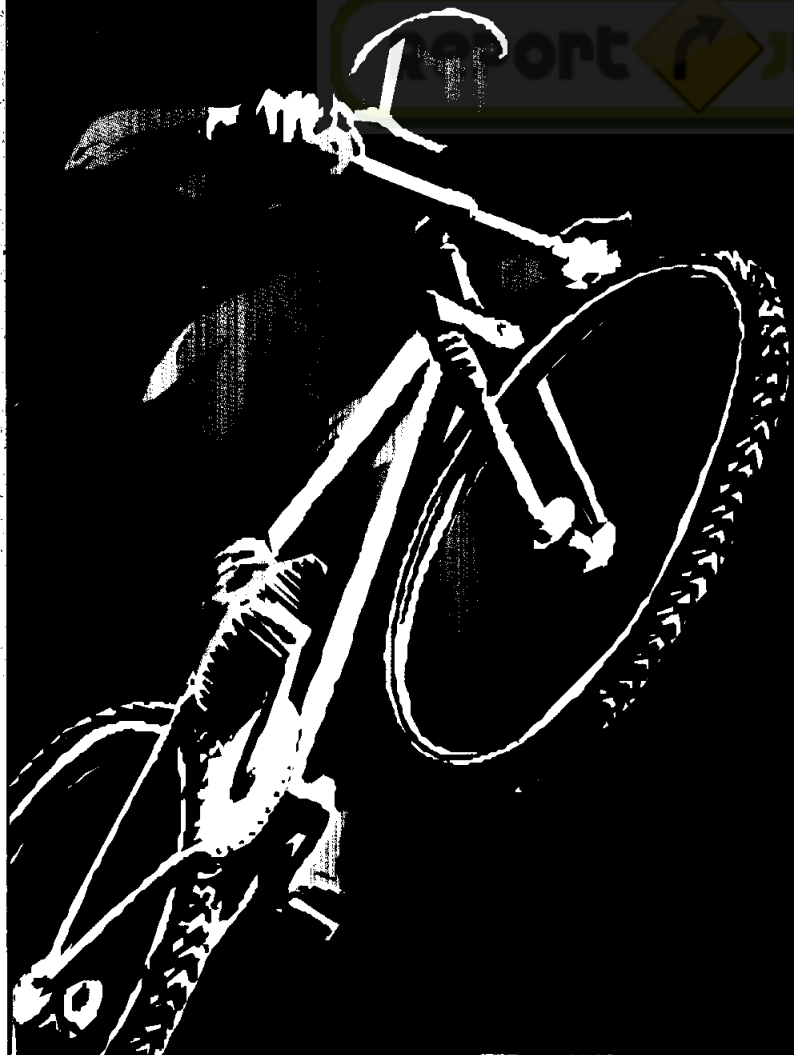


# 2000 Annual Report





**ATLAS**

**ATLAS CYCLES (HARYANA) LIMITED  
SONEPAT-131001**

**BOARD OF DIRECTORS:**

**Shri Hari Krishan Ahuja  
Shri Hira Lal Bhatia  
Shri I.D. Chugh  
(Whole Time Director)  
Shri Jai Narain Sawhney  
Shri Prithvi Raj Chawla  
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-131001  
(Haryana)**

**AUDITORS**

**Messrs Mehra Khanna & Co.  
Chartered Accountants,  
Delhi**

**ATLAS****NOTICE****TO THE SHAREHOLDERS**

Notice is hereby given that the Fiftieth Annual General Meeting of Atlas Cycles (Haryana) Ltd., Sonapat will be held at the Registered Office of the Company in the Industrial Area, Sonapat on Monday, the 31st December, 2001 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, 2001 and the Profit and Loss Account for the year ended on that date.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Hira Lal Bhatia, who retires by rotation. Being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri P. R. Chawla, who retires by rotation. Being eligible, 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 29th December, 2001 to 31st December, 2001 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 28th December, 2001 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 28th December, 2001
3. The dividend when declared will be made payable at the Company's bankers. The dividend warrants will be posted on or before 30th January, 2002 to the registered addresses of the shareholders or their mandates whose names stand in the register of members on 31st December, 2001.
4. Any member unable to attend personally is entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself subject to the provisions of section 176 of the Companies Act, 1956. Such proxy form should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting. A copy of the proxy form is enclosed.
5. As per the amended Section 205A(5) of the Companies Act, 1956, with effect from 31st October, 1998, dividends

remaining unclaimed for a period of 7 years from the date it became due for payment, shall be transferred by the Company to the Fund established by the Central Government and no claim thereof shall lie against the Fund or the Company on the expiry of the said period of seven years. Members who have not encashed their dividends for the year ended 31.3.1995 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.
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 31st December, 2001.
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 CYCLES (HARYANA) LTD.

(T.A. VISWANATHAN)  
COMPANY SECRETARY

Sonapat : the 29th November, 2001


**ATLAS**

## DIRECTORS' REPORT

### TO THE MEMBERS:

Your Directors have pleasure in submitting their fiftieth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2001.

### FINANCIAL HIGHLIGHTS

	(Lac./Rs.)
OPERATING PROFITS	2038
LESS: INTEREST	461
DEPRECIATION	373
	834
	1204
LESS: PROVISION FOR TAX	470
	734
ADD: PROFIT BROUGHT FORWARD	227
	961

### DIVIDEND

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

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

### PRODUCTION

27,12,390 bicycles (including exercisers) were produced during the period under consideration.

### SALES

Sales during the year amounted to Rs. 37,577 lacs including the sales to foreign countries.

### EXPORTS

During the period under consideration your Company exported bicycles and bicycle components to around 18 countries, thereby earning valuable foreign exchange of Rs. 18.01 crores.

### U.P. PROJECT

The second plant at Sahibabad has achieved phenomenal growth during the financial year under report. The productivity and quality of the product at Sahibabad has been highly appreciated. Besides Uttar Pradesh, Andhra Pradesh, Bihar and Jharkhand states have also been added for marketing cycles to these states.

### TUBE MILL

Performance of the Tube Mill continued to be good. New sizes were added in existing product range for producing tubes for wider applications. Ancillaries of the major automobile companies continued to be the main buyers. Product quality and services provided have placed Atlas among the top steel tube producers in the country.

### MALANPUR UNIT

With the improvement in productivity at all levels, the performance of Malanpur unit registered a steep increase in production and sales.

### CAPITAL EXPENDITURE

During the year, the Company acquired capital assets worth Rs. 361.38 lacs as against Rs. 391.69 lacs in the previous year. This includes capital assets worth Rs. 24.16 lacs under construction/installation as against Rs. 14.58 lacs in the previous year.

### DEPOSITS (INCLUDING LOANS FROM MEMBERS)

- Total number of depositors on 31.3.2001 who have not claimed their deposits after the date on which their deposits became due for payment 138.
- The aggregate amount of deposits due to the depositors on 31.3.2001 who have not claimed their deposits, including interest accrued, if any, after the dates on which their deposits became due for payment Rs. 20.67 lacs.

Deposits aggregating Rs. 7.93 lacs pertaining to 33 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. 10.32 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:- Weak/defective shunt capacitors for power factor improvement were replaced, due to which the monthly average power factor has gone up from 0.93 to 0.96. This has resulted in considerable energy saving and reduced contract demand.

### TECHNOLOGY ABSORPTION

Details of measures taken for technology absorption during the year under report are as under:-

- The Company indigenously developed and introduced India's first Cricket Bike with special Bat Holder for retaining the cricket bat and with unique coloured tyres. The bicycle has been very well accepted by the market.
- The Company indigenously developed and introduced in the market a very colourful and attractive 12" wheel Atlas Superdude Bicycle for Kids.
- The Company indigenously developed and introduced in the market 26" Wheels x 21" MIG welded frame All Terrain Bicycle called Atlas Ninja for gents. The bicycle, thanks to its unique features and pleasing aesthetics, has been well accepted by the market.
- The Company indigenously developed and introduced in the market a new SLR lady bicycle with Curved Bar.
- 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 31.3.2001:-

Capital	
Recurring	Rs. 21.16 lacs

### FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned	: Rs. 1796.55 lacs
Total foreign exchange used	: Rs. 166.74 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.

### 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 2001-2002 has been paid to all the three stock exchanges.

### SUBSIDIARY COMPANIES

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2001 and of the profit of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.
- The Directors had prepared the Annual Accounts on a going concern basis.

### AUDITORS' REPORT

The auditors' comment in clause (f) of their audit report read with note no. nine of the notes to the accounts are self explanatory. Necessary steps are being taken for recovery of the amount indicated in note no. nine of schedule 10 by the company.

### AUDITORS

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

### DIRECTORS

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

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 Government, 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 29th November, 2001

**AUDITOR'S REPORT****To the Members of Atlas Cycles (Haryana) Limited**

We have audited the attached balance sheet of Atlas Cycles (Haryana) Ltd. as at March 31, 2001 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 annex hereto a statement on the matters specified in paragraphs 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) On the basis of the written representations received, from the directors as on 31<sup>st</sup> March, 2001 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2001 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 accounts read together with the notes to the accounts thereon and in particular Note No. Nine and subject to this note 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, 2001 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, 29<sup>th</sup> November, 2001

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 Cycles (Haryana) Limited on the Accounts for the year ended March 31, 2001

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 procedure 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 informations 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 materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 and aggregating during the year to Rs. 50000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
12. As explained to us the Company has a regular procedure for the determination of unservicable or damaged stores, raw materials and finished goods. Adequate provision has been made in 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 provisions of Section 58A of the Companies Act, 1956 and the rules framed hereunder with regard to deposits accepted from the public.
14. As explained to us, having regard to the nature and size of operation 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, 2001 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, 29<sup>th</sup> November, 2001

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




**ATLAS CYCLES (HARYANA) LIMITED**  
**BALANCE SHEET AS AT 31-3-2001**

Schedules		2001		2000	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>Shareholders Funds</b>					
Issued Share Capital	(1)	3,25,19,190		3,25,19,190	
Reserves & Surplus	(2)	59,15,72,893		53,43,45,886	
			62,40,92,083		56,68,65,076
<b>Loan Funds</b>					
Secured Loans	(3)	41,04,18,746		34,61,91,664	
Unsecured Loans		5,27,79,100		8,16,69,100	
			46,31,97,846		42,78,60,764
			1,08,72,89,929		99,47,25,840
<b>APPLICATION OF FUNDS</b>					
Fixed Assets	(4)		32,32,67,463		32,97,79,452
Investments	(5)		33,86,960		33,86,960
Current assets,loans and advances	(6)	1,29,59,45,218		1,20,44,24,045	
Less Current liabilities and provisions	(7)	53,53,09,712		54,28,64,617	
Net Current Assets			76,06,35,506		66,15,59,428
			1,08,72,89,929		99,47,25,840

Notes to the accounts (10)

T.A.VISWANATHAN  
COMPANY SECRETARYM.M.MEHRA  
C.G.M.(FINANCE)VIKRAM KAPUR  
ADDL.JOINT PRESIDENT  
(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 & CO  
CHARTERED ACCOUNTANTSANAND M. MEHRA  
FCA (ENG & WALES), (INDIA)  
PARTNER

HARI KRISHAN AHUJA

HIRA LAL BHATIA

I. D. CHUGH

PRITHVI RAJ CHAWLA

JAI NARAIN SAWHNEY

S.N. SETH

DIRECTORS

Delhi: the 29th November, 2001

New Delhi: the 29th November, 2001

**ATLAS**
**PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2001**

	Schedules	2001 Rs.	2000 Rs.
<b>INCOME</b>			
Gross Turnover		3,96,97,24,197	3,87,02,63,479
Less:Rebate		21,19,98,255	13,39,49,258
		3,75,77,25,942	3,73,63,14,221
<b>OTHER INCOME</b>	(8)	3,40,41,117	3,25,13,872
		3,79,17,67,059	3,76,88,28,093
<b>EXPENDITURE</b>	(9)	3,67,14,13,786	3,62,77,52,010
PROFIT BEFORE TAXATION		12,03,53,273	14,10,76,083
PROVISION FOR TAXATION		4,70,00,000	4,05,00,000
PROFIT AFTER TAXATION		7,33,53,273	10,05,76,083
PROFIT BROUGHT FORWARD		2,26,58,570	1,11,84,956
PROFIT FOR APPROPRIATION		9,60,11,843	11,17,61,039
<b>APPROPRIATION</b>			
PROPOSED DIVIDEND		1,46,33,635	1,46,33,635
DIVIDEND TAX		14,92,631	26,82,834
NCD DEBENTURE REDEMPTION RESERVE		1,17,86,000	1,17,86,000
GENERAL RESERVE		4,50,00,000	6,00,00,000
SURPLUS CARRIED FORWARD		2,30,99,577	2,26,58,570
		9,60,11,843	11,17,61,039

Notes to the accounts

(10)

T.A.VISWANATHAN  
COMPANY SECRETARYM.M.MEHRA  
C.G.M.(FINANCE)VIKRAM KAPUR  
ADDL.JOINT PRESIDENT  
(FINANCE)JAGDISH KAPUR  
JOINT PRESIDENTJAI DEV KAPUR  
JOINT PRESIDENT

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

for MEHRA KHANNA & CO  
CHARTERED ACCOUNTANTS

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

**HARI KRISHAN AHUJA****HIRA LAL BHATIA****I. D. CHUGH****PRITHVI RAJ CHAWLA****JAI NARAIN SAWHNEY****S.N. SETH****DIRECTORS**

Delhi: the 29th November, 2001

New Delhi:the 29th November, 2001



## SCHEDULES FORMING PART OF THE BALANCE SHEET

1. SHARE CAPITAL	2001		2000	
	Rs.	Rs.	Rs.	Rs.
<b>Authorised Share Capital</b>				
30000 61/4% p.a. free of Income tax cumulative redeemable Preference shares of Rs.100 each	30,00,000		30,00,000	
9700000 Equity Shares of Rs.10 each	9,70,00,000		9,70,00,000	
	<u>10,00,00,000</u>		<u>10,00,00,000</u>	
<b>Issued, Subscribed &amp; Paid Up Share Capital</b>				
1387790 Equity Shares of Rs.10 each fully paid up for cash	1,38,77,900		1,38,77,900	
1734792 Equity Shares of Rs.10 each fully paid up by way of Bonus shares by capitalisation of reserves	1,73,47,920		1,73,47,920	
129337 Equity Shares of Rs.10 each fully paid up allotted in terms of the scheme of amalgamation of Atlas Auto Cycles Ltd. for consideration other than cash	12,93,370		12,93,370	
	<u>3,25,19,190</u>		<u>3,25,19,190</u>	
<hr/>				
2. RESERVES & SURPLUS	2001		2000	
	Rs.	Rs.	Rs.	Rs.
<b>Capital Reserve:</b>				
<b>Fixed Assets Revaluation Reserve</b>				
As per last Balance sheet	3,89,74,063		4,19,24,564	
Less Depreciation Transferred to Profit & loss Account	—	3,89,74,063	29,50,501	3,89,74,063
<b>Revenue Reserves :</b>				
<b>A. General Reserve</b>				
As per last Balance sheet	32,95,57,900		26,95,57,900	
Add Transferred from Debenture Redemption Reserve	88,19,168		—	
Add Transferred from Preference Share Redemption Reserve	30,00,000		—	
Amount Transferred from Profit & loss Account	4,50,00,000	38,63,77,068	6,00,00,000	32,95,57,900
<b>B. Share Premium Reserve</b>				
As per last Balance sheet		6,06,20,185		6,06,20,185
<b>C. Debenture Redemption Reserve(See note schedule3)</b>				
As per last Balance sheet	88,19,168		88,19,168	
Less Transferred to General Reserve	88,19,168	—	—	88,19,168
<b>D. Debenture Redemption Reserve(See note schedule3)</b>				
As per last Balance sheet	7,07,16,000		5,89,30,000	
Add Transferred from Profit & loss A/C	1,17,86,000	8,25,02,000	1,17,86,000	7,07,16,000
<b>E. Preference Share Redemption Reserve</b>				
As per last Balance sheet	30,00,000		30,00,000	
Less Transferred to General Reserve	30,00,000	—	—	30,00,000
<b>F. Profit &amp; Loss Account</b>				
Surplus carried forward		2,30,99,577		2,26,58,570
		<u>59,15,72,893</u>		<u>53,43,45,886</u>