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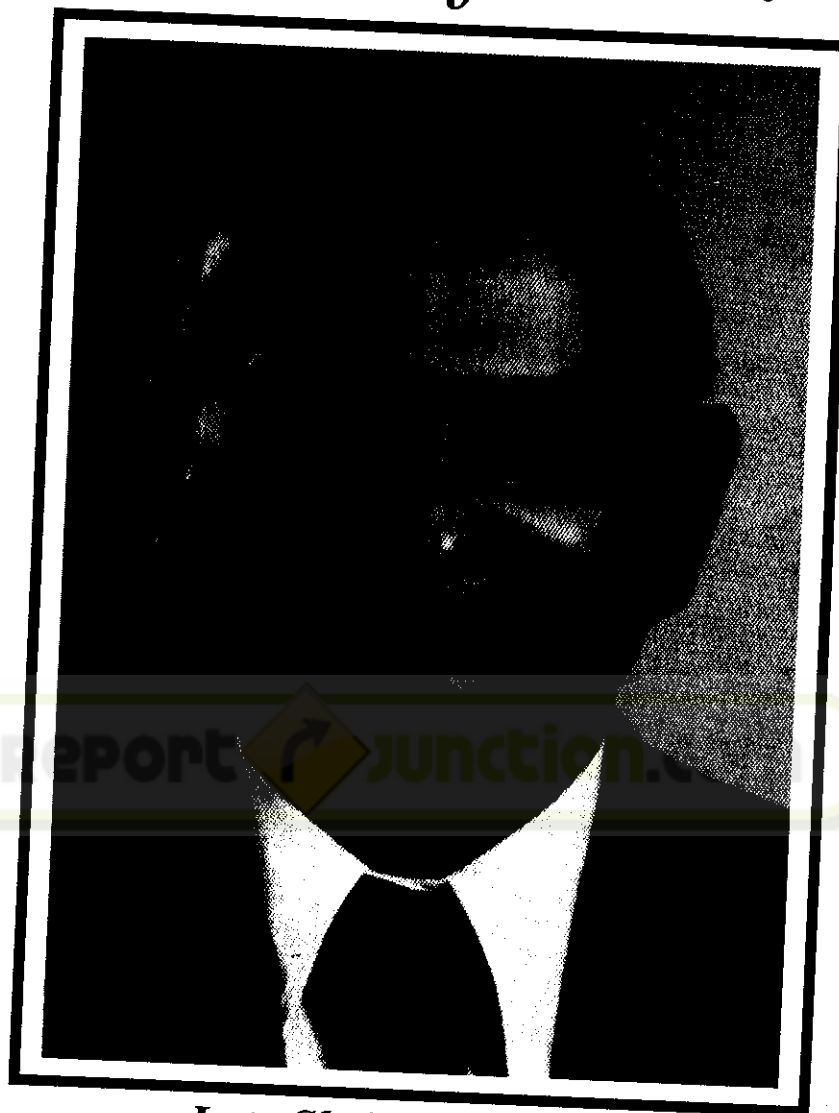
1999

Annual Report



ATLAS CYCLE INDUSTRIES LTD.

*A visionary, a leader,
a man of action*



Late Shri B.D. Kapur

*President, Atlas Cycle Industries Limited
(15th February, 1916 - 16th August, 2000)*

Your vision will continue to guide us

Management, Staff and Workers of:
Atlas Cycle Industries, Sonapat (Haryana)
Atlas Cycle Industries, Malanpur (M.P.)
Atlas Cycle Industries, Sahibabad (U.P.)
Atlas Steel Tube Industries, Gurgaon (Haryana)
Atlas Auto Industries, Rasoi (Haryana)



ATLAS

ATLAS CYCLE INDUSTRIES LIMITED
SONEPAT - 131 001

BOARD OF DIRECTORS:

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

BANKERS :

Central Bank of India
Punjab National Bank
Bank of Baroda
State Bank of India

REGISTERED OFFICE:

Atlas Road,
Industrial Area,
Sonapat - 131 001
(Haryana)

PRINCIPAL EXECUTIVE OFFICERS:

Joint President
Shri Jai Dev Kapur

Joint President
Shri Jagdish Kapur

AUDITORS:

Messrs Mehra Khanna & Co.
Chartered Accountants,
Delhi

Company Secretary
Shri T.A. Viswanathan



NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Forty Ninth Annual General Meeting of Atlas Cycle Industries Ltd., Sonapat will be held at the Registered Office of the Company in the Industrial Area, Sonapat on Tuesday, the 26th September, 2000 at 4.00 P.M. (I.S.T.) to transact the following business :-

1. To receive, consider and adopt Directors' Report and the audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri S.N. Seth who retires by rotation. Being eligible, he offers himself for reappointment.
4. To appoint a director in place of Shri J.N. Sawhney who retires by rotation, Being eligible, he offers himself for reappointment.
5. To appoint auditors for the current year and fix their remuneration. Messrs Mehra Khanna & Co., Chartered Accountants, the present auditors, offer themselves for reappointment.

NOTES

1. The Register of Members of the Company will remain closed from the 19th September, 2000 to 26th September, 2000 both days inclusive. Duly completed and valid applications for transfer of shares received in order at the Registered Office of the Company on or before 18th September, 2000 will be registered in time for transferees to become eligible for dividend.
2. Members may get any change in their address/their mandates registered with the Company on or before the 18th September, 2000
3. The dividend when declared will be made payable at the Company's bankers. The dividend warrants will be posted on or before 6th November, 2000 to the registered addresses of the shareholders or their mandates whose names stand in the register of members on 26th September, 2000.
4. Any member unable to attend personally is entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself subject to the provisions of section 176 of the Companies Act, 1956. Such proxy form should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting. A copy of the proxy form is enclosed.
5. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends up to the financial year ended 31st March, 1994, have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period or earlier are requested to claim the amount from the Registrar of Companies, N.C.T. of Delhi & Haryana, New Delhi. As per the amended Section 205A(5) of the Companies Act, 1956, with effect from 31st October, 1998, dividends remaining unclaimed for a period of 7 years from the date it became due for payment, shall be transferred by the Company to the

Fund established by the Central Government and no claim thereof shall lie against the Fund or the Company on the expiry of the said period of seven years. Members who have not encashed their dividends for the year ended 31.3.1995 onwards are requested to send unpaid dividend warrants to the Registered Office of the Company for payment in lieu thereof.

6. In terms of notification issued by Securities and Exchange Board of India, the equity shares of the Company are under compulsory demat trading for institutional investors from 26/6/2000 and for all investors from 28/8/2000. Shareholders who are desirous of holding their shares in demat mode are advised to send their share certificates along with Dematerialisation Request to the registered office of the Company through their depository participants. A brief on the depository system is enclosed.
- M/s Bharat Bhushan Equity Traders Ltd. have offered as a special gesture to our shareholders, a facility that who ever opens the Depository Account with them (DP/ID/IN301209) till 28/9/2000 will not be required to pay any charges towards account opening and custody charges for one year from the date of credit of the shares of the Company.
7. Members are requested to kindly bring their copies of the Report to the meeting.
8. Members who are holding shares in identical names in more than one folio, are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
9. Members who have not yet surrendered the Letter(s) of Allotment along with the allotment money receipt(s) in respect of 12.5% Non-convertible Debentures, may do so promptly to enable the Company to forward the respective certificates(s) to them.
10. We are sending herewith all the documents required under section 219(1) of the Companies Act. The Directors' Report sent herewith is without its Annexure. However, pursuant to the requirement of proviso (b) (iv) to section 219(1) of the Companies Act, 1956 the said Directors' Report along with its Annexure is available for inspection at Company's Registered Office, Industrial Area, Sonapat during working hours from today till 26th September, 2000.
11. In terms of Section 109A of the Companies Act, 1956, the Share/Debenture holder(s) of the Company may nominate a person on whom the Shares or Debentures held by him/them shall vest in the event of his/their death. Share/Debenture holder(s) desirous of availing this facility may submit nomination in Form 2B.

By order of the Board
for ATLAS CYCLE INDUSTRIES LTD.

(Signature)
(T.A. VISWANATHAN)
COMPANY SECRETARY

Sonapat : the 22nd August, 2000



DEPOSITORY SYSTEM

What is a Depository?

A Depository is an organization where the securities of the shareholders are held in the electronic form at the request of the shareholders through the medium of a Depository Participant (DP).

A Depository can be compared to a Bank. If an investor wants to utilize the services offered by a Depository, the investor has to open an account with the Depository through a DP. This is very similar to the opening of an account with any of the branches of a bank in order to utilize the services of that bank.

BANK

- Holds fund in accounts
- Transfer of funds between accounts
- Transfer without physical handling of money

DEPOSITORY

- Holds Securities in accounts
- Transfer of securities between accounts
- Transfer of beneficial ownership without physical handling of securities.

Just as in the case of a bank account, the DP will issue to the investor client a pass book. Apart from this, the DP will despatch a statement of holdings and statement of transactions to their clients periodically giving details of their holdings and transactions in their account, if any.

Who is the Depository Participant (DP)?

DP is an authorised agent of NSDL/CDSL who interacts with the investors on behalf of NSDL/CDSL. The financial institutions/banks/custodians/stock brokers etc. can become DPs as per the Securities and Exchange Board of India (SEBI) guidelines provided they fulfil necessary requirements prescribed by SEBI. The DP charges you for the services offered by them. It is, therefore, advisable for you to get full details of service charges from the DP with whom you wish to open an account.

What is beneficial ownership?

The status of shareholders availing the Depository system, changes from that of a registered owner to a beneficial owner by fiction of law i.e. all the rights and benefits such as right to receive dividend, right to attend and vote at general meetings of the Company, etc. would be retained by the shareholder. Though in the records of the Company, the name of NSDL/CDSL will appear as the registered owners, in NSDL's/CDSL's records, the shareholders name will appear as beneficial owner.

How to open an account with a Depository Participant (DP)?

The process of opening an account with a DP is similar to the opening of an account with a bank. You can approach any DP of your choice and fill-up an Account Opening Form available with them. While opening such account, the following points have to be considered:

- If your shares are held in joint names be sure to open your account in the same order of names.
- If there are combinations of names, you have to open separate accounts for each such combination.
- Please ensure to sign the 'Participant-Client Agreement' available with the DP in which the DP indemnifies you for any misuse of your holdings. It has to be signed by each share holder at the time of account opening, and
- After all the necessary formalities are completed, the DP will allot you an account number called Client ID number, which you will have to quote in all your correspondence with your DP.

You can have multiple accounts with the same DP and also if you wish, you can open accounts with different DPs.

DEMATERIALISATION

What is Dematerialisation?

Dematerialisation is a process by which the physical certificates of an investor are taken back by the Company/Registrar and an equivalent number of securities are credited in the electronic holdings of that investor. This is done at the request of the investor.

What is the procedure to be followed for Dematerialisation?

1. A Dematerialisation Request Form (DRF) which is available with the DPs has to be filled-in and deposited with your DP together with share certificates after writing "Surrendered for Dematerialisation" on the face of each certificate.
2. Your DP will send your request along with the share certificates to the Company for confirmation of its genuineness simultaneously to Mas services Private Ltd. (Registrar) through NSDL/CDSL. After checking the records, the Company shall deface/destroy the share certificates and send a confirmation of dematerialisation to NSDL/CDSL through Registrar. NSDL/

CDSL further confirms the dematerialisation of shares to your DPs to credit the holdings of shares in your account electronically. This entire exercise gets completed in about 15 days from the date of submission of dematerialisation request.

3. Your DP will issue a statement of account confirming the credit of your holdings of shares in electronic account. Dematerialisation Process involves the following steps.
 - (1) Investor surrenders certificates for Dematerialisation to DP.
 - (2) DP intimates NSDL/CDSL of the request through the system.
 - (3) DP submits the certificate to the Company
 - (4) Registrar confirms the Dematerialisation request from NSDL/CDSL.
 - (5) After Dematerialising certificates, the Company updates accounts and informs NSDL/CDSL of completion of Dematerialisation through Registrar.
 - (6) NSDL/CDSL updates its accounts and informs the DP.
 - (7) DP updates its accounts and informs the Investors.

REMATERIALISATION

Can the electronic holdings be converted back into certificates?

Yes, definitely. This conversion of electronic shares into physical certificates can be made by way of Rematerialisation.

What is the procedure for Rematerialisation?

On receiving request from the shareholder for rematerialisation through the DPs, the Company will issue new share certificate(s) in paper form to the shareholder in consultation with NSDL/CDSL. The shareholders have an option to rematerialise even a part of the securities held in electronic form. Rematerialisation Process involves the following steps:

- (1) Beneficial owner requests for Rematerialisation to DPs.
- (2) DP intimates NSDL/CDSL of the request through the system.
- (3) NSDL/CDSL confirms Rematerialisation request to the Registrar.
- (4) Registrar intimates the Company, the Company updates accounts, prints certificates and confirm to NSDL/CDSL through Registrar.
- (5) NSDL/CDSL updates accounts and downloads details to DP.
- (6) Company despatches certificates to the investor.
- (7) Intimation to the Investor from the DP.

What are the facilities offered by NSDL/CDSL?

NSDL/CDSL, through DPs, offers the following facilities to the investors, who hold shares in electronic form:

- (1) Maintains the record of shareholders who hold share in electronic form.
- (2) Converts the paper form of share certificates into electronic form through the process of Dematerialisation.
- (3) Converts the shares held in electronic form into paper form i.e. Share Certificate(s) through the process of Rematerialisation.
- (4) Carries out settlement of trades not done on the stock exchanges (off-market trades).
- (5) Effects settlement of securities traded in Depository Mode on the stock exchanges.
- (6) Undertakes all liabilities in case of any misappropriation by DPs.

What are the advantages of Depository system?

The main advantages of the Depository System are enumerated as under:

- No requirement of filling-up the transfer deed(s) and lodging/despatching to the Company for transfer.
- No bad delivery of shares.
- No loss of share certificate(s) in postal transit.
- No courier/postal charges.
- Exemption of stamp duty on transfer of shares.
- Shares purchased in electronic mode will be transferred in the name of purchaser within a day of completion of settlement.
- Much faster payment on sale of shares.
- No scope for theft/forgery/damage of share certificates.
- Minimum handling of papers.

How to sell/purchase shares in Electronic form?

Once you open an account with a DP, you can purchase/sell shares in electronic form through a broker of NSE/BSE/DSE. The following process shall be adopted: Selling of shares held in electronic form is very similar to selling of your paper form of shares. Instead of signing transfer deeds as seller and delivering it with share certificates to a broker, you shall give to your broker a cheque-like instrument for selling of your shares (blank cheques will be provided to you by your DP).

- You can trade through any broker of your choice registered with NSE/DSE/BSE but you have to provide the details of your account with the DP.
- You will receive your money from the share broker in the same manner as you receive now.

**DIRECTORS' REPORT****TO THE MEMBERS**

At the outset, your Directors wish to express their deep sense of sorrow at the sad demise, on the 16th August, 2000 of Shri Bishamber Das Kapur, who was one of the first directors of the Company and who has been the President of the Company over the last thirty years. Due to his able stewardship the Company achieved tremendous progress and Atlas today ranks among the top few bicycle manufacturers in the world. The directors place on record their deep appreciation of the valuable services rendered by him and assure that the ideals emulated by him shall be adhered to for achieving greater heights. Your directors have pleasure in submitting their Forty Ninth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2000.

FINANCIAL HIGHLIGHTS

| | (Lac/Rs.) |
|---|-----------|
| OPERATING PROFITS | 2253 |
| LESS: INTEREST | 461 |
| DEPRECIATION | 382 |
| | 843 |
| | 1410 |
| LESS: PROVISION FOR TAX | 405 |
| | 1005 |
| ADD: PROFIT BROUGHT FORWARD | 112 |
| | 1117 |
| THE SAME IS APPROPRIATED AS UNDER:- | |
| PROPOSED DIVIDEND (including Interim Dividend paid) | 146 |
| DIVIDEND TAX | 27 |
| NCD REDEMPTION RESERVE | 118 |
| GENERAL RESERVE | 600 |
| SURPLUS CARRIED FORWARD | 226 |
| | 1117 |

DIVIDEND

Your directors had declared an interim dividend @ 15% p.a. on 32,51,919 Equity shares for the year under report and are now pleased to recommend a final dividend of 30% p.a. on these equity shares which makes a total dividend of 45% p.a. on the equity shares for the year under report.

The amount of dividend will total Rs. 146.34 lacs (Previous year Rs. 113.82 lacs).

PRODUCTION

29,99,471 bicycles (including exercisers) were produced during the period under consideration.

SALES

Sales during the year amounted to Rs. 37,363 lacs including the sales to foreign countries.

EXPORTS

During the period under consideration your Company exported bicycles and bicycle components to around 23 countries, thereby earning valuable foreign exchange of Rs. 14.44 crores.

U.P. PROJECT

The second bicycle plant at Sahibabad continued to show higher productivity and growth. The quality of the product has further shown appreciation in the market after commissioning of the New Paint Application Plant. The production capacity of the Unit has also increased during the financial year under report. An ambitious expansion programme to enhance production capacity in order to meet the ever growing demand and to offer better product and services on time is already under way. In order to create more capacity for enhanced production, Factory Building shed is being added. The storage capacity in shop floors and stores department is being increased by using the vertical space.

TUBE MILL

Performance of the Tube Mill continued to be satisfactory. New sizes were added in the existing product range for producing tubes for wider applications. Automatic tube recutting and deburring machines were imported to enhance recutting capacities. The product was launched in Southern India to cater to the growing requirement of Auto segment there. Increasing business volumes and strengthening the brand name by producing the best of quality and providing the best of services remained some of the major areas of thrust.

MALANPUR UNIT

With the improvement in productivity at all levels, the performance of Malanpur Unit registered a steep increase in production and sales. The total turnover marked an increase of 92% over the last year's figure.

CAPITAL EXPENDITURE

During the year, the Company acquired capital assets worth Rs. 391.69 lacs as against Rs.374.73 lacs in the previous year. This includes capital assets worth Rs. 14.58 lacs under construction/installation as against Rs. 73.96 lacs in the previous year.

DEPOSITS (INCLUDING LOANS FROM MEMBERS)

- Total number of depositors on 31.3.2000 who have not claimed their deposits after the date on which their deposits became due for payment 153.
- The aggregate amount of deposits due to the depositors on 31.3.2000 who have not claimed their deposits, including interest accrued, if any, after the dates on which their deposits became due for payment - Rs. 24.56 lacs.

Deposits aggregating Rs.11.42 lacs pertaining to 49 depositors have since either been renewed or paid. 7 depositors whose deposits, including interest, amount to Rs.2.42 lacs are reported to have expired; their deposits will be paid to the legal heirs on production of proper authority. The remaining depositors whose deposits, including interest, amount to Rs. 10.72 lacs have not sent any instructions for the disposal of their matured deposits. These will be renewed or repaid as soon as instructions are received from the concerned depositors.

CONSERVATION OF ENERGY

The following measures for Conservation of Energy were taken during the year:-
-At places not covered earlier SFL5 were introduced.

- 3 H.P. motorised spindles were introduced in place of 5 H.P. motorised spindles.
- Other measures initiated during previous years were followed up.

TECHNOLOGY ABSORPTION

The Company indigenously developed and introduced 5 speed Mountain Bike Atlas Macho fitted with Linear Pull "V" Brake, multiposition handle and Shimano gears. The Company indigenously developed and introduced in the market 20 Wheel ATB with "Y" type frame under the brand name ATLAS BRAT which has received overwhelming response from the market. Deluxe version of ATLAS HI-RISER was developed and introduced in the market. Work is in progress on development of several new models with some exclusive features for the coming year.

Total expenditure on research and development for the year ended 31.3.2000:-

| | |
|-----------|----------------|
| Capital | — |
| Recurring | Rs. 23.12 lacs |

FOREIGN EXCHANGE EARNING AND OUTGO

| | |
|-------------------------------|--------------------|
| Total foreign exchange earned | : Rs. 1444.46 lacs |
| Total foreign exchange used | : Rs. 151.54 lacs |

PARTICULARS OF EMPLOYEES

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

Y2K COMPLIANCE

Due to adequate measures and initiatives taken by the Company to address the Y2K issue, the transition was smooth and there was no disruption or adverse impact on the operations of the Company.

LISTING OF COMPANY'S EQUITY SHARES

Your Company's shares continue to be listed on Delhi, Bombay and National Stock Exchanges. The Annual Listing Fee for the year 2000-2001 has been paid to all the three stock exchanges.

DEPOSITORY SYSTEM

Your Company's equity share have been notified by Securities and Exchange Board of India for compulsory trading in demat form with effect from 28th August, 2000. Arrangements with National Securities Depository Limited and Central Depository Services (India) Limited for dematerialisation of your Company's equity shares have been made.

SUBSIDIARY COMPANIES

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

AUDITORS

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

DIRECTORS

S/Shri S.N. Seth and J.N. Sawhney are retiring by rotation at this Annual General Meeting and, being eligible, offer themselves for reappointment.

Your directors wish to express their sincere appreciation of the services rendered by the Late Shri Bishamber Das Kapur, President, Shri Jai Dev Kapur, Joint President and Shri Jagdish Kapur, Joint President of the Company all along. Your directors also like to take the opportunity to place on record their appreciation of the contribution made by employees at all levels.

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

**HARI KRISHAN AHUJA
HIRA LAL BHATIA
ISHWAR DAS CHUGH
JAI NARAIN SAWHNEY
PRITHVI RAJ CHAWLA
S.N. SETH**

DIRECTORS

New Delhi, the 21st August, 2000.



AUDITOR'S REPORT

To the Members of Atlas Cycle Industries Limited.

We have audited the attached balance sheet of M/s Atlas Cycle Industries Limited. as at March 31, 2000 and also the profit and loss account of the company for the year ended on that date, annexed thereto, and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 we annexe hereto a statement on the matters in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 the books;
 - (c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the profit and loss account and balance sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view;
 - (i) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2000; and
 - (ii) in the case of the profit and loss account, of the profit for the year ended on that date;

for Mehra Khanna & Co.
Chartered Accountants

Delhi, 21st August, 2000

Anand M. Mehra,
FCA (Eng. & Wales), (India)
Partner.

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of the Auditor's Report to the members of Atlas Cycle Industries Limited on the Accounts for the year ended March 31, 2000.

1. The Company has generally maintained proper records showing all particulars including quantitative details and situation of fixed assets. The company has physically verified assets at certain locations during the year. No material discrepancies were noticed on such verification.
2. None of the fixed assets has been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not significant and the same have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. The Company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, or from companies under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956.
8. The Company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, or from companies under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956, where the rate of interest and other terms and conditions are prima facie prejudicial to the interest of the Company except interest free loans to subsidiary companies.
9. The parties to whom loans or advances, in the nature of loans have been given by the Company are, where stipulations have been made, repaying the principal amounts and interests, where applicable, as stipulated.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and with regard to sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and material and sales of goods, material and services, made in purchase of contracts or arrangements entered in the register maintained under section 301 and aggregating during the year to Rs.50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods material or services or the prices at which transactions for similar goods, material or services have been made with other parties.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. The company has complied with the directions issued by the Reserve Bank of India and the provision of section 58A of the Companies Act, 1956 and the rules framed there under with regard to deposit accepted from the public.
14. As explained to us, having regard to the nature and size of operations of the Company, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap. The Company's operations do not generate any by-products.
15. The internal audit of the Company is commensurate with the size and nature of its business.
16. According to the information given to us maintenance of cost records has been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's business.
17. According to the records of the Company, provident fund and Employee's State Insurance (ESI) dues have been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax and customs duty were outstanding, as at March 31, 2000 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick Industrial company within the meaning of clause (o) of sub-section 1 of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

for Mehra Khanna & Co.
Chartered Accountants

Delhi, 21st August, 2000

Anand M. Mehra,
FCA (Eng. & Wales), (India)
Partner.



ATLAS

BALANCE SHEET AS AT 31ST MARCH, 2000

| Schedules | | 2000 | | 1999 | |
|--|-----|----------------|--------------|--------------|--------------|
| | | Rs. | Rs. | Rs. | Rs. |
| SOURCES OF FUNDS | | | | | |
| Shareholders Funds: | | | | | |
| Issued Share Capital | (1) | 3,25,19,190 | | 3,25,19,190 | |
| Reserves & Surplus | (2) | 53,43,45,886 | | 45,40,36,773 | |
| | | | 56,68,65,076 | | 48,65,55,963 |
| Loan Funds: | | | | | |
| Secured loans | (3) | 34,61,91,664 | | 39,96,68,500 | |
| Unsecured loans | | 8,16,69,100 | | 8,63,65,100 | |
| | | | 42,78,60,764 | | 48,60,33,600 |
| | | | 99,47,25,840 | | 97,25,89,563 |
| APPLICATION OF FUNDS: | | | | | |
| Fixed Assets | (4) | | 32,97,79,452 | | 34,50,85,659 |
| Investments | (5) | | 33,86,960 | | 8,12,450 |
| Current assets, loans and advances | (6) | 1,20,44,24,045 | | 94,34,28,806 | |
| Less: Current liabilities and provisions | (7) | 54,28,64,617 | | 31,67,37,352 | |
| Net Current Assets | | | 66,15,59,428 | | 62,66,91,454 |
| | | | 99,47,25,840 | | 97,25,89,563 |

Notes to the accounts

(10)

T.A.VISWANATHAN
Company SecretaryM.M.MEHRA
C.G.M.(Finance)JAGDISH KAPUR
Joint PresidentJAI DEV KAPUR
Joint President

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

for MEHRA KHANNA & COMPANY
Chartered Accountants

ANAND M. MEHRA
FCA (ENG & WALES), (INDIA)
Partner

Delhi: the 21st August, 2000

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I.D. CHUGH

PRITHVI RAJ CHAWLA

JAI NARAIN SAWHNEY

S.N. SETH

DIRECTORS

New Delhi : the 21st August, 2000