested in this resolution other than Mr. K Nadasundaram, Director.

### Item No 5 & 6

The present authorized share capital of the company is Rs 2,00,00,000 .The Authorized Share Capital of the company is proposed to be increased to 18,00,00,000 with the introduction of 1,60,00,000 9% Cumulative Redeemable Preference shares.

The resolutions contained in Item No 5 & 6 seek to increase the Authorised Share Capital of the Company as aforesaid and to alter the Memorandum of Association of the Company , respectively , consequent to such increase in the authorized share capital of the company as proposed.

The proposal requires the consent of the members . The Board of directors recommends that the proposal be approved.

### Item No 7

The company has already received Rs 10.32 crores as Share capital advance from Mercantile Ventures Limited as at 31 March 2017 and further funds are to be infused by the investor in the near future It is now proposed to issue 1,60,00,000 9% Cumulative Redeemable preference shares (CRPS) of Rs 10 each at par on a preferential basis.

The disclosures required under rule 9 (3) of the Companies (Share capital and Debentures) Rules 2014 are as follows:

- i) The CRPS shall be cumulative, non participating and non- convertible.
- ii) The objects of the preferential issue: The company has already received share capital advance of Rs 10.32 crores from the investor to settle the dues to banks and creditors and further funds are to be infused by the investor in the near future. It is now proposed to issue preference shares to the investor.

- iii) Manner of issue: Cumulative Redeemable Preferential Shares shall be issued by way of preferential allotment on private placement basis.
- iv) Total number of securities to be issued, price which the allotment is proposed: 1,60,00,000 9% Cumulative Redeemable Preference shares having face value of Rs.10/- (Rupees Ten Only) at par, for an aggregate amount of Rs.16,00,00,000/- (Rupees Sixteen Crore Only).
- v) Basis on which the price has been arrived at: Not applicable as preference shares are being issued at par.
- vi) Terms of Issue : Preference Shares shall carry a dividend of 9% per annum on cumulative basis
- vii) Manner and term of Redemption : Preference shares are redeemable at par at the end of 5 years from out of internal accrual of the company or out of the proceeds of a fresh issue of shares made for the purpose of redemption.
- viii) Expected dilution in Equity capital upon conversion of preference shares : Nil, since the CRPS are non- convertible
- ix) Shareholding Pattern as on 18 May 2017 is, as under

Equity Shares ( Face Value : Rs 10)

S.NO	CATEGORY OF MEMBER	NO OF SHARES	AMOUNT (IN RS)	PERCENTAGE(%)
1	<b>PROMOTER – INDIAN</b>			
	INDIVIDUALS	3,09,524	30,95,240	34.39
	BODY CORPORATE	14,321	1,43,210	1.59
	<b>PROMOTER – FOREIGN</b>			
	INDIVIDUALS	21,857	2,18,570	2.43
2.	<b>PUBLIC SHAREHOLDING</b>			
	INSTITUTIONS	46,165	461650	5.13
	NON – INSTITUTIONS			
	BODY CORPORATE	92,032	9,20,320	10.23
	INDIVIDUALS	4,13,000	41,30,000	45.89
	NON RESIDENT INDIANS	3,101	31,010	0.34
	<b>TOTAL</b>	9,00,000	90,00,000	100.00

None of the Directors and Key Managerial Personnel along with their relatives may be deemed to be concerned or interested in the aforesaid resolution except to the extent of their shareholding, if any.

By Order of the Board  
For **India Radiators Limited**

**K NADANASUNDARAM**  
(DIN: 02135505)  
Whole-time Director

Place : Chennai  
Date : 29 May 2017

**The instructions for shareholders voting electronically are as under:**

1. The voting period begins on 09 July 2017 and ends on 11 July 2017. E-Voting system will be available at all time except between 00:00 to 01:00 (IST). During this period shareholders of the Company to whom notice of the AGM have been despatched electronically or physically by registered post or courier, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - i. Click on Shareholders.

- ii. Now Enter your User ID
- iii. For CDSL: 16 digits beneficiary ID,
- iv. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- v. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

PAN	10 digit PAN issued by the Income Tax Department, if the same has been registered with the DP or as the case may be with the Company.  For Members who have not registered their PAN, the first two letters of their name followed by the eight digits Serial Number printed on the address slip shall be entered in the PAN Field.
*Date of Birth	Date of Birth as registered with the DP or as the case may be with the Company in DD/MM/YYYY format.
*Bank Details	Enter the Bank details as recorded in your demat account are in the Company records for the said demat account are folio

- ix. Click Submit for further processing. If the password entered is incorrect, system will not allow the login and you will have to repeat the process under (e) above until the proper password is entered.
  - x. Members holding shares in physical form will be directed to the "Company Selection" menu.
  - xi. Members holding shares in demat form and participating in e-voting through [www.evotingindia.com](http://www.evotingindia.com) for the first time will be required mandatorily to create their own password to proceed with the e-voting process. The new password shall be used by them for any future e-voting on CDSL Platform. After completion of the new password creation, they will be directed to the Company Selection Menu.
  - xii. Click on the EVSN for **India Radiators Limited** and you will be directed to the E-Voting Screen.
  - xiii. The Description of the Resolutions as set out in the Notice of the Meeting and the voting options "YES/NO" will be displayed for each of the resolutions on this Screen for voting.
  - xiv. Click on the "Resolutions File Link" if you wish to view the full description of the resolutions.
  - xv. Select the option YES or NO for each of the item as desired by you. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - xvi. After selection, click on SUBMIT and a confirmation box will be displayed. If you wish to confirm and complete the voting press OK, else press CANCEL to change your vote.
  - xvii. Once you CONFIRM your vote on the resolution, you will not be allowed to modify your vote.
  - xviii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
4. Voting through electronic means would be on the basis of proportion of shares held by the member viz., on "one-share one-vote" basis.
  5. For any queries or issues regarding e-voting, please refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



## BOARD'S REPORT

Your Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2017.

## REVIEW OF OPERATIONS

During the financial year ended 31 March 2017 the company has reported a loss of Rs. 24.86 lakhs as against a Profit of Rs.83.78 lakhs in the previous year.

## FINANCIAL RESULTS

(Rs. In Lakhs)

Description	2016-17	2015-16
Income from Operations	3.62	5.43
Profit/(Loss)Before Depreciation	(23.12)	87.22
Depreciation	3.16	3.16
Net Profit/(Loss) before Provision for Tax	(26.28)	84.06
Deferred Tax (Liability) / asset	1.42	(0.28)
Profit after Tax	(24.86)	83.78

## DIVIDEND

Your Directors have not recommended any dividend in view of the losses incurred by the Company.

## FIXED DEPOSIT

The Company has neither accepted nor renewed any deposits during the year under review.

## MATERIAL CHANGES AND COMMITMENT,

No material changes and commitments affecting the financial position of the Company occurred between the period to which this financial statement relates and the date of this report.

## RISK MANAGEMENT POLICY

The Company has not adopted any Risk Management Policy since it is not applicable as per the applicability regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

## CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the Company for the current financial year.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans, guarantees or made any investments under Section 186 of the Companies Act, 2013 during the year ended 31 March 2017.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Company has not entered into any contracts or agreements with related parties during the year ended 31 March 2017.

## EXPLANATIONS ON QUALIFICATIONS MADE BY THE AUDITORS IN THEIR REPORTS

With regard to the auditors observation on erosion of networth, the company has proposed to allot preference shares to the investor after getting the necessary statutory approvals. After allotment of preference shares the networth of the company will increase significantly and is expected to turn positive in the near future.

## COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of directors, payment of Managerial remuneration, directors qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is uploaded in the website of the company in the following links:

<http://www.indiaradiators.com/files/Criteria%20for%20Independent%20Director%20appointment.pdf>

<http://www.indiaradiators.com/files/Remuneration%20Policy.pdf>

The Remuneration policy also forms part of the Corporate Governance report.

## MEETINGS

During the year under review four Board meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of constitution of the Board and its Committees are given in the Corporate Governance Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### FUTURE OUTLOOK

The Company had filed a Draft Rehabilitation Scheme with BIFR which has become infructuous in view of the repealing of SICA and the proceedings before BIFR stand abated. The company is evaluating various options available and appropriate action will be taken in course of time.

### OPPORTUNITIES AND THREATS

Even though Indian economy is experiencing a slow growth phase, the long term prospects for Automobile industry continues to be attractive.

Due to change in technology and market recession, company's machinery and equipments is outdated. The company will revive the business with the funds infused by the investor.

### RISKS & CONCERNS

The company's factory is situated in Puzhal, Chennai in an area of 7.1 acres. The archaeological survey of India (ASI) has declared an area of about 90 acres in puzhal as monument and the periphery of the declared area is upto the fence of our land and consequently our factory is within the prohibited area. As per the ASI Act no new construction can be done and only repair work is permitted to the existing buildings

### INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Company's Internal Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable accounting standards and policies.
- Compliance with applicable statutes, management policies and procedures.
- Effective use of resources and safeguarding of assets.

The Internal audit was carried out periodically by a practicing chartered accountant. The observations arising out of the audit are periodically reviewed and compliance ensured. The summary of the internal audit observations and management responses are submitted to the Board after review by the Audit Committee.

### DIRECTORS' RESPONSIBILITY STATEMENT

**In accordance with the provisions of section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:-**

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year ended 31 March 2017;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively. Internal financial control means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DIRECTORS

The Company's Board comprises of the following directors at present:

Mr. T Govindarajan

Mr. B Narendran

Mr. E N Rangaswami

Ms. Rita Chandrasekar

Mr. K Nadanasundaram

At the 65th Annual General Meeting held on 23 Sep 2015 Mr. B Narendran, Mr. T Govindarajan and Ms. Rita Chandrasekar were appointed as independent directors of the Company for a period of five years under Section 149 of the Companies Act, 2013 (the new Act). It is their third year in the first term of five years as Independent directors.

Mr. E N Rangaswami, Director is liable to retire by rotation in the ensuing Annual General Meeting.

#### **COMMITTEES OF THE BOARD**

Currently, the Board has three Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee

A detailed note on board and its committees is provided in the Corporate Governance Report.

#### **KEY MANAGERIAL PERSONNEL**

The Key Managerial personnel of the Company are:

Mr. K Nadanasundaram - Whole-time Director

Mr. R Subbaraya Davey - Chief Financial Officer

Ms L Nirmala - Company Secretary (Till 28 February 2017)

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013, so as to qualify themselves for the continuance as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Boards' performance and performance of the Non-independent Director were considered/evaluated by the independent directors at their meeting without the participation of the non-independent director and key managerial personnel.

They also assessed the quality, quantity and flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform its duties.

Pursuant to the provisions of the Companies act, 2013 and regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various committees.

#### **AUDITORS**

M/s. Venkatesh & Co, Chartered Accountants were appointed as the statutory auditors of the company at the 65th AGM to hold office till the conclusion of the 69th AGM to be held in the year 2019. Their re-appointment has to be ratified at every AGM. In compliance with the sec 139 of the Companies Act, 2013, it is proposed to seek the ratification of the members for their appointment.

#### **SECRETARIAL AUDIT REPORT**

Mr. R Kannan, Company Secretary in practice has been appointed by the Board of directors to undertake the Secretarial Audit for the year ended 31 March 2017. The Report of the Secretarial auditor is annexed to this report.

#### **CORPORATE GOVERNANCE**

A report on Corporate Governance as stipulated under Schedule V and Regulation 34(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite certificate from a practicing company secretary confirming compliance with the conditions of corporate governance as stipulated is annexed to the Corporate Governance report.

#### **AUDIT COMMITTEE AND WHISTLE BLOWER POLICY**

As provided in section 177(8) of the Act, the information about composition of Audit Committee and other details are given in the corporate Governance report, forming part of this report. The Board has accepted the recommendations of the Audit Committee. The Audit Committee comprises of Ms. Rita Chandrasekar as chairperson and Mr. T Govindarajan, Mr. B Narendran and Mr. E N Rangaswami as members.

The Company's paid up capital is less than Rs.10 Crore and networth is less than Rs.25 Crore and hence adoption of Whistle Blower Policy is not mandatory.

#### **SHARES**

The Company has not bought back any of its shares during the year under review. The Company also has not issued any sweat equity shares, bonus shares or stock option scheme during the year under review.

## ANNUAL RETURN

The extracts of annual return in Form MGT 9 pursuant to the provisions of Section 92 read with rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to this report.

## TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### Conservation of Energy and Technical Absorption:

The business of the Company is manufacture of Automobile components. The particulars prescribed under Section 134 of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to conservation of energy and technology absorption is not applicable to the limited business operation of the Company.

### Foreign Exchange Earnings:

Foreign Exchange Inward – NIL

Foreign Exchange Outward - NIL

## PARTICULARS OF EMPLOYEES

The Company has no employees whose salary exceeds the limits as prescribed under Rule(5)(2) of Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014.

## INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the year ended 31 March 2017.	Mr. K Nadasundaram, Whole-time Director	0.83
The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the year ended 31 March 2017.	Mr. K Nadasundaram, Whole-time Director	Nil
	Mr. R Subbaraya Davey, Chief Financial Officer	7.89%
The percentage increase in the median remuneration of employees in the financial year ended 31 march 2017		10.81%
The number of permanent employees on the rolls of Company – as on 31 March 2017		2
The explanation on the relationship between average increase in remuneration and Company performance.	Profit (Loss) After Tax (Rs. lakhs)	(24.86)
	Average increase in Remuneration	10.81%
Comparison of the remuneration of the key managerial personnel against the performance of the Company	Profit (Loss) After Tax (Rs. lakhs)	(24.86)
	Remuneration of Key Managerial Personnel (Rs.in Lakhs)	10.27
Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current period and percentage increase over decrease in the market quotations of the shares of the company	Shares not traded during the year	
Price Earnings Ratio	Not Applicable	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	Not applicable	

## AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY.

Company is adopting remuneration guidelines for fixing the remuneration as per the policies laid down by the Nomination and Remuneration Committee.

## ACKNOWLEDGEMENT

Your directors express their grateful thanks for the assistance, co-operation and support extended to the Company by Promoters, shareholders and the bankers for their continued support. The Directors also place on record their appreciation of the good work put in by the employees of the company.

Place : Chennai  
Date: 29 May 2017

For and on behalf of the Board  
**K Nadasundaram**  
Whole-time Director  
DIN: 02135505

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L27209TN1949PLC000963
2	Registration Date	05/01/1949
3	Name of the Company	India Radiators Limited
4	Category/Sub-category of the Company	Public / Listed
5	Address of the Registered office & contact details	South India House,36-40,Armenian Street,Chennai - 600001 Ph- 044- 40432205/09
6	Whether listed company	Yes(Suspended trading)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited Subramanian Building #1, Club house road Chennai- 600 002 Ph- 044-28460390/95

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Automotive Components	29301	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable**

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	307024	307024	34.11	-	309524	309524	34.39	0.28
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	14321	14321	1.59	-	14321	14321	1.59	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	-	<b>321345</b>	<b>321345</b>	<b>35.70</b>	-	<b>323845</b>	<b>323845</b>	<b>35.98</b>	<b>0.28</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	21857	21857	2.43	-	21857	21857	2.43	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	<b>21857</b>	<b>21857</b>	<b>2.43</b>	-	<b>21857</b>	<b>21857</b>	<b>2.43</b>	-
<b>TOTAL (A)</b>	-	<b>343202</b>	<b>343202</b>	<b>38.13</b>	-	<b>345702</b>	<b>345702</b>	<b>38.41</b>	<b>0.28</b>

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	25	25	-	-	25	25	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	46140	46140	5.13	-	46140	46140	5.13	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>46165</b>	<b>46165</b>	<b>5.13</b>	-	<b>46165</b>	<b>46165</b>	<b>5.13</b>	-
2. Non-Institutions									
a) Bodies Corp.	-	92032	92032	10.23	-	92032	92032	10.23	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	415500	415500	46.17	-	413000	413000	45.89	(0.28)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others - HUF	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	3101	3101	0.34	-	3101	3101	0.34	-
<b>Sub-total (B)(2):-</b>	-	<b>510633</b>	<b>510633</b>	<b>56.74</b>	-	<b>508133</b>	<b>508133</b>	<b>56.46</b>	<b>(0.28)</b>
<b>Total Public (B)</b>	-	<b>556798</b>	<b>556798</b>	<b>61.86</b>	-	<b>554298</b>	<b>554298</b>	<b>61.59</b>	<b>(0.28)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>900000</b>	<b>900000</b>	<b>100.00</b>	-	<b>900000</b>	<b>900000</b>	<b>100.00</b>	-

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VENKATACHALAM C	21857	2.43%	-	21857	2.43%	-	-
2	SOUTH INDIA RADIATORS PRIVATE LTD	14321	1.59%	-	14321	1.59%	-	-
3	SEETHA CHIDAMBARAM	307,024	34.11%	-	309524	34.39%	-	0.28

(iii) Change in Promoters' Shareholding : Due to Correction of Pan there is a change in promoter shareholding.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>South India House Investments Ltd</b>				
	At the beginning of the year	47,188	5.24%	47,188	5.24%
	Changes during the year	-	-	-	-
	At the end of the year	47,188	5.24%	47,188	5.24%
<b>2</b>	<b>BEHR GMBH &amp; CO</b>				
	At the beginning of the year	46,140	5.13%	46,140	5.13%
	Changes during the year	-	-	-	-
	At the end of the year	46,140	5.13%	46,140	5.13%
<b>3</b>	<b>The New India Assurance Co Ltd</b>				
	At the beginning of the year	37,888	4.21%	37,888	4.21%
	Changes during the year	-	-	-	-
	At the end of the year	37,888	4.21%	37,888	4.21%
<b>4</b>	<b>Appa Rao M S</b>				
	At the beginning of the year	5,970	0.66%	5,970	0.66%
	Changes during the year	-	-	-	-
	At the end of the year	5,970	0.66%	5,970	0.66%
<b>5</b>	<b>Vijaychand Shirimal</b>				
	At the beginning of the year	5,000	0.56%	5,000	0.56%
	Changes during the year	-	-	-	-
	At the end of the year	5,000	0.56%	5,000	0.56%
<b>6</b>	<b>Narasimha Rao CH</b>				
	At the beginning of the year	4,500	0.50%	4,500	0.50%
	Changes during the year	-	-	-	-
	At the end of the year	4,500	0.50%	4,500	0.50%
<b>7</b>	<b>Devaki Muthia</b>				
	At the beginning of the year	3,651	0.41%	3,651	0.41%
	Changes during the year	-	-	-	-
	At the end of the year	3,651	0.41%	3,651	0.41%
<b>8</b>	<b>Blue Lagoon Motors and Properties</b>				
	At the beginning of the year	3,590	0.40%	3,590	0.40%
	Changes during the year	-	-	-	-
	At the end of the year	3,590	0.40%	3,590	0.40%
<b>9</b>	<b>Narayanan Chettiar S RM S</b>				
	At the beginning of the year	3,000	0.33%	3,000	0.33%
	Changes during the year	-	-	-	-
	At the end of the year	3,000	0.33%	3,000	0.33%
<b>10</b>	<b>Nazuruddin M S</b>				
	At the beginning of the year	3,000	0.33%	3,000	0.33%
	Changes during the year	-	-	-	-
	At the end of the year	3,000	0.33%	3,000	0.33%

Shareholding of each Directors and each Key Managerial Personnel - Not applicable

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount		355.73		355.73
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
Total (i+ii+iii)	-	355.73	-	355.73
<b>Change in Indebtedness during the financial year</b>				
* Addition				-
* Reduction/Interest Written Back				-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	355.73		355.73
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>		<b>355.73</b>	-	<b>355.73</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

SN.	Particulars of Remuneration	Name of MD/MTD/ Manager
	Name	K Nadasundaram
	Designation	Whole-time Director
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	
5	Others, please specify	-
	Total (A)	3.00
	Ceiling as per the Act	30.00



**B. Remuneration to other Directors - Not applicable****C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd****(Rs. in Lacs)**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
	Name	R Subbaraya Davey	L Nirmala (Till Feb 2017)	
	Designation	CFO	Company Secretary	
1	Gross salary	2.87	4.41	7.28
	(a) Salary as per provisions contained in section 17(1) of	-	-	-
	(b) Value of perquisites u/s	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit			
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	2.87	4.41	7.28

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

## SECRETARIAL AUDIT REPORT

FOR THE PERIOD ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
India Radiators Limited  
South India House,  
36-40, Armenian Street,  
Chennai - 600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s India Radiators Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s India Radiators Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period ended on **March 31, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s India Radiators Limited ("the Company") for the period ended as at **March 31, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 2015;
  - f) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement)
- (v) In our opinion, the Company is engaged in job work relating to sub-assemblies of automobile components. The maximum turnover of the company during the past 3 years is not more than Rs.10 lakhs (per annum). The numbers of direct employees are less than 10. The company has renewed the license under the Factories act 1948. As such, we are of the opinion only the contract act is applicable. The company has also confirmed the same.

I have also examined compliance with the applicable regulations prescribed by the Listing (Obligations and Disclosure Requirements) Regulations, 2015.

Based on a review of the compliance reports by functional head of the company including the factory located in Pondicherry / Board of Directors of the Company, I report that the company has substantially complied with the provision of those Acts that are applicable to it such as the Factories Act 1948, Payment of wages Act 1936, Industrial Disputes Act 1947, Minimum Wages Act 1948, Employees Provident Fund and Miscellaneous Provisions act 1952, Employees State Insurance Act 1948, and others.

I have also examined compliance with the applicable clauses of the following:

- I. Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the institute of Company Secretaries of India (ICSI).
- II. The Listing Agreement entered into by the company with the Stock Exchange(s) namely Bombay Stock Exchange (BSE) and the Listing Obligations and Disclosure Requirements Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. Mentioned above subject to the following observations:

- 1) The trading of the equity share was suspended with BSE Limited and the company has to take necessary action to comply with as per the listing norms.
- 2) The company's shares were not dematerialised and it has not obtained connectivity with any of the depositories both CDSL and NSDL.

I report that there were no actions / events in pursuance of

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of audit, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with other applicable laws such as Labour Laws and Environmental Laws.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However I report that I have not carried out the audit with reference with the applicable Financial Laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.

Place : Chennai  
Date: 29 May 2017

**R Kannan**  
Practicing Company Secretary  
FCS No: 6718  
C P No: 3363

## CORPORATE GOVERNANCE REPORT (2016-17)

### 1. PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has implemented the guidelines and the existing practices and policies, which are significantly in conformity with the requirements stipulated by Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). The report covers the corporate governance aspects in your company relating to the year ended 31 March 2017.

### 2. BOARD OF DIRECTORS

#### a) Composition and membership in other Boards

As on 31 March, 2017, the Board of Directors of the Company comprised of five directors. The Board comprises of one executive director and four non-executive directors of which three are independent. The Board of Directors is responsible for the management of business of the Company and meets regularly for discharging its role and functions. All information as required under LODR are being made available to the Board.

During the year under review, four meetings of the Board of Directors were held on 23 May 2016, 01 August 2016, 10 November 2016, & 03 February 2017.

Date of the Board meeting	Strength of the Board	No. of Directors present
23/05/2016	5	3
01/08/2016	5	5
10/11/2016	5	5
03/02/2017	5	4

No director of the Company is a Chairman of more than five board-committees or a member of more than ten board-committees as stipulated under the corporate governance code.

Particulars of the Board's composition, attendance at board meetings and the previous annual general meeting, number of other directorships held and board-committee memberships of the Company's Directors, as at 31st March, 2017 are given below:

Sl. No.	Director	Attendance particulars		No. of Other Directorship	No. of other Board – Committee positions held	
		Board meeting	Last AGM		As Chairman	As Member
1.	<b>Mr. T Govindarajan</b> Non-executive, Independent Director	2	Yes	-	-	-
2.	<b>Mr. B Narendran</b> Non-executive, Independent Director	4	Yes	6	5	10
3.	<b>Mr. E N Rangaswami</b> Non-executive, Non -Independent Director	4	Yes	6	1	2
4.	<b>Ms. Rita Chandrasekar</b> Non-executive, Independent Director	3	Yes	1	-	1
5.	<b>Mr. K Nadanasundaram</b> Whole-time Director	4	Yes	-	-	-

### 3. AUDIT COMMITTEE

The terms of reference of the Audit Committee cover the matters specified for audit committees under Section 177 of the Companies Act, 2013, the rules made thereunder and SEBI (LODR) Regulations, 2015.

The role of the Audit Committee shall include the following:

1. Oversee the company's financial reporting process and review its financial statements.

2. In addition to the normal overall review of the financial performance, audit committee will also recommend the quarterly results, appointment of auditors, recommendation of dividend, application of accounting standards, discussion on financial audit reports, etc.
3. Recommend the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of their fees.
4. Review of internal control and internal audit system.
5. Review of risk management policies and practices and also include the following.
  - a) To investigate any activity within its terms of reference.
  - b) To seek information from any employee, if needed.
  - c) To obtain outside legal or other professional advice.
  - d) To secure attendance of outsiders with relevant expertise.

The Audit Committee comprises of three non-executive independent directors and one non-executive non-independent director. The committee met 4 times during the year ended 31.03.2017 viz., on 23 May 2016, 01 August 2016, 10 November 2016 and 03 February 2017. The members as on 31 March, 2017 and the number of meetings attended are given below:

Names of directors	No. of meetings attended
Ms. Rita Chandrasekar, Chairperson	3
Mr. T Govindarajan	2
Mr. B Narendran	4
Mr. E N Rangaswami	4

The Statutory auditors, Internal auditor, Whole-time director and Chief Financial Officer of the company attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee was constituted to formulate and recommend the appointment of directors and key managerial personnel and also the compensation payable to them. The committee met 3 times during the year ended 31.03.2017 viz., on 23 May 2016, 10 November 2016 & 03 February 2017. The members as on 31 March, 2017 and the number of meetings attended is given below:

Names of directors	No. of meetings attended
Mr. B Narendran, Chairman	3
Mr. T Govindarajan	1
Mr. E N Rangaswami	3
Ms. Rita Chandrasekar	2

#### Remuneration to Directors

Mr K Nadanasundaram, was appointed as Whole-Time Director (WTD) of the company for a period of one year with effect from 13 November 2015. He was reappointed for a further period of one year with effect from 13 November 2016 on a remuneration of Rs.3.00 lakhs per annum with effect from his date of appointment viz. 13 November 2016.

The non-executive directors were not paid any fee during the year ended 31st March, 2017.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference to the stakeholders relationship committee are related to transfer, transmission, split/consolidation of shares and issue of duplicate share certificates, etc and also to oversee the redressal of investors' complaints. The committee met 4 times during the year ended 31.03.2017 viz., 09 May 2016, 18 August 2016, 07 November 2016 and 20 December 2016. The members as on 31 March 2017 and the number of meetings attended is given below:

#### Composition of the committee:

Names of directors	No. of meetings attended
Mr. E N Rangaswami, Chairman	3
Mr. K Nadanasundaram	4
Ms. Rita Chandrasekar	3

#### Details of the Compliance Officer:

Ms. L Nirmala - Company Secretary & Compliance Officer - Till February 2017

**Details of Shareholders Complaints:**

Number of complaints received during the year: NIL

Number of complaints solved during the year : NIL

The Company had no pending documents for transfer as on 31 March, 2017.

**6. CODE OF CONDUCT**

The Board of directors has laid down a code of conduct for all Board members and senior management personnel of the Company who have affirmed compliance with the code of conduct. A declaration signed by the Whole-time Director and Chief Financial Officer to this effect is enclosed at the end of this Report. The code of conduct is also posted in the website of the Company viz., [www.indiaradiators.com](http://www.indiaradiators.com).

**7. Prohibition of Insider Trading**

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has prescribed a code of conduct for prevention of insider trading and code of corporate disclosure practices. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at [www.indiaradiators.com](http://www.indiaradiators.com).

**8. GENERAL MEETINGS****Details of location, date and time of Annual General Meetings held during the last three years:**

Year	Location	Date and Time
64 <sup>th</sup> AGM (2012 – 2013)	ICSA Programme , Centre, Jivana Jyothi Building, No.107, Pantheon Road, Egmore, Chennai -600008	28 March 2014, 3.30 PM
65 <sup>th</sup> AGM (2013 – 2015)		23 September 2015, 10.00 AM
66 <sup>th</sup> AGM (2015 – 2016)		21 September 2016, 9.30 AM

**9. DISCLOSURES**

During the year ended 31st March, 2017, there were no materially significant related party transactions having conflict with the interests of the Company.

There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**10. MEANS OF COMMUNICATION:**

The quarterly, half-yearly and yearly financial results of the company are forwarded to the Bombay Stock Exchange immediately upon approval by the board of directors.

**Functional website of the company as per Regulation 46 of SEBI (LODR) Regulations, 2015**

Pursuant to the requirement of Regulation 46 of the SEBI (LODR) Regulations, the company maintains a functional website and the website address is [www.indiaradiators.com](http://www.indiaradiators.com). The website of the company provides the basic information about the company e.g. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the company is regularly updating the information provided on its website.

**General Shareholder Information:**

1.	Annual General Meeting : Date Time Venue	12 July 2017 9.30 AM ICSA Programme, Centre, Jivana Jyothi Building, No.107, Pantheon Road, Egmore, Chennai -600008
2.	Financial calendar April 2017 – March 2018	First quarter results - Second week of August, 2017 Half-yearly results -Second week of November, 2017 Third quarter results - Second week of February, 2018 Annual results 31 March 2018 - Last week of May, 2018
3.	Record date Book closure date	06/07/ 2017 to 12/07/2017
4.	Listing of equity shares on stock exchanges	Bombay Stock Exchange Limited.
5.	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Chennai – 600 002
6.	Stock Code ISIN	505100 - Bombay Stock Exchange Limited. -

7.	Share transfer system	The authority to approve share transfers has been delegated by the Board of Directors to the Stakeholders Relationship Committee. The Shares sent for transfer in physical form are registered and returned to the shareholders by Registrar and Share Transfer Agent(RTA) within fifteen days of receipt of documents, provided the documents are found to be in order.
8.	Dematerialisation of shares and liquidity	The shares are held only in Physical form. The company's equity shares are suspended from trading in the Bombay Stock Exchange Limited.
9.	Details of public funding obtained in the last three years  Depository Registry - For providing connectivity to both the depositories viz., National Securities Depository Services Limited and Central Depository Services (India) Limited	No capital has been raised in the last three years from public.  Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Chennai – 600 002 Telephone No.28460390 : Fax No. 28460129 Email: cameo@cameoindia.com
11.	Compliance Officer & address for communication	Mr P Subramanyam Compliance Officer India Radiators Limited 36-40, Armenian street, Chennai - 600001. Telephone No. 044 – 4043 2210 Email: cs@indiaradiators.com
12.	Website	www.indiaradiators.com.

#### Distribution of shareholding

Share holding of nominal value of Rs.10/- Range – Shares	Share Holders		Number of Shares	
	Number	%	Number	%
1 – 100	3876	84.52	182077	20.23
101 - 500	623	13.59	130893	14.54
501 - 1000	41	0.89	30539	3.39
1001 - 2000	26	0.57	36150	4.02
2001 - 3000	9	0.20	23212	2.58
3001 - 4000	2	0.04	7241	0.80
4001 - 5000	2	0.04	9500	1.06
5001 – 100000	6	0.13	173364	19.27
100001 – and above	1	0.02	307024	34.11
TOTAL	4586	100.00	900000	100.00

#### Market / Share Price Data

The Company's Shares were suspended from trading and hence no data relating to market price is available.

## **CERTIFICATE ON CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, compliance certificate from the practicing company secretary regarding compliance of conditions of corporate governance by the company is annexed to this report.

### **DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE II – CORPORATE GOVERNANCE – SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To the Members of India Radiators Limited:

We, K Nadasundaram, Whole-time Director and R Subbaraya Davey, Chief Financial Officer, hereby declare that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct, formulated by the Company, for the year ended 31st March, 2017.

**For and on behalf of the Board of Directors**

Place: Chennai  
Date: 29 May 2017

**R Subbaraya Davey**  
Chief financial Officer

**K Nadasundaram**  
Whole-time Director

## **CERTIFICATE TO THE MEMBERS OF INDIA RADIATORS LIMITED**

We have examined the compliance of conditions of Corporate Governance by India Radiators Limited, for the year ended 31 March, 2017 as stipulated in SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai  
Date: 29 May 2017

**R Kannan**  
Practicing Company Secretary  
FCS No: 6718  
C P No: 3363



# INDEPENDENT AUDITOR'S REPORT

To

The Members of  
M/s. India Radiators Limited

## Report on Financial Statements

We have audited the accompanying Financial Statements of India Radiators Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss for the year ended on that date along with the Cash Flow statement annexed thereto, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## Basis of Qualified Opinion:-

- ***The company had been referred to the Board of Industrial and Financial Reconstruction (BIFR) due to suspension of operations and consequent erosion of net-worth. The proceedings before the BIFR stand abated now.***
- ***The Net-worth of the Company has been eroded as on the date of the Balance Sheet. The Company has operational income from job work at its Pondicherry Unit. The Company has settled the secured loans and statutory liabilities out of the infusion of funds by the investor. With respect to this, in our opinion and to the best of the facts examined by us, this does not affect the going concern assumption of the Company.***

## Qualified Opinion

In our opinion, except for the effects of the matter discussed in the basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017; and
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date;
- c) In the case of the cash flow statement, of the cash flows for the year ended on the date.

## Report on Other Legal and Regulatory Requirements:-

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.

- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet complies with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) With respect to the adequacy of the financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
- f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, from being appointed as a director in terms of Section (2) of section 164 of the Companies Act, 2013.
- g) With respect to the other matters to be included in the Independent Auditor's Report in accordance with the Rule 11 of the company (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company does not have any pending litigations.
  - ii. The company doesn't require any provision in its financial statements, as required under the applicable laws or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection fund by the company.
  - iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note No: 18)

**For Venkatesh & Co.,**  
 Chartered Accountants  
 FRN 004636S  
**CA Dasarthy V**  
 Partner  
 M.No. 026336

Place: Chennai  
 Date: 29 May 2017

## ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1.
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the Company
2. The Inventories as per books of accounts are nil. Hence, this clause does not arise.
3.
  - a) The Company has not given or taken loans from the parties covered in the register Maintained under section 189 of the Companies act of 2013.
  - b) In the light of (a) we do not comment on the interest or other conditions or security of loans.
  - c) In the light of (a) we do not comment on the payment of principal or interest.
4. The company has not given any loan to any party during the year.

5. The company has not accepted any deposits in the current year hence the provision of sections 73 to 76 does not apply.
6. The Central Government has not prescribed for the Company maintenance of the Cost Records under subsection (1) of section 148 of the Act.
7. a) According to the records of the Company, the company is regular in depositing undisputed statutory dues relating to Income Tax, and Service Tax and other statutory dues applicable to it with the appropriate authorities.  
b) According to the records of the Company and according to the information and explanations given to us, there are no dues of Income tax and Service Tax.
8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company has not taken any term loan in the current year.
10. We had not noticed any fraud by the company or any fraud on the Company by its officers or employees to be reported during the year.
11. According to the records of the company provided to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company hence question of compliances relating to Nidhi Company does not apply to the company.
13. In our opinion the Company the company has complies with the provisions of sections 177 and 188 of Companies Act 2013 for all transactions with the related parties and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
15. According to information and explanations furnished to us the Company has not entered in to any non – cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under sec 45-IA of the Reserve Bank of India Act, 1934.

**For Venkatesh & Co.,**  
Chartered Accountants  
FRN 004636S  
**CA Dasarthy V**  
Partner  
M.No. 026336

Place: Chennai  
Date: 29 May 2017

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (e) under "report on other legal and regulatory requirements" section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of INDIA RADIATORS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("The Act").

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

**For Venkatesh & Co.,**  
Chartered Accountants  
FRN 004636S

**CA Dasaraty V**  
Partner  
M.No. 026336

Place: Chennai  
Date: 29 May 2017

## BALANCE SHEET AS AT 31 MARCH 2017

(in Rupees.)

S.No.	Particulars	Note No.	As At 31 March 2017	As At 31 March 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	<b>9,000,000</b>	9,000,000
	(b) Reserves and surplus	4	<b>(191,343,128)</b>	(188,857,470)
<b>2</b>	<b>Share application money pending for allotment</b>	5	<b>103,200,000</b>	100,950,000
			<b>(79,143,128)</b>	(78,907,470)
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	6	<b>35,573,475</b>	35,573,475
	(b) Deferred tax liabilities (Net)		<b>519,487</b>	661,661
	(c) Other long-term liabilities		-	-
			<b>36,092,962</b>	36,235,136
<b>4</b>	<b>Current liabilities</b>			
	(a) Trade Payables	7	<b>56,598,989</b>	56,645,417
	(b) Other current liabilities	8	<b>1,395,650</b>	1,333,047
			<b>57,994,639</b>	57,978,464
	<b>Total - Equity &amp; Liabilities</b>		<b>14,944,473</b>	15,306,130
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	<b>10,623,592</b>	10,939,332
			<b>10,623,592</b>	10,939,332
<b>2</b>	<b>Current assets</b>			
	(a) Cash and cash equivalents	10	<b>47,414</b>	93,331
	(b) Short-term loans and advances	11	<b>3,809,130</b>	3,809,130
	(c) Other Current assets	12	<b>464,337</b>	464,337
			<b>4,320,881</b>	4,366,798
	<b>Total - Assets</b>		<b>14,944,473</b>	15,306,130

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance sheet.

This is the Balance sheet referred to in our Report of even date

**For Venkatesh & Co**

Chartered Accountants

FRN: 004636S

**V.Dasaraty**

Partner

M.No : 026336

Place : Chennai

Date: 29 May 2017

**For and on behalf of the Board**

**K Nadanasundaram**

Whole-time Director

(DIN:02135505)

**R.Subbaraya Davey**

Chief Financial Officer

**B Narendran**

Director

(DIN:01159394)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(in Rupees.)

S.No.	Particulars	Note No.	Year ended 31 March 2017	Period ended 31 March 2016
<b>I</b>	<b>Revenue:</b>			
	Revenue from operations	13	<b>361,900</b>	543,036
	Other income	14	-	11,599,278
	<b>Total Revenue</b>	<b>(A)</b>	<b>361,900</b>	<b>12,142,314</b>
<b>II</b>	<b>Expenses:</b>			
	Employee benefits expense	15	<b>1,110,956</b>	956,731
	Finance costs	16	-	-
	Depreciation and amortization expense	9	<b>315,740</b>	315,740
	Other expenses	17	<b>1,563,036</b>	2,463,535
	<b>Total expenses</b>	<b>(B)</b>	<b>2,989,732</b>	<b>3,736,006</b>
III	<b>Profit before exceptional and extraordinary items and tax</b>	(A - B)	<b>(2,627,832)</b>	8,406,308
IV	Exceptional items		-	-
V	<b>Profit before tax (III-IV)</b>		<b>(2,627,832)</b>	8,406,308
VI	<b>Tax expense:</b>			
	Current tax		-	-
	Deferred tax		<b>(142,174)</b>	28,214
VII	<b>Profit (Loss) for the period from continuing operations (V-VI)</b>		<b>(2,485,658)</b>	8,378,094
VIII	Profit (Loss) for the period		<b>(2,485,658)</b>	8,378,094
IX	Earnings per equity share( in Rs) Basic and Diluted		<b>(2.76)</b>	9.31

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of profit & loss.

This is the Statement of Profit and Loss referred to in our Report of even date.

**For Venkatesh & Co**  
Chartered Accountants  
FRN: 0046365

**V.Dasaraty**  
Partner  
M.No : 026336  
Place : Chennai  
Date: 29 May 2017

**For and on behalf of the Board of Directors**

**K Nadasundaram**  
Whole-time Director  
(DIN:02135505)

**R.Subbaraya Davey**  
Chief Financial Officer

**B Narendran**  
Director  
(DIN:01159394)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(in Rupees.)

S.No.	Particulars	Year ended 31 March 2017	Period ended 31 March 2016
A	<b>Cash Flow from Operating Activities</b>		
	Profit for the year before Exceptional items and Tax	(2,627,832)	8,406,308
	<b>Adjustments for:</b>		
	Depreciation	315,740	315,740
	<b>Operating Profit before Working Capital changes</b>	(2,312,092)	<b>8,722,048</b>
	<b>Adjustments for:</b>		
	Decrease(increase)in current assets	-	42,200
	Decrease/( increase ) in Trade Receivables	-	-
	Increase/(decrease ) in Current Liabilities	16,175	(411,091)
	<b>Net Cash from Operating activities</b>	(2,295,917)	8,353,157
B	<b>Cash Flow from Investing activities</b>		
	Addition to Fixed Assets	-	-
	<b>Net Cash from Investing activities</b>	-	-
C	<b>Cash Flow from Financing activities</b>		
	Reduction in borrowings	-	(25,093,430)
	Increase in Long term liabilities	2,250,000	16,800,000
1	<b>Net Cash used in Financing Activities</b>	2,250,000	(8,293,430)
	<b>Net Cash Flows during the year (A) + (B) + (C)</b>	(45,917)	59727
	Cash & Cash Equivalents (Opening Balance) as at 31-3-2016	93,331	33604
	<b>Cash &amp; Cash Equivalents (Closing Balance) as at 31-3-2017</b>	<b>47,414</b>	93331

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this cash flow Statement

This is the Cash Flow Statement referred to in our Report of even date.

### For Venkatesh & Co

Chartered Accountants  
FRN: 0046365

### V.Dasaraty

Partner  
M.No : 026336  
Place : Chennai  
Date: 29 May 2017

### For and on behalf of the Board

### K Nadasundaram

Whole-time Director  
(DIN:02135505)

### R.Subbaraya Davey

Chief Financial Officer

### B Narendran

Director  
(DIN:01159394)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 1. Significant Accounting Policies

- Financial Statements have been prepared under the historical cost convention. Generally revenue is recognized on accrual basis with provision made for known losses and expenses.
- Fixed Assets
  - Fixed Assets are stated at cost of acquisition (net of CENVAT Credit availed) which includes capitalization of pre-operative expenses including interest till the date of commissioning.
  - Expenditure incurred on assembly tools and machinery for the Company's use are kept in capital work in progress and are capitalized at the time of completion and put to use.
- Inventories are valued at lower of cost or net realisable value. Cost of raw materials includes freight, excise and customs duties and is net of credits under CENVAT Scheme. Excise duty on finished goods is added on to cost.
- Leave encashment benefit on retirement will be accounted at the time of payment.
- All income and expenditure are accounted on accrual basis.
- Sales are net of Excise Duty, discount and Sales Tax.
- Depreciation on Fixed Assets is provided on straight-line method adopting the the rates and manner as provided in Schedule II of the Companies Act, 2013.
- The only line of business of the company during the year is "assembly and testing of thermostats". Hence segment reporting is not considered necessary.

### 2. Notes to the Financial Statements for year ended 31 March 2017

- The Company had filed a Draft Rehabilitation Scheme with BIFR which was pending. The proceedings before BIFR stands abated and the company is evaluating various options available and appropriate action will be taken in course of time.
- The negotiated settlement with the Workers Union of Puzhal Unit for an amount of Rs.5.65 crores has been provided for in the books of accounts. The disbursement will be taken up after the infusion of funds by the investor.
- Loans & Advances include:
  - Advance given to staff of Puzhal unit Rs.38,09,130/- is to be adjusted at the time of final settlement.
- Income Tax expense is accounted in accordance with AS 22 - "Accounting for taxes on Income" which includes current taxes and deferred taxes. Deferred taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.
- Previous period figures have been regrouped / reclassified wherever necessary.

### 3. Share Capital

(in Rupees.)

Particulars	As At 31 March 2017	As At 31 March 2016
<b>Authorised</b>		
2000000 Equity Shares of Rs. 10 each	20,000,000	20,000,000
<b>Total</b>	20,000,000	20,000,000
<b>Issued</b>		
900000 Equity Shares of Rs.10 each	9,000,000	9,000,000
<b>Subscribed &amp; Paid up</b>		
900000 Equity Shares of Rs.10 each fully paid	9,000,000	9,000,000
<b>Total</b>	9,000,000	9,000,000



### 3.1 Number of Equity Shares at the beginning and end of the reporting period

Particulars	As at 31 March 2017		As at 31 March 2016	
	No of Shares	Amount	No of Shares	Amount
<b>Shares outstanding at the beginning of the year</b>	<b>900,000</b>	<b>9,000,000</b>	900,000	9,000,000
Shares Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>900,000</b>	<b>9,000,000</b>	900,000	9,000,000

### 3.2 Details of Shareholders holding more than 5% shares in the company

Name of the Shareholder	As at 31 March 2017		As at 31 March 2016	
	No of Shares	% of Holding	No of Shares	% of Holding
Seetha Chidambaram	309524	34.39	307024	34.11
South India House Investments Ltd	47188	5.24	47188	5.24
BEHR Gmbh & Company	46140	5.13	46140	5.13
<b>Total</b>	<b>402852</b>	<b>44.76</b>	<b>400352</b>	<b>44.48</b>

### 4. Reserves & Surplus

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>a. Capital Reserves</b>		
Opening Balance	1,125	1,125
Add: Addition during the period	-	-
Less: Deduction during the period	-	-
<b>Closing Balance (a)</b>	<b>1,125</b>	<b>1,125</b>
<b>b.Dividend Equalisation Reserve:</b>		
Opening Balance	75,000	75,000
Add: Addition during the period	-	-
Less: Deduction during the period	-	-
<b>Closing Balance (b)</b>	<b>75,000</b>	<b>75,000</b>
<b>c. Profit and Loss account</b>		
Surplus from Profit & Loss Account	(188,933,595)	(19,73,11,689)
Add: Profit/(Loss) for the current period	(2,485,658)	8,378,094
Less: Deduction during the period	-	-
<b>Closing Balance (c)</b>	<b>(191,419,253)</b>	<b>(188,933,595)</b>
<b>Total(a to c)</b>	<b>(191,343,128)</b>	<b>(188,857,470)</b>

### 5. Share application money pending for allotment

Share application money pending for allotment	103,200,000	100,950,000
<b>Total</b>	<b>103,200,000</b>	<b>100,950,000</b>

### 6. Long Term Borrowings

<b>Unsecured</b>		
Loans from Promoters	35,573,475	35,573,475
<b>Total</b>	<b>35,573,475</b>	<b>35,573,475</b>

### 7. Trade Payables

Liabilities for expenses	56,598,989	56,645,417
<b>Total</b>	<b>56,598,989</b>	<b>56,645,417</b>

### 8. Other Current Liabilities

Duties & Taxes	1,150	311.00
Sundry Creditors	1,394,500	1,332,736
<b>Total</b>	<b>1,395,650</b>	<b>1,333,047</b>

## 9. FIXED ASSETS

(In Rupees)

Particulars	Gross Block			Depreciation			Net Block	
	As at 31-03-2016	Additions	Deletions	As at 31-03-2016	Additions	Deletions	As at 31-03-2017	As at 31-03-2016
Leasehold Land	89,546	-	-	-	-	-	89,546	89,546
Free Hold Land	76,357	-	-	-	-	-	76,357	76,357
Assigned Land	7,368,014	-	-	-	-	-	7,368,014	7,368,014
Buildings	9,658,120	-	-	7,814,493	306,160	-	8,120,653	1,843,627
Plant & Machinery	28,465,800	-	-	27,042,510	-	-	1,423,290	1,423,290
Furniture & Fittings	1,025,617	-	-	1,025,617	-	-	1,025,617	-
Vehicles	242,002	-	-	242,002	-	-	242,002	-
Office Equipments	517,179	-	-	517,179	-	-	517,179	-
Electrical Installation	2,516,241	-	-	2,390,429	-	-	2,390,429	125,812
Computer	1,553,316	-	-	1,540,630	9,580	-	1,550,210	12,686
Airconditioner	301,754	-	-	301,754	-	-	301,754	-
<b>Total</b>	51,813,946	-	-	40,874,614	315,740	-	10,623,592	10,939,332
Previous Year	51,439,938	374,008	-	40,558,874	315,740	-	10,939,332	14,868,417

**10. Cash and Cash Equivalents****(In Rupees)**

Particulars	As at 31 March 2017	As at 31 March 2016
a. Balances with banks	47,414	92,575
b. Cash on hand	-	756
<b>Total</b>	<b>47,414</b>	<b>93,331</b>

**11. Short term loans and advances**

Other loans & Advances (Unsecured Considered good)	3,809,130	3,809,130
<b>Total</b>	<b>3,809,130</b>	<b>3,809,130</b>

**12 Other Current Assets**

Advance Tax	464,337	464,337
<b>Total</b>	<b>464,337</b>	<b>464,337</b>

**13. Revenue from Operations**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Labour receipts	361,900	543,036
<b>Total</b>	<b>361,900</b>	<b>543,036</b>

**14 Other Income**

Credit Balances Written Back	-	11,598,968
Interest Income	-	310
<b>Total</b>	<b>-</b>	<b>11,599,278</b>

**15. Employee Benefit Expenses**

Salaries	1,110,956	956,731
Contribution to Provident fund and ESI	-	-
<b>Total</b>	<b>1,110,956</b>	<b>956,731</b>

**16. Finance Cost**

Interest on secured loan	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17. Other Expenses**

Power and fuel	512,977	-
Advance written off	3,560	-
Bank Charges	489	376
Auditors remuneration-statutory audit	50,000	50,000
Rates & Taxes	194,715	46,188
Filing Fees	5,862	25,952
Repairs & Maintenance	7,500	897,691
Staff Welfare Expenses	3,978	-
Telephone/Postage Charges	84,837	223,318
Professional and consultancy charges	494,346	690,714
Travelling and Conveyance	74,656	141,232
Printing & stationery	96,925	117,513
Advertisement	12,638	32,244
General Insurance	523	510
Interest on TDS	-	7,635
Miscellaneous Expense	20,030	230,162
<b>Total</b>	<b>1,563,036</b>	<b>2,463,535</b>

**18. Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts			
(-) Permitted payments			
(-) Amount deposited in Banks			
<b>Closing cash in hand as on 30.12.2016</b>	Nil	Nil	Nil

# INDIA RADIATORS LIMITED

CIN L27209TN1949PLC000963

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

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

Name of the attending Member(s):

Folio/DP-Client ID No. :

No. of Shares held:

I hereby certify that I am a member / proxy appointed by the member\* of the Company and record my presence at the **67<sup>th</sup> Annual General Meeting** of the Company at **ICSA Programme Centre, Jivana Jyothi Building, No.107, Pantheon Road, Egmore, Chennai -600008** on Wednesday, the 12 July 2017 at 09.30 AM.

NAME OF THE PROXY IN BLOCK LETTERS

SIGNATURE OF SHAREHOLDER/PROXY\*

\*Strikeout whichever is not applicable

**Note: No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.**

# INDIA RADIATORS LIMITED

CIN L27209TN1949PLC000963

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

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act,2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name:....., Address:.....  
E-mail Id:.....,Signature:....., or failing him
2. Name:....., Address:.....  
E-mail Id:.....,Signature:....., or failing him
3. Name:....., Address:.....  
E-mail Id:.....,Signature:....., or failing him

as my/our proxy to attend and vote for me/us and on my/our behalf at the **67<sup>th</sup> Annual General Meeting** of the company, to be held on **Wednesday, the 12 July 2017 at 09.30 AM** at **ICSA Programme Centre, Jivana Jyothi Building, No.107, Pantheon Road, Egmore, Chennai -600008** and at any adjournment thereof.

### Sl.No.of Resolutions(as in the Notice annexed)

1	2	3	4	5	6	7
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(Tick Mark the Sl.No of Resolutions for which the proxy is appointed)

Signed this.....day of.....2017

Member's Folio/DP ID-Client ID No.....Signature of Shareholder.....

Signature of Proxy holder(s).....

Note:

- a. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- b. In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.

**Note: No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.**

Affix

₹ 1

Revenue Stamp





To:



*If undelivered, please return to:*

**INDIA RADIATORS LIMITED**

Administrative Office: 88, Mount Road, Guindy, Chennai - 600 032