



ANNUAL REPORT

2009 - 2010



Ride with Pride

ATLAS
CYCLES

ATLAS CYCLES (HARYANA) LIMITED

SONEPAT-131001

BOARD OF DIRECTORS :

Shri Hari Krishan Ahuja
Shri Hira Lal Bhatia
Shri I.D. Chugh
(Whole Time Director)
Shri Jai Narain Sawhney
Shri Prithvi Raj Chawla

BANKERS :

Central Bank of India
Punjab National Bank
Bank of Baroda

REGISTERED OFFICE :

Atlas Road
Industrial Area
Sonapat-131001
(Haryana)

AUDITORS :

Messers Mehra Khanna & Co.
Chartered Accountants,
Delhi

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Fifty Ninth Annual General Meeting of Atlas Cycles (Haryana) Limited, Sonapat will be held at the Registered Office of the Company in the Industrial Area, Sonapat on Thursday, the 30th September, 2010 at 4.00 P.M.(I.S.T.) to transact the following business :-

1. To receive, consider and adopt the Directors Report and the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Hira Lal Bhatia who retires by rotation. Being eligible, he offers himself for reappointment.
4. To appoint a director in place of Shri Hari Krishan Ahuja who retires by rotation. Being eligible, he offers himself for reappointment.
5. To appoint auditors for the current year and fix their remuneration. Messers Mehra Khanna & Co., Chartered Accountants, the present auditors, offer themselves for reappointment.

NOTES :-

1. The Register of Members of the Company will remain closed from 23.09.2010 to 30.09.2010 both days

inclusive. Duly completed and valid applications for transfer of shares received in order at the Registered Office of the Company before 23.09.2010 will be registered in time for transferees to become eligible for dividend.

2. Members may get any change in their address/their mandates registered with the Company before 23.09.2010.
3. The dividend when declared will be made payable at the Company's bankers. The dividend warrants will be posted on or before 30.10.2010 to the registered addresses of the shareholders or their mandates whose names stand in the register of members on 30.09.2010.
4. Any member unable to attend personally is entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself subject to the provisions of section 176 of the Companies Act, 1956. Such proxy form should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting. A copy of the proxy form is enclosed.
5. As per the amended Section 205A(5) of the Companies Act, 1956, with effect from 31st October, 1998, dividends remaining unclaimed for a period of 7 years from the date it became due for payment, shall be transferred by the Company to the Fund established by the Central Government and no claim thereof shall

lie against the Fund or the Company on the expiry of the said period of seven years. Members who have not encashed their dividends for the year ended 31.03.2003 onwards are requested to send unpaid dividend warrants to the Registered Office of the Company for payment in lieu thereof.

6. In terms of notification issued by Securities and Exchange Board of India, the equity shares of the Company are under compulsory demat trading.
7. Members are requested to kindly bring their copies of the report to the Meeting.
8. Members who are holding shares in identical names in more than one folio, are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
9. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
10. Shareholders who wish to obtain payment of dividend through ECS may please send ECS forms duly filled in. These forms will be sent by the Company on request from the shareholders. Shareholders, who have already availed this facility last year may send us ECS form in case of any change in the particulars furnished earlier.
11. We are sending herewith all the documents required under section 219(1) of the Companies Act. The Directors' Report sent herewith is without its Annexure relating to Section 217 (2A). However, pursuant to the requirement of proviso (b) (iv) to section 219(1) of the Companies Act, 1956 the said Directors' Report along with all Annexures is available for inspection at Company's Registered Office, Industrial Area, Sonapat during working hours from today till 30.09.2010. Any member interested in obtaining a copy of the annexure relating to section 217 (2A) may write to the Company Secretary at the registered office of the Company and the same will be sent by post.
12. In terms of Section 109A of the Companies Act, 1956, the Shareholder(s) of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholder(s)

desirous of availing this facility may submit nomination in Form 2B.

13. At the ensuing Annual General Meeting Shri Hira Lal Bhatia and Shri Hari Krishan Ahuja retire by rotation and being eligible offer themselves for reappointment.

The information in relation to the aforesaid Directors is as under :-

- a) Shri Hira Lal Bhatia, aged 67 years, has been a Director of the Company since 31.07.1979. He is a graduate and has been in business for over forty three years. At present he is a director in the following Companies :-

- i) Atlas Cycles (Sonapat) Limited, Sonapat
- ii) Atlas Cycles (Sahibabad) Limited, Sonapat
- iii) Atlas Cycles (Malanpur) Limited, Sonapat

He is a Member of the Audit Committee of the Board.

- b) Shri Hari Krishan Ahuja, aged 86 years, has been a Director of the Company since 06-08-1990. He is a commerce graduate. He has been in business for over fifty two years. At present he is a director in the following companies :-

- i) Atlas Cycles (Sonapat) Limited, Sonapat
- ii) Atlas Cycles (Sahibabad) Limited, Sonapat
- iii) Atlas Cycles (Malanpur) Limited, Sonapat
- iv) Kay Bee Industries India Pvt. Ltd.

He is a Chairman of the Audit Committee of the Board.

**By order of the Board
for ATLAS CYCLES (HARYANA) LTD.**

**(I.D. CHUGH)
WHOLE TIME DIRECTOR**

Sonapat : the 20th August, 2010

DIRECTORS' REPORT

TO THE MEMBERS :-

Your directors have pleasure in submitting their Fifty Ninth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS

	(Lac/Rs.)			
	2009-10		2008-09	
OPERATING PROFITS/(LOSSES)		1829.41		2067.94
ADD : PROFIT ON SALE OF ASSETS	15.93		20.88	
ADD : PROFIT ON SALE OF MUTUAL FUND	209.86		-	
ADD : DIVIDEND INCOME	9.33	235.12	34.70	55.58
		2064.53		2123.52
LESS : INTEREST	1046.39		1230.80	
DEPRECIATION	503.33	1549.72	512.55	1743.35
		514.81		380.17
LESS : PROVISION FOR TAX		134.00		190.08
		380.81		190.09
ADD : PROFIT BROUGHT FORWARD		144.12		225.24
		524.93		415.33

DIVIDEND

Your directors recommend dividend @ 45 % p.a. on 32,51,919 equity shares for the year under report.

The amount of dividend will total Rs. 146.34 lacs (Previous year Rs. 146.34 lacs).

PRODUCTION

2898352 bicycles were produced during the period under consideration.

SALES

Sales during the year amounted to Rs. 654.33 crore including the sales to foreign countries.

EXPORTS

During the period under consideration your Company exported bicycles and bicycle components to several countries, thereby earning valuable foreign exchange of Rs. 1875.61 Lacs.

The Company continued its efforts to increase export sales due to which it achieved better export earnings than last year, despite stiff competition.

PERFORMANCE OF THE UNITS

The Company achieved higher production during the year compared to previous year.

Sahibabad Unit continued to do well in terms of sales & market share. Capacity of the Paint Plant was enhanced by putting up a **Disc Paint Plant** which is supposed to be the latest technology of fine painting to cater to the growing demand for larger numbers and better esthetics.

In spite of global financial crisis and slow down in demand, the Company achieved healthy growth in all existing market and adding new markets to our kitty.

The Company introduced number of new models in all segments like fancy gents, ladies and kids segments. A number of process improvement have been done resulting in improvement in quality and cost reduction.

CAPITAL EXPENDITURE

During the year, the Company acquired capital assets worth Rs. 924.88 lacs as against Rs. 1405.72 lacs in the previous year. This includes capital assets worth Rs. 3.99 lacs under construction/installation as against Rs. 335.29 lacs in the previous year.

DEPOSITS (INCLUDING LOANS FROM MEMBERS)

- Total number of depositors on 31.03.2010 who have not claimed their deposits after the date on which their deposits became due for payment -70.
- The aggregate amount of deposits due to the depositors on 31.03.2010 who have not claimed their deposits, including interest accrued, if any, after the dates on which their deposits became due for payment Rs. 22.62 lacs.

Deposits aggregating Rs. 7.19 lacs pertaining to 19 depositors have since either been renewed or paid. Further 2 unclaimed deposits aggregating to Rs. nil have since been credited to Investors Education and Protection Fund. The remaining depositors whose deposits, including interest, amount to Rs. 14.71 lacs have not sent any instructions for the disposal of their matured deposits. These will be renewed or repaid as soon as instructions are received from the concerned depositors.

CONSERVATION OF ENERGY

SONEPAT UNIT

The following measures were taken for Conservation of energy :-

- Overhauling of one 1000 KVA and One 500 KVA D.G. Sets for enhancing the efficiency by 25%.
- Replacement of cooling tower of D.G. one number to put more load and get more efficiency.
- Fitting of exhaust fans in D.G. Room for taking out hot air and enabling the D.G. Sets to perform more efficiently.

We will replace two more cooling towers to get maximum efficiency for D.G. and maximum utilization of our plants by which we can get more output with same fuel consumption and installation of new Screw Compressors of 500 cfm. To reduce the running cost respectively in the next financial year for energy conservation.

SAHIBABAD UNIT

The following measures were taken for Conservation of energy :

- Use of LPG instead of H.S.D. in one Paint shop.
- Installation of 12 Nos. Natural exhaust systems (Wind Air Vent) in place of motorized exhausts.

MALANPUR UNIT

Better and fuel efficient technology is being introduced and computerized controls are being installed in the burners. A very tight maintenance schedule is being maintained for better fuel efficiency.

TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out by the Company :-

During the year under review, Sonapat Unit worked mainly on design and development of new models of bicycles and upgrading/revamping of existing models and on improvement of manufacturing processes.

Sahibabad Unit installed and commissioned a new Disc Paint Plant so as to enhance paint quality and finish on critical components like frame, fork, mudguards etc.

Malanpur Unit introduced new models of bicycles in all categories of bicycles and planning to acquire latest technology in metal finishing during the next year.

2. Benefits derived as a result of the above R & D :-

New and upgraded models were introduced in the market during the year. Cost reduction measures and improvement in the manufacturing processes and quality controls have helped in increasing the Company's market share despite adverse market conditions.

With the installation of new Disc Paint Plant, production capacity increased to meet the increased demand and to compete in the market for fancy and conventional bicycles.

3. Future Plan of action :-

Development of new models, revamping of existing models, improvement in development of manufacturing processes which would increase productivity at minimum cost without compromising on quality.

Technology absorption, adaptation and innovation :-

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :-

New tool for bending Loop Tube on Press has been developed and new tool for Assembling Diamond and Rear Triangle of Suspension frames has been developed.

Benefits derived as a result of the above efforts

Loop Tube Bending Tool will help improve productivity and result in cost reduction and improved aesthetics of the product and new assembly tool will help improve productivity.

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned : Rs. 1875.61 lacs

Total foreign exchange used : Rs. 176.39 lacs

PARTICULARS OF EMPLOYEES

The information required under section 217(2-A) of the Companies Act, 1956 and the rules framed thereunder relating to particulars of employees is given in the annexure to this report.

SECRETARIAL COMPLIANCE CERTIFICATE

As required under Section 383-A of the Companies Act, 1956 a certificate from a Secretary in whole time practice regarding compliance of the provisions of the Act is attached.

LISTING OF COMPANY'S EQUITY SHARES

Your Company's shares continue to be listed on Delhi, Bombay and National Stock Exchanges. The Annual Listing Fee for the year 2010-2011 has been paid to all the three stock exchanges.

SUBSIDIARY COMPANIES

Statement of Accounts of the subsidiaries together with statement under section 212 of the Companies Act, 1956, are annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, Directors hereby confirm that :

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for that period.
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.
- The directors had prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is attached as a part of this report (Annexure-1). The Management Discussion and Analysis Report forms a part of the Corporate Governance report.

AUDITORS

M/s Mehra .Khanna & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

DIRECTORS

S/Shri Hira Lal Bhatia and Hari Krishan Ahuja are retiring by rotation at this Annual General Meeting and, being eligible, offer themselves for reappointment.

Your directors like to take the opportunity to place on record their appreciation of the contribution made by employees at all levels.

In the end, your directors wish to express their gratitude and appreciation to Central and State Governments, and Company's bankers for the continued support, assistance and encouragement accorded to the Company.

HARI KRISHAN AHUJA	}	DIRECTORS
HIRA LAL BHATIA		
ISHWAR DAS CHUGH		
JAI NARAIN SAWHNEY		
PRITHVI RAJ CHAWLA		

New Delhi, the 20th August, 2010

SECRETARIAL COMPLIANCE CERTIFICATE

[See Rule 3 of Companies (Compliance Certificate) Rules, 2001]

CIN No.: L35923HR1950PLC001614

Authorized Capital: Rs. 100,000,000.00

To,

The Members of

ATLAS CYCLES (HARYANA) LIMITED

INDUSTRIAL AREA,

SONEPAT,

HARYANA -131001

I have examined the registers, records, books, and papers of **ATLAS CYCLES (HARYANA) LIMITED**, (The Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2010**. In my opinion and to the best of my information and according to the examinations carried out by me and explanation furnished to me by the Company, its officers and staff, I certify that in respect of the aforesaid financial year **2009-2010**:-

1. The Company has kept and maintained all registers as stated in "Annexure A" to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
 2. The Company has duly filed the forms and returns as stated in "Annexure B" to this certificate with the appropriate authorities within the time prescribed under the Act and the rules made there under.
 3. The Company being Limited Company, comments are not required.
 4. The Board of Directors duly met 13 (Thirteen) times respectively on 30th April 2009, 30th May 2009, 6th July 2009, 30th July 2009, 22nd August 2009, 27th August 2009, 30th September 2009, 31st October 2009, 30th November 2009, 28th December 2009, 30th January 2010, 26th February 2010, 31st March 2010 in respect of which meetings, proper notice were given and the proceedings were properly recorded and signed in the Minutes book maintained for the purpose.
 5. The Company closed its Register of Members from 23rd September 2009 to 30th September 2009 both days inclusive, during the financial year. Necessary compliance of section 154 of the Act has been made.
 6. The Annual General Meeting for the financial year ended on 31st March 2009 was held on 30th September 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.
 7. No Extra Ordinary General Meeting was held during the financial year.
 8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred under Section 295 of the Act.
 9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
 10. The Company was not required to make any entries in the Register maintained under Section 301 of the Act.
 11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
 12. The Board of Directors has approved the issue of duplicate share certificate during the financial year.
 13. The company has:
 - (i) Delivered all the shares certificates on lodgment thereof for transfer and transmission purpose in accordance with the provisions of Companies Act 1956.
 - (ii) Deposited the amount of dividend declared in a separate bank account on 5th October, 2009 which is within five days from the date of declaration of such dividend declared during the financial year.
 - (iii) Paid and posted warrants for dividends to all the members within a period of 30 days from the date of declaration and that all Unclaimed/Unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Central Bank of India declared during the financial year.
 - (iv) Transferred the amounts in unpaid dividend account, mature deposits, mature debentures and interest accrued thereon which have remained unclaimed or
- unpaid for a period of seven years.
 - (v) Duly complied with the requirements of Section 217 of the Act.
 14. The Board of Directors of the Company is duly constituted. There was no appointment of any Additional Director, Alternate Directors and Directors to fill casual vacancy during the financial year under scrutiny.
 15. The appointment of Manager Mr. Vipin Gupta has been made in compliance with the provision of the section 269 read with schedule XIII to the Act.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. In my opinion and according to the information and explanation given to me, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares/debentures/securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares/debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted including unsecured loans taken raised by the Company during the year and the Company has filed the copy of advertisement and necessary particulars as required with the Registrar of Companies NCT of Delhi and Haryana on 10th September, 2009. The Company has also filed return of deposit with the Registrar of Companies.
 24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2010 are within the borrowing limits of the Company.
 25. As explained to us, the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been required to make in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from One State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year pursuant to section 417 of the Act.
 33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For: - **Priyanka Goyal & Associates**
Company Secretaries

Dated: - 20th August, 2010
Place: - New Delhi

(PRIYANKA GOYAL)
M. No. 25857
C.P. No. 9245

Annexure A

Registers as maintained by the Company

Statutory Registers:-

1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975
2. Register of Charges Under Section 143
3. Register of Members Under Section 150
4. Minutes Book of Meetings Under Section 193
5. Books of Accounts & Cost Records Under Section 209
6. Register of Particulars of Contracts in which Directors are Interested Under Section 301

7. Register of Directors, Managing Director, Manager and Secretary Under Section 303
8. Register of Director's Shareholdings Under Section 307
9. Register of Investments or Loan Made, Guarantee Given or Security Provided Under Section 372A
10. Register of Renewed and Duplicate Certificates Under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960

Other Registers:-

1. Register of Directors' Attendance
2. Register of Transfers

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2010.

S.N	Form No./ Return	Filed Under Section	For	Filing Date	Whether Filed within time	If delay whether req. Add. Fees paid Yes/ No.
1.	Annual Return	159	30-09-2009	25-02-2010	NO	YES
2	Balance Sheet	220	31-03-2009	06-11-2009	NO	YES
3.	Form 32	303 (2)	31-08-2009	21-09-2009	YES	N.A.
4.	Form 32	303 (2)	31-12-2009	13-01-2010	YES	N.A.
5.	Form 32	303 (2)	01-01-2010	13-01-2010	YES	N.A.
6.	Form 8	125	12-02-2009	02-04-2009	NO	YES
7.	Form 8	125	28-02-2009	07-04-2009	NO	YES
8.	Form 8	125	02-03-2009	29-04-2009	NO	YES
9.	Form 8	135	26-03-2009	18-04-2009	YES	N.A.
10.	Form 8	135	27-03-2009	18-04-2009	YES	N.A.
11.	Form 8	135	26-06-2009	24-07-2009	YES	N.A.
12.	Form 8	135	26-06-2009	21-08-2009	NO	YES
13.	Form 8	125	16-09-2009	12-10-2009	YES	NO
14.	Form 8	125	24-09-2009	11-11-2009	NO	YES
15.	Form 8	125	24-10-2009	25-11-2009	NO	YES
16.	Form 8	125	24-10-2009	25-11-2009	NO	YES
17.	Form 8	135	27-11-2009	20-01-2010	NO	YES
18.	Form 1 INV	Rule 3 of IEPF	21-03-2009	06-04-2009	N.A.	N.A.
19.	Form 1 INV	Rule 3 of IEPF	06-05-2006	30-06-2009	N.A.	N.A.
20.	Form 1 INV	Rule 3 of IEPF	26-09-2009	04-11-2009	N.A.	N.A.
21.	Form 1INV	Rule 3 of IEPF	08-12-2009	09-12-2009	N.A.	N.A.
22.	Form 1 INV	Rule 3 of IEPF	02-01-2010	19-01-2010	N.A.	N.A.
23.	Form 62	Rule 10 Companies (Acceptance of Deposits) Rules, 1975	31-03-2009	30-06-2009	N.A.	N.A.
24.	Form 62	Others	22-08-2009	10-09-2009	N.A.	N.A.
25.	Form 25C	269 (2) & Schedule XIII	28-12-2009	13-01-2010	YES	N.A.
26.	Form 21	621A	28-01-2010	01-02-2010	YES	N.A.

Note: It is stated that the compliances of all the applicable provisions of the Companies Act, 1956 is the responsibility of the management. My Examination on the test check basis was limited to the procedures followed by the Company for ensuring the compliance with the said provisions. I 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 conducted affairs. I further state that this is neither an audit nor an expression on the financial activities/statements of the Company.

For: - **Priyanka Goyal & Associates**
Company Secretaries

Dated: - 20th August, 2010
Place: - New Delhi

(**PRIYANKA GOYAL**)
M. No. 25857
C.P. No. 9245

CORPORATE GOVERNANCE REPORT 2009-2010

A. Company's philosophy

The Company believes in the principle of corporate governance and endeavours its best to maintain transparency and professionalism with fairness and integrity to enhance the interest of all its stakeholders.

B. Board of Directors

As at 31.03.2010, the Board of Directors comprises of four Non-Executive Directors and one Whole Time Director.

Name of Director	Category of Director ship	No. of Board meetings attended	Attended Last AGM	No. of other Directorships (excluding private limited companies and foreign companies)	No. of Committee Memberships	
					Member	Chairman
Shri Hari Krishan Ahuja	I-NED	13	30.09.2009	3	-	1
Shri Hira Lal Bhatia	I-NED	12	30.09.2009	3	1	-
Shri I.D. Chugh	WTD	13	30.09.2009	4	1	-
Shri Jai Narain Sawhney	I-NED	11	30.09.2009	3	-	1
Shri Prithvi Raj Chawla	I-NED	13	30.09.2009	3	1	-

I-NED - Independent Non-Executive Director

WTD- Whole Time Director

The ratio between Executive and Non-Executive Directors and Non-Independent and Independent Directors is 1:4.

C. Code of Conduct :-

The Board of Directors of the Company has formulated a Code of Conduct for all Board Members and senior management members of the Company. The Code of Conduct has been posted on the website of the Company.

All the Directors and senior management members have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. A declaration to that effect signed by the Chief Executive Officer forms part of the Annual Report of the Company.

D. AUDIT COMMITTEE :

The terms of reference of this Committee are in line with the norms specified under the Listing Agreement with the Stock Exchanges. The Committee comprises of three Independent-Non-Executive Directors, with Shri Hari Krishan Ahuja as Chairman. Meetings of the Committee were held during the year on 30.04.2009, 30.07.2009, 22.08.2009, 27.08.2009, 31.10.2009, 30.01.2010

The attendance of each member of the Committee is given below :-

Name of Director	No. of Meetings Attended
Shri Hira Lal Bhatia	6
Shri Hari Krishan Ahuja	6
Shri Prithvi Raj Chawla	6

During the year thirteen Board Meetings were held on 30.04.2009, 30.05.2009, 06.07.2009, 30.07.2009, 22.08.2009, 27.08.2009, 30.09.2009, 31.10.2009, 30.11.2009, 28.12.2009, 30.01.2010, 26.02.2010 & 31.03.2010

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other Directorships and Committee Membership/Chairmanship as on 31.03.2010 are as follows :

E. Remuneration Committee

This Committee is yet to be formed.

Remuneration Policy

A. Whole Time Director

- Salary and commission within the limits prescribed under the Companies Act, 1956.

- Annual increments depending upon individual's performance.

- No sitting fees.

Non-Executive Directors

- Sitting fees and out of pocket expenses for attending meetings.

The remuneration payable to Whole Time Director was decided by the Board of Directors while renewing his appointment for five years from 31.03.2008 ; shareholders' approval was obtained at the Annual General Meeting held on 30.09.2008.

The remuneration payable to non-executive directors is decided by the Board of Directors.

Details of remuneration paid during 2009-2010.

A. Whole Time Director

Name	Shri I.D. Chugh
Salary	865902
Long Service Allowance	1500
Provident Fund Contribution	66344
Leave Travel Assistance	46760
Commission	83735
Medical Expenses	36150
Total	1100391

B. Non-Executive Directors

Remuneration by way of sitting fees and out of pocket expenses for attending the meetings of the Board and Committees.

Name of Director	Sitting Fee	Out of Pocket expenses	Total
	Rs.	Rs.	Rs.
Shri Hari Krishan Ahuja	62000	19500	81500
Shri Hira Lal Bhatia	59000	18500	77500
Shri Jai Narain Sawhney	56000	17500	73500
Shri Prithvi Raj Chawla	62000	19500	81500

F) Shareholders/Investors Grievance Committee

(i) Terms of Reference :

The Committee shall look into the matters stipulated under clause 49 of the Listing Agreement.

(ii) Composition :

The Committee comprises of one Independent Non-Executive Director and one Whole-time Director. Shri J.N. Sawhney is the Chairman of the Committee. Shri I.D. Chugh, Whole Time Director is the Compliance Officer. meetings of the Committee were held during the year on 30.04.2009, 30.07.2009, 31.10.2009 and 30.01.2010.

The attendance of each member of the Committee is given below :-

Name of the Directors	No. of meetings Attended
Shri J. N. Sawhney	4
Shri I.D. Chugh	4

G) Share Transfer Sub-Committee

Shri I.D. Chugh, Whole Time Director of the Company has been delegated the power to approve share transfers.

As on 31.03.2010, no case of transfer was pending.

During the year 18 letters/complaints were received from shareholders/debentureholders all of which were replied/resolved to the full satisfaction of the shareholders/debentureholders.

H) Subsidiary Companies :

The Company has three wholly owned subsidiary companies viz. Atlas Cycles (Sonapat) Limited, Atlas Cycles (Sahibabad) Limited and Atlas Cycles (Malanpur) Limited. The minutes of the Board Meetings of the aforesaid subsidiary Companies held on 06.07.2009, 30.09.2009, 28.12.2009 and 30.03.2010 were placed at the Board Meeting of the Company at its meetings held on 30.11.2008, 28.02.2010, 30.04.2010 and 08.07.2010 respectively.

I) CEO/CFO Certification :

The Chief Executive Officer and the Chief Financial Officers have submitted the certificate to the Board as required under Clause 49(v) of the Listing Agreement.

J) Report on Corporate Governance :

The Company has submitted quarterly compliance reports to the Stock Exchanges within 15 days from the close of each quarter

as per the format given in Clause 49, duly signed by the Compliance Officer.

K) Compliance :

Certificate from the Auditors regarding compliance of conditions of Corporate Governance is annexed with the Directors' Report. The said certificate is also being sent to the Stock Exchanges along with the annual report filed by the Company.

L) General Body Meetings :

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2008-2009	30.09.2009	4.00 PM	Industrial Area, Sonapat
2007-2008	30.09.2008	4.00 PM	Industrial Area, Sonapat
2006-2007	16.11.2007	3.30 PM	Industrial Area, Sonapat

No Special Resolution was passed in the last Annual General Meeting.

M) Disclosures :

Related party transactions as per AS-18 have been dealt with in Schedule 10 (Notes to the accounts). However, these transactions are not in conflict with the interest of the Company.

(ii) There were no instances of non-compliance by the Company or penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other authority on any matter related to the capital markets during the last three years.

N) Means of Communication :

(i) Quarterly results are usually published in one English newspaper, viz., Financial Express and one Hindi newspaper, viz., Dainik Tribune.

(ii) Management Discussion & Analysis Report is enclosed.

O) General Shareholders Information :

(i) Next Annual General Meeting is proposed to be held on 30.09.2010 at Company's Registered Office in Industrial Area, Sonapat.

(ii) Financial Calender	
Accounting year	April to March
First Quarter results	Last week of July
Second Quarter results	Last week of October
Third Quarter results	Last week of January
Fourth Quarter results	Last week of April

(iii) Date of book closure : 23.09.2010 to 30.09.2010

(iv) Dividend payment date : Dividend declared in the next Annual General Meeting will be paid within 30 days of the date of declaration to those shareholders whose names appear on the Register of members on the date of Annual General Meeting.

(v) Listing on Stock Exchanges and Stock Codes : Equity shares are listed on Delhi Stock Exchange (Stock Code DSE : 01174) National Stock Exchange and the Stock Exchange, Mumbai (Stock Code BSE : 505029).

(vi) Equity Share Price data for the year 2009-2010

Month	Equity Share Price on NSE and BSE			
	Share Price on NSE		Share Price on BSE	
	HIGH	LOW	HIGH	LOW
	Rs.	Rs.	Rs.	Rs.
2009 April	129.85	75.00	127.60	75.00
May	122.05	95.00	122.00	93.00
June	123.90	98.75	122.50	103.00
July	129.90	100.45	129.00	100.00
August	183.75	120.15	184.00	120.50
September	223.45	163.05	222.90	162.00
October	221.90	190.60	221.50	174.10
November	183.10	157.25	185.00	158.05
December	220.90	164.70	220.50	166.25
2010 January	264.95	202.50	264.85	200.05
February	222.40	182.50	222.40	190.10
March	223.40	203.55	223.95	201.35

vii) Registrar and Share Transfer Agent : With effect from 01.02.2003 M/s Mas Services Private Limited were appointed as the registrar and share transfer agent of the Company both in physical and electronic mode.

(viii) Share Transfer System : The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Physical shares which are lodged with the Company for transfer are processed and returned to the shareholders within a period of 30 days.

(ix) Distribution of Equity Shareholding as on 31.03.2010.

(Range)	No. of Shares	No. of Shares	No. of Shares	No. of Shares
(Range)	Number of shareholders	% to total	No. of shares held	% to total
UPTO-500	9535	95.03	673965	20.72
501-1000	220	2.19	165150	5.10
1001-2000	116	1.15	170686	5.25
2001-3000	34	0.34	83404	2.56
3001-4000	28	0.28	9982	3.05
4001-5000	17	0.17	81517	2.50
5001-10000	30	0.30	220011	6.76
10001 and Above	54	0.54	1757904	54.06
Total	10034	100.00	3251919	100.00

(x) Categories of Equity Shareholders as on 31.03.2010

Category	No. of fully paid up shares held	% shareholding
Promoters, Associates, Directors and relatives	1501717	46.18
Financial Institutions/Banks		
Foreign Institutional Investors/overseas Corporate Bodies/Non-Resident Indians	0	0.00
Mutual Funds	8200	0.25
Bodies Corporate	953	0.03
General Public	291462	8.96
Total	1449587	44.58
	3251919	100.00

(xi) Dematerialisation of Equity Shares and liquidity :

As on 31.03.2010 of the total equity shares, 46.28% were held in dematerialised form and the balance 53.72% shares in physical form. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments which are pending for conversion.

(xii) Plant Locations :

The Company's plants are located at Sonapat, Sahibabad, Malanpur, Bawal and Rasoi.

(xiii) Address for Correspondence:

The Company's registered office is situated in Industrial Area, Sonapat- 131001. Correspondence by the shareholders/debentureholders should be addressed to the registered office. Security holders holding shares in electronic mode should address all their correspondence to their respective Depository participant.

Jai Narain Sawhney
I.D. Chugh
Hari Krishan Ahuja
Hira Lal Bhatia
Prithvi Raj Chawla

} DIRECTORS

New Delhi, the 20th August, 2010

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT MEMBERS WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management Members. The Code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2010 received from the Directors and Senior Management Members a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Members means the members of Management Committee.

Vipin Gupta
CEO

New Delhi, 20th August, 2010

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE TO THE MEMBERS OF ATLAS CYCLES (HARYANA) LIMITED.

We have examined the compliance of condition of Corporate Governance by Atlas Cycles (Haryana) Ltd. for the year ended March 31, 2010 as stipulated in clause 49 of the listing agreement(s) of the said company with the Stock Exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 agreement(s).

We state that in respect of investor grievances received during the year ended March 31, 2010 no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

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

For MEHRA KHANNA AND CO.
CHARTERED ACCOUNTANTS
FR No:- 001141N

CA. RAJIV BHASIN
(PARTNER)

PLACE: DELHI
DATE: 26th August, 2010

Mem.No: - 093845

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

With an annual turnover of more than 12 million bicycles, the bicycle industry is one of the most established industries in India. It has raised the country's position to that of the second largest bicycle manufacturer in the world, next only to China. India has seen a tremendous increase in the number of bicycle manufacturers and bicycle exporters in the recent past. Today, the Indian bicycle manufacturing and bicycle spares industry is well accepted and is also widely recognized for its quality standards in international markets.

The Indian bicycle industry is currently in the midst of making endeavors for enhanced and increased bicycle exports since the scope for export of Indian manufactured bicycle in the international market is significant. As per public reports the present level of exports falls within the range of Rs. 150 crores. This includes Bicycles, bicycle spare parts and bicycle accessories. M/s Atlas Cycles (Haryana) Limited is a Public Limited Company having presence in bicycles segment with a track record of more than 50 years, having established brand both in Indian as well as international market and ranks amongst the three largest cycle manufacturers in the world, with sales of over Rs. 6500 million. The company is engaged in manufacturing of bicycles and its components & steel tubes with units at Sonapat, Sahibabad, Malanpur, Bawal and Rasoi.

The industry structure of bicycle industry is changing very fast A large volume of bicycle is now being produced in the unorganized sector also with a substantial growth of small manufacturers mainly in Ludhiana.

2. OPPORTUNITY AND THREATS

The areas of strength are promoters having long track record, rich experience and strong financial soundness, Atlas Brnad is well accepted both in Indian as well as international market and rank 3rd largest cycle manufacturer in the world. However, the areas of weaknesses: Rising input cost i.e. prices of sheets, strips, Tyres, Tubes and other related chemicals are governed by external forces including its trend in international market. Product obsolescence vis-avis non-acceptance of model could adversely affect the revenue stream and profitability. Further these are the major areas under business risk, promoters risk, financial risk and so on.

3. PRODUCTWISE PERFORMANCE

The Company has a recognized Research and Development center recognized by the Government of India which is continuously working on development of new models and upgrading the present models. The company has introduced a number of new models in the market keeping in view the market trend and customer preference for fancy bicycles. Introduction of new models of fancy bicycle and E-bike has been continuously followed and the sale in this segment has gone up significantly. Further Atlas has widened its product range also.

4. OUT - LOOK

Bicycle Industry is getting more and more competitive and to compete with the World leaders in producing high class bicycles and tapping export market the Indian bicycle industry needs to incorporate the latest Research and Development facilities and pay special attention to design development.

On the whole, the future of the bicycle industry is very

challenging. With the globalization, the domestic market is open to goods and services from global companies because of low tariff. Thus the bicycle industry is facing a very challenging time.

Protection is a thing of the past. Only those companies will survive which successfully structure and modernize technology to combat global competitiveness in terms of quality, cost and product development.

5. RISK AND CONCERNS

Small manufacturers in the unorganized sector have set up their units which certainly pose a threat to the organized sector. Cheap import from China supplying cheap and sub-standard products in the market is also threatening our bicycle industry. Steel Prices are changing on regular basis and there is wide fluctuations in chemical industry and other metals including Nickels, brass etc., which are governed by some external forces. Further as it is the product of necessity, it is not easy to increase the price on frequent intervals.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

To achieve effectiveness and efficiency of operation, reliability of financial reporting and compliance with applicable laws, rules, regulations and compliance of significant policies, the Company has a well defined system of internal control throughout the organisation. The internal audit department regularly probes the deficiency in operation of internal control and suggest ways to rectify such deficiencies. To improve efficiency and internal control the Company has introduced Microsoft-Navision 2009, an Enterprise Resource Planning (ERP) system. Due to the total integration, there is a consistent flow of accurate and easy to access data within all the departments.

The Company has adequate systems of internal control to provide reasonable assurance that assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported properly.

7. FINANCIAL PERFORMANCE

The Company achieved a turnover of Rs. 654.33 crores during the year compared to Rs. 617.45 crores during the previous year. Income from other sources has increased from Rs. 3.88 crores to Rs. 6.03 crores. Profit after taxation, increased from Rs. 1.90 Crores in the previous year to Rs. 3.81 crores during the year.

8. HUMAN RESOURCES & INDUSTRIAL RELATIONS

Regular training as per ISO requirement is being provided at all levels. Cordial relations in the industry are being maintained in all units.

Training at all levels has been a continuous process in the Company. The Company continues to strengthen its human resources. Cordial industrial relations were maintained at all the units. The total manpower strength during the year was approx. 1800 employees.

HARI KRISHAN AHUJA
HIRA LAL BHATIA
ISHWAR DAS CHUGH
JAI NARAIN SAWHNEY
PRITHVI RAJ CHAWLA

} DIRECTORS

NEW DELHI, THE 20th AUGUST, 2010

AUDITORS' REPORT

To the Members of ATLAS CYCLES (HARYANA) LIMITED

- 1) We have audited the attached Balance Sheet of M/S Atlas Cycles (Haryana) Limited as at 31st March 2010 and also the profit and loss account of the company for the year ended on that date, annexed thereto and the cash flow statement for the year ended on that date. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the annexure referred to in paragraph 3 above, 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 account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The balance sheet profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section (211) of the Companies Act, 1956;
 - e) On the basis of written presentations received from the directors and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (ii) In the case of profit and loss account, of the profit of the company for the year ended on that date; and
 - (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For Mehra Khanna & Co.
Chartered Accountants
FR No.-001141N

CA. RAJIV BHASIN
(Partner)
Mem. No.-:093845

Place: Delhi
Date: 26th August, 2010

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 3 of Auditor's Report to the Members of ATLAS CYCLES (HARYANA) LIMITED on the accounts for the year ended 31st March 2010.

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management has carried out a physical verification of most of its fixed assets during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management except for inventory lying with third parties which have been confirmed by the parties. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of Physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to books of records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) & (d) of the order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventories and fixed assets and with regard to sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have informed of any instance of major weaknesses in the aforesaid internal control procedures.
- (v) According to the information and explanations given to us, during the year, there was no transaction that needed to be entered into the register maintained under section 301 of the companies Act, 1956 .
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 58A and provision of section 58AA of the companies Act, 1956 and the companies (Acceptance of Deposits) rules, 1975, with regard to the deposits accepted from the public. As per information and explanations given to us, no order under the aforesaid section has been passed by the company law board on the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where pursuant to the rule made by the central government the maintenance of the cost records has been prescribed under section 209(1) (d) of the companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, the company has been regular in deposited undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income-tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it, we are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they become payable.
- (b) Accordingly to the information and explanations given to us and the records of the company examined by us, there are no disputed dues of income tax, wealth-tax, custom duty and cess matters. The detail of disputed sale-tax and excise duty dues are as follows:-

Nature of the Statute	Nature of the dues	Forum where pending	Amount (in lac.)	Period to which the amount relates
Central excise law	Excise duty	Cestat	4.019	1999-2000
Sales tax laws	Entry tax	Asst. Commissioner	1.88	1998-1999
		Asst. Commissioner	0.914	1999-2000
Sales tax	CST	Asst. Commissioner	5.88	1999-2000
		Appellate Board	90.41	2003-2004
		Dy. Commissioner	300.81	2004-2005
		Dy. Commissioner	89.26	2005-2006
		Dy. Commissioner	13.08	2006-2007
		Add. Commissioner	1.01	2007-2008
	LST	Asst. Commissioner	6.59	1998-1999
		Asst. Commissioner	5.91	1999-2000
		Appellate Board	23.16	2003-2004
		Appellate Board	97.90	2004-2005
		Dy. Commissioner	25.64	2005-2006

- (x) The Company does not have accumulated losses at the end of the financial year march 31, 2010. Further, the company has not incurred any cash losses during the financial year ended march 31, 2010 and in the preceding financial year ended March 31, 2009.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company during the year has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) As the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the order is not applicable.
- (xiii) The provision of any special statute as specified under paragraph 4 (xiii) of the Order are not applicable to the company.
- (xiv) The company has maintained proper records of transactions and contracts in respect of trading in mutual funds and timely entries have been made there in. All investments have been held in the name of the company.
- (xv) In our opinion and according to the information and explanations given to us the company has not given guarantees during the year for loans taken by others from banks and financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the terms loans taken during the year have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us on an overall Examination of the balance sheet of the company, we report that short term funds have not been used to finance long term investments and vice versa.
- (xviii) As the company has not been made any preferential allotment of shares during the year, paragraph 4 (xix) of the order not applicable.
- (xix) During the year, since the company has not issued any debentures paragraph, 4 (xix) of the order not applicable.
- (xx) During the year, since the company has not raised any money by way of public issue, paragraph 4 (xx) of the order is not applicable.
- (xxi) We were informed that during the year certain amount has been fraudulently withdrawn out of Unpaid Dividend A/c of the company for the year 2008-09, exact amount is not ascertainable at this point. However bank has filed F.I.R. against this fraud.

For Mehra Khanna & Co.
Chartered Accountants
FR No.-001141N

Place: Delhi
Date: 26th August, 2010

CA. RAJIV BHASIN
(Partner)
Mem. No.-:093845

ATLAS CYCLES (HARYANA) LIMITED

BALANCE SHEET AS AT 31-3-2010

	Schedules	2010	2010	2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders Funds					
Issued Share Capital	1	3,25,19,190		3,25,19,190	
Reserves & Surplus	2	<u>1,18,09,02,509</u>		<u>1,15,98,85,378</u>	
			1,21,34,21,699		1,19,24,04,568
Loan Funds					
Secured Loans	3	88,13,13,619		6,06,435,073	
Unsecured Loans		<u>10,97,05,000</u>		<u>6,33,58,000</u>	
			99,10,18,619		66,97,93,073
			2,20,44,40,318		1,86,21,97,641
APPLICATION OF FUNDS					
Fixed Assets	4		83,42,82,398		79,52,71,768
Investments	5		8,56,30,428		16,04,83,429
Current assets, loans and advances	6	3,21,52,76,733		3,09,68,26,018	
Less Current liabilities and provisions	7	<u>1,85,80,49,241</u>		<u>2,12,10,83,574</u>	
Net Current Assets			1,35,72,27,492		97,57,42,444
Less Deferred Tax Liability			<u>7,27,00,000</u>		<u>6,93,00,000</u>
			2,20,44,40,318		1,86,21,97,641
Notes to the accounts	10				

SALIL KAPUR
PRESIDENT

JAI DEV KAPUR
PRESIDENT

VIKRAM KAPUR
PRESIDENT

VIPIN GUPTA
C.E.O

GANESH IYER
C.G.M. (A/C)

S.KHANNA
C.F.O

C.M.DHALL
C.F.O

The schedules referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our report of even date.

for MEHRA KHANNA & CO
Chartered Accountants
FRN : 001141N

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi:the 26th AUGUST 2010

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

}

DIRECTORS

New Delhi:the 20th AUGUST 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedules	2010		2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
GROSS TURN OVER			6,76,90,80,643		6,47,46,45,432
LESS:EXCISE			6,90,64,609		12,30,27,502
SALE NET OFF EXCISE			6,70,00,16,034		6,35,16,17,930
LESS :REBATE			15,67,08,605		17,71,36,309
NET SALE			6,54,33,07,429		6,17,44,81,621
OTHER INCOME	8		6,02,58,111		3,88,45,968
			6,60,35,65,540		6,21,33,27,589
EXPENDITURE	9		6,54,63,69,693		6,17,09,01,327
PROFIT BEFORE EXTRA ORDINARY ITEMS			5,71,95,847		4,24,26,262
EXTRA ORDINARY ITEM:					
EXTRA ORDINARY ITEM :-LEGAL(SEE NOTE NO 14)			57,14,617		34,48,013
PROFIT BEFORE TAXATION			5,14,81,230		3,89,78,249
PROVISION FOR TAXATIONS:CURRENT, FBT AND DEFERRED			1,34,00,000		1,99,70,000
PROFIT AFTER TAXATION			3,80,81,230		1,90,08,249
PROFIT BROUGHT FORWARD			1,44,12,062		2,25,24,434
PROFIT FOR APPROPRIATION			5,24,93,292		4,15,32,683
APPROPRIATION					
PROPOSED DIVIDEND			1,46,33,635		1,46,33,635
DIVIDEND TAX			24,30,464		24,86,986
GENERAL RESERVE			2,00,00,000		1,00,00,000
SURPLUS CARRIED FORWARD			1,54,29,193		1,44,12,062
			5,24,93,292		4,15,32,683
Notes to the Accounts	10				

	SALIL KAPUR PRESIDENT	JAI DEV KAPUR PRESIDENT	VIKRAM KAPUR PRESIDENT
VIPIN GUPTA C.E.O	GANESH IYER C.G.M. (A/C)	S.KHANNA C.F.O	C.M.DHALL C.F.O

The schedules referred to above form an integral part of the Accounts.
This is the Profit & Loss Account referred to in our report of even date.

for MEHRA KHANNA & CO
Chartered Accountants
FRN : 001141N

CA.RAJIV BHASIN
PARTNER
M No : 093845
Delhi:the 26th AUGUST 2010

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

}

DIRECTORS

New Delhi:the 20th AUGUST 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

1. SHARE CAPITAL		2010		2009	
		Rs.	Rs.	Rs.	Rs.
Authorised Share Capital					
30000	61/4% P.A. free of Income tax cumulative redeemable Preference shares of Rs.100 each	30,00,000		30,00,000	
9700000	Equity Shares of Rs.10 each	<u>9,70,00,000</u>		<u>9,70,00,000</u>	
			<u>10,00,00,000</u>		<u>10,00,00,000</u>
Issued,Subscribed & Paid Up Share Capital					
1387790	Equity Shares of Rs.10 each fully paid up for cash		1,38,77,900		1,38,77,900
1734792	Equity Shares of Rs.10 each fully paid up by way of Bonus shares by capitalisation of reserves		1,73,47,920		1,73,47,920
129337	Equity Shares of Rs.10 each fully paid up allotted in terms of the scheme of amalgamation of Atlas Auto Cycles Ltd. for consideration other than cash		<u>12,93,370</u>		<u>12,93,370</u>
			<u>3,25,19,190</u>		<u>3,25,19,190</u>
2. RESERVES & SURPLUS					
		Rs.	Rs.	Rs.	Rs.
Capital Reserve:					
Fixed Assets Revaluation Reserve					
	As per last Balance sheet		3,89,74,063		3,89,74,063
Revenue Reserves :					
A. General Reserve					
	As per last Balance sheet	1,04,58,79,068		1,03,58,79,068	
	Less: Deferred Tax Adjustment of previous year	-			
	Amount Transferred from Profit & loss Account	<u>2,00,00,000</u>	<u>1,06,58,79,068</u>	<u>1,00,00,000</u>	<u>1,04,58,79,068</u>
B.Share Premium Reserve					
	As per last Balance sheet		6,06,20,185		6,06,20,185
D.Profit & Loss Account					
	Surplus carried forward		<u>1,54,29,193</u>		<u>1,44,12,062</u>
			<u>1,18,09,02,509</u>		<u>1,15,98,85,378</u>

3. LOANS	2010	2009
	Rs.	Rs.
A. Secured Loans		
i. Term Loan	24,07,54,280	8,00,00,000
ii. Net loans from banks	46,53,44,748	33,37,80,518
iii. Other Loans	17,52,14,591	19,26,54,555
	88,13,13,619	60,64,35,073
B. Unsecured Loans		
i. Fixed deposits from Share holders & Public	10,97,05,000	6,33,58,000
	10,97,05,000	6,33,58,000
	99,10,18,619	66,97,93,073

NOTES:

1. Net loans from banks are secured by way of hypothecation of stocks and trade debtors and all the immovable property of the Company by way of a first charge pertaining to existing properties and those which it may acquire in the future.
2. Term loan from Bank are secured by way of first parri passu charge on concerned unit's existing immovable properties and those which it may acquire in the future.
3. Other Secured loans includes Loan from SIDBI are secured by way of second charge on fixed assets of Sonipat and Sahibabad Unit, and also includes loan against hypothication of vehicles

4.FIXED ASSETS

	LAND & BUILDING	PLANT & MACHINERY	COMPUTER	ELECTRICAL INSTALLATION	VEHICLES	FURNITURE & FIXTURES	UNDER CONST. INSTALLATION BUILDING/ MACHINERY	TOTAL
COST	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31.3.2009	61,76,49,460	55,41,74,748	4,32,78,347	2,59,96,554	14,23,15,097	6,61,77,171	3,12,16,615	1,48,08,07,992
Additions	4,76,27,167	2,38,52,058	32,49,417	21,152	1,13,86,224	59,52,332	3,99,842	9,24,88,192
sales/Adjustment	0	7,69,989	0	0	72,73,481	16,300	0	80,59,770
As at 31st March 2010	66,52,76,627	57,72,56,817	4,65,27,764	2,60,17,706	14,64,27,840	7,21,13,203	3,16,16,457	1,56,52,36,414
DEPRECIATION								
As at 31.3.2009	15,20,15,854	37,53,85,882	3,60,45,457	1,91,78,094	6,49,82,684	3,79,28,253	0	68,55,36,224
For the Year	1,27,61,677	1,75,71,680	32,00,693	7,78,813	1,24,69,331	35,50,956	0	5,03,33,150
sales/Adjustment	0	7,06,895	0	0	42,04,524	3,939	0	49,15,358
As at 31.3.2010	16,47,77,531	39,22,50,667	3,92,46,150	1,99,56,907	7,32,47,491	4,14,75,270	0	73,09,54,016
NET ASSETS								
As at 31st March 2010	50,04,99,096	18,50,06,150	72,81,614	60,60,799	7,31,80,349	3,06,37,933	3,16,16,457	83,42,82,398
As at 31st March 2009	46,56,33,606	17,87,88,866	72,32,890	68,18,460	7,73,32,413	2,82,48,918	3,12,16,615	79,52,71,768

5. INVESTMENTS

	Nominal Value	2010 No of Shares/Units	Amount Paid	2009 No. of Shares	Amount Paid
(I) Long term Investments (At Cost)					
(a) Non Trade Investemnts (Unquoted)					
i 12 years National Defence Certificate for face value of Rs.1750 pledged with Government departments as security	1,750	0	1,750	0	1,750
ii 7 years National Saving Certificates(II issue) pledged with Excise authorities	10,000	0	10,000	0	10,000
b) Non Trade Investment (Quoted)					
778 Equity Shares of Central Bank of India.	102	778	79356	778	79356
Adani Enterprises Ltd.		924	443,495	0	0
Bharti Airtel Ltd.		941	298,146	0	0
Bharat Heavy Electricals Ltd.		289	676,367	0	0
Divis Laboratories Ltd.		476	275,147	0	0
Hdfc Bank Ltd.		174	274,074	0	0
Housing Development Finance Corp. Ltd.		259	641,323	0	0
ITC Ltd.		1904	468,040	0	0
Larson & Tourbo Ltd.		352	533,832	0	0
Maruti Udyog Ltd.		327	448,313	0	0
Opto Circuits (India) Ltd.		2100	448,699	0	0
Reliance Industries Ltd.		550	551,520	0	0
Rural Electrification Corp. Ltd.		2495	560,249	0	0
State Bank of India		280	555,509	0	0
Sun Pharmaceuticals Industries Ltd.		178	271,101	0	0
Tata Consultancy Service Ltd.		372	273,148	0	0
Torrent Power Ltd.		1884	562,095	0	0
			<u>73,72,164</u>		<u>91106</u>
(c) Trade investment in shares of wholly Owned Subsidiary Companies Fully Paid (Unquoted)					
i) 50000 (Previous year 50000)Equity shares of Rs 10 each fully paid up in Atlas Cycles (Sonapat) Ltd.			5,00,000		5,00,000
ii) 50000 (Previous year 50000)Equity shares of Rs 10 each fully paid up in Atlas Cycles (Sahibabad) Ltd.			5,00,000		5,00,000
iii) 50000 (Previous year 50000)Equity shares of Rs 10 each fully paid up in Atlas Cycles (Malanpur) Ltd.			5,00,000		5,00,000
II) Current Investments (At Lower of Cost and Fair market value)					
FORTIS (ABN AMRO) MUTUAL FUND-(G)		0	-	5	5000000
BIRLA SUNLIFE MUTUAL FUND-(G)		610583	10,00,000	731618	19900000
CANARA ROBEKO MUTUAL FUND-(G)		0	-	1000000	10000000
DSP BLACKROCK MUTUAL FUND-(D)		11656	1,402,939	100000	1000000
HDFC MUTUAL FUND-(G)		624961	10,00,000	1000000	10100000
ICICI MUTUAL FUND-(G)		0	-	847378	20000000
JM FINANCIAL MUTUAL FUND-(G)		0	-	683123	22000000
KOTAK MAHINDRA MUTUAL FUND-(G)		49262	600,000	366393	10174185
PRINCIPAL MUTUAL FUND-(D)		216516	3,758,973	3000000	30000000
RELIANCE MUTUAL FUND-(G)		4297327	44,996,352	399828	15600000
TATA MUTUAL FUND-(G)		0	-	50000	5000000
THE OCIAN'S ART FUND-(D)		50000	5,000,000	16046	118138
ICICI MUTUAL FUND		100000	1000000	418889	10000000
			<u>76,758,264</u>		<u>158892323</u>
Aggregate Total Investments At Cost			<u>85,630,428</u>		<u>160,483,429</u>

Note: aggregate Market Value of Quoted investments Rs.77,20,460/

Note: during the year the company acquired and sold following current investments

Name of Fund	No of Units	Purchase Cost Rs in Lacs
Mutual Fund		
BIRLA SUN LIFE MUTUAL FUND	985358	100.00
BARODA PIONEER MUTUAL FUND	506143	400.00
HDFC MUTUAL FUND	3214406	600.00
ICICI MUTUAL FUND	1077871	200.00
ICICI MUTUAL FUND	60553	100.00
IDFC MUTUAL FUND	482961	50.00
KOTAK MAHINDRA MUTUAL FUND	1457413	199.00
LIC MUTUAL FUND	1298936	199.00
TATA MUTUAL FUND	334820	100.00

BONDS					
Name of Bond	No of Units	Purchase Cost Rs in Lacs			
9.85% REC BONDS 28/09/2017	9	103.29	9.15% BOB PERPETUAL BONDS	8	80.47
9.24% IOB BONDS 05/09/2021	9	98.57	8.50% NPCL BONDS 16/11/2019	5	50.52
10.85% REC BONDS 14/08/2018	8	97.36	9.10% SBM PERPETUAL BONDS	2	20.03
10.70% IRFC BONDS 11/09/2023	5	60.69	8.65% SAIL BONDS 30/12/2019	9	90.13
8.50% IRFC BONDS 26/12/2023	3	30.87	8.65% REC BONDS 22/01/2020	14	140.00
8.10 % IIFCL BONDS 08/04/2024	1	10.49	8.80% PFC BONDS 15/01/2025	10	100.07
9.35% UCO BANK 22/12/2020	10	104.86	8.65% BANK OF MAHARASTRA	20	200.09
9.90% PFC BONDS 30/03/2017	4	43.84	8.53% IDBI BONDS 23/11/2019	4	40.27
10.70 PFC BONDS 15/07/2013	4	43.36	8.40% ONGC VIDESH BONDS 23/12/2014	2	20.07
8.60% PFC BONDS 07/08/2014	13	132.98	8.70% PUNJAB & SIND BANK BONDS 11/04/20	8	80.64
11.40% PFC BONDS 28/11/2013	3	35.69	9.35 GES CO.LTD.BONDS 08/02/2019	7	70.18
8.72% REC BONDS 04/09/2019	3	29.97	8.20% OIL BONDS 15/09/2024	8	78.28
9.30% IOB PERPETUAL BONDS	19	190.00	KOTAK LIQUID FUND	37102880	4,508.00
8.80% PGC BONDS 29/09/2023	15	186.65	Total		7,415.51
9.20% BOB PERPERUAL BONDS	19	190.00	EQUITY		
7.90% REC BONDS 06/10/2012	19	190.45	Name of the Equity	No. of Shares	Purchase Cost Rs in Lacs
10.55% BOI PERPERUAL BONDS	14	157.54	DLF LTD.	820	2.65
8.55% IIFCL BONDS 26/10/2024	19	190.00	ICICI BANK LTD.	683	4.96
9.60% GES CO LTD BONDS 10/11/2019	4	40.15	SUZLON ENERGY	3498	3.16
			STERLITE INDUSTRIES (INDIA) LTD.	326	1.98
			Total	12.75	

6.CURRENT ASSETS, LOANS AND ADVANCES

	2010	2009
	Rs.	Rs.
A. STOCKS (At lower of cost or net realisable value as certified by the management)		
1. Stores, spare parts, advertisement materials and other material	91470751	65982922
2. Loose tools	4876705	5680788
3. Production materials	497225869	385802122
4. Finished Goods	155342213	252828165
5. Work in Progress	25612070	27199901
6. Scrap	3302469	989346
7. Goods in transit	33957	89692
	777864034	738572936
B. DEBTORS		
a. Debts exceeding six months considered good	290092114	190391493
b. Debts exceeding six months considered doubtful	22367563	23267563
c. Other debts considered good	1336523405	1338771341
	1648983082	1552430397
Less: Provision for doubtful debts	22367563	23267563
	1626615519	1529162834
C. LOANS AND ADVANCES		
a. Unsecured considered good		
i. Advances recoverable in cash or kind or for value to be received (see note i a & b below)	382929308	476954631
ii. Security deposits	30334269	21853262
iii. Prepaid expenses	3646329	3485524
iv) Claim recoverable	1692854	1799724
	418602760	504093141
b. Advance tax and tax deducted at source	208416418	205653827
	627019178	709746968
D. CASH AND BANK BALANCES		
a. Cash in Hand	2720997	4362666
b. Dividend Accounts	6453618	2941921
c. Unclaimed Debenture and Interest	3574932	4232297
d. Fixed Deposits with banks	171028455	107806396
	183778002	119343280
	3215276733	3096826018

* During the year certain amount was fraudulently withdrawn from unpaid Dividend account for the year 2008-09 against which FIR has been filed by the Bankers, exact amount of fraud is not quantifiable at present.

NOTES:

i. Loans & Advances include due from :

- a) Officers Rs.5,82,103/ (Previous Year Rs.1,59,144) Maximum amount due at any time during the year Rs .25,01,914(Previous Year Rs.1363571)
- b) Advances to Whole-time Director Rs.nil(Previous Year Rs.Nil) Maximum amount Due at any time during the year Rs.6,84,333(Previous Year Rs 432242)

7.CURRENT LIABILITIES AND PROVISIONS:

	2010		2009	
	Rs.	Rs.	Rs.	Rs.
a. Current Liabilities				
l) Sundry Creditors-SSI	397472174		185788713	
-Other Sundry Creditors*	985371660		1460198397	
ii) Interest accrued but not due on loans	5006845		4078235	
iii) Unclaimed Debenture and Interest*	3574932		4232297	
iv) Sales Tax (Protested)	-		3596356	
iv) Unclaimed dividends*	6453618	1397879229	2941921	1660835919
b) Provision for Taxation		178557913		178579034
c) Provision for Proposed Dividend		14633635		14633635
d) Provision for Dividend Tax		2430464		2486986
e) Provision for Extra Ordinary Item(Revenue Loss)		59518000		59518000
Provision for Extra Ordinary Item		50030000		50030000
f) Advance against sale of land **		155000000		155000000
		<u>1858049241</u>		<u>2121083574</u>

* Do not include any amount outstanding as on March 31st, 2010 which are required to be credited to Investor Education and Protection Fund.

** Company has planned to relocate its Rasoi plant and has received Rs.15.50 crores as advance against sale of land of the Rasoi plant.

8.INCOME FROM OTHER SOURCES

	2010		2009	
	Rs.	Rs.	Rs.	Rs.
Miscellaneous Receipts		28793215		29241567
INTEREST:				
a) From banks	7929661		3135415	
b) Others	23611	7953272	911175	4046590
Dividend from Current Investments		932699		3470050
Profit on sale of mutual funds		20986002		-
Profit on sale of assets		1592923		2087761
		<u>60258111</u>		<u>38845968</u>

(Tax deducted at source on interest from other sources including Rs. 942295/ (Previous Year Rs.798732)

9 EXPENDITURE

	2010		2009	
	Rs.	Rs.	Rs.	Rs.
A. RAW MATERIAL CONSUMED				
Cost of Raw Material Consumed				
Opening Stock of Raw Material	385802122		507078350	
Add Purchases	5025281077		4593989484	
	<u>5411083199</u>		<u>5101067834</u>	
Less Closing Stock of Raw Material	497225869	4913857330	385802122	4715265712
(Increase)/decrease in Stock				
Opening stock:				
Finished goods	252828165		207826538	
Work In Progress	27199901		49308637	
Scrap	989346		343969	
	<u>281017412</u>		<u>257479144</u>	
Closing stock:				
Finished goods	155342213		252828165	
WIP	25612070		27199901	
Scrap	3302469		989346	
	<u>184256752</u>		<u>281017412</u>	
(Increase)/decrease in Stock		96760660		-23538268
COST OF GOODS CONSUMED		<u>5010617990</u>		<u>4691727444</u>

B MANUFACTURING AND OTHER EXPENSES	2010		2009	
	Rs.	Rs.	Rs.	Rs.
Salaries,Wages & Bonus		276239713		285957860
Contribution to Employees Provident Fund, Pension Fund,Employees State Insurance and Gratuity Fund		38238474		37841733
Workers & Staff Welfare		24472375		19670385
Power & Fuel		75760253		78029879
Consumption Of stores & spare parts		243968442		261595859
Consumption of packing material		99715668		89572302
Repairs to machinery		37028950		19232721
Repairs to building		35643802		11759265
Other repairs		24903733		20062975
Rent		11315282		7464005
Rates & Taxes		10041084		10743683
Insurance Charges		3677575		3561365
Printing,Stationary & Postage Telephone		15961262		14670965
Advertisements & Sales Promotion		56369915		49328041
Directors Remuneration		314000		260000
Travelling Expenses		57124227		66894324
Research & Development		367040		256369
Auditors emoluments:				
Audit Fees	1223227		906666	
Tax Audit fees	146699		133463	
For other Certifications	205643	1575569	604277	1644406
Transport & Railway Freight		235793037		224392614
Charity & Donations		127131		296660
Commission to Selling Agents		9096778		11047360
Cartage,Octroi etc.		33698411		22179439
Miscellaneous		88882925		66759388
Loss on sale of mutual fund		0		815157
Bad Debts W/off		67081		72533
Loss on sale of Assets		396382		728584
			1380779109	1304837872
C. INTEREST				
On term loans and unsecured fixed deposits		23561115		8406398
Others		81078329		114674297
			104639444	123080695
D. DEPRECIATION				
Depreciation		50333150		51255316
		6546369693		6170901327

SCHEDULE (10)**NOTES FORMING PART OF THE ACCOUNTS.****I. ACCOUNTING POLICIES:****TURNOVER:**

Sales are net of excise duty and rebates.

FIXED ASSETS:

Fixed assets are valued at cost. Land and Building at Sonepat and at Rasoi were revalued on 30th June, 1986. Subsequent additions to these units are shown at cost.

DEPRECIATION:

Incase of Sahibabad , Malanpur and Bawal units depreciation is calculated at straight line method.

All other units the written down value method has been followed.

INVENTORIES:

Raw material, Components and spare parts are valued at weighted average basis cost concept. Finished goods and work in progress are valued at cost. The cost includes material cost plus appropriate share of labour and overheads.

INVESTMENTS:

Long term Investments are valued at cost. Current Investment is valued at cost or market Value which ever is less.

CONTINGENT LIABILITIES:

Contingent Liabilities are not provided for in accounts and are shown separately.

RECOGNISATION OF INCOME AND EXPENDITURE:

Items of Income & Expenditure recognised on accrual basis.

RETIREMENT/GRATUITY BENEFITS:

Liabilities in respect of gratuity benefits, Provident Fund and Superannuation benefits, for its senior employees are provided for by the company via Gratuity Fund Trust and Superannuation Trust maintained at LIC. Earned leave has been provided for on actuarial valuation.

RESEARCH AND DEVELOPMENT EXPENSES:

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account in the year in which it is incurred, while the capital expenditure is shown as an addition to the Fixed Assets.

TAX ON INCOME:

Current Tax is determined as the amount of Tax Payable in respect of Taxable income for the year.

Deferred Tax is recognised, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

II. NOTES FORMING PART OF THE ACCOUNTS**2010****2009****Rs.****Rs.****1. CONTINGENT LIABILITIES IN RESPECT OF**

a) Surety bonds executed in favor of President of India through Customs & Excise authorities for payment of Central Excise/Custom duty	1,64,99,412	1,64,99,412
b) Two surety bonds in favour of government of Haryana for payment of Central & Local Sales Tax	30,40,000	30,40,000
c) Guarantees given by bank	14,01,77,319	12,01,16,448
d) In respect of Entry Tax matters	2,79,000	7,61,000
e) In respect of Excise matters	56,20,000	56,02,000
f) In respect of Sales Tax matters	6,59,65,000	5,87,21,000

2. LICENCED & INSTALLED CAPACITY AND PRODUCTION

Class of Product		Licensed Capacity	Installed Capacity*	Production
1. Bicycle/Exerciser	Nos	39,40,000	46,00,000	28,98,352
		(39,40,000)	(46,00,000)	(25,74,700)
2. Steel Tube	M.Tonnes	50,000	50,000	18,975
		(50,000)	(50,000)	(19,617)

* Installed Capacity as certified by the Management.

3. SALE, OPENING AND CLOSING STOCK OF GOODS PRODUCED

a) Sales	2010		Nos	2009	
	Nos	Value Rs.		Value Rs.	
(i) Bicycles/Accessories	28,90,265	5,59,44,03,297	25,81,272	5,11,96,52,319	
(ii) Bicycle components and accessories		48,44,71,925		52,08,64,109	
(iii) Steel Tubes		66,67,63,063		80,28,56,424	
(iv) Scrap		2,34,42,358		3,12,72,580	
		<u>6,76,90,80,643</u>		<u>6,47,46,45,432</u>	
b) Opening Stock					
(i) Bicycle components and accessories		26,00,13,665		22,36,45,322	
(ii) Steel Tubes		2,00,14,401		3,34,89,853	
(iii) Scrap		9,89,346		3,43,969	
		<u>28,10,17,412</u>		<u>25,74,79,144</u>	
c) Closing Stock					
(i) Bicycle components and accessories		15,92,75,270		26,00,13,665	
(ii) Steel Tubes		2,16,79,013		2,00,14,401	
(iii) Scrap		33,02,469		9,89,346	
		<u>18,42,56,752</u>		<u>28,10,17,412</u>	

Notes:

The quantitative details of bicycles components, accessories and quantity of steel tubes sold, opening stock & closing stock are not given as there are large number of components and accessories and so many sizes of steel tubes respectively.

4. DETAILS OF RAW MATERIAL CONSUMED DURING THE YEAR

	Units	Quantity	2010		2009	
			Value Rs.	Quantity	Value Rs.	
(i) Sheets & Strips	Kgs.	2,45,13,284	94,58,06,253	2,46,18,616	1,13,63,74,488	
(ii) Tyres	Nos.	54,17,157	37,49,21,310	49,75,561	31,44,17,955	
(iii) Tubes	Nos.	55,31,234	16,32,18,348	50,32,756	13,66,07,113	
(iv) Rims	Nos.	41,86,312	34,39,03,148	40,78,205	32,64,02,724	
(v) Other Items	-	-	32,60,02,853		31,35,39,943	
(vi) Components	-	-	2,76,00,05,418		2,48,79,23,489	
			<u>4,91,38,57,330</u>		<u>4,71,52,65,712</u>	

5. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR

	Indigenous		Imported	
	Value (Rs.)	Percentage	Value (Rs.)	Percentage
(i) Raw Material	1,82,78,49,059 (1,91,38,02,280)	100 (100)	NIL (NIL)	0 (0)
(ii) Components	2,77,00,61,082 (2,58,08,26,020)	89.76 (82.12)	31,59,47,189 (22,06,37,412)	10.24 (7.88)

Previous Year figures are shown in brackets.

6. VALUE OF TOTAL IMPORTS ON CIF BASIS	2010	2009
	Rs.	Rs.
(i) Raw Material, Components & Spare Parts	36,87,39,579	24,73,87,148
(ii) Capital Goods	60,46,358	—
	<u>37,47,85,937</u>	<u>24,73,87,148</u>

7. EXPENDITURE IN FOREIGN CURRENCY

	2010	2009
	Rs.	Rs.
(i) Commission on export	55,26,204	39,71,575
(ii) Foreign Tours	1,19,35,243	1,86,60,044
(iii) Foreign Publicity & exhibition	1,77,955	2,02,527
	<u>1,76,39,402</u>	<u>2,28,34,146</u>

8. EARNINGS IN FOREIGN EXCHANGE

F.O.B. Value of goods exported	18,75,60,976	26,41,17,623
--------------------------------	---------------------	--------------

9. SEGMENT REPORTING

Based on the guiding principles given in Accounting Standard -17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Companies business segment includes bicycle manufacturing and Steel tube manufacturing.

SEGMENT ACCOUNTING POLICIES

The accounting policies adopted for the segment reporting are in line with the accounting policies of the company with the following additional policies for the segment reporting.

- (i) Inter segment revenue have been accounted on cost to the receiving segmental unit.
- (ii) Expenses have been included to the segment on the basis of their relationship to the accounting activities of the segment. Expenses which relate to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included under "unallocated corporate expenses."
- (iii) Segments assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

INFORMATION ABOUT BUSINESS SEGMENTS

(Figure in Rs. Lacs)

Particulars	TUBE MILL		CYCLE UNIT		TOTAL	
	2010	2009	2010	2009	2010	2009
Segment Revenue						
External Sales	7637.93	8970.47	60052.88	55775.98	67690.81	64746.45
Less Excise	690.65	1230.27	0	0	690.65	1230.27
Inter Segment Sales	1190.66	3008.07	0	0	1190.66	3008.07
Other Income	1.09	5.16	601.49	383.29	602.58	388.45
Total Revenue	8139.03	10753.43	60654.37	56159.27	68793.40	66912.70
Segment Results	21.31	(31.51)	1539.89	1652.10	1561.20	1620.59
Unallocated Expenses	—	—	—	—	—	—
Operating Profit	21.31	(31.51)	1539.89	1652.10	1561.20	1620.59
Interest Expenses	63.06	135.46	983.33	1095.35	1046.39	1230.81
Unallocated Interest	-	-	-	-	-	-
Net Profit before Tax	(41.75)	(166.97)	556.56	556.75	514.81	389.78

Particulars	TUBE MILL		CYCLE UNIT		TOTAL	
	2010	2009	2010	2009	2010	2009
Income Tax						
Current,deferred and FBT	-	-	-	-	134.00	199.70
Net Profit	-	--	-	---	380.81	190.08
Other Information						
Segment Assets	6429.22	5849	33106.76	32956.66	39535.98	38805.66
Common assets					1815.21	1807.31
Total Assets	6429.22	5849	33106.76	32956.66	41351.89	40525.81
Segment Liabilities						
Segmental Liabilities	2831.34	1888	35727.85	35987.83	38559.17	37875.83
Common Liabilities		-		-	2792.72	2649.98
Total Liabilities	2831.34	1888	35727.85	35987.83	41351.89	40525.81
Capital Expenditure	49.47	497	875.41	908.72	924.88	1405.72
Depriciation	92.69	75.10	410.64	437.45	503.33	512.55

10. LIST OF SMALL SCALE SUPPLIERS WHERE THE OUTSTANDING ARE OVER 30 DAYS:

Alag Cycle Inds, Aarti Steel Ltd, Amber Inds, Bharat Intl, Bharat Udyog, Charu Auto Inds, Gobind Cycles (Pvt) Ltd, Goel Interprises, Govind Steel, Hindustan Tyres, , Active Cycle Industries, B.J.Sales Corp, Hargobind Mach Works, Meera Inds, New Modern Steel, Sabarwal Interprises, Brosis Intl, Vishal Udyog Pvt Ltd, Vishal Cycles Pvt Ltd, Auto Fan (India) Appu Intl, Sukhmani Steel, D.K.Inds, Kamal Cycles, Metro Tyres, Pinki Plastics, Prestige Polyfolds, Ravi Inds, Rana Enterprises, Rolex, Rahul Interprises. Atam Ballabh, Vishwakarma Inds, Alled Strips, Bajrang Inds, D.K.Enterprises, Sony Inds, Harnek Singh & Co, Om Shivam Cycles, Amar Chand & Sons, Batla Corp, H.K.Engg, Randhir Paints, Kashmir Min & Paint Ltd, Simple Paints, Ason Bikes, Field Marshal Products, Great Gearts Pvt Ltd, Gupta Bikes, Jeet Enterprises, Margo Expots, Nagpal Enterprises, Parko Sunrise Enterprises, Syndicate Tyres, Khular Cycles, Lions inds, Nitya Enterprises, Pratab Cycle Inds, Rider Bike Pvt Ltd, Sewak Screw, Enn Gee Industrial Corp, Ess Pee Inds, Fit Right Organics, Rana Enterprises, Salana Cycle Inds, Ess Ess Products of india, Atul Metal Inds, Cargo International Packing, Crown Products, Durga Industries, Industrial Sales Promoters, Punjab Poly Pack, Rishi Udyog, Raj Impex, Saurashtra Indl Products, Saif Product, Sharda Packing, Chandan Inds, S.J.Cycle Inds, Speedo Expots, Active Cycle Inds, Amardeep Steel Inds, Balbinder Mech Works, Joginder Singh Tejinder Singh, Kid Ride Inds, Vee Pee Inds, Navin Enterprises, Jain Inds, Bansal Inds, J.B.Inds, Mankoo Steels, Randhir Indl Corp, Rajeen Inds, Watson Engg, Singh Packers, Advance Plastic, Ark Engg Works, Ravi Industries,.Globe Inds.

11. EARNING PER SHARE

	2010	2009
(a) Profit after tax as per Profit & Loss A/c	3,80,81,230	1,90,08,249
(b) Weighted average number of shares of Rs. 10 each outstanding	32,51,919	32,51,919
(c) Earning per share	11.71	5.84

12. RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18

A. Name of associated parties and nature of related party relationship

- I) i) **Associated companies:** Milton Cycles Inds Ltd, Janki Das & sons (P) Ltd, Janki Das & Co., Roamer Engineering Works (P) Ltd., Exotic Flora (P) Ltd..
- ii) **Subsidiary Companies are:** Atlas Cycles (Sonipat) Ltd, Atlas Cycles (Sahibabad) Ltd, Atlas Cycles (Malanpur) Ltd.
- II) **Directors & Employees (As at 31.03.2009) :** Sh. I.D.Chugh, Sh. H.K.Ahuja, Sh. H.L.Bhatia, Sh. J.N.Sawhney, Sh. P.R. Chawla, Sh. Jai Dev Kapur, Sh. Vikram Kapur, Sh. Salil Kapur, Sh. Gautam Kapur, Sh. Girish Kapur, Sh. Sanjay Kapur, Sh. Rajiv Kapur, Sh. Angad Kapur, Sh. Rishav Kapur,Sh.Prashant Kapur,Sh.Rahul Kapur,Sh.Sidhant Kapur, Sh. Abhinav Kapur.

B. Transactions with the Associated Parties and Subsidiaries**(Rs. In lacs)**

	2009-10	Associated Companies	2008-09
Sale of Goods	1150.44		1276.96
Purchase of Goods	5583.51		5662.56
Balances on year end	33.65		30.17
Guarantee Given	20.00		20.00

C. Transactions with key managerial persons:Remunerations: Rs. **425.31** lacs (Previous Year Rs. 359.99 lacs)**13.DETAIL OF PROVISION FOR DEFERRED TAXATION**

Timing difference on account of:

	Increase in Deferred Tax Liabilities	Rs. in lacs
	31.3.2010	31.3.2009
Difference between Book Depreciation And as per I Tax Act	34	50
Total	34	50
Net Deferred Tax Liabilities.	34	50

14 EXTRAORDINARY ITEMS - LEGAL & PROFESSIONAL

In order to recover the damage and loss which has been perpetrated by the ex. Malanpur Head, the legal actions initiated by the company in the recovery and its fight for its patent rights has caused the company legal expenses amounting to **Rs.57.14** lacs (Previous Year Rs. 34.48 lacs).

15. Figure of the Previous Year have been re-arranged, wherever necessary.**16.** The Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and commission payable to Directors:

	2010	2009
	Rs.	Rs.
(a) Computation of profit for managerial remuneration		
Profit as per Profit & Loss A/c	5,14,81,230	3,89,78,249
Add: Directors remuneration including perquisites	11,00,391	11,38,672
Add Bad debts	67,081	72,533
	5,26,48,702	4,01,89,454
Less: Profit on Sale of Assets	15,92,923	20,87,761
Add: Depreciation as per Profit & Loss A/c	5,03,33,150	5,12,55,316
Less Depreciation as per Section 350 of companies Act, 1956	737,62,949	7,26,09,811
Net Profit	2,76,25,980	1,67,47,198
Commission eligible for payment @ 0.5% of the Net Profit (Previous Year 0.5%)	1,38,130	83,735
Actual Commission Paid to a Whole Time Director	83,735	1,66,255

	2010 Rs.	2009 Rs.
(b) Remuneration paid to a whole time director		
Salary	8,65,902	8,03,496
Long Service Allowance	1,500	1,500
Provident Fund Contribution	66,344	62,081
Leave Travel Assistance	46,760	43,880
Medical Expenses	36,150	61,550
Commission	83,735	1,66,255
	<u>11,00,391</u>	<u>11,38,762</u>

	SALIL KAPUR PRESIDENT	JAI DEV KAPUR PRESIDENT	VIKRAM KAPUR PRESIDENT
VIPIN GUPTA C.E.O	GANESH IYER C.G.M. (A/C)	S.KHANNA C.F.O	C.M.DHALL C.F.O
		HARI KRISHAN AHUJA HIRA LAL BHATIA I.D.CHUGH PRITHVI RAJ CHAWLA JAI NARAIN SAWHNEY	} DIRECTORS

New Delhi:the 20th AUGUST 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Statement showing particulars as described in the amendment to Schedule VI Companies Act 1956, vide notification No. G.S.R. 388 (E) dated May 15, 1995

I REGISTRATION DETAILS

Registration number	H 1 6 1 4
State Code	0 0 5
Balance Sheet Date	3 1 3 2 0 1 0

II CAPITAL RAISED DURING THE YEAR ENDED 31ST MARCH, 2010

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-
Others	-

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH, 2010

Total Liabilities	2 2 0 4 4 4 0 3 1 8
Total Assets	2 2 0 4 4 4 0 3 1 8

Sources of Funds

Paid up Capital	3 2 5 1 9 1 9 0
Reserves and Surplus	1 1 8 0 9 0 2 5 0 9
Secured Loans	8 8 1 3 1 3 6 1 9
Unsecured Loans	1 0 9 7 0 5 0 0

Application of Funds

Net Fixed Assets	8 3 4 2 8 2 3 9 8
Investments	8 5 6 3 0 4 2 8
Deferred Tax Liability	7 2 7 0 0 0 0 0
Net Current Assets	1 3 5 7 2 2 7 4 9 2

IV PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2010

Turnover (Net Sales and Other Income)	6 6 0 3 5 6 5 5 4 0
Total Expenditures	6 5 5 2 0 8 4 3 1 0
Profit before Tax	5 1 4 8 1 2 3 0
Profit after Tax	3 8 0 8 1 2 3 0
Earning Per Share	1 1 . 7 1
Dividend Rate (%)	4 5

V GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(as per monetary terms)

Item Code no	Product Description
8 7 1 2 0 0 0	Bicycles
7 3 0 6 9 0	ERW Precision Tube

for MEHRA KHANNA & COMPANY

Chartered Accountants
FRN : 001141N

CA. RAJIV BHASIN
Partner

M No : 093845

Delhi

Dated : 26th August, 2010

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY



DIRECTORS

New Delhi

Dated : 20th August, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31st March 10	31st March 09
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	146041780	153269700
Adjustments for		
Depreciation & Misc. Write Offs	50333150	51255316
Operating Profit before Working Capital Changes	196374930	204525016
Adjustments for:		
(Increase)/Decrease in Trade & other Receivables	-97452685	-113155498
(Increase)/Decrease in Inventories	-39291098	94281635
(Increase)/Decrease in Loans and Advances	85490381	-114998459
(Decrease)/Increase in Trade Payables	-269883983	341019389
(Decrease)/Increase in Other Current Liabilities	928610	685578
Cash Generated from Operations	-123833845	412357661
Direct Taxes Paid/Refund	-13183712	-41831908
Net Cash Flow from Operating Activities	-137017557	370525753
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-92488192	-140571740
Proceeds on Sale of Fixed Assets	4737335	67821902
Dividend Income	932699	3470050
Purchase of Investments	74853001	0
Proceeds from sale of investment	0	71453797
Net Cash Used in Investing Activities	-11965157	2174009
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	321225546	-182017430
Repayment of Borrowings	0	0
Interest Paid	-104639444	-123080695
Interest Received	7953272	4046590
Dividends Paid	-11121938	-14296073
Net Cash Used in Financing Activities	213417436	-315347608
Net Increase/(Decrease) in Cash and Cash Equivalents	64434722	57352154
Cash & Cash Equivalents as on 1.04.2008	119343280	61991126
Cash and Cash Equivalents as on 31.03.2009	183778002	119343280

Note: Figures of the previous year have been re-grouped & re-arranged, wherever necessary.

	SALIL KAPUR PRESIDENT	JAI DEV KAPUR PRESIDENT	VIKRAM KAPUR PRESIDENT
VIPIN GUPTA C.E.O	GANESH IYER C.G.M. (A/C)	S.KHANNA C.F.O	C.M.DHALL C.F.O

This cash Flow Statement as referred to in our report to even date

for MEHRA KHANNA & CO
Chartered Accountants
FRN : 001141N

CA.RAJIV BHASIN
PARTNER
M No : 093845
Delhi:the 26th AUGUST, 2010

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

} DIRECTORS

New Delhi:the 20th AUGUST, 2010

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1 Name of the subsidiary Company	Atlas Cycles (Sonepat) Ltd	Atlas Cycles (Sahibabad) Ltd	Atlas Cycles (Malanpur) Ltd
2 Financial Year of the subsidiary Company ended on	31.03.2010	31.03.2010	31.03.2010
3 Holding Company's Interest	Holding of entire Subscribed and Paid Up Capital of 50000 Shares of Rs.10/ each.	Holding of entire Subscribed and Paid Up Capital of 50000 Shares of Rs.10/ each.	Holding of entire Subscribed and Paid Up Capital of 50000 Shares of Rs.10/ each.
4 Net aggregate amount of Losses less Profits of the Subsidiary Company so far as it concerns the members of Atlas Cycles (Haryana) Limited			
a) Not dealt with in the Accounts of Atlas Cycles (Haryana) Ltd	-	-	-
i) for the subsidiary's financial year above referred			
ii) for previous years of the subsidiary since it became subsidiary of Atlas Cycles (Haryana) Ltd.	Nil	Nil	Nil
b) Dealt with in the accounts of Atlas Cycles (Haryana) Ltd			
i) for the Subsidiary's financial year above referred	Nil	Nil	Nil
ii) for the previous financial years of the Subsidiary since it became Subsidiary of Atlas Cycles (Haryana) Ltd	Nil	Nil	Nil
5 Changes in the interest of Atlas Cycles (Haryana) Ltd in the Subsidiary Company between the end of the financial year of the subsidiary and the financial year of the Company.	Not Applicable as Financial Year of Holding Company and Subsidiary Company ends on 31-3-2010	Not Applicable as Financial Year of Holding Company and Subsidiary Company ends on 31-3-2010	Not Applicable as Financial Year of Holding Company and Subsidiary Company ends on 31-3-2010
6 Material changes between the end of the financial year of the subsidiary and the financial year of the Company in respect of:			
* Subsidiary's fixed assets	-Do-	-Do-	-Do-
* Subsidiary's investments	-Do-	-Do-	-Do-
* Money lent by the subsidiary	-Do-	-Do-	-Do-
* Money borrowed by the subsidiary for the purpose other than that of meeting current liabilities.	-Do-	-Do-	-Do-

PLACE: NEW DELHI
Date : 20th August, 2010

I.D. CHUGH
WHOLE TIME DIRECTOR

HARI KRISHAN AHUJA
HIRA LAL BHATIA
ISHWAR DAS CHUGH
JAI NARAIN SAWHNEY
PRITHVI RAJ CHAWLA

} DIRECTORS

ATLAS CYCLES (SONEPAT) LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your directors have pleasure in presenting their Eleventh Annual Report together with the audited accounts of the Company for the year ended 31st March, 2010. No Profit & Loss account has been prepared as the Company's operations have not yet commenced.

DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES

During the year no person was employed with a remuneration of Rs. 24,00,000/- p.a. or more.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As the Company has not commenced manufacturing activities, information on the above is not required to be given.

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned : Nil

Total foreign exchange used : Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, Directors hereby confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.
- The Directors had prepared the Annual Accounts on a going concern basis.

DIRECTORS

S/Shri Jai Narain Sawhney and Hari Krishan Ahuja are retiring at this Annual General Meeting and , being eligible, offer themselves for reappointment.

AUDITORS

M/s Mehra Khanna & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

HARI KRISHAN AHUJA
ISHWAR DAS CHUGH
JAI NARAIN SAWHNEY
PRITHVI RAJ CHAWLA



DIRECTORS

New Delhi, the 31st July, 2010

AUDITORS' REPORT

To the Members of **ATLAS CYCLES (SONEPAT) LIMITED**

- We have audited the attached Balance Sheet of M/S Atlas Cycles (Sonepat) Limited as at 31st March 2010 annexed thereto which we have signed under reference to this report. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we state that paragraphs 4 and 5 of the said order do not apply to the company.
- Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - 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;
 - In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - The balance sheet profit dealt with by this report is in agreement with the books of account.
 - In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written presentations received from the directors and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - In our opinion and to the best of our information and according to the explanations given to us, the said account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;

For Mehra Khanna & Co.
Chartered Accountants
FR No.-001141N

CA. RAJIV BHASIN
(Partner)
Mem. No.-093845

Place: Delhi
Date: 31st July, 2010

ATLAS CYCLES (SONEPAT) LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2010

LIABILITIES	2009-10	2008-09	ASSETS	2009-10	2008-09
	Rs	Rs		Rs	Rs
SHARE CAPITAL			Bank Balance		
AUTHORISED CAPITAL			CURRENT ASSETS LOANS AND ADVANCES		
50000 Equity Shares of Rs.10/ each	<u>500000</u>	<u>500000</u>	Central Bank of India	391206	399489
ISSUED,SUBSCRIBED AND PAID UP CAPITAL			PRELIMINARY EXPENSES TO THE EXTENT NOT WRITTEN OFF	111000	102758
50000 Equity Shares of RS.10/ Each	500000	500000			
CURRENT LIABILITIES AND PROVISIONS					
Audit fee payable	<u>2206</u>	<u>2247</u>			
	<u>502206</u>	<u>502247</u>		<u>502206</u>	<u>502247</u>

The annexed Notes to the accounts form part of the Balance Sheet

AS PER OUR REPORT OF EVEN DATE

for MEHRA KHANNA & CO

Chartered Accountants

FRN : 001141N

HARI KRISHAN AHUJA

I.D.CHUGH

PRITHVI RAJ CHAWLA

JAI NARAIN SAWHNEY

} DIRECTORS

RAJIV BHASIN

PARTNER

M No : 093845

Delhi:the 31st July, 2010

New Delhi: the 31st July, 2010

NOTES TO ACCOUNTS

1. The accounts of the Company are prepared under the historical convention in accordance with applicable standards and the relevant presentational requirements.
- 2.No Profit and Loss Account has been prepared as the Company's operations have not yet commenced
- 3.Details of Preliminary Expenses

	Rs	Rs
	2010	2009
Registration Charges	14600	14000
Legal Charges	7400	7400
Bank Charges	1609	1223
Audit Fees	23491	21285
Directors Fees	54500	49750
Filling Fees	9400	9100
	<u>111000</u>	<u>102758</u>

HARI KRISHAN AHUJA

I.D.CHUGH

PRITHVI RAJ CHAWLA

JAI NARAIN SAWHNEY

} DIRECTORS

New Delhi: the 31st July, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Statement showing particulars as described in the amendment to Schedule VI Companies Act 1956, vide notification No. G.S.R. 388 (E) dated May 15, 1995

I REGISTRATION DETAILS

Registration number	34261
State Code	005
Balance Sheet Date	31.3.2010

II CAPITAL RAISED DURING THE YEAR ENDED 31ST MARCH, 2010

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-
Others	-

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH, 2010

Total Liabilities	5000000
Total Assets	5000000

Sources of Funds

Paid up Capital	5000000
Reserves and Surplus	-
Secured Loans	-
Unsecured Loans	-

Application of Funds

Net Fixed Assets	-
Investments	-
Net Current Assets	5000000

IV PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2010

Turnover (Net Sales and Other Income)	-
Total Expenditures	-
Profit before Tax	-
Profit after Tax	-
Earning Per Share	-
Dividend Rate (%)	-

V GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(as per monetary terms)

Item Code no	Product Description
ITC Code	
8712000	Bicycles

for MEHRA KHANNA & COMPANY

Chartered Accountants
FRN : 001141N

CA. RAJIV BHASIN
Partner

M No : 093845

Delhi Dated : 31st July, 2010

HARI KRISHAN AHUJA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

}

DIRECTORS

New Delhi Dated : 31st July, 2010

ATLAS CYCLES (SAHIBABAD) LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your directors have pleasure in presenting their Eleventh Annual Report together with the audited accounts of the Company for the year ended 31st March, 2010. No Profit & Loss account has been prepared as the Company's operations have not yet commenced.

DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES

During the year no person was employed with a remuneration of Rs. 24,00,000/- p.a. or more.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As the Company has not commenced manufacturing activities, information on the above is not required to be given.

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned : Nil

Total foreign exchange used : Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, Directors hereby confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.
- The Directors had prepared the Annual Accounts on a going concern basis.

DIRECTORS

S/Shri Jai Narain Sawhney and Hari Krishan Ahuja are retiring at this Annual General Meeting and, being eligible, offer themselves for reappointment.

AUDITORS

M/s Mehra Khanna & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

HARI KRISHAN AHUJA
ISHWAR DAS CHUGH
JAI NARAIN SAWHNEY
PRITHVI RAJ CHAWLA



DIRECTORS

NEW DELHI
DATED : 31st July, 2010

AUDITORS' REPORT

To the Members of **ATLAS CYCLES (SAHIBABAD) LIMITED**

- We have audited the attached Balance Sheet of M/S Atlas Cycles (Sahibabad) Limited as at 31st March 2010 annexed thereto which we have signed under reference to this report. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we state that paragraphs 4 and 5 of the said order do not apply to the company.
- Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - 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;
 - In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - The balance sheet profit dealt with by this report is in agreement with the books of account.
 - In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written presentations received from the directors and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - In our opinion and to the best of our information and according to the explanations given to us, the said account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;

For **Mehra Khanna & Co.**
Chartered Accountants
FR No.-001141N

CA. RAJIV BHASIN
(Partner)
Mem. No.: -093845

Place: Delhi
Date: 31st July, 2010

**ATLAS CYCLES (SAHIBABAD) LTD.
BALANCE SHEET AS AT 31ST MARCH, 2010**

CAPITAL & LIABILITIES	31-3-2010	31-3-2009	ASSETS	31-3-2010	31-3-2009
	Rs.	Rs.		Rs.	Rs.
SHARE CAPITAL			CURRENT ASSETS LOANS AND ADVANCES		
AUTHORISED			Bank Balances		
5000 Equity Shares of Rs.10/- each	<u>5,00,000</u>	<u>5,00,000</u>	Central Bank of India C/A	3,87,758	3,99,744
ISSUED, SUBSCRIBED & PAID UP			PRILIMINARY EXPENSES TO THE EXTENT NOT WRITTEN OFF	1,16,652	1,04,666
50000 Equity Shares of Rs.10/- each (fully paid up)	5,00,000	5,00,000			
CURRENT LIABILITIES & PROVISIONS					
Audit Fee payable	4,410	4,410			
	<u>5,04,410</u>	<u>5,04,410</u>		<u>5,04,410</u>	<u>5,04,410</u>

The annexed Notes to accounts from part of the Balance Sheet

AS PER OUR REPORT OF EVEN DATE
For MEHRA KHANNA & COMPANY
Chartered Accountants
FRN : 001141N

HARI KRISHAN AHUJA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

} DIRECTORS

CA. RAJIV BHASIN
PARTNER
M No : 093845

DELHI :
Dated : 31st July, 2010

NEW DELHI :
Dated : 31st July, 2010

NOTES TO ACCOUNTS

- 1 The accounts of the Company are prepared under the historical convention in accordance with applicable standards and relevant presentational requirements of the Companies Act, 1956.
- 2 No Profit & Loss Account has been prepared as the Company's operations have not yet commenced.
- 3 Detail of Preliminary Expenses :

	(31-3-2010)	(31-3-2009)
— Registration Charges	14,000	14,000
— Legal Charges	7,400	7,400
— Directors Fees	57,250	52,250
— Bank Charges	1,233	842
— Audit Fee	23,450	21,244
— Filing Fees	9,980	8,900
— Misc.Expenses	30	30
— Professional Fee	3,309	—
	<u>1,16,652</u>	<u>1,04,666</u>

HARI KRISHAN AHUJA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

} DIRECTORS

NEW DELHI :
Dated : 31st July, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Statement showing particulars as described in the amendments to Schedule VI
Companies Act 1956, vide notification No.G.S.R. 388 (E) dated May 15, 1995

I) REGISTRATION DETAILS

Registration Number	3 4 2 6 0
State Code	0 0 5
Balance Sheet Date	31 st March 2010

II) CAPITAL RAISED DURING THE YEAR ENDED 31ST MARCH, 2010

Public Issue	—
Rights Issue	—
Bonus Issue	—
Private Placement	—
Others	—

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH, 2010

Total Liabilities	5 0 4 4 1 0
Total Assets	5 0 4 4 1 0
Sources of Funds	
Paid up Capital	5 0 0 0 0 0
Reserves and Surplus	—
Secured Loans	—
Unsecured Loans	—
Application of Funds	
Net Fixed Assets	—
Investments	—
Net Current Assets	5 0 0 0 0 0

IV) PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2010

Turnover (Net Sales and other Income)	—
Total Expenditure	—
Profit before tax	—
Profit after tax	—
Earning Per Share	—
Dividend Rate (%)	—

FOR MEHRA KHANNA & COMPANY
CHARTERED ACCOUNTANTS
FRN : 001141N

HARI KRISHAN AHUJA	} DIRECTORS
I.D.CHUGH	
PRITHVI RAJ CHAWLA	
JAI NARAIN SAWHNEY	

CA. RAJIV BHASIN
PARTNER
M NO : 093845
Delhi :
Dated : 31st July, 2010

New Delhi :
Dated : 31st July, 2010

ATLAS CYCLES (MALANPUR) LIMITED.

DIRECTORS' REPORT

TO THE MEMBERS:

Your directors have pleasure in presenting their Eleventh Annual Report together with the audited accounts of the Company for the year ended 31st March, 2010. No Profit & Loss account has been prepared as the Company's operations have not yet commenced.

DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES

During the year no person was employed with a remuneration of Rs. 24,00,000/- p.a. or more.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As the Company has not commenced manufacturing activities, information on the above is not required to be given.

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned : Nil

Total foreign exchange used : Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, Directors hereby confirm that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.
- d. The Directors had prepared the Annual Accounts on a going concern basis.

DIRECTORS

S/Shri Jai Narain Sawhney and Hari Krishan Ahuja are retiring at this Annual General Meeting and, being eligible, offer themselves for reappointment.

AUDITORS

M/s Mehra Khanna & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

HARI KRISHAN AHUJA
ISHWAR DAS CHUGH
JAI NARAIN SAWHNEY
PRITHVI RAJ CHAWLA



DIRECTORS

New Delhi
Dated : 31st July, 2010

AUDITORS' REPORT

To the Members of **ATLAS CYCLES (MALANPUR) LIMITED**

- 1) We have audited the attached Balance Sheet of M/S Atlas Cycles (Malanpur) Limited as at 31st March 2010 annexed thereto which we have signed under reference to this report. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we state that paragraphs 4 and 5 of the said order do not apply to the company.
- 4) Further to our comments in the annexure referred to in paragraph 3 above, 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 account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The balance sheet profit dealt with by this report is in agreement with the books of account.
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written presentations received from the directors and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;

For **Mehra Khanna & Co.**
Chartered Accountants
FR No.-001141N

Place: Delhi
Date: 31st July, 2010

CA. RAJIV BHASIN
(Partner)
Mem. No.: -093845

**ATLAS CYCLES (MALANPUR) LTD.
BALANCE SHEET AS AT 31ST MARCH, 2010**

CAPITAL & LIABILITIES	31-3-2010	31-3-2009	ASSETS	31-3-2010	31-3-2009
	Rs.	Rs.		Rs.	Rs.
SHARE CAPITAL			CURRENT ASSETS LOANS AND ADVANCES		
AUTHORISED			Bank Balances		
5000 Equity Shares of Rs.10/- each	<u>5,00,000</u>	<u>5,00,000</u>	Central Bank of India C/A	3,88,073	3,99,778
ISSUED, SUBSCRIBED & PAID UP			PRILIMINARY EXPENSES TO THE EXTENT NOT WRITTEN OFF	1,16,337	1,04,632
50000 Equity Shares of Rs.10/- each (fully paid up)	5,00,000	5,00,000			
CURRENT LIABILITIES & PROVISIONS					
Audit Fee payable	<u>4,410</u>	<u>4,410</u>			
	5,04,410	5,04,410		<u>5,04,410</u>	<u>5,04,410</u>

The annexed Notes to accounts from part of the Balance Sheet

AS PER OUR REPORT OF EVEN DATE
For MEHRA KHANNA & COMPANY
Chartered Accountants
FRN : 001141N

HARI KRISHAN AHUJA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

} DIRECTORS

CA. RAJIV BHASIN
PARTNER
M No : 093845

DELHI :
Dated : 31st July, 2010

NEW DELHI :
Dated : 31st July, 2010

NOTES TO ACCOUNTS

- 1 The accounts of the Company are prepared under the historical convention in accordance with applicable standards and relevant presentational requirements of the Companies Act, 1956.
- 2 No Profit & Loss Account has been prepared as the Company's operations have not yet commenced.
- 3 Detail of Preliminary Expenses :

	(31-3-2010)	(31-3-2009)
— Registration Charges	14,000	14,000
— Legal Charges	7,400	7,400
— Directors Fees	57,250	52,250
— Bank Charges	918	808
— Audit Fee	23,450	21,244
— Filing Fees	9,980	8,900
— Misc.Expenses	30	30
— Professional Expenses	<u>3,309</u>	—
	1,16,337	<u>1,04,632</u>

HARI KRISHAN AHUJA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

} DIRECTORS

NEW DELHI :
Dated : 31st July, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Statement showing particulars as described in the amendments to Schedule VI
Companies Act 1956, vide notification No.G.S.R. 388 (E) dated May 15, 1995

I) REGISTRATION DETAILS

Registration Number
State Code
Balance Sheet Date

3 4 2 5 9

0 0 5

31st March 2010

II) CAPITAL RAISED DURING THE YEAR ENDED 31ST MARCH, 2010

Public Issue
Rights Issue
Bonus Issue
Private Placement
Others

—
—
—
—
—

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH, 2010

Total Liabilities
Total Assets

5 0 4 4 1 0

5 0 4 4 1 0

Sources of Funds

Paid up Capital
Reserves and Surplus
Secured Loans
Unsecured Loans

5 0 0 0 0 0

—
—
—

Application of Funds

Net Fixed Assets
Investments
Net Current Assets

—
—

5 0 0 0 0 0

IV) PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2010

Turnover (Net Sales and other Income)
Total Expenditure
Profit before tax
Profit after tax
Earning Per Share
Dividend Rate (%)

—
—
—
—
—
—

FOR MEHRA KHANNA & COMPANY
CHARTERED ACCOUNTANTS
FRN : 001141N

HARI KRISHAN AHUJA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

}

DIRECTORS

CA. RAJIV BHASIN
PARTNER
M NO : 093845

Delhi
Dated : 31st July, 2010

New Delhi
Dated : 31st July, 2010

**AUDITORS REPORT TO THE BOARD OF DIRECTORS OF
ATLAS CYCLES (HARYANA) LIMITED ON THE CONSOLIDATED
FINANCIAL STATEMENT OF ATLAS CYCLES (HARYANA) LIMITED
AND ITS SUBSIDIARIES**

We have examined the attached Consolidated Balance Sheet of Atlas Cycles (Haryana) Limited and its subsidiaries as at March 31, 2010, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These Financial statements are the responsibility of Atlas Cycles (Haryana) Ltd. management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted Auditing Standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared in all material aspects, in accordance with audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statement have been prepared by the company in accordance with the requirements of Accounting Standard (AS-21- Consolidated financial Statements), issued by the institute of Chartered Accountants of India and on the separate audit financial statements of Atlas Cycles (Haryana) Ltd. and that of its subsidiaries includes in the Consolidated Financial Statements.

On the basis of the information and explanations given to us we are of the opinion that:

- a) The Consolidated Balance Sheet gives a true and fair view in conformity with the Accounting Principles generally accepted in India, of the Consolidated State of Affairs of Atlas Cycles (Haryana) Ltd. and its subsidiaries as at March 31, 2010;
- b) The Consolidated Profit and Loss Account gives a true and fair view in conformity with the accounting principles generally accepted in India of the Consolidated results of operations of Atlas Cycles (Haryana) Ltd. and its subsidiaries for the year then ended;
- c) The Consolidated Cash Flow Statement gives a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated cash flow of Atlas Cycles (Haryana) Ltd. and its subsidiaries for the year then ended.

For MEHRA KHANNA AND CO.
CHARTERED ACCOUNTANTS
FR No.:-001141N

CA. RAJIV BHASIN
(PARTNER)
Mem. No:-093845

PLACE: DELHI
DATE: 26th August, 2010

ATLAS CYCLES (HARYANA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31-3-2010

	Schedules	2010		2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders Funds					
Issued Share Capital	1	3,25,19,190		3,25,19,190	
Reserves & Surplus	2	<u>1,18,09,02,509</u>		<u>1,15,98,85,378</u>	
			1,21,34,21,699		1,19,24,04,568
Loan Funds					
Secured Loans	3	88,01,46,582		60,52,36,062	
Unsecured Loans		<u>10,97,05,000</u>		<u>6,33,58,000</u>	
			98,98,51,582		66,85,94,062
			<u>2,20,32,73,281</u>		<u>1,86,09,98,630</u>
APPLICATION OF FUNDS					
Fixed Assets	4		83,42,82,398		79,52,71,768
Investments	5		8,41,30,428		15,89,83,429
Current assets, loans and advances	6	3,21,52,76,733		3,09,68,26,018	
Less Current liabilities and provisions	7	<u>1,85,80,60,261</u>		<u>2,12,10,94,641</u>	
Net Current Assets			1,35,72,16,472		97,57,31,377
Less Deferred Tax Liability			7,27,00,000		6,93,00,000
Priliminary and preoperative expenses			3,43,983		3,12,056
			<u>2,20,32,73,281</u>		<u>1,86,09,98,630</u>
Notes to the Accounts	10				

VIPIN GUPTA
C.E.O

GANESH IYER
C.G.M. (A/C)

SALIL KAPUR
PRESIDENT

S.KHANNA
C.FO

JAI DEV KAPUR
PRESIDENT

VIKRAM KAPUR
PRESIDENT

C.M.DHALL
C.FO

The schedules referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our report of even date.

for MEHRA KHANNA & CO
Chartered Accountants
FRN : 001141N

CA.RAJIV BHASIN
PARTNER
M No : 093845

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

}

DIRECTORS

Delhi:the 26th AUGUST 2010

New Delhi:the 20th AUGUST 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedules	2010	2009
	Rs.	Rs.	Rs.
INCOME			
GROSS TURN OVER		6,76,90,80,643	6,47,46,45,432
LESS:EXCISE		6,90,64,609	12,30,27,502
SALE NET OFF EXCISE		6,70,00,16,034	6,35,16,17,930
LESS :REBATE		15,67,08,605	17,71,36,309
NET SALE		<u>6,54,33,07,429</u>	<u>6,17,44,81,621</u>
OTHER INCOME	8	6,02,58,111	3,88,45,968
		<u>6,60,35,65,540</u>	<u>6,21,33,27,589</u>
EXPENDITURE			
	9	6,54,63,69,693	6,17,09,01,327
PROFIT BEFORE EXTRA ORDINARY ITEMS		5,71,95,847	4,24,26,262
EXTRA ORDINARY ITEM:			
EXTRA ORDINARY ITEM :-LEGAL(SEE NOTE NO 14)		57,14,617	34,48,013
PROFIT BEFORE TAXATION		5,14,81,230	3,89,78,249
PROVISION FOR TAXATIONS:CURRENT, FBT AND DEFERRED		1,34,00,000	1,99,70,000
PROFIT AFTER TAXATION		<u>3,80,81,230</u>	<u>1,90,08,249</u>
PROFIT BROUGHT FORWARD		1,44,12,062	2,25,24,434
PROFIT FOR APPROPRIATION		<u>5,24,93,292</u>	<u>4,15,32,683</u>
APPROPRIATION			
PROPOSED DIVIDEND		1,46,33,635	1,46,33,635
DIVIDEND TAX		24,30,464	24,86,986
GENERAL RESERVE		2,00,00,000	1,00,00,000
SURPLUS CARRIED FORWARD		1,54,29,193	1,44,12,062
		<u>5,24,93,292</u>	<u>4,15,32,683</u>

Notes to the accounts 10

	SALIL KAPUR PRESIDENT	JAI DEV KAPUR PRESIDENT	VIKRAM KAPUR PRESIDENT
VIPIN GUPTA C.E.O	GANESH IYER C.G.M. (A/C)	S.KHANNA C.F.O	C.M.DHALL C.F.O

The schedules referred to above form an integral part of the Accounts.
This is the Profit and Loss Account referred to in our report of even date.

This is the

for MEHRA KHANNA & CO
Chartered Accountants
FRN : 001141N

CA.RAJIV BHASIN
PARTNER
M No : 093845

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY



DIRECTORS

Delhi:the 26th AUGUST 2010

New Delhi:the 20th AUGUST 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

1.SHARE CAPITAL	2010		2009	
	Rs.	Rs.	Rs.	Rs.
Authorised Share Capital				
30000 6¼% P.A. free of Income tax cumulative redeemable Preference shares of Rs.100 each	30,00,000		30,00,000	
9700000 Equity Shares of Rs.10 each	9,70,00,000		9,70,00,000	
		<u>10,00,00,000</u>		<u>10,00,00,000</u>
Issued, Subscribed & Paid Up Share Capital				
1387790 Equity Shares of Rs.10 each fully paid up for cash		1,38,77,900		1,38,77,900
1734792 Equity Shares of Rs.10 each fully paid up by way of Bonus shares by capitalisation of reserves		1,73,47,920		1,73,47,920
129337 Equity Shares of Rs.10 each fully paid up allotted in terms of the scheme of amalgamation of Atlas Auto Cycles Ltd. for consideration other than cash		12,93,370		12,93,370
		<u>3,25,19,190</u>		<u>3,25,19,190</u>
2. RESERVES & SURPLUS				
	Rs.	Rs.	Rs.	Rs.
Capital Reserve:				
Fixed Assets Revaluation Reserve				
As per last Balance sheet		3,89,74,063		3,89,74,063
Revenue Reserves :				
A. General Reserve				
As per last Balance sheet	1,04,58,79,068		1,03,58,79,068	
Amount Transferred from Profit & loss Account	<u>2,00,00,000</u>	1,06,58,79,068	<u>1,00,00,000</u>	1,04,58,79,068
B. Share Premium Reserve				
As per last Balance sheet		6,06,20,185		6,06,20,185
C. Profit & Loss Account				
Surplus carried forward		1,54,29,193		1,44,12,062
		<u>1,18,09,02,509</u>		<u>1,15,98,85,378</u>

3. LOANS	2010		2009	
	Rs.	Rs.	Rs.	Rs.
A. Secured Loans				
i. Term Loan	240754280		8000000	
ii. Net loans from banks	464177711		332581507	
iii. Other Loans	<u>175214591</u>	880146582	<u>192654555</u>	605236062
B. Unsecured Loans				
i. Fixed deposits from Share holders & Public	109705000		63358000	
		109705000		63358000
		<u>989851582</u>		<u>668594062</u>

NOTES:

1. Net loans from banks are secured by way of hypothecation of stocks and trade debtors and all the immovable property of the Company by way of a first charge pertaining to existing properties and those which it may acquire in the future.
2. Term loan from Bank are secured by way of first parri passu charge on concerned unit's existing immovable properties and those which it may acquire in the future.
3. Other Secured loans includes Loan from SIDBI are secured by way of second charge on fixed assets of Sonipat and Sahibabad Unit, and also includes loan against hypothication of vehicles.

4. FIXED ASSETS

	LAND & BUILDING	PLANT & MACHINERY	COMPUTER	ELECTRICAL INSTALLATION	VEHICLES	FURNITURE & FIXTURES	UNDER CONST. INSTALLATION BUILDING/ MACHINERY	TOTAL
COST	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31.3.2009	617649460	554174748	43278347	25996554	142315097	66177171	31216615	1480807992
Additions	47627167	23852058	3249417	21152	11386224	5952332	399842	92488192
sales/Adjustment	0	769989	0	0	7273481	16300	0	8059770
As at 31st March 2010	665276627	577256817	46527764	26017706	146427840	72113203	31616457	1565236414
DEPRECIATION								
As at 31.3.2009	152015854	375385882	36045457	19178094	64982684	37928253	0	685536224
For the Year	12761677	17571680	3200693	778813	12469331	3550956	0	50333150
sales/Adjustment	0	706895	0	0	4204524	3939	0	4915358
As at 31.3.2010	164777531	392250667	39246150	19956907	73247491	41475270	0	730954016
NET ASSETS								
As at 31st March 2010	500499096	185006150	7281614	6060799	73180349	30637933	31616457	834282398
As at 31st March 2009	465633606	178788866	7232890	6818460	77332413	28248918	31216615	795271768

5. INVESTMENTS

	Nominal Value	2010 No of Shares/Units	Amount Paid	2009 No. of Shares	Amount Paid
(I) Long term Investments (At Cost)					
(a) Non Trade Investemnts (Unquoted)					
i 12 years National Defence Certificate for face value of Rs.1750 pledged with Government departments as security	1,750	0	1750	0	1750
ii 7 years National Saving Certificates(II issue) pledged with Excise authorities	10,000	0	10,000	0	10000
b) Non Trade Investment (Quoted)					
778 Equity Shares of Central Bank of India.	102	778	79356	778	79356
Adani Enterprises Ltd.		924	443495	0	0
Bharti Airtel Ltd.		941	298146	0	0
Bharat Heavy Electricals Ltd.		289	676367	0	0
Divis Laboratories Ltd.		476	275147	0	0
Hdfc Bank Ltd.		174	274074	0	0
Housing Development Finance Corp. Ltd.		259	641323	0	0
ITC Ltd.		1904	468040	0	0
Larson & Tourbo Ltd.		352	533832	0	0
Maruti Udyog Ltd.		327	448313	0	0
Opto Circuits (India) Ltd.		2100	448699	0	0
Reliance Industries Ltd.		550	551520	0	0
Rural Electrification Corp. Ltd.		2495	560249	0	0
State Bank of India		280	555509	0	0
Sun Pharmaceuticals Industries Ltd.		178	271101	0	0
Tata Consultancy Service Ltd.		372	273148	0	0
Torrent Power Ltd.		1884	562095	0	0
			7372164		91106
II) Current Investments (At Lower of Cost and Fair market value)					
FORTIS (ABN AMRO) MUTUAL FUND-(G)		0	-	5	500000
BIRLA SUNLIFE MUTUAL FUND-(G)		610583	1000000	731618	1990000
CANARA ROBECO MUTUAL FUND-(G)		0	-	1000000	1000000
DSP BLACKROCK MUTUAL FUND-(D)		11656	1402939	100000	1000000
HDFC MUTUAL FUND-(G)		624961	1000000	1000000	10100000
ICICI MUTUAL FUND-(G)		0	-	847378	2000000
JM FINANCIAL MUTUAL FUND-(G)		0	-	683123	2200000
KOTAK MAHINDRA MUTUAL FUND-(G)		49262	600000	366393	10174185
PRINCIPAL MUTUAL FUND-(D)		216516	3758973	3000000	3000000
RELIANCE MUTUAL FUND-(G)		4297327	44996352	399828	15600000
TATA MUTUAL FUND-(G)		0	-	50000	5000000
THE OCIAN'S ART FUND-(D)		50000	5000000	16046	118138
ICICI MUTUAL FUND		100000	1000000	418889	10000000
			76758264		158892323
Aggregate Total Investments At Cost			84130428		158983429

Note: aggregate Market Value of Quoted investments Rs.77,20,460/

Note: during the year the company acquired and sold following current investments

Name of Fund	No of Units	Purchase Cost Rs in Lacs
Mutual Fund		
BIRLA SUN LIFE MUTUAL FUND	985358	100.00
BARODA PIONEER MUTUAL FUND	506143	400.00
HDFC MUTUAL FUND	3214406	600.00
ICICI MUTUAL FUND	1077871	200.00
ICICI MUTUAL FUND	60553	100.00
IDFC MUTUAL FUND	482961	50.00
KOTAK MAHINDRA MUTUAL FUND	1457413	199.00
LIC MUTUAL FUND	1298936	199.00
TATA MUTUAL FUND	334820	100.00

BONDS					
Name of Bond	No of Units	Purchase Cost Rs in Lacs			
9.85% REC BONDS 28/09/2017	9	103.29	9.15% BOB PERPETUAL BONDS	8	80.47
9.24% IOB BONDS 05/09/2021	9	98.57	8.50% NPCL BONDS 16/11/2019	5	50.52
10.85% REC BONDS 14/08/2018	8	97.36	9.10% SBM PERPETUAL BONDS	2	20.03
10.70% IRFC BONDS 11/09/2023	5	60.69	8.65% SAIL BONDS 30/12/2019	9	90.13
8.50% IRFC BONDS 26/12/2023	3	30.87	8.65% REC BONDS 22/01/2020	14	140.00
8.10 % IIFCL BONDS 08/04/2024	1	10.49	8.80% PFC BONDS 15/01/2025	10	100.07
9.35% UCO BANK 22/12/2020	10	104.86	8.65% BANK OF MAHARASTRA	20	200.09
9.90% PFC BONDS 30/03/2017	4	43.84	8.53% IDBI BONDS 23/11/2019	4	40.27
10.70 PFC BONDS 15/07/2013	4	43.36	8.40% ONGC VIDESH BONDS 23/12/2014	2	20.07
8.60% PFC BONDS 07/08/2014	13	132.98	8.70% PUNJAB & SIND BANK BONDS 11/04/20	8	80.64
11.40% PFC BONDS 28/11/2013	3	35.69	9.35 GES CO.LTD.BONDS 08/02/2019	7	70.18
8.72% REC BONDS 04/09/2019	3	29.97	8.20% OIL BONDS 15/09/2024	8	78.28
9.30% IOB PERPETUAL BONDS	19	190.00	KOTAK LIQUID FUND	37102880	4,508.00
8.80% PGC BONDS 29/09/2023	15	186.65	Total		7,415.51
9.20% BOB PERPERUAL BONDS	19	190.00	EQUITY		
7.90% REC BONDS 06/10/2012	19	190.45	Name of the Equity	No. of Shares	Purchase Cost Rs in Lacs
10.55% BOI PERPERUAL BONDS	14	157.54	DLF LTD.	820	2.65
8.55% IIFCL BONDS 26/10/2024	19	190.00	ICICI BANK LTD.	683	4.96
9.60% GES CO LTD BONDS 10/11/2019	4	40.15	SUZLON ENERGY	3498	3.16
			STERLITE INDUSTRIES (INDIA) LTD.	326	1.98
			Total	12.75	

6.CURRENT ASSETS, LOANS AND ADVANCES

	2010	2009
	Rs.	Rs.
A. STOCKS (At lower of cost or net realisable value as certified by the management)		
1. Stores,spare parts,advertisement materials and other material	91470751	65982922
2. Loose tools	4876705	5680788
3. Production materials	497225869	385802122
4. Finished Goods	155342213	252828165
5. Work in Progress	25612070	27199901
6. Scrap	3302469	989346
7. Goods in transit	33957	89692
	777864034	738572936
B. DEBTORS		
a. Debts exceeding six months considered good	290092114	190391493
b. Debts exceeding six months considered doubtful	22367563	23267563
c. Other debts considered good	1336523405	1338771341
	1648983082	1552430397
Less:Provision for doubtful debts	22367563	23267563
	1626615519	1529162834
C. LOANS AND ADVANCES		
a. Unsecured considered good		
i. Advances recoverable in cash or kind or for value to be received (see note i a & b below)	382929308	476954631
ii. Security deposits	30334269	21853262
iii. Prepaid expenses	3646329	3485524
iv) Claim recoverable	1692854	1799724
	418602760	504093141
b. Advance tax and tax deducted at source	208416418	205653827
	627019178	709746968
D. CASH AND BANK BALANCES		
a. Cash in Hand	2720997	4362666
b. Dividend Accounts	6453618	2941921
c. Unclaimed Debenture and Interest	3574932	4232297
d. Fixed Deposits with banks	171028455	107806396
	183778002	119343280
	3215276733	3096826018

* During the year certain amount was fraudulently withdrawn from unpaid Dividend account for the year 2008-09 against which FIR has been filed by the Bankers, exact amount of fraud is not quantifiable at present.

NOTES:

i. Loans & Advances include due from :

- a) Officers Rs.5,82,103/ (Previous Year Rs.1,59,144) Maximum amount due at any time during the year Rs .25,01,914(Previous Year Rs.1363571)
- b) Advances to Whole-time Director Rs.nil(Previous Year Rs.Nil) Maximum amount Due at any time during the year Rs.6,84,333(Previous Year Rs 432242)

7.CURRENT LIABILITIES AND PROVISIONS:

	2010		2009	
	Rs.	Rs.	Rs.	Rs.
a. Current Liabilities				
l) Sundry Creditors-SSI	397472174		189385069	
-Other Sundry Creditors*	985382680		1460209464	
ii) Interest accrued but not due on loans	5006845		4078235	
iii) Unclaimed Debenture and Interest*	3574932		4232297	
iv) Sales Tax (Protested)	-		3596356	
iv) Unclaimed dividends*	6453618	1397890249	2941921	1660846986
b) Provision for Taxation		178557913		178579034
c) Provision for Proposed Dividend		14633635		14633635
d) Provision for Dividend Tax		2430464		2486986
e) Provision for Extra Ordinary Item(Revenue Loss)		59518000		59518000
Provision for Extra Ordinary Item		50030000		50030000
f) Advance against sale of land **		155000000		155000000
		<u>1858060261</u>		<u>2121094641</u>

* Do not include any amount outstanding as on March 31st, 2010 which are required to be credited to Investor Education and Protection Fund.

** Company has planned to relocate its Rasoi plant and has received Rs.15.50 crores as advance against sale of land of the Rasoi plant.

8.INCOME FROM OTHER SOURCES

	2010		2009	
	Rs.	Rs.	Rs.	Rs.
Miscellaneous Receipts		28793215		29241567
INTEREST:				
a) From banks	7929661		3135415	
b) Others	23611	7953272	911175	4046590
Dividend from Current Investments		932699		3470050
Profit on sale of mutual funds		20986002		-
Profit on sale of assets		1592923		2087761
		<u>60258111</u>		<u>38845968</u>

(Tax deducted at source on interest from other sources including Rs. 942295/ (Previous Year Rs.798732)

9 EXPENDITURE

	2010		2009	
	Rs.	Rs.	Rs.	Rs.
A. RAW MATERIAL CONSUMED				
Cost of Raw Material Consumed				
Opening Stock of Raw Material	385802122		507078350	
Add Purchases	5025281077		4593989484	
	<u>5411083199</u>		<u>5101067834</u>	
Less Closing Stock of Raw Material	497225869	4913857330	385802122	4715265712
(Increase)/decrease in Stock				
Opening stock:				
Finished goods	252828165		207826538	
Work In Progress	27199901		49308637	
Scrap	989346		343969	
	<u>281017412</u>		<u>257479144</u>	
Closing stock:				
Finished goods	155342213		252828165	
WIP	25612070		27199901	
Scrap	3302469		989346	
	<u>184256752</u>		<u>281017412</u>	
(Increase)/decrease in Stock		96760660		-23538268
COST OF GOODS CONSUMED		<u>5101617990</u>		<u>4691727444</u>

B MANUFACTURING AND OTHER EXPENSES	2010		2009	
	Rs.	Rs.	Rs.	Rs.
Salaries,Wages & Bonus		276239713		285957860
Contribution to Employees Provident Fund, Pension Fund,Employees State Insurance and Gratuity Fund		38238474		37841733
Workers & Staff Welfare		24472375		19670385
Power & Fuel		75760253		78029879
Consumption Of stores & spare parts		243968442		261595859
Consumption of packing material		99715668		89572302
Repairs to machinery		37028950		19232721
Repairs to building		35643802		11759265
Other repairs		24903733		20062975
Rent		11315282		7464005
Rates & Taxes		10041084		10743683
Insurance Charges		3677575		3561365
Printing,Stationary & Postage Telephone		15961262		14670965
Advertisements & Sales Promotion		56369915		49328041
Directors Remuneration		314000		260000
Travelling Expenses		57124227		66894324
Research & Development		367040		256369
Auditors emoluments:				
Audit Fees	1223227		906666	
Tax Audit fees	146699		133463	
For other Certifications	205643	1575569	604277	1644406
Transport & Railway Freight		235793037		224392614
Charity & Donations		127131		296660
Commission to Selling Agents		9096778		11047360
Cartage,Octroi etc.		33698411		22179439
Miscellaneous		88882925		66759388
Loss on sale of mutual fund		0		815157
Bad Debts W/off		67081		72533
Loss on sale of Assets		396382		728584
			1380779109	1304837872
C. INTEREST				
On term loans and unsecured fixed deposits		23561115		8406398
Others		81078329		114674297
			104639444	123080695
D. DEPRECIATION				
Depreciation		50333150		51255316
		6546369693		6170901327

SCHEDULE (10)**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS.****I. ACCOUNTING POLICIES:****TURNOVER:**

Sales are net of excise duty and rebates.

FIXED ASSETS:

Fixed assets are valued at cost. Land and Building at Sonepat and at Rasoi were revalued on 30th June, 1986. Subsequent additions to these units are shown at cost.

DEPRECIATION:

Incase of Sahibabad , Malanpur and Bawal units depreciation is calculated at straight line method.

All other units the written down value method has been followed.

INVENTORIES:

Raw material, Components and spare parts are valued at weighted average basis cost concept. Finished goods and work in progress are valued at cost. The cost includes material cost plus appropriate share of labour and overheads.

INVESTMENTS:

Long term Investments are valued at cost. Current Investment is valued at cost or market Value which ever is less.

CONTINGENT LIABILITIES:

Contingent Liabilities are not provided for in accounts and are shown separately.

RECOGNISATION OF INCOME AND EXPENDITURE:

Items of Income & Expenditure recognised on accrual basis.

RETIREMENT/GRATUITY BENEFITS:

Liabilities in respect of gratuity benefits, Provident Fund and Superannuation benefits, for its senior employees are provided for by the company via Gratuity Fund Trust and Superannuation Trust maintained at LIC. Earned leave has been provided for on actuarial valuation.

RESEARCH AND DEVELOPMENT EXPENSES:

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account in the year in which it is incurred, while the capital expenditure is shown as an addition to the Fixed Assets.

TAX ON INCOME:

Current Tax is determined as the amount of Tax Payable in respect of Taxable income for the year.

Deferred Tax is recognised, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

II. NOTES FORMING PART OF THE ACCOUNTS**2010****2009****Rs.****Rs.****1. CONTINGENT LIABILITIES IN RESPECT OF**

a) Surety bonds executed in favor of President of India through Customs & Excise authorities for payment of Central Excise/Custom duty	1,64,99,412	1,64,99,412
b) Two surety bonds in favour of government of Haryana for payment of Central & Local Sales Tax	30,40,000	30,40,000
c) Guarantees given by bank	14,01,77,319	12,01,16,448
d) In respect of Entry Tax matters	2,79,000	7,61,000
e) In respect of Excise matters	56,20,000	56,02,000
f) In respect of Sales Tax matters	6,59,65,000	5,87,21,000

2. LICENCED & INSTALLED CAPACITY AND PRODUCTION

Class of Product		Licensed Capacity	Installed Capacity*	Production
1. Bicycle/Exerciser	Nos	39,40,000	46,00,000	28,98,352
		(39,40,000)	(46,00,000)	(25,74,700)
2. Steel Tube	M.Tonnes	50,000	50,000	18,975
		(50,000)	(50,000)	(19,617)

* Installed Capacity as certified by the Management.

3. SALE, OPENING AND CLOSING STOCK OF GOODS PRODUCED

a) Sales	2010		Nos	2009	
	Nos	Value Rs.		Value Rs.	
(i) Bicycles/Accessories	28,90,265	5,59,44,03,297	25,81,272	5,11,96,52,319	
(ii) Bicycle components and accessories		48,44,71,925		52,08,64,109	
(iii) Steel Tubes		66,67,63,063		80,28,56,424	
(iv) Scrap		2,34,42,358		3,12,72,580	
		<u>6,76,90,80,643</u>		<u>6,47,46,45,432</u>	
b) Opening Stock					
(i) Bicycle components and accessories		26,00,13,665		22,36,45,322	
(ii) Steel Tubes		2,00,14,401		3,34,89,853	
(iii) Scrap		9,89,346		3,43,969	
		<u>28,10,17,412</u>		<u>25,74,79,144</u>	
c) Closing Stock					
(i) Bicycle components and accessories		15,92,75,270		26,00,13,665	
(ii) Steel Tubes		2,16,79,013		2,00,14,401	
(iii) Scrap		33,02,469		9,89,346	
		<u>18,42,56,752</u>		<u>28,10,17,412</u>	

Notes:

The quantitative details of bicycles components, accessories and quantity of steel tubes sold, opening stock & closing stock are not given as there are large number of components and accessories and so many sizes of steel tubes respectively.

4. DETAILS OF RAW MATERIAL CONSUMED DURING THE YEAR

	Units	Quantity	2010		2009	
			Value Rs.	Quantity	Value Rs.	
(i) Sheets & Strips	Kgs.	2,45,13,284	94,58,06,253	2,46,18,616	1,13,63,74,488	
(ii) Tyres	Nos.	54,17,157	37,49,21,310	49,75,561	31,44,17,955	
(iii) Tubes	Nos.	55,31,234	16,32,18,348	50,32,756	13,66,07,113	
(iv) Rims	Nos.	41,86,312	34,39,03,148	40,78,205	32,64,02,724	
(v) Other Items	-		32,60,02,853		31,35,39,943	
(vi) Components	-		2,76,00,05,418		2,48,79,23,489	
			<u>4,91,38,57,330</u>		<u>4,71,52,65,712</u>	

5. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR

	Indigenous		Imported	
	Value (Rs.)	Percentage	Value (Rs.)	Percentage
(i) Raw Material	1,82,78,49,059 (1,91,38,02,280)	100 (100)	NIL (NIL)	0 (0)
(ii) Components	2,77,00,61,082 (2,58,08,26,020)	89.76 (82.12)	31,59,47,189 (22,06,37,412)	10.24 (7.88)

Previous Year figures are shown in brackets.

6. VALUE OF TOTAL IMPORTS ON CIF BASIS	2010	2009
	Rs.	Rs.
(i) Raw Material, Components & Spare Parts	36,87,39,579	24,73,87,148
(ii) Capital Goods	60,46,358	—
	37,47,85,937	24,73,87,148

7. EXPENDITURE IN FOREIGN CURRENCY

	2010	2009
	Rs.	Rs.
(i) Commission on export	55,26,204	39,71,575
(ii) Foreign Tours	1,19,35,243	1,86,60,044
(iii) Foreign Publicity & exhibition	1,77,955	2,02,527
	1,76,39,402	2,28,34,146

8. EARNINGS IN FOREIGN EXCHANGE

F.O.B. Value of goods exported	18,75,60,976	26,41,17,623
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9. SEGMENT REPORTING

Based on the guiding principles given in Accounting Standard -17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Companies business segment includes bicycle manufacturing and Steel tube manufacturing.

SEGMENT ACCOUNTING POLICIES

The accounting policies adopted for the segment reporting are in line with the accounting policies of the company with the following additional policies for the segment reporting.

- (i) Inter segment revenue have been accounted on cost to the receiving segmental unit.
- (ii) Expenses have been included to the segment on the basis of their relationship to the accounting activities of the segment. Expenses which relate to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included under "unallocated corporate expenses."
- (iii) Segments assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

INFORMATION ABOUT BUSINESS SEGMENTS

(Figure in Rs. Lacs)

Particulars	TUBE MILL		CYCLE UNIT		TOTAL	
	2010	2009	2010	2009	2010	2009
Segment Revenue						
External Sales	7637.93	8970.47	60052.88	55775.98	67690.81	64746.45
Less Excise	690.65	1230.27	0	0	690.65	1230.27
Inter Segment Sales	1190.66	3008.07	0	0	1190.66	3008.07
Other Income	1.09	5.16	601.49	383.29	602.58	388.45
Total Revenue	8139.03	10753.43	60654.37	56159.27	68793.40	66912.70
Segment Results	21.31	(31.51)	1539.89	1652.10	1561.20	1620.59
Unallocated Expenses	—	—	—	—	—	—
Operating Profit	21.31	(31.51)	1539.89	1652.10	1561.20	1620.59
Interest Expenses	63.06	135.46	983.33	1095.35	1046.39	1230.81
Unallocated Interest	-	-	-	-	-	-
Net Profit before Tax	(41.75)	(166.97)	556.56	556.75	514.81	389.78

Particulars	TUBE MILL		CYCLE UNIT		TOTAL	
	2010	2009	2010	2009	2010	2009
Income Tax						
Current,deferred and FBT	-	-	-	-	134.00	199.70
Net Profit	-	--	-	---	380.81	190.08
Other Information						
Segment Assets	6429.22	5849	33106.76	32956.66	39535.98	38805.66
Common assets					1815.21	1807.31
Total Assets	6429.22	5849	33106.76	32956.66	41351.89	40525.81
Segment Liabilities						
Segmental Liabilities	2831.34	1888	35727.85	35987.83	38559.17	37875.83
Common Liabilities		-		-	2792.72	2649.98
Total Liabilities	2831.34	1888	35727.85	35987.83	41351.89	40525.81
Capital Expenditure	49.47	497	875.41	908.72	924.88	1405.72
Depriciation	92.69	75.10	410.64	437.45	503.33	512.55

10. LIST OF SMALL SCALE SUPPLIERS WHERE THE OUTSTANDING ARE OVER 30 DAYS:

Alag Cycle Inds, Aarti Steel Ltd, Amber Inds, Bharat Intl, Bharat Udyog, Charu Auto Inds, Gobind Cycles (Pvt) Ltd, Goel Interprises, Govind Steel, Hindustan Tyres, , Active Cycle Industries, B.J.Sales Corp, Hargobind Mach Works, Meera Inds, New Modern Steel, Sabarwal Interprises, Brosis Intl, Vishal Udyog Pvt Ltd, Vishal Cycles Pvt Ltd, Auto Fan (India) Appu Intl, Sukhmani Steel, D.K.Inds, Kamal Cycles, Metro Tyres, Pinki Plastics, Prestige Polyfolds, Ravi Inds, Rana Enterprises, Rolex, Rahul Interprises. Atam Ballabh, Vishwakarma Inds, Alled Strips, Bajrang Inds, D.K.Enterprises, Sony Inds, Harnek Singh & Co, Om Shivam Cycles, Amar Chand & Sons, Batla Corp, H.K.Engg, Randhir Paints, Kashmir Min & Paint Ltd, Simple Paints, Ason Bikes, Field Marshal Products, Great Gearts Pvt Ltd, Gupta Bikes, Jeet Enterprises, Margo Expots, Nagpal Enterprises, Parko Sunrise Enterprises, Syndicate Tyres, Khular Cycles, Lions inds, Nitya Enterprises, Pratab Cycle Inds, Rider Bike Pvt Ltd, Sewak Screw, Enn Gee Industrial Corp, Ess Pee Inds, Fit Right Organics, Rana Enterprises, Salana Cycle Inds, Ess Ess Products of india, Atul Metal Inds, Cargo International Packing, Crown Products, Durga Industries, Industrial Sales Promoters, Punjab Poly Pack, Rishi Udyog, Raj Impex, Saurashtra Indl Products, Saif Product, Sharda Packing, Chandan Inds, S.J.Cycle Inds, Speedo Expots, Active Cycle Inds, Amardeep Steel Inds, Balbinder Mech Works, Joginder Singh Tejinder Singh, Kid Ride Inds, Vee Pee Inds, Navin Enterprises, Jain Inds, Bansal Inds, J.B.Inds, Mankoo Steels, Randhir Indl Corp, Rajeen Inds, Watson Engg, Singh Packers, Advance Plastic, Ark Engg Works, Ravi Industries,.Globe Inds.

11. EARNING PER SHARE

	2010	2009
(a) Profit after tax as per Profit & Loss A/c	3,80,81,230	1,90,08,249
(b) Weighted average number of shares of Rs. 10 each outstanding	32,51,919	32,51,919
(c) Earning per share	11.71	5.84

12. RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18

A. Name of associated parties and nature of related party relationship

- I) i) **Associated companies:** Milton Cycles Inds Ltd, Janki Das & sons (P) Ltd, Janki Das & Co., Roamer Engineering Works (P) Ltd., Exotic Flora (P) Ltd..
- ii) **Subsidiary Companies are:** Atlas Cycles (Sonipat) Ltd, Atlas Cycles (Sahibabad) Ltd, Atlas Cycles (Malanpur) Ltd.
- II) **Directors & Employees (As at 31.03.2009) :** Sh. I.D.Chugh, Sh. H.K.Ahuja, Sh. H.L.Bhatia, Sh. J.N.Sawhney, Sh. P.R. Chawla, Sh. Jai Dev Kapur, Sh. Vikram Kapur, Sh. Salil Kapur, Sh. Gautam Kapur, Sh. Girish Kapur, Sh. Sanjay Kapur, Sh. Rajiv Kapur, Sh. Angad Kapur, Sh. Rishav Kapur,Sh.Prashant Kapur,Sh.Rahul Kapur,Sh.Sidhant Kapur, Sh. Abhinav Kapur.

B. Transactions with the Associated Parties and Subsidiaries**(Rs. In lacs)**

	2009-10	Associated Companies	2008-09
Sale of Goods	1150.44		1276.96
Purchase of Goods	5583.51		5662.56
Balances on year end	33.65		30.17
Guarantee Given	20.00		20.00

C. Transactions with key managerial persons:Remunerations: Rs. **425.31** lacs (Previous Year Rs. 359.99 lacs)**13.DETAIL OF PROVISION FOR DEFERRED TAXATION**

Timing difference on account of:

	Increase in Deferred Tax Liabilities 31.3.2010	Rs. in lacs	31.3.2009
Difference between Book Depreciation And as per I Tax Act	34		50
Total	34		50
Net Deferred Tax Liabilities.	34		50

14 EXTRAORDINARY ITEMS - LEGAL & PROFESSIONAL

In order to recover the damage and loss which has been perpetrated by the ex. Malanpur Head, the legal actions initiated by the company in the recovery and its fight for its patent rights has caused the company legal expenses amounting to **Rs.57.14** lacs (Previous Year Rs. 34.48 lacs).

15. DETAILS OF PRILIMINARY AND PREOPERATIVE EXPENSES.

	2010 Rs.	2009 Rs.
Registration Charges	42,600	42,000
Legal Charges	22,200	22,200
Bank Charges	3,760	2,873
Audit Fees	70,385	63,773
Filing Fee	29,360	26,900
Directors Fees	1,69,000	1,54,250
Misc Expenses	60	60
Professional Charges	6,618	0
	<u>3,43,983</u>	<u>3,12,056</u>

16. Figure of the Previous Year have been re-arranged, wherever necessary.

17. The Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and commission payable to Directors:

	2010	2009
	Rs.	Rs.
(a) Computation of profit for managerial remuneration		
Profit as per Profit & Loss A/c	5,14,81,230	3,89,78,249
Add: Directors remuneration including perquisites	11,00,391	11,38,672
Add Bad debts	67,081	72,533
	5,26,48,702	4,01,89,454
Less: Profit on Sale of Assets	15,92,923	20,87,761
Add: Depreciation as per Profit & Loss A/c	5,03,33,150	5,12,55,316
Less Depreciation as per Section 350 of companies Act, 1956	737,62,949	7,26,09,811
Net Profit	2,76,25,980	1,67,47,198
Commission eligible for payment @ 0.5% of the Net Profit (Previous Year 0.5%)	1,38,130	83,735
Actual Commission Paid to a Whole Time Director	83,735	1,66,255
(b) Remuneration paid to a whole time director		
Salary	8,65,902	8,03,496
Long Service Allowance	1,500	1,500
Provident Fund Contribution	66,344	62,081
Leave Travel Assistance	46,760	43,880
Medical Expenses	36,150	61,550
Commission	83,735	1,66,255
	11,00,391	11,38,762

	SALIL KAPUR PRESIDENT	JAI DEV KAPUR PRESIDENT	VIKRAM KAPUR PRESIDENT
VIPIN GUPTA C.E.O	GANESH IYER C.G.M. (A/C)	S.KHANNA C.F.O	C.M.DHALL C.F.O

The schedules referred to above form an integral part of the Accounts.

for MEHRA KHANNA & CO
Chartered Accountants
FRN : 001141N

CA.RAJIV BHASIN
PARTNER
M No : 093845

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

} DIRECTORS

Delhi:the 26th AUGUST, 2010

New Delhi:the 20th AUGUST, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31st March 10	31 st March 09
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	14,60,41,780	15,32,69,700
Adjustments for		
Depreciation & Misc. Write Offs	5,03,33,150	5,12,55,316
Operating Profit before Working Capital Changes	19,63,74,930	20,45,25,016
Adjustments for:		
(Increase)/Decrease in Trade & other Receivables	-9,74,52,685	-11,31,55,498
(Increase)/Decrease in Inventories	-3,92,91,098	9,42,81,635
(Increase)/Decrease in Loans and Advances	8,54,90,381	-11,49,98,459
(Decrease)/Increase in Trade Payables	-26,98,83,983	34,10,08,019
(Decrease)/Increase in Other Current Liabilities	9,28,610	6,85,578
Priliminary exp		
Cash Generated from Operations	-12,38,33,845	41,23,46,291
Direct Taxes Paid/Refund	-1,31,83,712	-4,18,31,908
Net Cash Flow from Operating Activities	-13,70,17,557	37,05,14,383
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-9,24,88,192	-14,05,71,740
Proceeds on Sale of Fixed Assets	47,37,335	6,78,21,902
Dividend Income	9,32,699	34,70,050
Purchase of Investments	7,48,53,001	-
Proceeds from sale of investment	0	7,14,53,797
Net Cash Used in Investing Activities	-1,19,65,157	21,74,009
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	32,12,25,546	-18,20,06,060
Repayment of Borrowings	-	-
Interest Paid	-10,46,39,444	-12,30,80,695
Interest Received	79,53,272	40,46,590
Dividends Paid	-1,11,21,938	-1,42,96,073
Net Cash Used in Financing Activities	21,34,17,436	-31,53,36,238
Net Increase/(Decrease) in Cash and Cash Equivalents	6,44,34,722	5,73,52,154
Cash & Cash Equivalents as on 1.04.2008	11,93,43,280	6,19,91,126
Cash and Cash Equivalents as on 31.03.2009	18,37,78,002	11,93,43,280

Note: Figures of the previous year have been re-grouped & re-arranged, wherever necessary.

	JAI DEV KAPUR PRESIDENT	SALIL KAPUR PRESIDENT	VIKRAM KAPUR PRESIDENT
VIPIN GUPTA C.E.O	GANESH IYER C.G.M. (A/C)	S.KHANNA C.F.O	C.M.DHALL C.F.O

This cash flow statement as referred to in our report to even date.

for MEHRA KHANNA & CO
Chartered Accountants
FRN : 001141N

CA.RAJIV BHASIN
PARTNER
M No : 093845
Delhi: the 26th AUGUST, 2010

HARI KRISHAN AHUJA
HIRA LAL BHATIA
I.D.CHUGH
PRITHVI RAJ CHAWLA
JAI NARAIN SAWHNEY

} DIRECTORS

New Delhi: the 20th AUGUST, 2010



ATLAS CYCLES

Atlas Cycles (Haryana) Limited

Industrial Area, Atlas Road, Sonapat-131001, Haryana (India).

Tel: 91-130-2200001-8 Fax: 91-130-2200018