

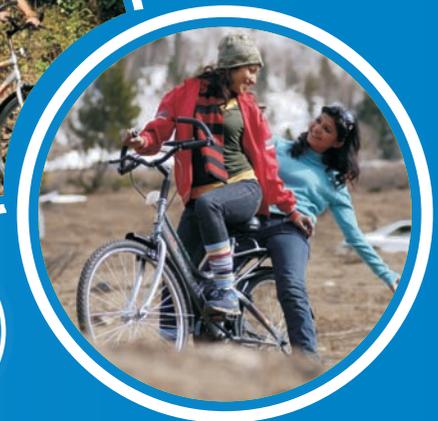
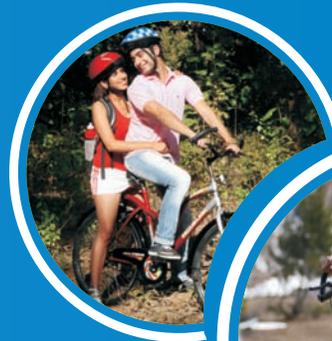
ATLAS CYCLES

ANNUAL REPORT

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Zooming ahead towards
continuous growth



ATLAS CYCLES (HARYANA) LIMITED

SONEPAT-131001

BOARD OF DIRECTORS :

Shri Prithvi Raj Chawla, (Non Executive Director)
Shri Hari Krishan Ahuja, (Non Executive Director)
Shri Hira Lal Bhatia, (Non Executive Director)
Shri I. D. Chugh, (Whole Time Director)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gagan Singhal

REGISTERED OFFICE :

Atlas Road
Industrial Area
Sonapat –131001
(Haryana)

STATUTORY AUDITORS :

Messers Mehra Khanna & Co.
Chartered Accountants, Delhi

BANKERS :

Central Bank of India
Punjab National Bank
Bank of Baroda

BOARD COMMITTEES :

Audit Committee

Shri Hari Krishan Ahuja Chairman
Shri Prithvi Raj Chawla Member
Shri Hira Lal Bhatia Member

Shareholders/ Investor

Grievances Committee

Shri Prithvi Raj Chawla Chairman
Shri I. D. Chugh Member

SAHIBABAD UNIT

Plot No. 55, Site-IV
UPSIDC, Industrial Area,
Sahibabad – 201010 (U.P.)

MALANPUR UNIT

Plot No. U-16, 17, 21 & 22
Malanpur Industrial Area
Near Gwalior, Distt. Bhind (M. P.)

REGISTRAR AND SHARE TRANSFER AGENTS :

Mas Services Limited
T-34, 2nd Floor, Okhla Industrial
Area, Phase-2, New Delhi-110020
Tel: (0110 26387281, 82, 83

STOCK EXCHANGE(S) WHERE COMPANY'S SECURITIES ARE REGISTERED

National Stock Exchange
Bombay Stock Exchange
Delhi Stock Exchange

E-MAIL

companylaw@atlascyclesonepat.com

WEBSITE

www.atlasbicycles.com

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PARTICULARS

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Sixty First Annual General Meeting of the members of Atlas Cycles (Haryana) Limited will be held at the Registered Office of the Company in the Industrial Area, Sonapat on Saturday, the 29th September 2012 at 4.00 P.M. (I.S.T.) to transact the following business(es):-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.
2. To declare final dividend at the rate of 45% (Rs. 4.50) per Equity Share of face value of Rs. 10/- each.
3. To appoint a director in place of Shri Hira Lal Bhatia who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Hari Krishan Ahuja who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors for the current year and fix their remuneration, Messers Mehra Khanna & Co., Chartered Accountants, the present auditors, offer themselves for re-appointment.

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

(**GAGAN SINGHAL**)
Company Secretary
& Compliance Officer

Sonapat : the 4th September, 2012

NOTES :-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING PROXY SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the board resolution authorizing their

representative to attend and vote on their behalf at the meeting.

3. Members attending the meeting are requested to bring with them the attendance slip attached to the notice duly filled in and signed and handover the same at the entrance place of the meeting. Proxy / Representative of a member should mark on the Attendance Slip as "Proxy" or "Representative" as the case may be. Members holding shares in electronic form and desirous of attending the meeting are required to bring along with them their Client ID and DP ID Numbers for easy identification.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22.09.2012 to Saturday, 29.09.2012 (**both days inclusive**). Duly completed and valid applications for transfer of shares received in order at the Registered Office of the Company before 22.09.2012 will be registered in time for transferees to become eligible for dividend.
5. The dividend when declared will be paid through the company's bankers. The dividend warrants will be posted on or before 29.10.2012 to the Registered Addresses of the shareholders or their mandates whose names stand in the Register of Members on 29.09.2012.
6. Members may get any change in their address/their mandates registered with the Company before 22.09.2011.
7. 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 of the Company on the expiry of the said period of seven years. Members who have not encashed their dividend warrants for the year ended 31.03.2005 onwards are requested to send unpaid dividend warrants to the Registered Office of the Company for payment in lieu thereof.
8. In terms of notification issued by Securities and Exchange Board of India, the company's shares are being traded compulsory in demat form.
9. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring with them their copies of the Annual Report at the meeting.
10. 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.
11. 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 Services (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.

12. 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 there is any change in the particulars furnished earlier.
13. We are sending herewith all the documents required under section 219(1) of the Companies Act. The Directors' Report sent herewith is without 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 Annexure is available for inspection at Company's Registered Office, Industrial Area, Sonapat during working hours from today till 29.09.2012. 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.
14. In terms of Section 109A of the Companies Act, 1956, the Shareholder(s) of the Company may nominate a person in whose name(s) the shares held by him/her shall vest in the event of his/her death. Shareholder(s) desirous of availing this facility may submit nomination in Form 2B.
15. At the ensuing Annual General Meeting Shri Hira Lal Bhatia and Shri Hari Krishan Ahuja, Directors, liable to retire by rotation and being eligible offer themselves for re-appointment.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s), the information about the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting is as follows:

- a) Shri Hira Lal Bhatia, aged 69 years, has been a Director of the Company since 31.07.1979. He is a graduate and has

been in business for over forty five years. At present he is a director in the following Companies:-

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

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

- b) Shri Hari Krishan Ahuja, aged 88 years, has been a Director of the Company since 06.08.1990. He is a commerce graduate and has been in business for over fifty four years. At present he is a director in the following Companies:-

- i) Atlas Cycles (Sonapat) Limited
- ii) Atlas Cycles (Sahibabad) Limited
- iii) Atlas Cycles (Malanpur) Limited
- iv) Kay Bee Industries India Private Limited

He is the Chairman of Audit Committee of the Board.

IMPORTANT COMMUNICATION TO MEMBERS

The ministry of corporate Affairs has taken a "Green Initiative" in the Corporate Governance by allowing paperless Compliances by the companies and has issued circular stating that services of notice/documents including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository Participants and also register their e-mail ID at our Registrar and share Transfer Agents viz." M/s Mas Services Limited "at the website www.masserv.com, in case you have not already registered the same. Further for detail in this regard please refer the last page of this Annual Report.

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

(GAGAN SINGHAL)
Company Secretary
& Compliance Officer

Sonapat : the 4th September, 2012

DIRECTORS' REPORT TO THE MEMBERS :-

Your directors are delighted to present Sixty First Annual Report of your Company along with the audited statement of accounts for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

PARTICULARS	2011-12		2010-11	
OPERATING PROFITS/(LOSSES)	2976.76		2415.68	
ADD : PROFIT ON SALE OF ASSETS	35.40		(6.41)	
ADD : PROFIT ON SALE OF MUTUAL FUND	109.24		70.46	
ADD : DIVIDEND INCOME	23.21	167.85	10.52	74.57
	3144.61		2490.25	
LESS : FINANCE COST	1946.24		1323.85	
DEPRECIATION	694.52	2640.76	570.10	1893.95
	503.85		596.30	
LESS : PROVISION FOR TAX		150.00	220.00	
	353.85		376.30	
ADD : PROFIT BROUGHT FORWARD		159.91	154.25	
	513.76		530.55	

DIVIDEND

Based on the Company's performance your directors recommend for approval of the members a final dividend @ 45 % i. e. Rs. 4.50 per share for the financial year 2011-2012 on the capital of 32,51,919 equity shares of Rs. 10/- each.

The final dividend on the equity shares, if approved by the members, would involve cash outflow of Rs. 146.34 lacs excluding dividend tax. (Previous year Rs. 146.34 lacs).

PRODUCTION

34,42,508 bicycles were produced during the period under consideration.

SALES

Sales during the year amounted to Rs. 875.32 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. 3048.29 Lacs.

The company continued its efforts to increase sales in export market due to which it achieved better export earning 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.

Paint Plant was enhanced by putting up another Disc Paint Plant of latest technology of fine painting to cater to the growing demand for larger numbers and better esthetics.

Sonepat Unit has also enhanced capacity of the Paint Plant by putting up a Disc Paint Plant which is supposed to be of latest technology (French Make) to cater to the growing demand from large customers and give better esthetics to the bicycles.

Further Sonepat plant has put up a Powder Coating paint plant along with an oven for faster and higher output.

These disc plants are of world class quality to meet today's

customer requirement. Market has responded to these improvements and sale volumes have grown.

In Sahibabad unit to improve the quality in tubular shop has also taken up the installation of 45 Tons chilling plant for debrassing to maintain temperature of chemicals thereby reducing related quality problems.

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

CAPITAL EXPENDITURE

During the year, the Company acquired capital assets worth Rs. 1017.49 lacs as against Rs. 2358.01 lacs in the previous year. This includes capital assets worth Rs 34.03 lacs under construction/installation as against Rs. 279.82 lacs in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of this Annual Report.

DIRECTORS

Shri Jai Narain Sawhney, a director of the Company, since 6th August, 1990 passed away on 3rd November, 2011. The Directors wish to place on record their deep appreciation of the valuable services rendered by him.

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

Further, pursuant to clause 49 (IV) (E) (iv) of the Listing Agreement, the shareholders may take note that Shri Hari Krishan Ahuja Non Executive Director of the Company holds 200 equity shares in the Company as on the date of this report.

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

DEPOSITS (INCLUDING LOANS FROM MEMBERS)

- Total number of depositors on 31.03.2012 who have not claimed their deposits after the date on which their deposits became due for payment -81.
- The aggregate amount of deposits due to the depositors on 31.03.2012 who have not claimed their deposits, including interest accrued, if any, after the dates on which their deposits became due for payment is Rs. 91.29 lacs.

Deposits aggregating Rs. 78.96 lacs pertaining to 49 depositors have since either been renewed or paid. Further 1 unclaimed deposits aggregating to Rs. 7154/- have since been credited to investors Education and Protection Fund. The remaining depositors whose deposits, including interest, amount to Rs. 12.33 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.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 200.00 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 143.68 lacs is proposed to be retained in the Profit and Loss Account.

CORPORATE GOVERNANCE

The Company complies with the clauses of Listing Agreement entered into with the National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange where the Company's shares are listed. Further, in terms of the provisions of Clause 49 of the Listing Agreement, your Company has complied with the requirements of Corporate Governance and a Report on Corporate Governance together with certificate from the Company's Auditors confirming compliance, is set out in a statement, which forms part of this Annual Report.

AUDITORS AND AUDITORS' REPORT

M/s Mehra Khanna & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION

Your Company strives to provide the best working environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. Every initiative and policy of the Company takes care of welfare of all its employees. The human resource development function of the Company is guided by a strong set of values and policies. The details of initiatives taken by the Company for the development of human resource are given in Management Discussion and Analysis Report. The Company maintained healthy, cordial and harmonious industrial relations at all levels throughout the year.

PERSONNEL AND PARTICULARS OF EMPLOYEES

The industrial relations with the workers and staff of the Company remained cordial throughout the year. There was unity of objective among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continue to be an area of prime importance.

Particulars of the employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Amendment Rules, 2011 are not applicable since, none of the employee of the Company was drawing more than Rs. 60,00,000/- p.a or Rs. 5,00,000/- p.m for the part of the year. Statement to this effect is as follows:

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 and forming part of the Directors' Report for the financial year ended 31st March, 2012

Sr. No.	Name	Designation & Nature of Duties	Remuneration Gross (Rs.)	Qualifications	Date of appointment	Age in years	Last employment
-----NIL-----							

MALANPUR UNIT

- Gas burners have been installed which are highly fuel efficient.
- The Disc Paint Plant installed and it is working efficiently resulting in better finish & high paint efficiency.
- Trials are underway to convert brazing furnace to Gas for better fuel efficiency. New technology is also under study to improve brazing operation.
- Computerized Controls have been installed for better fuel efficiency.

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned : Rs. 3048.29 lacs

Total foreign exchange used : Rs. 154.03 lacs

LISTING OF COMPANY'S EQUITY SHARE

Your Company's shares continue to be listed on Delhi, Bombay and National Stock Exchanges. The annual listing Fee for the year 2012-2013 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.

CONSERVATION OF ENERGY

SONEPAT UNIT

The following measures were taken for Conservation of energy:-

- Two new screw compressors commissioned to replace conventional reciprocating compressors resulting in saving of 100 KW electrical load.
- 50 Nos. Natural air ventilators installed in place of electrical exhaust fans of 0.5 HP each.
- Steps were taken to reduce air leakage in production shops.
- Old Air Conditioners replaced with 8 nos. of 5 star rated new air conditioners.

SAHIBABAD UNIT

The following measures were taken for Conservation of energy:-

- Six no. wind air vents have been installed in stores to replace exhaust fans.
- Energy efficient rotary air compressor has been installed in place of reciprocation air compressor.
- We have installed six cylinder 500 KVA Diesel engine in DG set in place of twelve cylinder 500 Diesel engine.
- Electrostatic Disc Paint Plant has been installed which is energy efficient as compared to the conventional paint plant.

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 and quality.

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 for fancy and conventional bicycles.

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, and 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 :-

- a) Two electrostatic Iwata guns commissioned in Paint Plant touchup booth.
- b) In Tubular section manual fitting fixtures were replaced by pneumatic fixtures.
- c) Change brazing of frames started for reducing the brass consumption.
- d) Rotary welding fixtures installed in tubular section for higher productivity.
- e) PNG Pipe Line commissioned to reduce fuel cost in tubular and paint shop.
- f) New tool for bending & pressing Chain Stays developed.
- g) Mitering of Tubes on hydraulic machine introduced PLC monitored.
- h) Bending of Tubes on hydraulic machine introduced PLC monitored
- i) New Tubular Fork introduced for standard cycles.

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. New Tubular fork will improve strength of fork.

AWARDS & CERTIFICATES

During the year under review, your Company has earned certificate from Department of Scientific and Industrial Research, Government of India, Ministry of Science and Technology in respect of In-house R&D Unit(s) of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2012 and of the profit of the Company for that period.
- III. 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.
- IV. The directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees in the Company and the cooperation extended by Banks, Government authorities, customers and shareholders of the Company and looks forward to a continued mutual support and co-operation.

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

} DIRECTORS

Sonepat, the 4th September, 2012

CORPORATE GOVERNANCE REPORT 2011-2012

Corporate Governance is the set of policies, processes and practices governing the affairs of a Company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

Over the years, governance processes and systems have been strengthened and institutionalized at Atlas. Effective implementation of these policies underpins the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholders' value.

Keeping in view the Company's size, complexity, global operations and corporate traditions, the Company's Governance framework is based on the following main principles:

- Constitution of Board of Directors of appropriate composition, size, varied expertise and commitment to discharge their responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- A sound system of risk management and internal control.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Fair and equitable treatment to all stakeholders including employees, customers, shareholders and investors.
- Compliance with all the rules and regulations.

The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

In accordance with clause 49 of the Listing Agreement with National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange and the best practices followed internationally on Corporate Governance, the details of governance systems and processes are as under:

Name of Director	Designation	Category of Directorship	Shareholding in the company	No. of other Director ships #	No. of Committee Memberships Member	Chairman
Shri Hari Krishan Ahuja	Director	Non Executive Independent	200	3	1	1
Shri Hira Lal Bhatia	Director	Non Executive Independent	NIL	3	1	NIL
Shri I.D. Chugh	Whole Time Director	Executive Non-Independent	60	4	1	NIL
Shri Prithvi Raj Chawla	Director	Non Executive Independent	NIL	3	2	1

excluding private limited companies and foreign companies.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance deals with the complex set of relationships between the Company and its board of directors, management, shareholders, and other stakeholders. Your Company believes that changes are inevitable in the corporate world, whether relating to laws, rules, regulations, standards, procedures, public disclosures, thereby constantly posing challenges for the corporate to meet with the highest set of standards of business ethics and fair play. However adherence to Corporate Governance practices at each such time shall lead the way to transparent and just business operations.

Corporate Governance encompasses good practices, adherence to laws, procedures, standards and implicit rules that enable the management to take wise and sound decisions, whose results will have an impact not only on its shareholders, creditors, associates, employees and the government but society at large. The core objective of Corporate Governance is to maximize shareholder value through an open and transparent disclosure regime. Corporate Governance practice enables every stakeholder to have access to fullest information about the Company and its functioning thereby achieving stakeholder's satisfaction.

In view of the above statement, your Company reaffirms its commitment to excellence in Corporate Governance and constantly strives and endeavors to attain the high standards of business ethics and fair play, by employing the finest practices of corporate values and ethics. Your Company also believes that good Corporate Governance will also help to translate into being a responsible corporate citizen.

2. BOARD OF DIRECTORS

Composition and category

The Board of Directors of the Company ("the Board") provides leadership and guidance to the Company's Management and also supervises, directs and manages the performance of the Company. The Board has constituted various committees of Directors, for the matters requiring special attention and their effective and efficient disposal.

Your Company's Board is represented by professionally qualified Executive, Non-Executive and Independent Directors. The Board as on date is comprised of one Executive director and three Non-executive directors.

Details of the Directors constituting the Board, their category, shareholding in the Company, number of Directorships in other public limited companies etc. are as follows:

The ratio between Executive and Non-Executive Directors and Non-Independent Directors is 1:3

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

Board Procedure

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made.

The information as specified in Annexure I A to the Clause 49 of the Listing Agreement is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed of every Board Meeting, on the overall performance of the Company, with presentations by business heads. Senior Management is invited to attend the Board Meeting so as to provide additional inputs to the items being discussed by the Board.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to statutory matters requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, details of joint ventures, sale of business unit/ division, compliance with statutory/ regulatory requirements, major accounting provisions and write-offs are considered by the Board.

Attendance of each director at the meetings of the Company

The detail of attendance of each Director of the Company in Board Meetings held during the financial year 2011-12 is given below:

Name of the Directors	Attendance of Meeting during 2011-12	
	Board Meetings	Last AGM
Shri Hari Krishan Ahuja	10	Yes
Shri Hira Lal Bhatia	8	Yes
Shri I. D. Chugh	10	Yes
Shri Prithvi Raj Chawla	10	Yes
Shri Jai Narain Sawhney*	4	No

* Shri Jai Narain Sawhney has expired on 03.11.2011.

Number of Board Meetings held and the dates on which held

Ten Board Meetings were held during the financial year 2011-12. The Company has held at least one Board Meeting in every three months and the maximum time gap between any two such meetings was not more than four months.

The details of the Board Meetings are as under:

Date	Board Strength	No. of Directors present
April 30, 2011	5	5
May 30, 2011	5	5
July 30, 2011	5	5
August 25, 2011	5	5
September 30, 2011	5	4

October 31, 2011	5	4
November 30, 2011	4	3
December 29, 2011	4	4
January 31, 2012	4	3
February 14, 2012	4	4

Agenda and Minutes

All the departments of the Company communicate to the Company Secretary well in advance with regard to matters requiring approval of the Board/Committees of the Board to enable him to include the same in the agenda for the Board/Committee meeting(s). Agenda papers are generally circulated to the Board/Committee members well in advance before the meeting.

The Company Secretary while preparing the agenda and minutes of the Board/Committee meeting has ensured adherence to the applicable provisions of the law including the Companies Act, 1956. The applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also being followed by the Company. The draft minutes of the proceedings of each meeting duly initialed by the Chairman of the meeting are being circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee Meetings duly approved by their respective Chairman.

All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board inter-alia includes the following:

- Annual operating plans and budgets and any updates thereon.
- Capital budgets and updates, if any.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Legal compliance report and certificate
- Information on recruitment, resignation and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices issued, if any against the Company having material impact.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any.
- Any material default in financial obligations to or by the Company, or substantial non-recoveries against sale, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implication on the Company, if any.
- Details of any joint venture or collaboration agreement, if any.
- Transactions that involve substantial payment towards

goodwill, brand equity, or intellectual property, if any.

- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc., if any.
- Sale of material, nature of investment, subsidiaries, assets, which is not in normal course of business, if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as delay in share transfer, etc.

3. 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.

4. AUDIT COMMITTEE

Broad Terms of Reference

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The Terms of Reference of the Audit Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and inter-alia includes:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- reviewing, with the management, the annual financial statement before submission to the Board for approval,
- reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- discussion with internal auditors any significant findings and follow up thereon;
- discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Audit Committee, while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. Compliance of the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2012.

Composition

The Audit Committee comprises of three Directors and all the directors are Non -Executive. The Audit Committee is constituted in accordance with the provisions of Clause 49(II)(A) of the Listing Agreement and Section 292A of the Companies Act, 1956. All these Directors possess adequate knowledge of corporate finance, accounts and company law.

The Meetings of the Audit Committee are attended by the Company Secretary. The Company Secretary acts as Secretary to the Committee. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The constitution of Audit Committee comprised of the following:

Name of Member	Designation	Category
Shri Hari Krishan Ahuja	Chairman	NED
Shri Prithvi Raj Chawla	Member	NED
Shri Hira Lal Bhatia	Member	NED

Meetings and attendance

The Audit committee held six meetings during the financial year ended March 31, 2012 and the gap between two meetings did not exceed four months. The Audit Committee Meetings were held on 30.04.2011, 30.07.2011, 25.08.2011, 31.10.2011, 31.01.2012 and 14.02.2012.

The attendance of the members at the Audit committee Meetings are as under:

Name of Members	No. of meetings held	No. of meetings attended during	Leave of absence sought
Shri Hari Krishan Ahuja	6	6	NIL
Shri Prithvi Raj Chawla	6	6	NIL
Shri Hira Lal Bhatia	6	5	1

5. 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 2011-2012.

A. Whole Time Director

Name	Shri I.D. Chugh
Salary	899475
Long Service Allowance	1670
Provident Fund Contribution	76924
Leave Travel Assistance	54820
Commission	202946
Medical Expenses	50790
Total	12,86,625

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 (Rs.)	Out of Pocket Expenses (Rs.)	Total (Rs.)
Shri Hari Krishan Ahuja	68000/-	21000/-	89000/-
Shri Hira Lal Bhatia	55000/-	17000/-	72000/-
Shri Jai Narain Sawhney*	26000/-	8000/-	34000/-
Shri Prithvi Raj Chawla	74000/-	23000/-	97000/-

* Mr. Jai Narain Sawhney has expired on 03.11.2011.

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Composition

The Shareholders'/Investors' Grievance Committee comprises of Executive and Non-Executive & Independent Directors. The composition of Shareholders'/Investors' Grievance Committee is as follows:

Name of Member	Designation	Category
Shri Prithvi Raj Chawla	Chairman	NED
Shri Ishwar Das Chugh	Member	ED

Terms of Reference

The Shareholders'/Investors' Grievance Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, rematerialization and dematerialization of shares and transfer of shares of the Company. The Committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Mas Services Limited attend to all

grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc.

The Minutes of the Shareholders'/Investors' Grievance Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Meetings

Four Committee Meetings were held during the year on 30.04.2011, 30.07.2011, 30.11.2011 and 31.01.2012. The attendance of each member as at 31st March, 2012 is as given below:

Name of Members	No. of meetings held during tenure	No. of meetings attended during tenure	Leave of absence sought
Shri Prithvi Raj Chawla	2	2	NIL
Shri I. D. Chugh	4	4	NIL
Shri J. N. Sawhney*	2	2	NIL

* Shri J. N. Sawhney has expired on 03.11.2011

7. SHARE TRANSFER SUB-COMMITTEE

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

*There were no share transfers pending for registration for more than 21 days as on the said date.

8. COMPLIANCE OFFICER

Mr. Gagan Singhal, Company Secretary is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchange and requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

9. COMPLAINTS FROM INVESTORS

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.

10. SUBSIDIARY COMPANIES

The Company has three wholly owned Subsidiary Companies viz. Atlas Cycles (Sonepat) Limited, Atlas Cycles (Sahibabad) Limited and Atlas Cycles (Malanpur) Limited. The minutes of the Board Meetings of the aforesaid Subsidiary Companies held on 30.07.2011, 30.09.2011 and 29.12.2011 were placed at the Board Meeting held on 31.10.2011, 29.12.2011 and 30.04.2012 respectively.

11. CORPORATE GOVERNANCE MANUAL

The Board of Directors of the Company approved and adopted a comprehensive Corporate Governance Manual setting out the procedures for effective functioning of the Board and its Committees. It also incorporates the Code of Conduct and Ethics for Directors and Senior Management. This policy is regularly monitored and reviewed.

12. LEGAL COMPLIANCE REPORTING

As required under Clause 49 of the Listing agreement, the Board periodically reviews compliance of various laws applicable to the Company.

13. ANNUAL GENERAL MEETINGS

The details of last three Annual General Meetings of the Company are given hereunder:

Financial Year	Date	Time	Location
2010-2011	30.09.2011	4.00 PM	Industrial Area, Sonapat
2009-2010	30.09.2010	4.00 PM	Industrial Area, Sonapat
2008-2009	30.09.2009	4.00 PM	Industrial Area, Sonapat

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

14. POSTAL BALLOT

No special resolution was passed through Postal Ballot during the financial year 2011-2012.

15. EXTRAORDINARY GENERAL MEETING

No Extraordinary General Meeting was held during the financial year 2011-2012.

16. DISCLOSURES

a) Disclosure on materially significant related party transactions that are not in conflict with the interests of the Company at large.

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

b) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred in Section 211(3)(c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in Notes to Accounts.

c) Risk Management

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

d) Details of non compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of the Listing Agreement entered into with National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital market since the listing of the Company.

17. MEANS OF COMMUNICATION

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results, in the Performa prescribed by Clause 41 of the Listing Agreement within the time prescribed by that clause.
- The approved financial results are sent forthwith to the National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange and are published in a National English Newspaper, viz, Financial Express. In addition, the same are published in a local language newspaper, viz., Dainik Tribune, with in forty-eight hours of approval thereof.
- The Company's financial results and official news releases are being displayed on the Company's website i.e. www.atlasbicycles.com.
- No formal presentations or analysis were made to the institutional investors during the year under review.
- Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

18. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed review of the progress of the project and the future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement with the National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange, is presented in a separate section forming part of this Annual Report.

19. CORPORATE ETHICS

As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way. Our policy is :

- Code of Conduct for Directors and Senior Management Personnel;

20. CEO/CFO CERTIFICATION

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

21. REPORT ON CORPORATE GOVERNANCE

The Company has submitted Quarterly Compliance Reports to the Stock Exchange within 15 days from the close of each quarter as per the format given in Clause 49, duly signed by the compliance Officer.

22. GENERAL SHAREHOLDERS INFORMATION

Registered office	Industrial Area, Atlas Road, Sonapat- 131001
Annual General Meeting	
Day, Date and Time	Saturday, 29th September, 2012, 4:00 p.m.
Venue	Atlas Cycles (Haryana) Limited Industrial Area, Atlas Road, Sonapat-131001

Financial Calendar

- Financial reporting for the quarter ending June 30, 2012 : Middle of August, 2012
- Financial reporting for the half year ending September 30, 2012 : End October, 2012
- Financial reporting for the quarter ending December 31, 2012 : End January, 2013
- Financial reporting for the year ending March 31, 2013 : End April, 2013

Book Closure Period

September 22nd, 2012 to September 29th, 2012 **(Both days inclusive)**

Dividend payment Date

Dividend payment will be made 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.

Listing of Equity Shares on Stock Exchange(s)

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), MUMBAI – 400051

Bombay Stock Exchange Limited, (BSE)
P. J. Towers, 25th Floor, Dalal Street,
Mumbai-400001,

Delhi Stock Exchange of India Limited (DSE)
DSE House, 3/1, Asaf Ali Road
NEW DELHI – 110002

Listing Fees

Annual Listing Fee for the year 2012-2013 has been paid to National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange where the equity shares of the Company are listed, in the Month of April, 2012 i.e. within the stipulated time.

Stock Code

Scrip Code – National Stock Exchange – “ATLASCYCLE”
Bombay Stock Exchange – ‘505029’
Delhi Stock Exchange – “01174”

ISIN for Equity Shares – INE446A01017

Stock Market Data

Monthly high and low prices of equity shares of Atlas Cycles (Haryana) Limited at the National Stock Exchange (NSE) and Bombay Stock Exchange Limited (BSE) during the year under review in comparison to NSE and BSE (Sensex) are given hereunder:

Month	Equity Share Price on NSE and BSE			
	Share Price on NSE		Share Price on BSE	
	HIGH Rs.	LOW Rs.	HIGH Rs.	LOW Rs.
April, 2011	284.80	238.00	282.30	239.00
May, 2011	307.00	235.75	270.50	235.00
June, 2011	277.50	235.95	277.35	240.00
July, 2011	491.35	260.00	490.00	260.00

August, 2011	470.60	248.10	470.95	255.00
Sep., 2011	407.00	278.05	407.45	275.00
Oct., 2011	360.65	297.55	360.50	298.50
Nov., 2011	362.00	262.30	362.00	264.05
Dec., 2011	306.00	246.95	305.85	247.00
Jan., 2012	348.00	265.20	348.90	268.20
Feb., 2012	370.95	306.35	371.00	307.00
Mar., 2012	467.80	317.00	466.60	317.10

Registrar and Share Transfer Agent

M/s Mas Services Limited, Delhi has been appointed as the Registrar and Share Transfer Agent of the Company w.e.f. 01.02.2003 for handling the share transfer work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialization, rematerialisation etc. can be made at the following address:

MAS SERVICES LIMITED

T-34, IInd Floor,
Okhla Industrial Area,
Phase II, New Delhi – 110020
Tel.: 011-26387281, 7282, 7283
Fax: 011-26387384

Contact Person: Mr. Sharwan Mangal (General Manager)

Timing Monday to Friday, 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.

Share Transfer System

Shares sent for transfer in physical form are processed and transfer is completed by our Registrar and Share Transfer Agents within a period of 15 days from the date of receipt provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. Share Transfer Requests under objection are returned within two weeks.

Shareholders can trade in the Company's share only in electronic form. The process for getting the shares dematerialized is as follows:

- Shareholder submits the share certificates along with Dematerialization request Form (DRF) to Depository Participant (DP).
- DP processes the DRF and generates a unique Dematerialization Request No.
- DP forwards DRF and share certificates to Registrar and Share Transfer Agent (RTA).
- RTA after processing the DRF confirms or rejects the request to Depositories.
- If confirmed by the RTA, Depositories give credit to shareholder in his account maintained with DP.

This process takes approximately 10-15 days from the date of receipt of DRF. As trading in shares of the Company can be done only in electronic form, it is advisable that the shareholders who are holding shares in physical form get their shares dematerialized.

Categories of Equity Shareholders as on March 31, 2012

Category of Shareholder	No. of shares held	Percentage of shareholding
Promoters, Associates and Relatives	1487439	45.74
Mutual Funds/ UTI	953	0.03
Financial Institution	76	0.00
Bodies Corporate	247216	7.60
General Public	1467286	45.12
Non-Resident Indian / OCB	5814	0.18
Clearing Member	42830	1.32
Trust	305	0.01
Total	3251919	100.00

Shareholding Pattern by size

The distribution of shareholding as on 31st March, 2012 is given below:

No. of Shares (Range)	Number of shareholders	% to total	No. of shares held	% to total
UPTO-500	8640	95.20	549897	16.91
501-1000	198	2.18	149701	4.60
1001-2000	95	1.05	139748	4.30
2001-3000	31	0.34	76694	2.36
3001-4000	20	0.22	72248	2.22
4001-5000	15	0.17	70329	2.16
5001-10000	25	0.27	181734	5.59
10001 and Above	52	0.57	2011568	61.86
Total	9076*	100.00	3251919	100.00

* 67 Holders are common in Demat and Physical.

Dematerialization of shares and liquidity

As on 31.03.2012 of the total equity share, 66.57% were held in dematerialized Form and the balance 33.43% shares in physical form. The Company has not issued any GDRs/ ADRs/Warrants or any convertible instruments which are pending for conversion.

Plant Locations

The company's plants are located at Sonapat, Sahibabd, Malanpur, Bawal and Rasoi.

Nomination

Shareholders holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit their request to Company in Form 2B.

Address for Correspondence

(a) Investor Correspondence: For any query in relation to the shares of the Company.

For Shares held in Physical Form:

MAS SERVICES LIMITED

T-34, IInd Floor,
Okhla Industrial Area,
Phase II, New Delhi – 110020
Tel.: 011-26387281, 7282, 7283
Fax: 011-26387384
Contact Person: Mr. Sharwan Mangal (General Manager)

Timing Monday to Friday, 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.

For Shares held in Demat Form:

To the Investors' Depository Participant(s) and / or Mas Services Limited at the above mentioned address.

(b) For grievance redressal and any query on Annual Report

Company Law Department Ph. No.: 0130-2200001 to 2200006
Atlas Cycles (Haryana) Limited Fax No. 0130-2200018
Industrial Area, Atlas Road, E-mail: companylaw@atlascyclesonepat.com
Sonapat – 131001 Website: www.atlasbicycles.com

23. COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Bombay Stock Exchange and the same forms part of this Annual Report.

The Certificate from the Statutory Auditors will be sent to the National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange along with the Annual Report of the Company.

24. RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified Chartered Accountant or Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter by M/s Mehra Khanna & Company, Chartered Accountants and the report thereon is submitted to the National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange.

The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

25. OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standards on important aspects like Board Meetings, General Meetings, Maintenance of Registers and Records, Minutes of Meetings and Transmission of Shares, etc. Though these standards are recommendatory in nature, the Company adheres to these standards voluntarily.

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

} DIRECTORS

Sonapat, the 4th September, 2012

**DECLARATION REGRADING 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, 2012 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.

Sonepat, the 4th September, 2012

Mange Ram Agarwal
CEO

**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, 2012 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, 2012 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.

PLACE: DELHI

DATE: 4th September, 2012

For MEHRA KHANNA AND CO.
CHARTERED ACCOUNTANTS

FR No:- 01141N

CA RAJIV BHASIN

(PARTNER)

Mem.No: - 093845

MANAGEMENT DISCUSSION & ANALYSIS

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by the use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar connotation. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company can not guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent developments, information or events.

OVERVIEW OF THE ECONOMY

India is projected to see a faster growth of 7.5 per cent this fiscal, on the back of higher savings and investment rates, even as most of the Asia-Pacific economies are likely to expand at a slower pace, as per a United Nations (UN) report.

"Today India is among the most attractive destinations globally, for investments and business and FDI had increased over the last few years. The Indian economy has continuously recorded high growth rates and become an attractive destination for investments.

"Today, India is amongst the most important G-20 economies and this underscores Forum's commitment to the country as a partner.

The Government of India has approved 14 Foreign Direct Investment (FDI) proposals amounting to US\$ 288.05 million, based on the recommendations of Foreign Investment Promotion Board (FIPB).

India's foreign exchange (Forex) reserves increased by US\$ 1.4 billion in the week ended April 20, 2012, according to data released by the RBI. The reserves have increased US\$ 205 million since the start of this financial year.

Consumer spending in India is likely to grow nearly four times to touch US\$ 3.6 trillion by 2020, driven by rising incomes and aspirations, widespread media proliferation and better physical reach across the country.

India continues to urbanise at a strong pace driven by a combination of up trending consumption, robust job creation and growing financial penetration.

The Government had liberalized investments made by registered foreign institutional investors (FIIs) under the Portfolio Investment Scheme (PIS) from April 10, 2012. Earlier, these investments required Government approval.

India will see the largest number of merger and acquisitions (M&A) in the pharmaceutical and healthcare sector, as per consulting firm, Grant Thornton. A survey conducted across 100 companies has revealed that a fourth of the respondents were optimistic about

acquisitions in the pharmaceutical sector.

Source: www.lbef.org

INDUSTRY OVERVIEW

India produces approximately 10% of the world annual bicycle production, which is estimated at 125 Million units. The annual domestic demand of bicycles in India is approximately 10 million units, out of which around 2.5 million units is a government demand for the various welfare schemes. Exports out of India are largely to Africa and the less developed economies and negligible to western markets. Today, the Indian bicycle manufacturing and bicycle parts industry is widely recognized for its quality standards in the international market.

The market for the premium or the lifestyle bikes targeted towards the lifestyle consumer is just about emerging on account of increasing individual incomes and higher aspiration levels of the middle income group. Growth in the "specials segment" (Sport Light Roadster, mountain terrain bike and children's bicycles) was higher than in the "standard segment. The definition of high end bikes itself is changing.

Not only are the price points changing but even definitions of the segment are. Hitherto, cycles were simplistically segmented into gents, ladies, kids and high end. But now the lifestyle bikes are being segmented in line with the global trend that is based on their usage. There are Road bikes, Mountain terrain bikes and Children bikes etc.

The demand for these cycles at this stage is very limited but is set to grow at a frenetic pace in future. While the mass-market segment is experiencing a sluggish growth of between 4-6% annually the premium & lifestyle segment is growing at a CAGR of over 30%. The market size for the lifestyle cycles is estimated at not more than 0.25 million units annually but its only time that this segment will form an important part of the industry

M/s Atlas Cycles (Haryana) Limited is a Public Limited Company having presence in bicycles segment with a track record of more than 61 Years, having established brand both in Indian as well as International Market and ranks amongst the three largest cycle manufacturers in the world. The company is engaged in manufacturing of bicycles and its components and steel tubes with units at Sonapat, Sahibabad, Malanpur, Bawal and Rasoi.

Apart from rising input costs, cheap Chinese bicycles are also entering in domestic market.

OPPORTUNITY AND THREATS

The areas of strength are promoters having long track record, rich experience and strong financial soundness, Atlas Brand is well accepted both in Indian as well as International Market and one of the 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, and financial risk and so on. Further volatile steel prices and a new burden of 1% excise duty are a deterrent to the growth of the cycle industry.

PRODUCTWISE PERFORMANCE

The company has a recognized Research and Development centre 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.

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 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.

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 substandard products in the market is also threatening our bicycle industry. Steel Prices are changing on regular basis and there is a wide fluctuation 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.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

To achieve effectiveness and efficiency of operation, reliability of financial reporting and compliance with applicable laws, rules, and regulations and compliance of significant policies, the Company has a well defined system of internal control throughout the organization. The internal audit department regularly probes the deficiency in operation of internal control and suggests ways to rectify such deficiencies. To improve efficiency and internal control 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 those transactions are authorized, recorded and reported properly.

FINANCIAL PERFORMANCE

The company achieved a turnover 875.32 crores during the year compared to Rs. 767.81 crores during the previous year. Income from other sources is 2.41 crores as compared to Rs. 1.43

crores in previous year. Profit after taxation, is Rs. 3.54 crores as compared to 3.76 crores in the previous year.

HEALTH SAFETY AND ENVIRONMENT

Atlas is fully committed to the safety, health and well-being of its employees and to minimizing the environmental impact on its business operations. A safe and healthy environment is maintained, and appropriate steps are taken with the object of minimizing the environmental impact on all processes and practices. The Company has a range of policies, including on quality, safety and health aspects to guide the employees work practices, actions and decisions. The Company strives to continuously improve the effectiveness of its policies and the employees are encouraged to contribute their mite in this direction. All employees are obliged to ensure that they fully understand all policies and do fully comply with the requirements.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

One of the "Key" reasons for the exponential growth of Atlas is undoubtedly its "People". The Company has always provided an open and challenging work environment wherein the staff members get an opportunity to rapidly gain and assimilate knowledge. Creativity and dedication of all the employees represent the most precious assets of the Company. For the growth of the organization, the human resource function has an important role to play not only in identifying and recruiting suitable individuals but also in developing and rewarding its employees. As such, we have remained focused on strengthening human capital through continuous training and development and by upgrading skills of employees to meet the Company's objectives. The Company has a union free environment and the industrial relations scenario continued to be stable during the year.

CAUTIONARY STATEMENT

Statements in the Directors' Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal market, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

APPRECIATION

Your Directors express their warm appreciation to all the employees working at various units for their diligence and contribution. Your Directors also wish to record their appreciation for the support and co-operation received from the dealers, agents, suppliers, bankers and all other stakeholders.

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

} DIRECTORS

Sonepat, the 4th September, 2012

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 2012 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, 2012 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 2012;
 - (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.-01141N
CA. RAJIV BHASIN
(Partner)
Mem. No.:-093845

Place: Delhi
Date: 4th September, 2012

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 2012.

- (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) According 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 which pending	Amount (in lac.) relates	Period to amount
Sales tax laws	Entry tax	Asst. Commissioner	1.31	2009-2010
Sales tax	CST	Appellate Board, Bhopal	3.68	1999-2000
		Appellate Board, Bhopal	81.56	2003-2004
		Dy. Commissioner, Gwl	280.81	2004-2005
		Appellate Board, Bhopal	66.40	2005-2006
		Appellate Board, Bhopal	9.45	2009-2010
	M.P.S.T.	Appellate Board, Bhopal	4.14	1998-1999
		Appellate Board, Bhopal	3.80	1999-2000
		Appellate Board, Bhopal	23.17	2003-2004
		Appellate Board, Bhopal	82.91	2004-2005
		Appellate Board, Bhopal	20.34	2005-2006

- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2012. Further, the company has not incurred any cash losses during the financial year ended March 31, 2012 and in the preceding financial year ended March 31, 2011.
- (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) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit for the year ended 31st March, 2012.

For Mehra Khanna & Co.
Chartered Accountants
FR No.-01141N
CA. RAJIV BHASIN
(Partner)
Mem. No.:-093845

Place: Delhi
Date: 4th September, 2012

ATLAS CYCLES (HARYANA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

DESCRIPTION	Note No.	31.03.2012	31.3.2011
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	325.19	325.19
Reserves and Surplus	3	12,198.41	12,014.68
		<u>12,523.60</u>	<u>12,339.87</u>
SHARE APPLICATION MONEY PENDING ALLOTMENT			
NON-CURRENT LIABILITIES			
Long-term borrowings	4	554.02	602.96
Deferred tax liabilities (net)	5	847.00	797.00
Other Long term liabilities	6	150.53	141.03
Long-term provisions	7	60.36	63.73
		<u>1,611.91</u>	<u>1,604.72</u>
CURRENT LIABILITIES			
Short-term borrowings	8	7,328.90	7,566.29
Trade payables	9	13,175.03	12,822.88
Other current liabilities	10	7,078.86	6,859.38
Short-term provisions	7	3,976.39	3,848.17
		<u>31,559.18</u>	<u>31,096.72</u>
TOTAL		<u>45,694.69</u>	<u>45,041.31</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	11		
Tangible assets		9,238.50	9,410.63
Capital work-in-progress		316.17	595.88
Non-current investments	12	156.08	521.56
Long-term loans and advances	13	2,180.29	1,797.30
Other non-current assets	14	42.07	15.15
		<u>11,933.11</u>	<u>12,340.52</u>
CURRENT ASSETS			
Current investments	12	1,081.00	2,115.02
Inventories	15	11,352.71	10,626.96
Trade receivables	16	14,888.43	14,604.02
Cash and Bank Balances	17	1,321.67	619.29
Short-term loans and advances	13	5,067.52	4,715.93
Other current assets	18	50.25	19.57
		<u>33,761.58</u>	<u>32,700.79</u>
TOTAL		<u>45,694.69</u>	<u>45,041.31</u>

Significant Accounting Policies

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

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

}

DIRECTORS

New Delhi: the the 4th September, 2012

ATLAS CYCLES (HARYANA) LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

DESCRIPTION	Note No.	31.03.2012	31.3.2011
INCOME			
Revenue from operations (gross)	19	90,623.84	79,593.34
Less :- Rebate		1,595.30	1,842.33
Less :- Excise Duty on sales		1,496.47	969.72
Revenue from operations (net)		<u>87,532.07</u>	<u>76,781.29</u>
Other Income	20	240.91	143.22
TOTAL		<u>87,772.98</u>	<u>76,924.51</u>
EXPENSES			
Cost of materials consumed	21	66,649.88	59,191.12
Changes in inventories of finished goods, work in progress and trading goods	22	224.25	(660.16)
Employee benefits expense	23	4,362.39	3,944.20
Finance costs	24	1,946.24	1,323.85
Depreciation and amortization expense	25	722.69	570.10
Other expenses	26		
Manufacturing expenses		8,033.40	7,930.25
Administration expenses		2,922.63	1,901.64
Selling expenses		2,407.65	2,127.21
TOTAL		<u>87,269.13</u>	<u>76,328.21</u>
Profit before exceptional and extraordinary items and tax		503.85	596.30
Profit before extraordinary items and tax		503.85	596.30
Profit before tax		503.85	596.30
Tax expense			
Provision for current tax		100.00	150.00
Provision for deferred tax		50.00	70.00
Profit / (Loss) for the year		<u>353.85</u>	<u>376.30</u>
Earnings per share (in ₹)			
Basic		10.88	11.57
Diluted		10.88	11.57

Significant Accounting Policies

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

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

} DIRECTORS

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

New Delhi: the the 4th September, 2012

ATLAS CYCLES (HARYANA) LIMITED

NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
2	SHARE CAPITAL		
	AUTHORISED		
	30,000(30,000) 6 1/4% P.A. free of Income tax cumulative redeemable Preference shares of Rs.100 each	30.00	30.00
	97,00,000(97,00,000) Equity Shares of Rs.10/- each	970.00	970.00
		<u>1,000.00</u>	<u>1,000.00</u>
	ISSUED, SUBSCRIBED AND PAID UP		
	32,51,919 (32,51,919) Equity Shares of Rs 10/-each fully paid up	325.19	325.19
	TOTAL - SHARE CAPITAL	<u>325.19</u>	<u>325.19</u>
(a)	RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR	No. of Shares	No. of Shares
	Equity Shares outstanding at the beginning of the year	3,251,919	3,251,919
	Equity Shares issued during the year	-	-
	Shares outstanding at the end of the year	<u>3,251,919</u>	<u>3,251,919</u>
(b)	TERMS/RIGHT ATTACHED TO EQUITY SHARES		
	The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of Profit/Surplus in proportions to the number of equity shares held by the shareholders.		
(c)	EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:	2012	2011
	NAME OF THE EQUITY SHAREHOLDER	No. of Shares	%
		No. of Shares	%
	Milton Cycles Industries Ltd	325846	10.02%
	Limrose Enng Works Pvt Ltd	257650	7.92%
		325846	10.02%
		257650	7.92%
(d)	Company has not issued any ESOP Plan, or Conversion of Bonds/Debentures.		
(e)	Company has not issued any share by way of Bonus / Right Shares and has not Buy-back any shares in the preceding five years		
3	RESERVES AND SURPLUS		
(a)	SECURITY PREMIUM ACCOUNT		
	As per last account	606.20	606.20
	Add : On Conversion of Foreign Currency Convertible Bonds	-	-
		<u>606.20</u>	<u>606.20</u>
(b)	FIXED ASSETS REVALUATION RESERVE		
	As per last account	389.74	389.74
	Add:- Transferred from Statement of Profit and Loss	-	-
	Less:- Written Back during the year	-	-
		<u>389.74</u>	<u>389.74</u>
(c)	GENERAL RESERVE		
	As per last account	10,858.79	10,658.79
	Add : Transferred from Statement of Profit and Loss	200.00	200.00
		<u>11,058.79</u>	<u>10,858.79</u>
(f)	SURPLUS - STATEMENT OF PROFIT AND LOSS		
	As per last account	159.91	154.25
	Add : Profit after Tax for the year	353.85	376.30
	NET PROFIT	513.76	530.55
	Amount Available for appropriation	513.76	530.55
	APPROPRIATIONS		
	Debenture Redemption Reserve	-	-
	General Reserve	200.00	200.00
	Proposed Dividend	146.34	146.34
	Corporate Dividend Tax	23.74	24.30
	Net Surplus in the Statement of Profit and Loss	<u>143.68</u>	<u>159.91</u>
	TOTAL - RESERVE & SURPLUS	<u>12,198.41</u>	<u>12,014.68</u>

(₹ in Lacs)

Note No.	DESCRIPTION	Non-Currenet Portion		Current Maturity	
		31.03.2012	31.3.2011	31.03.2012	31.3.2011
4	LONG-TERM BORROWINGS				
	SECURED				
	(a) TERM LOAN FROM BANKS				
	Rupee term loan	200.00	201.10	1,601.10	800.98
	(b) CAR LOAN FROM BANKS	107.53	212.11	133.02	120.05
	TOTAL SECURED LONG TERM BORROWINGS	307.53	413.21	1,734.12	921.03
	UNSECURED LONG TERM BORROWINGS				
	(a) PUBLIC FIXED DEPOSITS	246.49	189.75	1,377.00	1,239.00
	TOTAL UNSECURED LONG TERM BORROWINGS	246.49	189.75	1,377.11	1,238.94
	TOTAL - LONG TERM BORROWINGS	554.02	602.96	3,111.23	2,159.97
1	Long term loan from Tamilnad Mercantile bank limited is secured against first charge on specific assets against which loan taken and carries interest @ 12.50% p.a.				
2	Term Loan from Central Bank Of India is secured against first pari passu charge on respective units immovable property and future assets which it may acquire in future and carries interest @ 13% p.a and is repayable on 3 yearly equal installments.				
3	The Company accepts fixed deposits from the public which carries interest @ 11% p.a. for FDRs less than Rs 2,00,000/- for a period and 11.5% p.a for more than one year irrespective of amount.				
4	Vehicle loans are secured by way of hypothecation of vehicle concerned and carries interest from 8.5% p.a. to 13% p.a. on different loans and repayable in 48 equal installments.				

Note No.	DESCRIPTION	Deferred Tax Liability/Asset as at 31.03.2011	Charge/(Credit) for the year	Deferred Tax Liability/Asset as at 31.03.2012
5	DEFERRED TAX LIABILITY (NET)			
	(a) DEFERRED TAX LIABILITY			
	On Difference between depreciation as per books & income tax #	797.00	50.00	847.00
	Total Deferred Tax Liability	797.00	50.00	847.00
	DEFERRED TAX LIABILITY (NET)	797.00	50.00	847.00
	# The management is confident about recoverability of the same from future earnings.			

Note No.	DESCRIPTION	31.03.2012	31.3.2011
6	OTHER LONG TERM LIABILITIES		
	Security Deposits	139.32	129.82
	LADT Payable A/c	11.21	11.21
	TOTAL - OTHER LONG TERM LIABILITIES	150.53	141.03

Note No.	DESCRIPTION	Long-Term		Short-Term	
		31.03.2012	31.3.2011	31.03.2012	31.3.2011
7	PROVISIONS				
	For Employee Benefits				
	Leave Encashment	60.36	63.73	5.54	3.38
	For Taxation	-	-	1,989.36	1,882.87
	For Proposed Dividend	-	-	146.34	146.34
	For Corporate Dividend Tax	-	-	23.74	24.30
	For Dealers Discount	-	-	465.74	420.46
	For Bills Payable	-	-	221.81	237.51
	Others	-	-	1,123.86	1,133.31
	TOTAL - PROVISIONS	60.36	63.73	3,976.39	3,848.17

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
8	SHORT TERM BORROWINGS		
	SECURED SHORT TERM BORROWINGS		
	(a) Working Capital Facility from Bank	3,610.09	3,578.30
	(b) Short Term Loans	356.93	316.63
	(c) Bills Discounting from Bank/Financial Institution	2,881.88	3,046.46
	TOTAL SECURED SHORT TERM BORROWINGS	6,848.90	6,941.39
	UNSECURED SHORT TERM BORROWINGS		
	(a) Loan from Body Corporate	480.00	624.90
	TOTAL UNSECURED SHORT TERM BORROWINGS	480.00	624.90
	TOTAL - SHORT TERM BORROWINGS	7,328.90	7,566.29
1	Cash Credit Limit from Consortium banks is secured against Hypothecation of Inventory and Book Debts and 1st Charge over Fixed Assets of the Company which is repayable on demand and carries Interest @ 15.25% p.a.		
2	Bills Discounting facility from SIDBI is fully secured by the stock against the bills discounted and 1st charge over the Fixed Assets of the Company and carries interest @ 13.50% p.a.		
3	Overdraft Limit from HDFC Bank is Secured against the lien on the Mutual Funds and carries interest which is repayable on demand and carries interest @ 11.25% p.a.		
4	Credit Facilities from YES Bank is secured against Subservient/Residual Charge on Current and Fixed Assets of the Malanpur Unit & carries interest @ 14%		
5	Unsecured Short Term loan availed from HDFC Bank carries interest @ 12.75% p.a.		
6	Short Term Corporate Loans carries interest @ 18% p.a..		
7	Bill Discounting Facility from IDBI bank is secured against second charge on current and fixed assets of Malanpur Unit.		
8	Unsecured Bill Discounting Facility from India Factoring Finance Limited carries interest@ 15% p.a.		
9	Unsecured Loans from Birla Global Finance against Promoters personal guarantee carries interest @ 18%.		

Note No.	DESCRIPTION	31.03.2012	31.3.2011
9	TRADE PAYABLES		
	Trade Payables (including Acceptances)		
	Dues to Micro and Small enterprises	2,108.25	2,951.32
	Dues to other than Micro and Small enterprises	11,066.78	9,871.56
	TOTAL TRADE PAYABLES	13,175.03	12,822.88

Note No.	DESCRIPTION	31.03.2012	31.3.2011
10	OTHER CURRENT LIABILITIES		
	Current maturities of Long term Borrowings. (Refer Note 4)	3,111.23	2,159.97
	Interest accrued but not due on borrowings.	102.20	102.30
	Interest accrued and due on borrowings.	25.71	2.08
	Statutory Dues	184.61	156.26
	Due to Customer and others	18.51	51.26
	Security Deposits from Agents/Dealers/Others	251.69	214.17
	Advance Against Sale of Land #	1,550.00	1,550.00
	Other Outstanding Liabilities	1,818.43	2,599.14
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
	Unpaid dividend	16.48	24.20
	TOTAL OTHER CURRENT LIABILITIES	7,078.86	6,859.38

Rs 15.50 Crores (Rs 15.50 Crores) received as advance against sale of land of Rasoi Plant

11. FIXED ASSETS

(₹ in Lacs)

PARTICULARS	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 1st April 2011	7,353.95	6,679.91	485.24	261.92	1,536.09	757.16	595.88	17,670.15
Additions	243.61	626.04	18.32	-	70.10	25.39	34.03	1,017.49
sales/Adjustment	355.59	124.81	-	-	48.66	0.90	313.74	843.70
As at 31st March 2012	7,241.97	7,181.14	503.56	261.92	1,557.53	781.65	316.17	17,843.94
DEPRECIATION								
As at 1st April 2011	1,791.67	4,108.70	433.40	206.21	672.87	450.79	-	7,663.64
For the Year	171.56	316.84	24.56	3.20	148.02	30.34	-	694.52
sales/Adjustment	-	34.71	-	-	33.99	0.19	-	68.89
As at 31st March 2012	1,963.23	4,390.83	457.96	209.41	786.90	480.94	-	8,289.27
NET ASSETS								
As at 31st March 2012	5,278.74	2,790.31	45.60	52.51	770.63	300.71	316.17	9,554.67
As at 31st March 2011	5,562.28	2,571.21	51.84	55.71	863.22	306.37	595.88	10,006.51

Note No. DESCRIPTION
31.03.2012
31.3.2011

	Face Value (₹)	Nos	Amount (₹)	Amount (₹)	Face Value (₹)	Nos	Amount (₹)	Amount (₹)
12 INVESTMENTS								
NON - CURRENT INVESTMENTS								
LONG TERM INVESTMENTS - AT COST								
A Investment in Shares of Wholly Owned Subsidiary Companies								
Fully Paid (Unquoted)								
50000 (Previous Year 50000) Equity Shares of Rs.10/- each fully paid up in ATLAS CYCLES (SONEPAT) LTD.	10	50000	500,000.00	5.00	10	50000	500,000.00	5.00
50000 (Previous Year 50000) Equity Shares of Rs.10/- each fully paid up in ATLAS CYCLES (SAHIBABAD) LTD.	10	50000	500,000.00	5.00	10	50000	500,000.00	5.00
50000 (Previous Year 50000) Equity Shares of Rs.10/- each fully paid up in ATLAS CYCLES (MALANPUR) LTD.	10	50000	500,000.00	5.00	10	50000	500,000.00	5.00
Total (A)			1,500,000.00	15.00			1,500,000.00	15.00
B Equity Shares Fully Paid Up -Trade Unquoted								
Ambojini Property Developers Pvt. Ltd.	10	1410	14,100.00	0.1410				
Amit Enterprises & Builders Pvt. Ltd.	10	2	20.00	0.0002				
Dardode Job Realities Pvt. Ltd.	100	2	200.00	0.0020				
Lavim Developers Pvt. Ltd.	30	10	300.00	0.0030				
Mantri Hamlet Pvt. Ltd.	10	2	20.00	0.0002				
Total (B)			14,640.00	0.15				
C Debenturers Fully Paid Up -Trade Unquoted								
10% OCD ATS Township Pvt. Ltd.	1,000	1115	1,115,000	11.15				
10% OCD Ambojini Property Developers Pvt. Ltd.	100	11046	1,104,600	11.05				
10% OCD Amit Enterprises & Builders Pvt. Ltd.	100	9408	940,800	9.41				
10% OCD Dardode Jog Realities Pvt. Ltd.	100	11713	1,171,300	11.71				
15% OCD Lavim Developers Pvt. Ltd.	100	8834	883,400	8.83				
10% OCD Mantri Hamlet Pvt. Ltd.	100	6499	649,900	6.50				
Total (C)			5,865,000.00	58.65				

D	Unquoted Mutual Fund								
	The Ocian'S Art Fund-(D)	100	46,000	4,600,000	46.00	100	50,000	5,000,000	50.00
	Total (D)			4,600,000.00	46.00			5,000,000.00	50.00
E	Unquoted Government Securities								
	12 years National Defence Certificate for the face value of Rs.1750 each pledged with Government authorities			1,750.00	0.02			1,750.00	0.02
	7 Years National Savings Cerificate pledged with Excise authorities			10,000.00	0.10			10,000.00	0.10
	Total (E)			11,750.00	0.12			11,750.00	0.12
F	Unquoted Fixed Deposit								
	Fixed Deposits having Maturity more than 12 Months			2,536,886.00	25.37			-	-
				2,536,886.00	25.37			-	-
	TOTAL UNQUOTED NON CURRENT INVESTMENT			14,528,276.00	145.29			6,511,750.00	65.12
G	Quoted Mutual Fund								
	ICICI Prudential Flexible Plan Premium			-	-	100	1,190	215,047.00	2.15
	Reliance Regular Saving Fund-Equity (G)			-	-	10	66,044	2,250,000.00	22.50
	Reliance Fixed Horizon Fund-XVII- (G)			-	-	10	2,000,000	20,000,000.00	200.00
	SBI Debt Fund Series -370D(G)			-	-	10	2,000,000	20,000,000.00	200.00
	UTI Treasuary Advantge Fund			-	-	1000	846	2,000,000.00	20.00
	Pnb Long Term Equity Fund -Growth			-	-	10	10,000	100,000.00	1.00
	Principal Mutual Fund (PNB)	10	100000	1,000,000.00	10.00	10	100,000	1,000,000.00	10.00
	Total (E)			1,000,000.00	10.00			45,565,047.00	455.65
G	Quoted Shares								
	Central Bank of India	100	778	79,356.00	0.79	100	778	79,356.00	0.79
				79,356.00	0.79			79,356.00	0.79
	TOTAL QUOTED NON CURRENT INVESTMENT			1,079,356.00	10.79			45,644,403.00	456.44
	TOTAL NON CURRENT INVESTMENT			15,607,632.00	156.08			52,156,153.00	521.56
	CURRENT INVESTMENTS								
	(At lower of Cost and Fair Value)								
A	Equity Shares Fully Paid Up - Trade Quoted								
	Axis Bank Ltd.	10	38	41,948.00	0.42	10	403	529,015.00	5.29
	Bajaj Auto Ltd.	10	294	424,343.00	4.24	10	576	819,743.00	8.20
	Bayer (India) Ltd.	10	53	44,078.00	0.44				-
	Bajaj Finserv Ltd.	5	481	278,723.00	2.79				-
	Coal India Ltd.			-	-	10	720	220,929.00	2.21
	Coromandal International Ltd.	1	1423	389,469.00	3.89	1	1596	496,944.00	4.97
	Castrol India Ltd.	10	77	32,713.00	0.33				-
	Clariant Chemicals Ltd.	10	63	39,081.00	0.39				-
	Divis Laboratories Ltd.	2	755	482,739.00	4.83	2	1624	1,090,413.00	10.90
	Dabur India Ltd.	1	4325	446,955.00	4.47				-
	Exide Industries Ltd.	1	3620	487,534.00	4.88	1	4408	724,820.00	7.25
	Ess Dee Aluminium Ltd.			-	-	10	1968	877,965.00	8.78
	Greaves Ltd.	2	4727	415,079.00	4.15	10	151	415,079.00	4.15
	Hdfc Bank Ltd.	2	85	38,948.00	0.39				-
	Hero Motor Corp Ltd.	2	248	511,556.00	5.12				-
	Housing Development Finance Corp.Ltd.			-	-	2	847	525,663.00	5.26
	Havells India Ltd.			-	-	5	1211	505,427.00	5.05
	Himadri Chemicals Ltd.			-	-	1	6320	294,468.00	2.94
	Itc Ltd.	1	155	32,369.00	0.32				-
	Infosys Technology Ltd.	5	16	41,249.00	0.41	5	163	505,376.00	5.05
	Kotak Mahindra Ltd.	5	982	494,114.00	4.94				-
	Lupin Ltd.	2	1249	464,044.00	4.64	2	2560	1,034,690.00	10.35
	Motherson Sumi Systems Ltd.			-	-	1	2588	500,002.00	5.00
	Nestle India Ltd.	10	8	32,216.00	0.32	10	99	324,343.00	3.24
	Opto Circuit Ltd.	10	2892	513,811.00	5.14	10	3871	1,052,057.00	10.52
	Pidilite Industries Ltd.	1	2165	370,276.00	3.70				-
	Rallies India Ltd.	1	3418	488,556.00	4.89	10	536	718,853.00	7.19
	State Bank Of India			-	-	10	122	314,273.00	3.14
	Sun Pharmaceuticals Industries Ltd.	1	1126	560,842.00	5.61	1	964	403,520.00	4.04
	Shriram Transport Finance Ltd.			-	-	10	646	491,326.00	4.91
	Tata Consultancy Service Ltd	1	500	532,565.00	5.33				-
	Torrent Power Ltd.			-	-	10	1530	504,253.00	5.04
	Thermax Ltd.	2	789	538,888.00	5.39	2	365	292,767.00	2.93
	Titan Industries Ltd.	1	2416	183,826.00	1.84	10	75	240,239.00	2.40
	Tulip Telcom Ltd.			-	-	2	2217	408,024.00	4.08
	Yes Bank Ltd.	10	1332	386,912.00	3.87	10	3354	997,461.00	9.97
	Total (A)			8,272,834.00	82.74			14,287,650.00	142.86
	MARKET VALUE OF QUOTED SHARES			10,409,256.00	104.09			15,007,706.00	150.08

B Investment in Mutual Fund (Quoted)								
Axis Income Saver Fund				10	1000000	10,000,000.00	100.00	
Birla Sunlife Fixed Term Plan Sr.-CE-Gr.				10	2002641	20,026,410.00	200.26	
Birla Sunlife Fixed Term Plan Sr.-CP-Gr.				10	1000000	10,000,000.00	100.00	
Birla Sunlife MIP-II Saving 5%				10	601817	10,288,658.00	102.89	
Birla Sunlife Dynamic Bond Fund -Retail(D)	10	1426259	15,000,000.00	150.00			-	
Canara Robecco FMP-Sr-6-14 Month-G				-	10	2000000	20,000,000.00	200.00
Canara Robecco MIP -Growth				-	10	354359	10,000,000.00	100.00
Fidelity Fixed Maturity Plan Sr.-3 Plan-F-G				-	10	1000000	10,000,000.00	100.00
HDFC Treasury Advantage Fund-D	10			-	10	464269	4,656,496.00	46.56
HDFC Equity Fund	100	16932	4,500,000.00	45.00	100	1397	375,000.00	3.75
HDFC MIP STP 5%				-	10	624961	10,000,000.00	100.00
ICICI Prudential Flexible Plan Premium	100	1190	215,047.00	2.15			-	
ICICI Prudential Short Term Plan	10	460965	9,999,900.00	100.00			-	
IDFC Premier Equity Fund-A-G				-	10	16587	500,000.00	5.00
IDFC SSIF- Medium Term-Plan-A-G				-	10	621149	10,000,000.00	100.00
IDFC Money Manager Fund -G				-	10	452076	4,535,987.00	45.36
Reliance Money Manager Fund - WD				-	1000	6978	6,998,240.00	69.98
Reliance Medium Term Fund	10	229522	2,396,571.00	23.97			-	
Reliance Regular Saving Fund-Debt Plan (QT_D)	10	1195507	14,920,198.00	149.20			-	
Reliance Equity Opportunities Fund -Retail(G)	10	97486	3,400,000.00	34.00	10	9056	300,000.00	3.00
Reliance Pharma Fund -(G)	10	49151	2,720,000.00	27.20	10	4712	240,000.00	2.40
Reliance Regular Saving Fund-Equity (G)	10	66044	2,250,000.00	22.50			-	
Reliance Fixed Horizon Fund-XVII-7- (G)	10	2000000	20,000,000.00	200.00			-	
Religare FMP-Series-V Plan-D-13 M-G				-	10	1000000	10,000,000.00	100.00
BNP Paribas Fixed Term Sr.-21E-G				-	10	1000000	10,000,000.00	100.00
BNP Paribas Money Plus (I) (G)	10	20705.651	303,460.00	3.03	10	1364638	20,000,000.00	200.00
SBI Debt Fund Series -370D(G)	10	2000000	20,000,000.00	200.00			-	
Tata MIP Plus- Growth				-	100	640246	10,000,000.00	100.00
UTI Treasury Advantge Fund -G	1000	846	2,000,000.00	20.00			-	
Kotak Liquid Fund -D				-	10	49501	600,000.00	6.00
Pnb Long Term Equity Fund -Growth	10	10000	100,000.00	1.00			-	
Principal Cash Managment Fund	10	537	885,204.00	8.85	10	418905	6,287,598.00	62.88
Morgan Stanley Liquid Fund-D	1000	1135	1,135,500.00	11.36			-	
DSP BR Money Manager Fund- WD				-	1000	2,514.00	2,516,122.00	25.16
Total (B)			99,825,880.00	998.26		187,324,511.00	1,873.24	
Market Value of the Mutual Fund			105,171,383.00	1,051.71		192,146,211.00	1,921.46	
C INVESTMENT IN BONDS								
10.75% Dpsc Bonds 03/11/2020				-	48	200,000	9,892,445.00	98.92
Total (C)						9,892,445.00	98.92	
Market Value of the Bonds						10,055,894.00	100.56	
TOTAL - CURRENT INVESTMENTS (Quoted)			108,098,714.00	1,081.00		211,504,606.00	2,115.02	
TOTAL MARKET VALUE OF CURRENT INVESTMENTS			115,580,639.00	1,155.81		217,209,811.00	2,172.10	
Aggregate value of Current Investment			108,098,714.00	1,081.00		211,504,606.00	2,115.02	
Aggregate value of unquoted investment			14,528,276.00	145.29		6,511,750.00	65.12	
Aggregate value of quoted investment			109,098,714.00	1,091.79		257,069,653.00	2,571.46	
Market value of quoted investment			116,659,995.00	1,166.60		11,465,932.25	114.66	

(₹ in Lacs)

Note No.	DESCRIPTION	Long-Term		Short-Term	
		31.03.2012	31.3.2011	31.03.2012	31.3.2011
13	LOANS AND ADVANCES				
	(Unsecured, Considered good unless otherwise stated)				
	Advance Recoverable in Cash or in kind or the value to be received	1,340.48	1,340.66	2,310.05	2,060.18
	Capital Advances	692.06	324.76	-	-
	Security Deposits	139.77	121.42	190.92	190.35
	Claims Recoverable	5.16	5.16		
	Prepaid Taxes			2,385.54	2,275.67
	Prepaid Expenses			18.15	44.54
	Balance with Government Authorities	2.82	5.30	162.86	145.19
	TOTAL - LOANS AND ADVANCES	2,180.29	1,797.30	5,067.52	4,715.93

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
14	OTHER NON CURRENT ASSETS		
	Deposit with original Maturity of more than 12 months	12.28	14.33
	Interest accrued on Investment /FDR	1.62	0.82
	Deffered Revenue Expenses	28.17	-
	Total Other Non Current Assets	42.07	15.15

Note No.	DESCRIPTION	31.03.2012	31.3.2011
15	INVENTORIES		
	(As taken, valued and certified by the Management)		
	(valued at lower of cost and net realisable value unless otherwise stated)		
	Production Material	3,733.01	3,452.22
	Work in Progress	324.55	326.97
	Finished Goods	1,885.84	2,167.47
	Stock in Trade	63.99	-
	Store and Spares	5,288.06	4,612.65
	Loose Tools	53.17	59.37
	Scrap	4.09	8.28
	TOTAL - INVENTORIES	11,352.71	10,626.96

Note No.	DESCRIPTION	31.03.2012	31.3.2011
16	TRADE RECEIVABLES		
	(Unsecured, Considered good unless otherwise stated)		
(a)	OVERDUE EXCEEDING SIX MONTHS		
	Unsecured, Considered good	2,302.77	2,422.34
	Doubtful	213.01	236.22
	Less : Provision for doubtful receivables	213.01	236.22
		2,302.77	2,422.34
(b)	OVERDUE LESS THAN SIX MONTHS	12,585.66	12,181.68
	TOTAL - TRADE RECEIVABLES	14,888.43	14,604.02

Note No.	DESCRIPTION	31.03.2012	31.3.2011
17	CASH AND BANK BALANCES		
(a)	CASH AND CASH EQUIVALENTS		
	Balance with banks	955.01	206.93
	Bank deposits with original maturity of less than three months	41.79	140.00
	Unpaid dividend accounts	16.48	24.20
	Cheques in hand / money in transit	0.60	-
	Cash in hand	61.25	55.36
	Total Cash and Cash Equivalents	1,075.13	426.49
(b)	OTHER BANK BALANCES		
	Bank Deposits with original maturity of more than three months but less than 12 months	246.54	192.80
	Bank Deposits with original maturity of more than 12 months	-	-
	TOTAL OTHER BANKS BALANCES	246.54	192.80
	TOTAL - CASH & BANK BALANCES	1,321.67	619.29

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
18	OTHER CURRENT ASSETS		
	(Unsecured, Considered good unless otherwise stated)		
	Interest accrued on Investment /FDR	6.81	4.30
	Deferred Revenue Expenditure	43.44	15.27
	TOTAL OTHER CURRENT ASSETS	50.25	19.57

Note No.	DESCRIPTION	31.03.2012	31.3.2011
19	REVENUE FROM OPERATIONS		
(a)	SALE OF PRODUCTS		
	Finished Goods	90,270.63	79,221.85
	Interunit Sales	-	-
		90,270.63	79,221.85
(b)	OTHER OPERATING REVENUE		
	Export Benefits	55.27	108.80
	Scrap Sales	251.56	219.76
	Miscellaneous Income	46.38	42.93
		353.21	371.49
	REVENUE FROM OPERATIONS (GROSS)	90,623.84	79,593.34
	Rebate	1,595.30	1,842.33
	EXCISE DUTY ON SALES	1,496.47	969.72
	REVENUE FROM OPERATIONS (NET)	87,532.07	76,781.29

Note No.	DESCRIPTION	31.03.2012	31.3.2011
20	OTHER INCOME		
(a)	INTEREST INCOME ON		
	Loans and Advances	1.06	1.14
	Banks	47.37	46.89
		48.43	48.03
(b)	Dividend Income on Current Investment	23.21	10.52
(c)	NET GAIN/(LOSS) ON SALE OF CURRENT INVESTMENTS		
	Gain on Sale	109.24	70.46
		109.24	70.46
(d)	NET GAIN/(LOSS) ON SALE OF FIXED ASSETS		
	Gain on Sale	35.40	(6.41)
		35.40	(6.41)
(f)	OTHER NON-OPERATING INCOME (NET)		
	Lease Rent	6.00	6.00
	Misc Receipts	1.16	2.62
	Rent receipts	17.47	12.00
		24.63	20.62
	TOTAL OTHER INCOME	240.91	143.22

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
21	COST OF MATERIAL CONSUMED		
	Raw Material Consumed #	66,649.88	59,191.12
	TOTAL COST OF MATERIAL CONSUMED	66,649.88	59,191.12
	# DETAILS OF RAW MATERIAL CONSUMED DURING THE YEAR		
		31.03.2012	31.03.2011
(i)	Sheets & Strips	8,040.60	9,825.71
(ii)	Tyres	6,647.41	5,269.74
(iii)	Tubes	2,705.30	2,251.41
(iv)	Rims	5,344.82	4,304.79
(v)	Other Items	3,805.98	3,409.36
(vi)	Components	40,105.77	34,130.11
		66,649.88	59,191.12

Note No.	DESCRIPTION	31.03.2012	31.3.2011
22	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS		
	OPENING STOCK		
	Finished Goods	2,167.47	1,553.42
	Work in Progress	326.97	256.12
	Scrap	8.28	33.02
	Stock In Trade	-	-
	TOTAL OPENING STOCK	2,502.72	1,842.56
	CLOSING STOCK		
	Finished Goods	1,885.84	2,167.47
	Work in Progress	324.55	326.97
	Scrap	4.09	8.28
	Stock In Trade	63.99	-
	TOTAL CLOSING STOCK	2,278.47	2,502.72
	TOTAL - CHANGES IN INVENTORIES	224.25	(660.16)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
23	EMPLOYEE BENEFITS EXPENDITURE		
	Salaries, Wages, Bonus and Other benefits	3,440.43	3,205.60
	Contribution to provident and other funds	641.43	479.32
	Staff Welfare Expenses	280.53	259.28
	TOTAL - EMPLOYEE BENEFITS EXPENDITURE	4,362.39	3,944.20

Note No.	DESCRIPTION	31.03.2012	31.3.2011
24	FINANCE COST		
	Interest Expenses	1,715.34	1,126.13
	Other Borrowing Costs	230.90	197.72
	TOTAL - FINANCE COST	1,946.24	1,323.85

Note No.	DESCRIPTION	31.03.2012	31.3.2011
25	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on Fixed Assets	694.52	570.10
	Amortisation Expenses	28.17	-
	TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES	722.69	570.10

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
26	OTHER EXPENSES		
(a)	MANUFACTURING EXPENSES		
	Consumption of Stores and Spare parts	3,254.23	3,220.44
	Packing Material Consumed	1,494.08	1,532.90
	Power and Fuel	912.20	864.41
	Labour Processing & Transportation Charges	1,764.09	1,643.57
	Repairs to Buildings	286.63	204.62
	Repairs to Plant & Machinery	85.57	241.45
	Other Repairs	236.60	222.86
		8,033.40	7,930.25
(b)	ADMINISTRATIVE EXPENSES		
	Insurance	34.98	46.49
	Rent	75.29	87.54
	Rates and Taxes	451.07	226.22
	Legal and Professional	38.64	40.92
	Printing & Stationary, Postage and Telephone	212.58	152.83
	Travelling & Conveyance	705.62	581.68
	Director' Meeting Fees	5.20	4.97
	Auditor's Remuneration*	19.98	17.82
	Donation	2.33	8.43
	Miscellaneous Expenses	1,376.94	734.74
		2,922.63	1,901.64
(c)	SELLING EXPENSES		
	Freight & Forwarding Expenses	1,663.51	1,521.36
	Commission on Sales	145.00	133.99
	Bad Debts Written off	69.45	0.03
	Advertisement & Publicity	529.69	471.83
		2,407.65	2,127.21
	TOTAL - OTHER EXPENSES	13,363.68	11,959.10
	* Payment to Auditors Include followings		
	(a) Audit Fee	14.04	13.48
	(b) Tax Audit	1.70	1.59
	(c) Other Certifications	4.24	2.75
		19.98	17.82

Note No.	DESCRIPTION
----------	-------------

1 SIGNIFICANT 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:

In case 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 with 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.

Recognition of opening and closing balances of Defined Benefit Obligation.

GRATUITY

	Gratuity(Funded)	
	2011-12	2010-11
Defined Benefit obligation at the beginning of the year	977.81	802.47
Current Service Cost	249.69	187.53
Interest cost	85.91	69.57
Benefit paid	117.40	81.76
Defined Benefit obligation at the year end	<u>1196.01</u>	<u>977.81</u>

INVESTMENT DETAILS

	% invested	
	As at	As at
Investment Detail:	31.3.2012	31.3.2011
GOI Securities	65.26	73.43
Public Securities	102.69	165.65
State Government Securities	31.30	42.68
Private Securities	38.68	43.41
In banks	37.73	18.47
	<u>275.66</u>	<u>343.64</u>

Acturial assumptions**Gratuity (Funded)**

	2011-12	2010-11
Discount rate (Per Annum)	8.5	8.0
Expected rate of return plan (Per Annum)	8.5	8.5
Rate of escalation of salary (Per Annum)	4.5	5.0

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account seniority and promotion other relevant factors. The above information is certified by the actuary As per the Accounting Standard 15 "Employees benefit", the disclosure as defined in the accounting Standard are given below:

Defined Contribution Plan

31.3.2012 31.3.2011

Employer's Contribution to Provident Fund	69.47	61.60
Employers Contribution to Super Annuation Fund	69.47	61.60
Employers Contribution to Gratuity Fund	249.69	187.53

NOTES TO ACCOUNT2012 2011
Rs. Rs.**1. CONTINGENT LIABILITIES IN RESPECT OF**

a) Surety bonds executed in favour of President of India through Customs & Excise authorities for payment of Central Excise/Custom duty	165.00	165.00
b) Two surety bonds in favour of government of Haryana for payment of Central & Local Sales Tax	30.40	30.40
c) Guarantees given by bank	1324.89	1509.72
d) In respect of Entry Tax matters	6.31	5.00
e) In respect of Excise matters	52.00	52.00
f) In respect of Sales Tax matters	608.38	601.49

2. DETAILS OF RAW MATERIAL CONSUMED DURING THE YEAR

Units	2012		2011	
	Quantity (in lacs)	Value Rs.	Quantity (in lacs)	Value Rs.
(i) Sheets & Strips Kgs.	177.29	8,040.60	237.44	9,825.71
(ii) Tyres Nos.	66.34	6,647.41	60.04	5,269.74
(iii) Tubes Nos.	65.56	2,705.30	60.54	2,251.41
(iv) Rims Nos.	5.35	5,344.82	45.79	4,304.70
(v) Other Items -	-	3,805.98	-	3,409.36
(vi) Components -	-	40,105.77	-	34,130.20
		<u>66,649.88</u>		<u>59,191.12</u>

3. 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	22738.13	100	NIL	0
	(21651.56)	(100)	(NIL)	(0)
(ii) Components	39819.66	90.68	4,092.09	9.32
	(34580.04)	(95.93)	(2959.52)	(4.07)

Previous Year figures are shown in brackets.

4	VALUE OF TOTAL IMPORTS ON CIF BASIS	2012	2011
		Rs.	Rs.
(i)	Raw Material, Components & Spare Parts	3793	2990.14
(ii)	Capital Goods	-	203.53
		<u>3793</u>	<u>3193.67</u>
5	EXPENDITURE IN FOREIGN CURRENCY		
(i)	Commission on export	35.79	38.34
(ii)	Foreign Tours	117.11	134.80
(iii)	Foreign Publicity & exhibition	1.13	-
		<u>154.03</u>	<u>173.14</u>
6	EARNINGS IN FOREIGN EXCHANGE		
	F.O.B. Value of goods exported	3048.29	2773

7 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

Particulars	(Figs. Rs. Lacs)					
	TUBE MILL		CYCLE UNIT		TOTAL	
	2012	2011	2012	2011	2012	2011
Segment Revenue						
External Sales	5494.00	9437.00	85129.84	70156.34	90623.84	79593.34
Less Excise	578.58	911.80	917.89	57.92	1496.47	969.72
Inter Segment Sales	794.80	928.19	0.00	0.00	794.80	928.19
Other Income	12.87	0.25	228.04	142.97	240.91	143.22
Total Revenue	5723.09	9453.64	84439.99	70241.39	90163.08	79695.03
Segment Results	-278.81	86.45	2728.90	1833.70	2450.09	1920.15
Unallocated Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Operating Profit	-278.81	86.45	2728.90	1833.70	2450.09	1920.15
Interest Expenses	240.01	132.76	1706.23	1191.09	1946.24	1323.85
Unallocated Interest	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit before Tax	-518.82	-46.31	1022.67	642.61	503.85	596.30
Income Tax						
Current, deferred and FBT	0.00	0.00	0.00	0.00	150.00	220.00
Net Profit	-518.82	-46.31	1022.67	642.61	353.85	376.30

Other Information

Segment Assets	5211.00	6607.93	38741.49	36610.82	43952.49	43218.75
Common assets					1742.20	1822.56
Total Assets	5211.00	6607.93	38741.49	36610.82	45694.69	45041.31
Segment Liabilities						
Segmental Liabilities	2304.00	3300.35	41154.99	38931.32	43458.99	42231.67
Common Liabilities					2235.70	2809.33
Total Liabilities	2304.00	3300.35	41154.99	38754.54	45694.69	45041.00
Capital Expenditure	12.02	129.03	1005.47	2228.98	1017.49	2358.01
Depreciation	95.14	95.05	599.38	475.05	694.52	570.10

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

Kanwal Engg.Works,Hansa Tubes Pvt Ltd,Nagpal Enterprises,S.K.Aggarwal & co,Hansa Mettallics Ltd, Suriendra Cycles Pvt Ltd,Aditya Industries, Advance Plastics Industries,Gobind Cycles Pvt Ltd, Gupta Bikes Pvt Ltd,Jeet Enterprises,Jsts,K.S.Munjaj Industries, Lion Industries, New Modern Steels Industries,Rana Enterprises,Rider Bikes Pvt Ltd,Rolax Cycles Pvt Ltd,S.K.Sons,Sabharwal Enterprises ,Sandow Balls (India),Sood Industries,Sukhmani Steels, Sunny Cycles Pvt Ltd,Swastik Packaging,Swastik Polythene Industries, Synergy India,Vishal Cycles Pvt Ltd, Vishal Udyog Pvt Ltd,Vts Creations ,Amrit Industries,Shree Krishna Steels,Evershine Plastics Industries, Rishi Udyog,Pagan Paints & Chemical Pvt Ltd,Shree Thakur Engg. Works, Kamal Cycles Components, Auto Fans (India),Ark Engg. Pvt Ltd, Appu Cycles, Balbinder mechanical Works, V.J.Sales Corp.,Bider Engg. Co.,Birdi International, Bharat Cycles Udyog,Chandan Industries, Chopra Engineers,D.K.Industries, Ess Pee Industries,Emm Industries,Fit Right Engineer,Great Gear Pvt Ltd,Hainkain Industries,J.B.Industries,jain International, Jai Shiva Trading Co.,Kular Cycles Industries,Koon Cycles Industries,Kumar Enterprises,Kapson Industries,K.B.Kapoor Industries,Label &Sticker Industries,Meera Industries,Mukhtier Engg. Works, Mandeep Products,Naveen Enterprises, Nitya Enterprises,Om Shivam Cycles India,Om Industries,Partap Cycles Industries,Ranjeev Industries,Randhir Industrial Corp. Rahul Enterprises,S.S,Products India,Shree Attam Vallabh Industrial corp., Sahil Enterprises, Vee Pee Industries, Visvakarma Industries Pvt Ltd,Vinod Steel Craft, Arihant Product Pvt Ltd,Appar Packaging Pvt Ltd,Bajrang Industries, Carry Packers, Denzo Paints Pvt Ltd, Laxmi Chemicals, Margo Inds. India, Margo Fastners, Punjab Plastics Inds, Parko Industries, R.M.Industries,Amardeep Steels Industries.

9 RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18**A. Name of associated parties and nature of related party relationship**

i) Associated Companies : Milton Cycles Inds Ltd, Janki Das & Sons (P) Ltd,Romer Engineering Works (P) Ltd ExoticFlora(P)Ltd
ii) Subsidiary Companies are: Atlas Cycles (Sonipat) Ltd, Atlas Cycles (Sahibabad) Ltd, Atlas Cycles (Malanpur) Ltd.
Directors & Employees (As at 31.03.2012) : Sh. I.D.Chugh, Sh. H.K.Ahuja, Sh. H.L.Bhatia, Sh.P.R.Chawla, 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,Sh.Ashwin Kapur.

B. Transactions with the Associated Parties and Subsidiaries

	Rs. In lacs	
	Associated Companies	
	2012	2011
Sale of Goods	1830.48	1409.43
Rent	3.70	0.00
Purchase of Goods	7086.33	6202.54
Balances on year end	36.54	38.75
Guarantee Given	20.00	20.00

Transactions with key managerial persons:**C. Remunerations: Rs.460.84 lacs (Previous Year Rs. 486.09 lacs)****10 Figure of the Previous Year have been re-arranged, wherever necessary.**

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

	2012	2011
	Rs.	Rs.
(a) Computation of profit for managerial remuneration		
Profit as per Profit & Loss A/c	503.85	596.30
Add: Directors remuneration including perquisites	12.87	12.53
Add: Bad debts	69.45	0.03
	586.17	608.86
Less: Profit on Sale of Assets	35.40	0.00
Add: Depreciation as per Profit & Loss A/c	694.52	570.10
Less: Depreciation as per Section 350 of companies Act, 1956	918.79	773.08
Net Profit	326.50	405.88
Commission eligible for payment @ 0.5% of the Net Profit (Previous Year 0.5%)	1.63	2.03
Actual Commission Paid to a Whole Time Director	2.03	1.38
(b) Remuneration paid to a whole time director		
Salary	8.99	9.39
Long Service Allowance	0.02	0.01
Provident Fund Contribution	0.77	0.70
Leave Travel Assistance	0.55	0.5
Medical Expenses	0.51	0.55
Commission	2.03	1.38
	12.87	12.53

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

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

}

DIRECTORS

New Delhi: the the 4th September, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in lacs)

PARTICULARS	31st March, 2012	31st March, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Interest - tax and extra ordinary items	2,233.81	1,759.36
Adjustments for		
Depreciation & Misc. Write Offs	694.52	570.10
Operating Profit before Working Capital Changes	2,928.33	2,329.46
Adjustments for:		
(Increase)/Decrease in Trade & other Receivables	(284.39)	1,657.17
(Increase)/Decrease in Inventories	(725.75)	(2,848.32)
(Increase)/Decrease in Loans and Advances	(736.04)	(43.78)
(Decrease)/Increase in Trade Payables	352.06	4,388.28
(Decrease)/Increase in Other Current Liabilities	(727.69)	52.23
Cash Generated from Operations	806.52	5,535.04
Direct Taxes Paid/Refund	(103.38)	(407.31)
Net Cash Flow from Operating Activities	703.14	5,127.73
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,017.49)	(2,358.01)
Proceeds on Sale of Fixed Assets	810.20	124.23
Dividend Income	23.21	(10.52)
Net Proceeds/(Purchase) from Sale of Investments	1,508.79	(1,780.30)
Net Cash Used in Investing Activities	1,324.71	(4,024.60)
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) from Borrowings	664.94	(1,154.15)
Interest Paid	(1,946.24)	(1,221.60)
Interest Received	48.43	48.03
Dividends Paid	(146.34)	(186.67)
Net Cash Used in Financing Activities	(1,379.21)	(2,514.39)
Net Increase/(Decrease) in Cash and Cash Equivalents	648.64	(1,411.26)
Cash & Cash Equivalents as on 1.04.2011	426.50	1,837.76
Cash and Cash Equivalents as on 31.03.2012	1,075.14	426.50

Note: Figures of the previous year have been re-grouped & re-arranged, wherever necessary.
Figures and brackets represent negative figures.

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

CA. RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

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

}

DIRECTORS

New Delhi: the the 4th September, 2012

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	31.03.2012	31.03.2012	31.03.2012
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 31-03-2012	Not Applicable as Financial Year of Holding Company and Subsidiary Company ends on 31-03-2012	Not Applicable as Financial Year of Holding Company and Subsidiary Company ends on 31-03-2012
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: SONEPAT
 Date : 4th September, 2012

I.D. CHUGH
 WHOLE TIME DIRECTOR


 HARI KRISHAN AHUJA
 HIRA LAL BHATIA
 ISHWAR DAS CHUGH
 PRITHVI RAJ CHAWLA
 DIRECTORS

ATLAS CYCLES (SONEPAT) LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your directors have pleasure in presenting their Thirteenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012. 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. 60,00,000/- 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, 2012.
- 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 Hira Lal Bhatia 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
HIRA LAL BHATIA
PRITHVI RAJ CHAWLA



DIRECTORS

Sonepat : the 4th September, 2012

AUDITORS' REPORT

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

- 1) We have audited the attached Balance Sheet of M/S Atlas Cycles (Sonepat) Limited as at 31st March 2012 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, 2012, 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 2012;

For Mehra Khanna & Co.
Chartered Accountants
FR No.-01141N

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

Place: Delhi
Date: 4th September, 2012

ATLAS CYCLES (SONEPAT) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

DESCRIPTION	Note No.	31.03.2012	31.3.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	500000.00	500000.00
Reserve and Surplus		0.00	0.00
Non-Current Liabilities		0.00	0.00
Current Liabilities			
Short Term Borrowings		0.00	0.00
Trade Payables		0.00	0.00
Other Current Liabilities	2	2206.00	2200.00
Short Term Provisions		0.00	0.00
TOTAL		502206.00	502200.00
ASSETS			
Non-Current Assets	3	141,813.00	127133.00
Current Assets	4	360,393.00	375067.00
TOTAL		502206.00	502200.00

The annexed Notes to accounts form part of the Balance Sheet

AS PER OUR REPORT OF EVEN DATE

For MEHRA KHANNA & COMPANY

Chartered Accountants

FRN : 01141N

CA. RAJIV BHASIN

PARTNER

M.No. - 093845

Delhi : 4th September, 2012

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I.D.CHUGH

PRITHVI RAJ CHAWLA

} DIRECTORS

Notes on Financial Statements for the Year ended 31st March, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

1 SHARE CAPITAL	As at 31st March, 2012	As at 31st March, 2011
Authorised Share Capital:		
50,000 Equity Shares of Rs. 10 each (50,000)	500,000.00	500,000.00
Issued, Subscribed and Paid up:		
50,000 Equity Shares of Rs. 10 each fully paid up (50,000)	500,000.00	500,000.00
TOTAL	500,000.00	500,000.00

- 1.1 Nil Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares (Nil) in the last five years by capitalisation of Securities Premium and Reserves.
- 1.2 Nil Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.
- 1.3 Nil Shares out of the issued, subscribed and paid up shares capital were allotted on conversion (Nil) / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares, since inception
- 1.4 Nil Shares out of the issued, subscribed and paid up share capital held by Subsidiaries do not have (Nil) Voting Rights and are not eligible for Bonus Shares.

1.5 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2012 No.of Shares/ %held	As at 31st March, 2011 No.of Shares/ %held
Atlas Cycles (Haryana) Ltd.	5,00,000 / 100%	5,00,000 / 100%

1.6 The reconciliation of the number of shares outstanding is set out below:

Particulars	31st March, 2012 No .of Shares	31st March, 2011 No. of Shares
Equity Shares at the beginning of the year	5,00,000	5,00,000
Equity Shares at the end of the year	5,00,000	5,00,000

2 OTHER CURRENT LIABILITIES

	As at 31st March, 2012	As at 31st March, 2011
Audit Fee Payable	2206.00	2206.00
TOTAL	2206.00	2206.00

3 NON CURRENT ASSETS

	As at 31st March, 2012	As at 31st March, 2011
Registration Charges	14600.00	14600.00
Legal Charges	7400.00	7400.00
Directors Fees	65000.00	60750.00
Bank Charges	1835.00	1774.00
Audit Fee	27897.00	25691.00
Filing Fees	25081.00	16918.00
TOTAL	141813.00	127133.00

4 CURRENT ASSETS

	As at 31st March, 2012	As at 31st March, 2011
Cash and Bank Balances		
Central Bank of India	360393.00	375067.00
TOTAL	360393.00	375067.00

AS PER OUR REPORT OF EVEN DATE

For MEHRA KHANNA & COMPANY

Chartered Accountants

FRN : 01141N

CA. RAJIV BHASIN

PARTNER

M.No. - 093845

Delhi : 4th September, 2012

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I.D.CHUGH

PRITHVI RAJ CHAWLA

}
}
}

DIRECTORS

ATLAS CYCLES (SAHIBABAD) LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your directors have pleasure in presenting their Thirteenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012. 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. 60,00,000/- 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, 2012.
- 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 Hira Lal Bhatia 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
HIRA LAL BHATIA
PRITHVI RAJ CHAWLA



DIRECTORS

Sonepat : the 4th September, 2012

AUDITORS' REPORT

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

- 1) We have audited the attached Balance Sheet of M/S Atlas Cycles (Sahibabad) Limited as at 31st March 2012 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, 2012, 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 2012;

For Mehra Khanna & Co.
Chartered Accountants
FR No.-01141N

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

Place: Delhi
Date: 4th September, 2012

ATLAS CYCLES (SAHIBABAD) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

DESCRIPTION	Note No.	31.03.2012	31.3.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	500000.00	500000.00
Reserve and Surplus		0.00	0.00
Non-Current Liabilities		0.00	0.00
Current Liabilities			
Short Term Borrowings		0.00	0.00
Trade Payables		0.00	0.00
Other Current Liabilities	2	2245.00	4410.00
Short Term Provisions		0.00	0.00
TOTAL		502245.00	504410.00
ASSETS			
Non-Current Assets	3	160101.00	129311.00
Current Assets	4	342144.00	375099.00
TOTAL		502245.00	504410.00

The annexed Notes to accounts form part of the Balance Sheet

AS PER OUR REPORT OF EVEN DATE

For MEHRA KHANNA & COMPANY

Chartered Accountants

FRN : 01141N

CA. RAJIV BHASIN

PARTNER

M.No. - 093845

Delhi : 4th September, 2012

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I.D.CHUGH

PRITHVI RAJ CHAWLA

} DIRECTORS

Notes on Financial Statements for the Year ended 31st March, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

1 SHARE CAPITAL	As at 31st March, 2012	As at 31st March, 2011
Authorised Share Capital:		
50,000 Equity Shares of Rs. 10 each (50,000)	500,000.00	500,000.00
Issued, Subscribed and Paid up:		
50,000 Equity Shares of Rs. 10 each fully paid up (50,000)	500,000.00	500,000.00
TOTAL	500,000.00	500,000.00

- 1.1 Nil Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares (Nil) in the last five years by capitalisation of Securities Premium and Reserves.
- 1.2 Nil Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.
- 1.3 Nil Shares out of the issued, subscribed and paid up shares capital were allotted on conversion (Nil) / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares, since inception
- 1.4 Nil Shares out of the issued, subscribed and paid up share capital held by Subsidiaries do not have (Nil) Voting Rights and are not eligible for Bonus Shares.

1.5 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2012 No.of Shares/ %held	As at 31st March, 2011 No.of Shares/ %held
Atlas Cycles (Haryana) Ltd.	5,00,000 / 100%	5,00,000 / 100%

1.6 The reconciliation of the number of shares outstanding is set out below:

Particulars	31st March, 2012 No. of Shares	31st March, 2011 No. of Shares
Equity Shares at the beginning of the year	500,000	5,00,000
Equity Shares at the end of the year	5,00,000	5,00,000

2 OTHER CURRENT LIABILITIES

	As at 31st March, 2012	As at 31st March, 2011
Audit Fee Payable	2245.00	4410.00
TOTAL	2245.00	4410.00

3 NON CURRENT ASSETS

	As at 31st March, 2012	As at 31st March, 2011
Registration Charges	14000.00	14000.00
Legal Charges	7400.00	7400.00
Directors Fees	67250.00	63000.00
Bank Charges	1837.00	1727.00
Audit Fee	27903.00	25656.00
Filing Fees	17900.00	10880.00
Misc. Expenses	30.00	30.00
Professional Fee	23781.00	6618.00
TOTAL	160101.00	129311.00

4 CURRENT ASSETS

	As at 31st March, 2012	As at 31st March, 2011
Cash and Bank Balances		
Central Bank of India	342144.00	375099.00
TOTAL	342144.00	375099.00

AS PER OUR REPORT OF EVEN DATE

For MEHRA KHANNA & COMPANY

Chartered Accountants

FRN : 01141N

CA. RAJIV BHASIN

PARTNER

M.No. - 093845

Delhi : 4th September, 2012

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I.D.CHUGH

PRITHVI RAJ CHAWLA

} DIRECTORS

ATLAS CYCLES (MALANPUR) LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your directors have pleasure in presenting their Thirteenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012. 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. 60,00,000/- 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, 2012.
- 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 Hira Lal Bhatia 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
HIRA LAL BHATIA
PRITHVI RAJ CHAWLA



DIRECTORS

Sonepat : the 4th September, 2012

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 2012 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, 2012, 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 2012;

For Mehra Khanna & Co.
Chartered Accountants
FR No.-01141N

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

Place: Delhi
Date: 4th September, 2012

ATLAS CYCLES (MALANPUR) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

DESCRIPTION	Note No.	31.03.2012	31.3.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	500000.00	500000.00
Reserve and Surplus		0.00	0.00
Non-Current Liabilities		0.00	0.00
Current Liabilities			
Short Term Borrowings		0.00	0.00
Trade Payables		0.00	0.00
Other Current Liabilities	2	2245.00	4410.00
Short Term Provisions		0.00	0.00
TOTAL		502245.00	504410.00
ASSETS			
Non-Current Assets	3	164199.00	127762.00
Current Assets	4	338046.00	376648.00
TOTAL		502245.00	504410.00

The annexed Notes to accounts form part of the Balance Sheet

AS PER OUR REPORT OF EVEN DATE

For MEHRA KHANNA & COMPANY

Chartered Accountants

FRN : 01141N

CA. RAJIV BHASIN

PARTNER

M.No. - 093845

Delhi : 4th September, 2012

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I.D.CHUGH

PRITHVI RAJ CHAWLA

} DIRECTORS

Notes on Financial Statements for the Year ended 31st March, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

1	SHARE CAPITAL	As at 31st March, 2012	As at 31st March, 2011
	Authorised Share Capital:		
	50,000 Equity Shares of Rs. 10 each (50,000)	500,000.00	500,000.00
	Issued, Subscribed and Paid up:		
	50,000 Equity Shares of Rs. 10 each fully paid up (50,000)	500,000.00	500,000.00
	TOTAL	500,000.00	500,000.00
1.1	Nil Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.		
1.2	Nil Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.		
1.3	Nil Shares out of the issued, subscribed and paid up shares capital were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares, since inception		
1.4	Nil Shares out of the issued, subscribed and paid up share capital held by Subsidiaries do not have Voting Rights and are not eligible for Bonus Shares.		

1.5 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at	As at
	31st March, 2012	31st March, 2011
	No. of Shares/ %held	No. of Shares/ %held
Atlas Cycles (Haryana) Ltd.	5,00,000 / 100%	5,00,000 / 100%

1.6 The reconciliation of the number of shares outstanding is set out below:

Particulars	31st March, 2012	31st March, 2011
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	500,000	5,00,000
Equity Shares at the end of the year	5,00,000	5,00,000

2 OTHER CURRENT LIABILITIES

	As at	As at
	31st March, 2012	31st March, 2011
Audit Fee Payable	2245.00	4410.00
TOTAL	2245.00	4410.00

3 NON CURRENT ASSETS

	As at	As at
	31st March, 2012	31st March, 2011
Registration Charges	14000.00	14000.00
Legal Charges	7400.00	7400.00
Directors Fees	67000.00	62750.00
Bank Charges	1138.00	1028.00
Audit Fee	27903.00	25656.00
Filing Fees	20300.00	10280.00
Misc. Expenses	30.00	30.00
Professional Fee	26428.00	6618.00
TOTAL	164199.00	127762.00

4 CURRENT ASSETS

	As at	As at
	31st March, 2012	31st March, 2011
Cash and Bank Balances		
Central Bank of India	338046.00	376648.00
TOTAL	338046.00	376648.00

AS PER OUR REPORT OF EVEN DATE

For MEHRA KHANNA & COMPANY

Chartered Accountants

FRN : 01141N

CA. RAJIV BHASIN

PARTNER

M.No. - 093845

Delhi : 4th September, 2012

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I.D.CHUGH

PRITHVI RAJ CHAWLA

} DIRECTORS

**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, 2012, 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, 2012;
- 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.:-01141N

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

PLACE: DELHI
DATE: 4th September, 2012

ATLAS CYCLES (HARYANA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

DESCRIPTION	Note No.	31.03.2012	31.3.2011
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	325.19	325.19
Reserves and Surplus	3	12,198.41	12,014.68
		<u>12,523.60</u>	<u>12,339.87</u>
SHARE APPLICATION MONEY PENDING ALLOTMENT			
NON-CURRENT LIABILITIES			
Long-term borrowings	4	554.02	602.96
Deferred tax liabilities (net)	5	847.00	797.00
Other Long term liabilities	6	150.53	141.03
Long-term provisions	7	60.36	63.73
		<u>1,611.91</u>	<u>1,604.72</u>
CURRENT LIABILITIES			
Short-term borrowings	8	7,328.90	7,566.29
Trade payables	9	13,175.03	12,822.88
Other current liabilities	10	7,078.93	6,859.49
Short-term provisions	7	3,976.39	3,848.17
		<u>31,559.25</u>	<u>31,096.83</u>
TOTAL		<u>45,694.76</u>	<u>45,041.42</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	11		
Tangible assets		9,238.50	9,410.63
Capital work-in-progress		316.17	595.88
Non-current investments	12	141.08	506.56
Long-term loans and advances	13	2,180.29	1,797.30
Other non-current assets	14	46.73	18.99
		<u>11,922.77</u>	<u>12,329.36</u>
CURRENT ASSETS			
Current investments	12	1,081.00	2,115.02
Inventories	15	11,352.71	10,626.96
Trade receivables	16	14,888.43	14,604.02
Cash and Bank Balances	17	1,332.08	630.56
Short-term loans and advances	13	5,067.52	4,715.93
Other current assets	18	50.25	19.57
		<u>33,711.99</u>	<u>32,712.06</u>
TOTAL		<u>45,694.76</u>	<u>45,041.42</u>
Significant Accounting Policies	1		

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

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

} DIRECTORS

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

New Delhi: the 4th September, 2012

ATLAS CYCLES (HARYANA) LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

DESCRIPTION	Note No.	31.03.2012	31.3.2011
INCOME			
Revenue from operations (gross)	19	90,623.84	79,593.34
Less :- Rebate		1,595.30	1,842.33
Less :- Excise Duty on sales		1,496.47	969.72
Revenue from operations (net)		<u>87,532.07</u>	<u>76,781.29</u>
Other Income	20	240.91	143.22
TOTAL		<u>87,772.98</u>	<u>76,924.51</u>
EXPENSES			
Cost of materials consumed	21	66,649.88	59,191.12
Changes in inventories of finished goods, work in progress and trading goods	22	224.25	(660.16)
Employee benefits expense	23	4,362.39	3,944.20
Finance costs	24	1,946.24	1,323.85
Depreciation and amortization expense	25	722.69	570.10
Other expenses	26		
Manufacturing expenses		8,033.40	7,930.25
Administration expenses		2,922.63	1,901.64
Selling expenses		2,407.65	2,127.21
TOTAL		<u>87,269.13</u>	<u>76,328.21</u>
Profit before exceptional and extraordinary items and tax		503.85	596.30
Profit before extraordinary items and tax		503.85	596.30
Profit before tax		503.85	596.30
Tax expense			
Provision for current tax		100.00	150.00
Provision for deferred tax		50.00	70.00
Profit / (Loss) for the year		<u>353.85</u>	<u>376.30</u>
Earnings per share (in ₹)			
Basic		10.88	11.57
Diluted		10.88	11.57

Significant Accounting Policies

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

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

} DIRECTORS

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

New Delhi: the the 4th September, 2012

ATLAS CYCLES (HARYANA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
2	SHARE CAPITAL		
	AUTHORISED		
	30,000(30,000) 6 1/4% P.A. free of Income tax cumulative redeemable Preference shares of Rs.100 each	30.00	30.00
	97,00,000(97,00,000) Equity Shares of Rs.10/- each	970.00	970.00
		<u>1,000.00</u>	<u>1,000.00</u>
	ISSUED, SUBSCRIBED AND PAID UP		
	32,51,919 (32,51,919) Equity Shares of Rs 10/-each fully paid up	325.19	325.19
	TOTAL - SHARE CAPITAL	<u>325.19</u>	<u>325.19</u>
(a)	RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR	No. of Shares	No. of Shares
	Equity Shares outstanding at the beginning of the year	3,251,919	3,251,919
	Equity Shares issued during the year	-	-
	Shares outstanding at the end of the year	<u>3,251,919</u>	<u>3,251,919</u>
(b)	TERMS/RIGHT ATTACHED TO EQUITY SHARES		
	The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of Profit/Surplus in proportions to the number of equity shares held by the shareholders.		
(c)	EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:	2012	2011
	NAME OF THE EQUITY SHAREHOLDER	No. of Shares	%
	Milton Cycles Industries Ltd	325846	10.02%
	Limrose Enng Works Pvt Ltd	257650	7.92%
		No. of Shares	%
		325846	10.02%
		257650	7.92%
(d)	Company has not issued any ESOP Plan, or Conversion of Bonds/Debentures.		
(e)	Company has not issued any share by way of Bonus / Right Shares and has not Buy-back any shares in the preceding five years		
Note No.	DESCRIPTION	31.03.2012	31.3.2011
3	RESERVES AND SURPLUS		
(a)	SECURITY PREMIUM ACCOUNT		
	As per last account	606.20	606.20
	Add : On Conversion of Foreign Currency Convertible Bonds	-	-
		<u>606.20</u>	<u>606.20</u>
(b)	FIXED ASSETS REVALUATION RESERVE		
	As per last account	389.74	389.74
	Add:- Transferred from Statement of Profit and Loss	-	-
	Less:- Written Back during the year	-	-
		<u>389.74</u>	<u>389.74</u>
(c)	GENERAL RESERVE		
	As per last account	10,858.79	10,658.79
	Add : Transferred from Statement of Profit and Loss	200.00	200.00
		<u>11,058.79</u>	<u>10,858.79</u>
(f)	SURPLUS - STATEMENT OF PROFIT AND LOSS		
	As per last account	159.91	154.25
	Add : Profit after Tax for the year	353.85	376.30
	NET PROFIT	513.76	530.55
	Amount Available for appropriation	513.76	530.55
	APPROPRIATIONS		
	Debenture Redemption Reserve	-	-
	General Reserve	200.00	200.00
	Proposed Dividend	146.34	146.34
	Corporate Dividend Tax	23.74	24.30
	Net Surplus in the Statement of Profit and Loss	<u>143.68</u>	<u>159.91</u>
	TOTAL - RESERVE & SURPLUS	<u>12,198.41</u>	<u>12,014.68</u>

(₹ in Lacs)

Note No.	DESCRIPTION	Non-Currenet Portion		Current Maturity	
		31.03.2012	31.3.2011	31.03.2012	31.3.2011
4	LONG-TERM BORROWINGS				
	SECURED				
	(a) TERM LOAN FROM BANKS				
	Rupee term loan	200.00	201.10	1,601.10	800.98
	(b) CAR LOAN FROM BANKS	107.53	212.11	133.02	120.05
	TOTAL SECURED LONG TERM BORROWINGS	307.53	413.21	1,734.12	921.03
	UNSECURED LONG TERM BORROWINGS				
	(a) PUBLIC FIXED DEPOSITS	246.49	189.75	1,377.00	1,239.00
	TOTAL UNSECURED LONG TERM BORROWINGS	246.49	189.75	1,377.11	1,238.94
	TOTAL - LONG TERM BORROWINGS	554.02	602.96	3,111.23	2,159.97
1	Long term loan from Tamilnad Mercantile bank limited is secured against first charge on specific assets against which loan taken and carries interest @ 12.50% p.a.				
2	Term Loan from Central Bank of India is secured against first pari passu charge on respective units immovable property and future assets which it may acquire in future and carries interest @ 13% p.a and is repayable on 3 yearly equal installments.				
3	The Company accepts fixed deposits from the public which carries interest @ 11% p.a. for FDRs less than Rs 2,00,000/- for a period and 11.5% p.a for more than one year irrespective of amount.				
4	Vehicle loans are secured by way of hypothecation of vehicle concerned and carries interest from 8.5% p.a. to 13% p.a. on different loans and repayable in 48 equal installments.				

Note No.	DESCRIPTION	Deferred Tax Liability/Asset as at 31.03.2011	Charge/(Credit) for the year	Deferred Tax Liability/Asset as at 31.03.2012
5	DEFERRED TAX LIABILITY (NET)			
	(a) DEFERRED TAX LIABILITY			
	On Difference between depreciation as per books & income tax #	797.00	50.00	847.00
	Total Deferred Tax Liability	797.00	50.00	847.00
	DEFERRED TAX LIABILITY (NET)	797.00	50.00	847.00
	# The management is confident about recoverability of the same from future earnings.			

Note No.	DESCRIPTION	31.03.2012	31.3.2011
6	OTHER LONG TERM LIABILITIES		
	Security Deposits	139.32	129.82
	LADT Payable A/c	11.21	11.21
	TOTAL - OTHER LONG TERM LIABILITIES	150.53	141.03

Note No.	DESCRIPTION	Long-Term		Short-Term	
		31.03.2012	31.3.2011	31.03.2012	31.3.2011
7	PROVISIONS				
	For Employee Benefits				
	Leave Encashment	60.36	63.73	5.54	3.38
	For Taxation	-	-	1,989.36	1,882.87
	For Proposed Dividend	-	-	146.34	146.34
	For Corporate Dividend Tax	-	-	23.74	24.30
	For Dealers Discount	-	-	465.74	420.46
	For Bills Payable	-	-	221.81	237.51
	Others	-	-	1,123.86	1,133.31
	TOTAL - PROVISIONS	60.36	63.73	3,976.39	3,848.17

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
8	SHORT TERM BORROWINGS		
	SECURED SHORT TERM BORROWINGS		
	(a) Working Capital Facility from Bank	3,610.09	3,578.30
	(b) Short Term Loans	356.93	316.63
	(c) Bills Discounting from Bank/Financial Institution	2,881.88	3,046.46
	TOTAL SECURED SHORT TERM BORROWINGS	6,848.90	6,941.39
	UNSECURED SHORT TERM BORROWINGS		
	(a) Loan from Body Corporate	480.00	624.90
	TOTAL UNSECURED SHORT TERM BORROWINGS	480.00	624.90
	TOTAL - SHORT TERM BORROWINGS	7,328.90	7,566.29
1	Cash Credit Limit from Consortium banks is secured against Hypothecation of Inventory and Book Debts and 1st Charge over Fixed Assets of the Company which is repayable on demand and carries Interest @ 15.25% p.a.		
2	Bills Discounting facility from SIDBI is fully secured by the stock against the bills discounted and 1st charge over the Fixed Assets of the Company and carries interest @ 13.50% p.a.		
3	Overdraft Limit from HDFC Bank is Secured against the lien on the Mutual Funds and carries interest which is repayable on demand and carries interest @ 11.25% p.a.		
4	Credit Facilities from YES Bank is secured against Subservient/Residual Charge on Current and Fixed Assets of the Malanpur Unit & carries interest @ 14%		
5	Unsecured Short Term loan availed from HDFC Bank carries interest @ 12.75% p.a.		
6	Short Term Corporate Loans carries interest @ 18% p.a..		
7	Bill Discounting Facility from IDBI bank is secured against second charge on current and fixed assets of Malanpur Unit.		
8	Unsecured Bill Discounting Facility from India Factoring Finance Limited carries interest@ 15% p.a.		
9	Unsecured Loans from Birla Global Finance against Promoters personal guarantee carries interest @ 18%.		

Note No.	DESCRIPTION	31.03.2012	31.3.2011
9	TRADE PAYABLES		
	Trade Payables (including Acceptances)		
	Dues to Micro and Small enterprises	2,108.25	2,951.32
	Dues to other than Micro and Small enterprises	11,066.78	9,871.56
	TOTAL TRADE PAYABLES	13,175.03	12,822.88

Note No.	DESCRIPTION	31.03.2012	31.3.2011
10	OTHER CURRENT LIABILITIES		
	Current maturities of Long term Borrowings. (Refer Note 4)	3,111.23	2,159.97
	Interest accrued but not due on borrowings.	102.20	102.30
	Interest accrued and due on borrowings.	25.71	2.08
	Statutory Dues	184.61	156.26
	Due to Customer and others	18.51	51.26
	Security Deposits from Agents/Dealers/Others	251.69	214.17
	Advance Against Sale of Land #	1,550.00	1,550.00
	Other Outstanding Liabilities	1,818.50	2,599.25
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
	Unpaid dividend	16.48	24.20
	TOTAL OTHER CURRENT LIABILITIES	7,078.93	6,859.49

Rs 15.50 Crores (Rs 15.50 Crores) received as advance against sale of land of Rasoi Plant

11. FIXED ASSETS

(₹ in Lacs)

PARTICULARS	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 1st April 2011	7,353.95	6,679.91	485.24	261.92	1,536.09	757.16	595.88	17,670.15
Additions	243.61	626.04	18.32	-	70.10	25.39	34.03	1,017.49
sales/Adjustment	355.59	124.81	-	-	48.66	0.90	313.74	843.70
As at 31st March 2012	7,241.97	7,181.14	503.56	261.92	1,557.53	781.65	316.17	17,843.94
DEPRECIATION								
As at 1st April 2011	1,791.67	4,108.70	433.40	206.21	672.87	450.79	-	7,663.64
For the Year	171.56	316.84	24.56	3.20	148.02	30.34	-	694.52
sales/Adjustment	-	34.71	-	-	33.99	0.19	-	68.89
As at 31st March 2012	1,963.23	4,390.83	457.96	209.41	786.90	480.94	-	8,289.27
NET ASSETS								
As at 31st March 2012	5,278.74	2,790.31	45.60	52.51	770.63	300.71	316.17	9,554.67
As at 31st March 2011	5,562.28	2,571.21	51.84	55.71	863.22	306.37	595.88	10,006.51

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012			31.3.2011		
		Face Value (₹)	Nos	Amount	Face Value (₹)	Nos	Amount (Rs.)
12	INVESTMENTS						
	NON - CURRENT INVESTMENTS						
	LONG TERM INVESTMENTS - AT COST						
A	Equity Shares Fully Paid Up -Trade Unquoted						
	Ambojini Property Developers Pvt. Ltd.	10	1410	0.1410			
	Amit Enterprises & Builders Pvt. Ltd.	10	2	0.0002			
	Dardode Job Realities Pvt. Ltd.	100	2	0.0020			
	Lavim Developers Pvt. Ltd.	30	10	0.0030			
	Mantri Hamlet Pvt. Ltd.	10	2	0.0002			
	Total (A)			<u>0.15</u>			
B	Debenturers Fully Paid Up -Trade Unquoted						
	10% OCD ATS Township Pvt. Ltd.	1,000	1115	11.15			
	10% OCD Ambojini Property Developers Pvt. Ltd.	100	11046	11.05			
	10% OCD Amit Enterprises & Builders Pvt. Ltd.	100	9408	9.41			
	10% OCD Dardode Jog Realities Pvt. Ltd.	100	11713	11.71			
	15% OCD Lavim Developers Pvt. Ltd.	100	8834	8.83			
	10% OCD Mantri Hamlet Pvt. Ltd.	100	6499	6.50			
	Total (B)			<u>58.65</u>			

C	Unquoted Mutual Fund						
	The Ocian'S Art Fund-(D)	100	46,000	46.00	100	50,000	50.00
	Total (D)			<u>46.00</u>			<u>50.00</u>
D	Unquoted Government Securities						
	12 years National Defence Certificate for the face value of Rs.1750 each pledged with Government authorities			0.02			0.02
	7 Years National Savings Cerificate pledged with Excise authorities			0.10			0.10
	Total (E)			<u>0.12</u>			<u>0.12</u>
E	Unquoted Fixed Deposit						
	Fixed Deposits having Maturity more than 12 Months			25.37			-
				<u>25.37</u>			-
	TOTAL UNQUOTED NON CURRENT INVESTMENT			<u>130.29</u>			<u>50.12</u>
F	Quoted Mutual Fund						
	ICICI Prudential Flexible Plan Premium			-	100	1,190	2.15
	Reliance Regular Saving Fund-Equity (G)			-	10	66,044	22.50
	Reliance Fixed Horizon Fund-XVII- (G)			-	10	2,000,000	200.00
	SBI Debt Fund Series -370D(G)			-	10	2,000,000	200.00
	UTI Treasuary Advantge Fund			-	1000	846	20.00
	Pnb Long Term Equity Fund -Growth			-	10	10,000	1.00
	Principal Mutual Fund (PNB)	10	100000	10.00	10	100,000	10.00
	Total (E)			<u>10.00</u>			<u>455.65</u>
G	Quoted Shares						
	Central Bank of India	100	778	0.79	100	778	0.79
				<u>0.79</u>			<u>0.79</u>
	TOTAL QUOTED NON CURRENT INVESTMENT			<u>10.79</u>			<u>456.44</u>
	TOTAL NON CURRENT INVESTMENT			<u>141.08</u>			<u>506.56</u>
	CURRENT INVESTMENTS						
	(At lower of Cost and Fair Value)						
A	Equity Shares Fully Paid Up - Trade Quoted						
	Axis Bank Ltd.	10	38	0.42	10	403	5.29
	Bajaj Auto Ltd.	10	294	4.24	10	576	8.20
	Bayer (India) Ltd.	10	53	0.44			-
	Bajaj Finserv Ltd.	5	481	2.79			-
	Coal India Ltd.			-	10	720	2.21
	Coromandal International Ltd.	1	1423	3.89	1	1596	4.97
	Castrol India Ltd.	10	77	0.33			-
	Clariant Chemicals Ltd.	10	63	0.39			-
	Divis Laboratories Ltd.	2	755	4.83	2	1624	10.90
	Dabur India Ltd.	1	4325	4.47			-
	Exide Industries Ltd.	1	3620	4.88	1	4408	7.25
	Ess Dee Aluminium Ltd.			-	10	1968	8.78
	Greaves Ltd.	2	4727	4.15	10	151	4.15
	Hdfc Bank Ltd.	2	85	0.39			-
	Hero Motor Corp Ltd.	2	248	5.12			-
	Housing Development Finance Corp.Ltd.			-	2	847	5.26
	Havells India Ltd.			-	5	1211	5.05
	Himadri Chemicals Ltd.			-	1	6320	2.94
	Itc Ltd.	1	155	0.32			-
	Infosys Technology Ltd.	5	16	0.41	5	163	5.05
	Kotak Mahindra Ltd.	5	982	4.94			-
	Lupin Ltd.	2	1249	4.64	2	2560	10.35
	Motherson Sumi Systems Ltd.			-	1	2588	5.00
	Nestle India Ltd.	10	8	0.32	10	99	3.24
	Opto Circuit Ltd.	10	2892	5.14	10	3871	10.52
	Pidilite Industries Ltd.	1	2165	3.70			-
	Rallies India Ltd.	1	3418	4.89	10	536	7.19
	State Bank Of India			-	10	122	3.14
	Sun Pharmaceuticals Industries Ltd.	1	1126	5.61	1	964	4.04
	Shriram Transport Finance Ltd.			-	10	646	4.91
	Tata Consultancy Service Ltd	1	500	5.33			-
	Torrent Power Ltd.			-	10	1530	5.04
	Thermax Ltd.	2	789	5.39	2	365	2.93
	Titan Industries Ltd.	1	2416	1.84	10	75	2.40
	Tulip Telcom Ltd.			-	2	2217	4.08
	Yes Bank Ltd.	10	1332	3.87	10	3354	9.97
	Total (A)			<u>82.74</u>			<u>142.86</u>
	MARKET VALUE OF QUOTED SHARES			<u>104.09</u>			<u>150.08</u>

B Investment in Mutual Fund (Quoted)				
Axis Income Saver Fund			10 1000000	100.00
Birla Sunlife Fixed Term Plan Sr.-CE-Gr.			10 2002641	200.26
Birla Sunlife Fixed Term Plan Sr.-CP-Gr.			10 1000000	100.00
Birla Sunlife MIP-II Saving 5%			10 601817	102.89
Birla Sunlife Dynamic Bond Fund -Retail(D)	10 1426259	150.00		-
Canara Robecco FMP-Sr-6-14 Month-G		-	10 2000000	200.00
Canara Robecco MIP -Growth		-	10 354359	100.00
Fidelity Fixed Maturity Plan Sr.-3 Plan-F-G		-	10 1000000	100.00
HDFC Treasury Advantage Fund-D	10	-	10 464269	46.56
HDFC Equity Fund	100 16932	45.00	100 1397	3.75
HDFC MIP STP 5%		-	10 624961	100.00
ICICI Prudential Flexible Plan Premium	100 1190	2.15		-
ICICI Prudential Short Term Plan	10 460965	100.00		-
IDFC Premier Equity Fund-A-G		-	10 16587	5.00
IDFC SSIF- Medium Term-Plan-A-G		-	10 621149	100.00
IDFC Money Manager Fund -G		-	10 452076	45.36
Reliance Money Manager Fund - WD		-	1000 6978	69.98
Reliance Medium Term Fund	10 229522	23.97		-
Reliance Regular Saving Fund-Debt Plan (QT_D)	10 1195507	149.20		-
Reliance Equity Opportunities Fund -Retail(G)	10 97486	34.00	10 9056	3.00
Reliance Pharma Fund -(G)	10 49151	27.20	10 4712	2.40
Reliance Regular Saving Fund-Equity (G)	10 66044	22.50		-
Reliance Fixed Horizon Fund-XVII-7- (G)	10 2000000	200.00		-
Religare FMP-Series-V Plan-D-13 M-G		-	10 1000000	100.00
BNP Paribas Fixed Term Sr.-21E-G		-	10 1000000	100.00
BNP Paribas Money Plus (I) (G)	1020705.651	3.03	101364638	200.00
SBI Debt Fund Series -370D(G)	102000000	200.00		-
Tata MIP Plus- Growth		-	100 640246	100.00
UTI Treasury Advantge Fund -G	1000 846	20.00		-
Kotak Liquid Fund -D		-	10 49501	6.00
Pnb Long Term Equity Fund -Growth	10 10000	1.00		-
Principal Cash Managment Fund	10 537	8.85	10 418905	62.88
Morgan Stanley Liquid Fund-D	1000 1135	11.36		-
DSP BR Money Manager Fund- WD		-	1000 2,514.00	25.16
Total (B)		998.26		1,873.24
Market Value of the Mutual Fund		1,051.71		1,921.46
C INVESTMENT IN BONDS				
10.75% Dpsc Bonds 03/11/2020	-	-	48 200,000	98.92
Total (C)				98.92
Market Value of the Bonds				100.56
TOTAL - CURRENT INVESTMENTS (Quoted)		1,081.00		2,115.02
TOTAL MARKET VALUE OF CURRENT INVESTMENTS		1,155.81		2,172.10
Aggregate value of Current Investment		1,081.00		2,115.02
Aggregate value of unquoted investment		130.29		50.12
Aggregate value of quoted investment		1,091.79		2,571.46
Market value of quoted investment		1,166.60		114.66

(₹ in Lacs)

Note No.	DESCRIPTION	Long-Term		Short-Term	
		31.03.2012	31.3.2011	31.03.2012	31.3.2011
13	LOANS AND ADVANCES				
	(Unsecured, Considered good unless otherwise stated)				
	Advance Recoverable in Cash or in kind or the value to be received	1,340.48	1,340.66	2,310.05	2,060.18
	Capital Advances	692.06	324.76	-	-
	Security Deposits	139.77	121.42	190.92	190.35
	Claims Recoverable	5.16	5.16		
	Prepaid Taxes			2,385.54	2,275.67
	Prepaid Expenses			18.15	44.54
	Balance with Government Authorities	2.82	5.30	162.86	145.19
	TOTAL - LOANS AND ADVANCES	2,180.29	1,797.30	5,067.52	4,715.93

		(₹ in Lacs)	
Note No.	DESCRIPTION	31.03.2012	31.3.2011
14	OTHER NON CURRENT ASSETS		
	Deposit with original Maturity of more than 12 months	12.28	14.33
	Interest accrued on Investment /FDR	1.62	0.82
	Preliminary Expense	4.66	3.84
	Deffered Revenue Expenses	28.17	-
	Total Other Non Current Assets	46.73	18.99

Note No.	DESCRIPTION	31.03.2012	31.3.2011
15	INVENTORIES		
	(As taken, valued and certified by the Management)		
	(valued at lower of cost and net realisable value unless otherwise stated)		
	Production Material	3,733.01	3,452.22
	Work in Progress	324.55	326.97
	Finished Goods	1,885.84	2,167.47
	Stock in Trade	63.99	-
	Store and Spares	5,288.06	4,612.65
	Loose Tools	53.17	59.37
	Scrap	4.09	8.28
	TOTAL - INVENTORIES	11,352.71	10,626.96

Note No.	DESCRIPTION	31.03.2012	31.3.2011
16	TRADE RECEIVABLES		
	(Unsecured, Considered good unless otherwise stated)		
(a)	OVERDUE EXCEEDING SIX MONTHS		
	Unsecured, Considered good	2,302.77	2,422.34
	Doubtful	213.01	236.22
	Less : Provision for doubtful receivables	213.01	236.22
		2,302.77	2,422.34
(b)	OVERDUE LESS THAN SIX MONTHS	12,585.66	12,181.68
	TOTAL - TRADE RECEIVABLES	14,888.43	14,604.02

Note No.	DESCRIPTION	31.03.2012	31.3.2011
17	CASH AND BANK BALANCES		
(a)	CASH AND CASH EQUIVALENTS		
	Balance with banks	965.42	218.20
	Bank deposits with original maturity of less than three months	41.79	140.00
	Unpaid dividend accounts	16.48	24.20
	Cheques in hand / money in transit	0.60	-
	Cash in hand	61.25	55.36
	Total Cash and Cash Equivalents	1,085.54	437.76
(b)	OTHER BANK BALANCES		
	Bank Deposits with original maturity of more than three months but less than 12 months	246.54	192.80
	Bank Deposits with original maturity of more than 12 months	-	-
	TOTAL OTHER BANKS BALANCES	246.54	192.80
	TOTAL - CASH & BANK BALANCES	1,332.08	630.56

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
18	OTHER CURRENT ASSETS		
	(Unsecured, Considered good unless otherwise stated)		
	Interest accrued on Investment /FDR	6.81	4.30
	Deferred Revenue Expenditure	43.44	15.27
	TOTAL OTHER CURRENT ASSETS	50.25	19.57

Note No.	DESCRIPTION	31.03.2012	31.3.2011
19	REVENUE FROM OPERATIONS		
(a)	SALE OF PRODUCTS		
	Finished Goods	90,270.63	79,221.85
	Interunit Sales	-	-
		90,270.63	79,221.85
(b)	OTHER OPERATING REVENUE		
	Export Benefits	55.27	108.80
	Scrap Sales	251.56	219.76
	Miscellaneous Income	46.38	42.93
		353.21	371.49
	REVENUE FROM OPERATIONS (GROSS)	90,623.84	79,593.34
	Rebate	1,595.30	1,842.33
	EXCISE DUTY ON SALES	1,496.47	969.72
	REVENUE FROM OPERATIONS (NET)	87,532.07	76,781.29

Note No.	DESCRIPTION	31.03.2012	31.3.2011
20	OTHER INCOME		
(a)	INTEREST INCOME ON		
	Loans and Advances	1.06	1.14
	Banks	47.37	46.89
		48.43	48.03
(b)	Dividend Income on Current Investment	23.21	10.52
(c)	NET GAIN/(LOSS) ON SALE OF CURRENT INVESTMENTS		
	Gain on Sale	109.24	70.46
		109.24	70.46
(d)	NET GAIN/(LOSS) ON SALE OF FIXED ASSETS		
	Gain on Sale	35.40	(6.41)
		35.40	(6.41)
(f)	OTHER NON-OPERATING INCOME (NET)		
	Lease Rent	6.00	6.00
	Misc Receipts	1.16	2.62
	Rent receipts	17.47	12.00
		24.63	20.62
	TOTAL OTHER INCOME	240.91	143.22

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
21	COST OF MATERIAL CONSUMED		
	Raw Material Consumed #	66,649.88	59,191.12
	TOTAL COST OF MATERIAL CONSUMED	66,649.88	59,191.12
	# DETAILS OF RAW MATERIAL CONSUMED DURING THE YEAR		
		31.03.2012	31.03.2011
(i)	Sheets & Strips	8,040.60	9,825.71
(ii)	Tyres	6,647.41	5,269.74
(iii)	Tubes	2,705.30	2,251.41
(iv)	Rims	5,344.82	4,304.79
(v)	Other Items	3,805.98	3,409.36
(vi)	Components	40,105.77	34,130.11
		66,649.88	59,191.12
Note No.	DESCRIPTION	31.03.2012	31.3.2011
22	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS		
	OPENING STOCK		
	Finished Goods	2,167.47	1,553.42
	Work in Progress	326.97	256.12
	Scrap	8.28	33.02
	Stock In Trade	-	-
	TOTAL OPENING STOCK	2,502.72	1,842.56
	CLOSING STOCK		
	Finished Goods	1,885.84	2,167.47
	Work in Progress	324.55	326.97
	Scrap	4.09	8.28
	Stock In Trade	63.99	-
	TOTAL CLOSING STOCK	2,278.47	2,502.72
	TOTAL - CHANGES IN INVENTORIES	224.25	(660.16)
Note No.	DESCRIPTION	31.03.2012	31.3.2011
23	EMPLOYEE BENEFITS EXPENDITURE		
	Salaries, Wages, Bonus and Other benefits	3,440.43	3,205.60
	Contribution to provident and other funds	641.43	479.32
	Staff Welfare Expenses	280.53	259.28
	TOTAL - EMPLOYEE BENEFITS EXPENDITURE	4,362.39	3,944.20
Note No.	DESCRIPTION	31.03.2012	31.3.2011
24	FINANCE COST		
	Interest Expenses	1,715.34	1,126.13
	Other Borrowing Costs	230.90	197.72
	TOTAL - FINANCE COST	1,946.24	1,323.85
Note No.	DESCRIPTION	31.03.2012	31.3.2011
25	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on Fixed Assets	694.52	570.10
	Amortisation Expenses	28.17	-
	TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES	722.69	570.10

(₹ in Lacs)

Note No.	DESCRIPTION	31.03.2012	31.3.2011
26	OTHER EXPENSES		
(a)	MANUFACTURING EXPENSES		
	Consumption of Stores and Spare parts	3,254.23	3,220.44
	Packing Material Consumed	1,494.08	1,532.90
	Power and Fuel	912.20	864.41
	Labour Processing & Transportation Charges	1,764.09	1,643.57
	Repairs to Buildings	286.63	204.62
	Repairs to Plant & Machinery	85.57	241.45
	Other Repairs	236.60	222.86
		8,033.40	7,930.25
(b)	ADMINISTRATIVE EXPENSES		
	Insurance	34.98	46.49
	Rent	75.29	87.54
	Rates and Taxes	451.07	226.22
	Legal and Professional	38.64	40.92
	Printing & Stationary, Postage and Telephone	212.58	152.83
	Travelling & Conveyance	705.62	581.68
	Director' Meeting Fees	5.20	4.97
	Auditor's Remuneration*	19.98	17.82
	Donation	2.33	8.43
	Miscellaneous Expenses	1,376.94	734.74
		2,922.63	1,901.64
(c)	SELLING EXPENSES		
	Freight & Forwarding Expenses	1,663.51	1,521.36
	Commission on Sales	145.00	133.99
	Bad Debts Written off	69.45	0.03
	Advertisement & Publicity	529.69	471.83
		2,407.65	2,127.21
	TOTAL - OTHER EXPENSES	13,363.68	11,959.10
	* Payment to Auditors Include followings		
	(a) Audit Fee	14.04	13.47
	(b) Tax Audit	1.70	1.60
	(c) Other Certifications	4.24	2.75
		19.98	17.82

Note No.	DESCRIPTION	(CONSOLIDATED)
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1	SIGNIFICANT ACCOUNTING POLICIES	
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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:

In case 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 with 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.

Recognition of opening and closing balances of Defined Benefit Obligation.

GRATUITY

	Gratuity(Funded)	
	2011-12	2010-11
Defined Benefit obligation at the beginning of the year	977.81	802.47
Current Service Cost	249.69	187.53
Interest cost	85.91	69.57
Benefit paid	117.40	81.76
Defined Benefit obligation at the year end	1196.01	977.81

INVESTMENT DETAILS

	% invested	
	As at 31.3.2012	As at 31.3.2011
GOI Securities	65.26	73.43
Public Securities	102.69	165.65
State Government Securities	31.30	42.68
Private Securities	38.68	43.41
In banks	37.73	18.47
	275.66	343.64

Acturial assumptions**Gratuity (Funded)**

	2011-12	2010-11
Discount rate (Per Annum)	8.5	8.0
Expected rate of return plan (Per Annum)	8.5	8.5
Rate of escalation of salary (Per Annum)	4.5	5.0

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account seniority and promotion other relevant factors. The above information is certified by the actuary As per the Accounting Standard 15 "Employees benefit", the disclosure as defined in the accounting Standard are given below:

Defined Contribution Plan

31.3.2012 31.3.2011

Employer's Contribution to Provident Fund	62.35	60.80
Employers Contribution to Super Annuation Fund	69.47	61.60
Employers Contribution to Gratuity Fund	249.69	187.53

NOTES TO ACCOUNT2012 2011
Rs. Rs.**1. CONTINGENT LIABILITIES IN RESPECT OF**

a) Surety bonds executed in favour of President of India through Customs & Excise authorities for payment of Central Excise/Custom duty	165.00	165.00
b) Two surety bonds in favour of government of Haryana for payment of Central & Local Sales Tax	30.40	30.40
c) Guarantees given by bank	1324.89	1509.72
d) In respect of Entry Tax matters	6.31	5.00
e) In respect of Excise matters	52.00	52.00
f) In respect of Sales Tax matters	608.38	601.49

2 DETAILS OF RAW MATERIAL CONSUMED DURING THE YEAR

Units	2012		2011	
	Quantity (in lacs)	Value Rs.	Quantity (in lacs)	Value Rs.
(i) Sheets & Strips Kgs.	177.29	8,040.60	237.44	9,825.71
(ii) Tyres Nos.	66.34	6,647.41	60.04	5,269.74
(iii) Tubes Nos.	65.56	2,705.30	60.54	2,251.41
(iv) Rims Nos.	5.35	5,344.82	45.79	4,304.70
(v) Other Items -	-	3,805.98	-	3,409.36
(vi) Components -	-	40,105.77	-	34,130.20
		<u>66,649.88</u>		<u>59,191.12</u>

3 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	22738.13	100	NIL	0
	(21651.56)	(100)	(NIL)	(0)
(ii) Components	39819.66	90.68	4,092.09	9.32
	(34580.04)	(95.93)	(2959.52)	(4.07)

Previous Year figures are shown in brackets.

4	VALUE OF TOTAL IMPORTS ON CIF BASIS	2012	2011
		Rs.	Rs.
(i)	Raw Material, Components & Spare Parts	3793	2990.14
(ii)	Capital Goods	-	203.53
		<u>3793</u>	<u>3193.67</u>
5	EXPENDITURE IN FOREIGN CURRENCY		
(i)	Commission on export	35.79	38.34
(ii)	Foreign Tours	117.11	134.80
(iii)	Foreign Publicity & exhibition	1.13	-
		<u>154.03</u>	<u>173.14</u>
6	EARNINGS IN FOREIGN EXCHANGE		
	F.O.B. Value of goods exported	3048.29	2773

7 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

Particulars	TUBE MILL		CYCLE UNIT		TOTAL	
	2012	2011	2012	2011	2012	2011
Segment Revenue						
External Sales	5494.00	9437.00	85129.84	70156.34	90623.84	79593.34
Less Excise	578.58	911.80	917.89	57.92	1496.47	969.72
Inter Segment Sales	794.80	928.19	0.00	0.00	794.80	928.19
Other Income	12.87	0.25	228.04	142.97	240.91	143.22
Total Revenue	5723.09	9453.64	84439.99	70241.39	90163.08	79695.03
Segment Results	-278.81	86.45	2728.90	1833.70	2450.09	1920.15
Unallocated Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Operating Profit	-278.81	86.45	2728.90	1833.70	2450.09	1920.15
Interest Expenses	240.01	132.76	1706.23	1191.09	1946.24	1323.85
Unallocated Interest	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit before Tax	-518.82	-46.31	1022.67	642.61	503.85	596.30
Income Tax						
Current, deferred and FBT	0.00	0.00	0.00	0.00	150.00	220.00
Net Profit	-518.82	-46.31	1022.67	642.61	353.85	376.30

Other Information

Segment Assets	5211.00	6607.93	38741.49	36610.82	43952.49	43218.75
Common assets					1742.20	1822.56
Total Assets	5211.00	6607.93	38741.49	36610.82	45694.69	45041.31
Segment Liabilities						
Segmental Liabilities	2304.00	3300.35	41154.99	38931.32	43458.99	42231.67
Common Liabilities					2235.70	2809.33
Total Liabilities	2304.00	3300.35	41154.99	38754.54	45694.69	45041.00
Capital Expenditure	12.02	129.03	1005.47	2228.98	1017.49	2358.01
Depreciation	95.14	95.05	599.38	475.05	694.52	570.10

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

Kanwal Engg.Works,Hansa Tubes Pvt Ltd,Nagpal Enterprises,S.K.Aggarwal & co,Hansa Mettallics Ltd, Suriendra Cycles Pvt Ltd,Aditya Industries, Advance Plastics Industries,Gobind Cycles Pvt Ltd, Gupta Bikes Pvt Ltd,Jeet Enterprises,Jsts,K.S.Munjaj Industries, Lion Industries, New Modern Steels Industries,Rana Enterprises,Rider Bikes Pvt Ltd,Rolax Cycles Pvt Ltd,S.K.Sons,Sabharwal Enterprises ,Sandow Balls (India),Sood Industries,Sukhmani Steels, Sunny Cycles Pvt Ltd,Swastik Packaging,Swastik Polythene Industries, Synergy India,Vishal Cycles Pvt Ltd, Vishal Udyog Pvt Ltd,Vts Creations ,Amrit Industries,Shree Krishna Steels,Evershine Plastics Industries, Rishi Udyog,Pagan Paints & Chemical Pvt Ltd,Shree Thakur Engg. Works, Kamal Cycles Components, Auto Fans (India),Ark Engg. Pvt Ltd, Appu Cycles, Balbinder mechanical Works, V.J.Sales Corp.,Bider Engg. Co.,Birdi International, Bharat Cycles Udyog,Chandan Industries, Chopra Engineers,D.K.Industries, Ess Pee Industries,Emm Industries,Fit Right Engineer,Great Gear Pvt Ltd,Hainkain Industries,J.B.Industries,jain International, Jai Shiva Trading Co.,Kular Cycles Industries,Koon Cycles Industries,Kumar Enterprises,Kapson Industries,K.B.Kapoor Industries,Label &Sticker Industries,Meera Industries,Mukhtier Engg. Works, Mandeep Products,Naveen Enterprises, Nitya Enterprises,Om Shivam Cycles India,Om Industries,Partap Cycles Industries,Ranjeev Industries,Randhir Industrial Corp. Rahul Enterprises,S.S,Products India,Shree Attam Vallabh Industrial corp., Sahil Enterprises, Vee Pee Industries, Visvakarma Industries Pvt Ltd,Vinod Steel Craft, Arihant Product Pvt Ltd,Appar Packaging Pvt Ltd,Bajrang Industries, Carry Packers, Denzo Paints Pvt Ltd, Laxmi Chemicals, Margo Inds. India, Margo Fastners, Punjab Plastics Inds, Parko Industries, R.M.Industries,Amardeep Steels Industries.

9 RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18**A. Name of associated parties and nature of related party relationship**

i) Associated Companies : Milton Cycles Inds Ltd, Janki Das & Sons (P) Ltd,Romer Engineering Works (P) Ltd ExoticFlora(P)Ltd
ii) Subsidiary Companies are: Atlas Cycles (Sonipat) Ltd, Atlas Cycles (Sahibabad) Ltd, Atlas Cycles (Malanpur) Ltd.
Directors & Employees (As at 31.03.2012) : Sh. I.D.Chugh, Sh. H.K.Ahuja, Sh. H.L.Bhatia, Sh.P.R.Chawla, 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,Sh.Ashwin Kapur.

B. Transactions with the Associated Parties and Subsidiaries

	Rs. In lacs	
	Associated Companies	
	2012	2011
Sale of Goods	1830.48	1409.43
Rent	3.70	0.00
Purchase of Goods	7086.33	6202.54
Balances on year end	36.54	38.75
Guarantee Given	20.00	20.00

Transactions with key managerial persons:**C. Remunerations: Rs.460.84 lacs (Previous Year Rs. 486.09 lacs)****10 Figure of the Previous Year have been re-arranged, wherever necessary.**

11. Detail of Priliminary and Preoperative Expenses	(₹ in Lacs)	
	2012	2011
Registration Charges	0.43	0.43
Legal Charges	0.22	0.22
Bank Charges	0.05	0.05
Audit Fees	0.84	0.77
Filling Fees	0.63	0.38
Directors Fees	1.99	1.86
Misc Expenses	0.00	0.00
Professional Charges	0.50	0.13
	4.66	3.84

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

	2012	2011
	Rs.	Rs.
(a) Computation of profit for managerial remuneration		
Profit as per Profit & Loss A/c	503.85	596.30
Add: Directors remuneration including perquisites	12.87	12.53
Add: Bad debts	69.45	0.03
	586.17	608.86
Less: Profit on Sale of Assets	35.40	0.00
Add: Depreciation as per Profit & Loss A/c	694.52	570.10
Less: Depreciation as per Section 350 of companies Act, 1956	918.79	773.08
Net Profit	326.50	405.88
Commission eligible for payment @ 0.5% of the Net Profit (Previous Year 0.5%)	1.63	2.03
Actual Commission Paid to a Whole Time Director	2.03	1.38
(b) Remuneration paid to a whole time director		
Salary	8.99	9.39
Long Service Allowance	0.02	0.01
Provident Fund Contribution	0.77	0.70
Leave Travel Assistance	0.55	0.5
Medical Expenses	0.51	0.55
Commission	2.03	1.38
	12.87	12.53

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

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

} DIRECTORS

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

New Delhi: the the 4th September, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in lacs)

PARTICULARS	31st March, 2012	31st March, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	2,233.81	1,759.36
Adjustments for		
Depreciation & Misc. Write Offs	694.52	570.10
Preliminary Expenses Written Offs	(0.82)	(0.40)
Operating Profit before Working Capital Changes	<u>2,927.51</u>	<u>2,329.06</u>
Adjustments for:		
(Increase)/Decrease in Trade & other Receivables	(284.39)	1,657.17
(Increase)/Decrease in Inventories	(725.75)	(2,848.32)
(Increase)/Decrease in Loans and Advances	(736.04)	(43.78)
(Decrease)/Increase in Trade Payables	352.06	4,388.28
(Decrease)/Increase in Other Current Liabilities	(727.74)	52.23
Cash Generated from Operations	805.65	5,534.64
Direct Taxes Paid/Refund	(103.38)	(407.31)
Net Cash Flow from Operating Activities	<u>702.27</u>	<u>5,127.33</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,017.49)	(2,358.01)
Proceeds on Sale of Fixed Assets	810.20	124.23
Dividend Income	23.21	(10.52)
Net Proceeds/(Purchase) from Sale of Investments	<u>1,508.79</u>	<u>(1,780.30)</u>
Net Cash Used in Investing Activities	<u>1,324.71</u>	<u>(4,024.60)</u>
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) from Borrowings	664.94	(1,142.49)
Interest Paid	(1,946.24)	(1,221.60)
Interest Received	48.43	48.03
Dividends Paid	(146.34)	(186.67)
Net Cash Used in Financing Activities	<u>(1,379.21)</u>	<u>(2,502.73)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>647.77</u>	<u>(1,400.00)</u>
Cash & Cash Equivalents as on 1.04.2011	<u>437.76</u>	<u>1,837.76</u>
Cash and Cash Equivalents as on 31.03.2012	<u>1,085.53</u>	<u>437.76</u>

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

Figures and brackets represent negative figures.

Gagan Singhal
Company Secretary

Salil Kapur
President

Girish Kapur
Joint President

Vikram Kapur
President

M. R. Aggarwal
C.E.O

Ganesh Iyer
C.F.O.

S. Khanna
C.F.O

C. M. Dhall
C.F.O

Notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For MEHRA KHANNA & CO
Chartered Accountants
FRN : 01141N

CA.RAJIV BHASIN
PARTNER
M No : 093845

Delhi: the 4th September, 2012

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

}

DIRECTORS

New Delhi: the the 4th September, 2012

ATLAS CYCLES (HARYANA) LIMITED

Registered office: Industrial Area, atlas Road, sonapat-131001, Haryana (India).

Dear Shareholders,

Sub: Green Initiative

We value your relationship with Atlas Cycles (Haryana) Limited and thank you for all your support. Ministry of Corporate Affairs (MCA) has issued a Circular No. 17/2011 dated 21.04.2011 propagating "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail). We, therefore intend to send all future Shareholders' communication like Notices, Company's Annual Report through electronic mode. This will ensure prompt receipt of communication and avoid/delay in postal delay.

We request you to inform **your e-mail address**, if, you have to your Depository Participant and also register e-mail ID at our Registrar and Share Transfer Agents viz. "M/s Mas Services Limited" at the website **www.masserv.com**, in case you have not already registered the same.

You are also requested to intimate to the Depository Participants (DP), changes, if any, in your registered addresses, e-mail ID and /or changes in your bank account details.

Further for registration you need letter ID and password which has been mentioned on your attendance slip.

Please note that, as the member of the Company, you will be entitled to be furnished, free of cost, with a printed copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit & Loss Account and Auditors' Report etc. and all other communication that may be sent to you, through electronic mode of Communication.

Soliciting your co-operation and continued patronage.

Thanking You,

For **Atlas Cycles (Haryana) Limited**

Sd/-

Gagan Singhal

Company Secretary

NOTES

A series of horizontal dotted lines for writing notes, spanning the width of the page.

ATTENDANCE SLIP

ATLAS CYCLES (HARYANA) LTD.

Regd. Off: Industrial Area, Atlas Road, Sonapat-131001 (HARYANA)

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholder may obtain additional slip at the venue of the Meeting

DP ID No.	
-----------	--

Master Folio No.	
------------------	--

Client ID No.	
---------------	--

No. of Shares Held	
--------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **61st ANNUAL GENERAL MEETING** of the Company held on **Saturday, 29th September, 2012** at Industrial Area, Atlas Road, Sonapat-131001 (HARYANA) at 4:00 p.m.

Signature of Shareholder/ Proxy



PROXY

ATLAS CYCLES (HARYANA) LTD.

Regd. Off: Industrial Area, Atlas Road, Sonapat-131001 (HARYANA)

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholder may obtain additional slip at the venue of the Meeting

DP ID No.	
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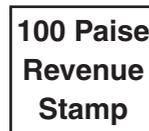
Master Folio No.	
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Client ID No.	
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I/ We of being a member/ members of Atlas Cycles (Haryana) Limited hereby appoint of or falling him of as my/our proxy to vote for me/us and on my/our behalf at 61st ANNUAL GENERAL MEETING of the Company to be held on Saturday, 29th September, 2012 at 4:00 p.m. and at any adjournment thereof.

signed this day of, 2012

Signature.....



.....

Note: The form duly completed and signed be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



ATLAS CYCLES

Atlas Cycles (Haryana) Limited

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

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

www.atlascyclesonepat.com