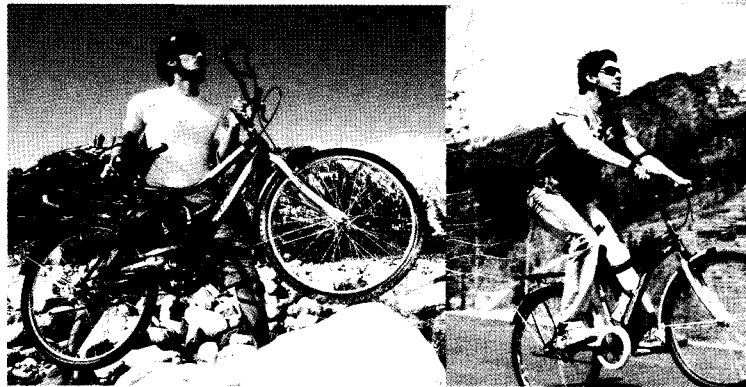


Excelling with the
tradition of innovation

reportjunction.com

ATLAS CYCLES





ATLAS CYCLES (HARYANA) LIMITED

SONEPAT-131001

BOARD OF DIRECTORS:

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

BANKERS :

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

REGISTERED OFFICE :

Atlas Road
Industrial Area
Sonapat-131001
(Haryana)

AUDITORS:

Messrs Mehra Khanna & Co.
Chartered Accountants,
Delhi

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Fifty Seventh Annual General Meeting of Atlas Cycles (Haryana) Limited, Sonapat will be held at the Registered Office of the Company in the Industrial Area, Sonapat on Tuesday, the 30th September, 2008 at 4.00 P.M.(I.S.T.) to transact the following business :-

1. To receive, consider and adopt the Directors Report and the audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Hira Lal Bhatia who retires by rotation. Being eligible, he offers himself for reappointment.
4. To appoint a director in place of Shri Hari Krishan Ahuja who retires by rotation. Being eligible, he offers himself for reappointment.
5. To appoint auditors for the current year and fix their remuneration. Messrs Mehra Khanna & Co., Chartered Accountants, the present auditors, offer themselves for reappointment.

SPECIAL BUSINESS

1. To consider and, if thought fit, to pass the following resolution, with or without modification, as an ordinary resolution :-
"RESOLVED THAT pursuant to the provisions of Section 269, read with Schedule XIII, Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the reappointment of Mr. Ishwar Das Chugh as a Whole Time Director of the Company for the period 31st March, 2008 to 30th March, 2013 upon the terms and subject to the conditions set out in the explanatory statement annexed to this notice with liberty to the Board of Directors to alter or vary the terms and conditions of the said reappointment within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

At the meeting held on 5th March, 2008 the Board of Directors approved the renewal of appointment of Mr. I.D. Chugh, as a Whole Time Director for a further period of five years from 31st March, 2008 on revised terms as set out below; approval of the members is requested to the same.

1. PERIOD :- 31st March, 2008 to 30th March, 2013.

2. REMUNERATION :-

SALARY : Between Rs.60,000/- and Rs. 80,000/- per month as may be decided by the Board from time to time inclusive of D.A. and other allowances and payments, if any.

COMMISSION :- At the rate of 0.5% of annual net profits of the Company, computed in accordance with the provisions of the Companies Act, 1956 subject to such limits as may be placed by the Board on the quantum of such commission from time to time whichever is less.

MEDICAL EXPENSES :- Expenses incurred for self and family, as per Company's rules subject to such ceiling as may be decided by the Board from time to time but not exceeding, in any case, one month salary per year or three months salary in a period of three years.

LEAVE TRAVEL CONCESSION :- For self and family once in a year in accordance with the rules of the Company.

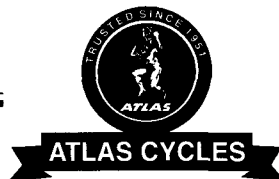
PROVIDENT FUND :- As per rules of the Company but not exceeding 12.33% of the salary.

SUPERANNUATION :- As per rules of the Company provided, however, that Company's contribution to such fund shall not together with Company's contribution to Provident Fund exceed 25% of the Salary.

GRATUITY :-As per payment of Gratuity Act, 1972.

TELEPHONE :- Reimbursement of the actual expenses incurred on telephone at his residence for the business of the Company; personal long distance call charges will be borne by Mr. Chugh.

CAR :- Expenses on use of car on Company's business will be reimbursed to Mr. Chugh, subject to a ceiling to be decided by the Board from time to time.



CLUB FEES :- Annual Membership fee of Rotary Club, Ghaziabad.

MINIMUM REMUNERATION :- In the case of absence or inadequacy of profits in any year, the minimum remuneration payable to Mr. Chugh, shall be restricted as per Section II of Schedule XIII of the Companies Act, 1956 as amended.

OTHER CONDITIONS :-

- (i). The terms and conditions of the said appointment may be altered and varied from time to time by the Board, as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments made hereafter in that regard.
- (ii). Mr. Chugh's employment may be terminated by either party giving a month's notice.
- (iii). Mr. Chugh is reappointed a whole time director of the Company by virtue of his employment in the Company and if at any time he ceases to be in the employment of the Company, for any reason whatsoever, he shall cease to be a director of the Company.
- (iv). He shall not be entitled to any sitting fee for attending the meeting of the Board of Directors or Committees thereof.

NATURE OF DUTIES :-

Mr. I.D. Chugh will be Factory Manager of the Company's Factory at Sahibabad and "OCCUPIER" under the Factories Act, 1948 of this and other units of the Company in which capacity he will devote whole time attention to the affairs of the Company; he will also perform such duties as may be assigned to him from time to time by the Board of Directors.

Mr. Chugh has been associated with the Company for over 31 years in various capacities from time to time. Currently he is the Factory Manager of the bicycle unit of the Company at Sonapat.

Mr. Chugh holds a Masters Degree in Business administration and has over fifty years business and industrial experience.

The Board consider that Mr. Chugh's reappointment as a Whole Time Director is in the interest of the Company and accordingly recommends his reappointment.

The above may also be treated as an abstract under section 302 of the Companies Act, 1956 of the terms of appointment of Mr. Chugh as a Whole Time Director of the Company.

Your Directors commend the resolution for your approval. None of the directors except Mr. Chugh is interested in the resolution.

NOTES :-

1. The Register of Members of the Company will remain closed from 23.09.2008 to 30.09.2008 both days inclusive. Duly completed and valid applications for transfer of shares received in order at the Registered Office of the Company before 23.09.2008 will be registered in time for transferees to become eligible for dividend.
2. Members may get any change in their address/their mandates registered with the Company before 23.09.2008.
3. The dividend when declared will be made payable at the Company's bankers. The dividend warrants will be posted on or before 30.10.2008 to the registered addresses of the shareholders or their mandates whose names stand in the register of members on 30.09.2008.
4. Any member unable to attend personally is entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself subject to the provisions of section 176 of the Companies Act, 1956. Such proxy form should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting. A copy of the proxy form is enclosed.
5. As per the amended Section 205A(5) of the Companies Act, 1956, with effect from 31st October, 1998, dividends remaining unclaimed for a period of 7 years from the date it became due for payment, shall be transferred by the Company to the Fund established by the Central Government and no claim thereof shall lie against the Fund or the Company on the expiry of the said period of seven years. Members who have not encashed their dividends for the year ended 31.03.2001 onwards are requested to send unpaid dividend warrants to the Registered Office of the Company for payment in lieu thereof.

6. In terms of notification issued by Securities and Exchange Board of India, the equity shares of the Company are under compulsory demat trading.
7. Members are requested to kindly bring their copies of the report to the Meeting.
8. Members who are holding shares in identical names in more than one folio, are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
9. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
10. Shareholders who wish to obtain payment of dividend through ECS may please send ECS forms duly filled in. These forms will be sent by the Company on request from the shareholders. Shareholders, who have already availed this facility last year may send us ECS form in case of any change in the particulars furnished earlier.
11. We are sending herewith all the documents required under section 219(1) of the Companies Act. The Directors' Report sent herewith is without its Annexure relating to Section 217 (2-A). However, pursuant to the requirement of proviso (b) (iv) to section 219(1) of the Companies Act, 1956 the said Directors' Report along with all Annexures is available for inspection at Company's Registered Office, Industrial Area, Sonapat during working hours from today till 30.09.2008. Any member interested in obtaining a copy of the annexure relating to section 217 (2A) may write to the Company Secretary at the registered office of the Company and the same will be sent by post.
12. In terms of Section 109A of the Companies Act, 1956, the Shareholder(s) of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholder(s) desirous of availing this facility may submit nomination in Form 2B.
13. At the ensuing Annual General Meeting Shri Hira Lal Bhatia and Shri Hari Krishan Ahuja retire by rotation and being eligible offer themselves for reappointment.

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

- a) Shri Hira Lal Bhatia, aged 63 years, has been a Director of the Company since 31.07.1979. He is a graduate and has been in business for over forty years. At present he is a director in the following Companies :-
 - i) Atlas Cycles (Sonapat) Limited, Sonapat
 - ii) Atlas Cycles (Sahibabad) Limited, Sonapat
 - iii) Atlas Cycles (Malanpur) Limited, Sonapat
 He is a member of the Audit Committee of the Board.
- b) Shri Hari Krishan Ahuja, aged 84 years, has been a Director of the Company since 06.08.1990. He is a commerce graduate. He has been in business for over fifty years. At present he is a director in the following Companies :-
 - i) Atlas Cycles (Sonapat) Limited, Sonapat
 - ii) Atlas Cycles (Sahibabad) Limited, Sonapat
 - iii) Atlas Cycles (Malanpur) Limited, Sonapat
 - iv) Kay Bee Industries India Pvt. Ltd., New Delhi
 - v) Vishrut Marketing Pvt. Ltd., New Delhi.

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

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

(RAJESH KHANNA)
COMPANY SECRETARY

Sonapat : the 21st August, 2008



DIRECTORS' REPORT

TO THE MEMBERS:

Your directors have pleasure in submitting their Fifty seventh Annual Report together with the audited accounts of the Company for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS

	2007-08	(Lac/Rs.)	2006-07
OPERATING PROFITS/(LOSSES)	1803.57		(2489.95)
ADD : PROFIT ON SALE OF ASSETS	32.96		10064.23
ADD : PROFIT ON SALE OF MUTUAL FUND	83.14		84.86
ADD : DIVIDEND INCOME	111.11	227.21	78.05
		2030.78	10227.14
			7737.19
LESS : INTEREST	948.10		703.16
DEPRECIATION	640.78	1588.88	450.75
		441.90	1153.91
		241.50	6583.28
LESS : PROVISION FOR TAX		200.40	1217.00
		316.05	5366.28
ADD : PROFIT BROUGHT FORWARD		516.45	120.97
			5487.25

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

2868214 bicycles were produced during the period under consideration.

SALES

Sales during the year amounted to Rs. 56239.87 lacs 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. 2315.11 Lacs.

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

PERFORMANCE OF THE UNITS

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

Sahibabad plant added a new state-of-the-art paint plant during the year to improve the aesthetics of its bicycles. The unit also introduced electric bikes in the market with technical support from companies based in Korea and China.

The Tube Mill was shifted from Gurgaon to Bawal during previous year. The operations were streamlined during the year. By the end of the year the operations had come to the same level as was being performed at Gurgaon plant. The teething trouble for new technology upgradation was over and the plant is now running smoothly.

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

CAPITAL EXPENDITURE

During the year, the Company acquired capital assets worth Rs. 2577.69 lacs as against Rs. 3719.87 lacs in the previous year. This includes capital assets worth Rs. 850.47 lacs under construction/installation as against Rs. 332.36 lacs in the previous year.

DEPOSITS (INCLUDING LOANS FROM MEMBERS)

- Total number of depositors on 31.03.2008 who have not claimed their deposits after the date on which their deposits became due for payment -56.
- The aggregate amount of deposits due to the depositors on 31.03.2008 who have not claimed their deposits, including interest accrued, if any, after the dates on which their deposits became due for payment Rs. 12.99 lacs.

Deposits aggregating Rs. 4.60 lacs pertaining to 18 depositors have since either been renewed or paid. Further 3 unclaimed deposits aggregating to Rs. 0.41 lac have since been credited to Investors Education and Protection Fund. The remaining depositors whose deposits, including interest, amount to Rs. 7.97 lacs have not sent any instructions for the disposal of their matured deposits. These will be renewed or repaid as soon as instructions are received from the concerned depositors.

CONSERVATION OF ENERGY

SONEPAT UNIT

The following measures were taken for Conservation of energy :-

- Use of 5 HP Air Blower in place of 25HP Air Blower supplying air to Granodising plant in Paint Shop thus saving of around Rs.0.33 Lac per month.
- Discontinuing the use of electric furnaces in Heat Treatment sections thus saving electric energy by 50 KW per hour i.e. Rs.1.10 Lac per month.
- Replacement of power capacitors in Switch Board to increase power factor from 0.95 to 0.96.

Further the unit is in process to use of 3 ton coal/wood fired Steam Boiler in place of two 4 ton oil fired Steam Boilers which will decrease the cost of fuel consumption by Rs.48 Lac per annum.

SAHIBABAD UNIT

Eposy Coating of paint in the plant has been introduced to achieve fuel saving.

MALANPUR UNIT

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

Additional investment is being made in more energy efficient Metal Finishing Plant.

The above measures will give lasting benefits to the Company.

TECHNOLOGY ABSORPTION

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

Sahibabad Unit installed and commissioned a new sophisticated painting plant suitable to do painting wet over wet to improve upon the glow and life of paint. Further the Unit also installed another cooling tower in Debrassing Plant to achieve better finish. Further we worked during the year, substantially on design and development of new models of bicycles and upgrading/revamping of existing models and on improvement of manufacturing processes.

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 have helped in increasing the Company's market share despite adverse market conditions.

With the installation of new painting plant, production capacity could be increased to meet the increased demand and to compete in the market for fancy and conventional bicycles.

3. Future Plan of action :-

Development of new models, revamping of existing models, improvement in manufacturing techniques and finishing process, installation of sophisticated and latest plants to meet the increased demand of bicycles with better finish and above all to achieve the foregoing at minimum cost without compromising on quality.

4. Expenditure on R & D :-

(a) Capital	Nil
(b) Recurring	Rs. 3.93 Lacs
(c) Total	Rs. 3.93 Lacs
Total R & D expenditure as a % of total turnover	0.007

Technology absorption, adaptation and innovation :-

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

Sonepat Unit developed new tube bending press tools which were replaced with manually operated bending fixtures for production.

2. Benefits derived as a result of the above efforts

The new tube bending press tools have helped improve productivity.

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned : Rs. 2315.11 lacs

Total foreign exchange used : Rs. 208.04 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 2008-2009 has been paid to all the three stock exchanges.

SUBSIDIARY COMPANIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the Company for that period.
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.
- The directors had prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

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

AUDITORS

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

DIRECTORS

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

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

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

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

} DIRECTORS

New Delhi, the 21st August, 2008



CORPORATE GOVERNANCE REPORT 2007-2008

Annexure-I

A. Company's philosophy

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

B. Board of Directors

As at 31.03.2008, the Board of Directors comprises of four Non-Executive Directors and one Whole Time Director.

During the year twelve Board Meetings were held on 30.04.2007, 31.05.2007, 30.06.2007, 30.07.2007, 27.08.2007, 27.09.2007, 31.10.2007, 16.11.2007, 26.12.2007, 31.01.2008, 05.03.2008 and 31.03.2008.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other Directorships and Committee Membership/Chairmanship as on 31.03.2008 are as follows :

Name of Director	Category of Directorship	No. of Board meetings attended	Attended Last AGM	No. of other Directorships (excluding private limited companies and foreign companies)	No. of Committee Memberships	
					Member	Chairman
Shri Hari Krishan Ahuja	I-NED	12	16.11.2007	3	-	1
Shri Hira Lal Bhatia	I-NED	12	16.11.2007	3	1	-
Shri I.D. Chugh	WTD	11	16.11.2007	4	1	-
Shri Jai Narain Sawhney	I-NED	12	16.11.2007	3	-	1
Shri Prithvi Raj Chawla	I-NED	12	16.11.2007	3	1	-

I-NED - Independent Non-Executive Director

WTD- Whole Time Director

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

C. Code of Conduct:

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

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

D. Audit Committee :

The terms of reference of this Committee are in line with the norms specified under the Listing Agreement with the Stock Exchanges. The Committee comprises of three Independent-Non-Executive Directors, with Shri Hari Krishan Ahuja as Chairman. Meetings of the Committee were held during the year on 30.04.2007, 30.06.2007, 30.07.2007, 27.08.2007, 27.09.2007, 31.10.2007 and 31.01.2008.

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

Name of Director	No. of Meetings Attended
Shri Hira Lal Bhatia	7
Shri Hari Krishan Ahuja	7
Shri Prithvi Raj Chawla	7

E. Remuneration Committee

This Committee is yet to be formed.

Remuneration Policy

A. Whole Time Director

- Salary and commission within the limits prescribed under the Companies Act, 1956.
- Annual increments depending upon individual's performance.
- No sitting fees.



ATLAS CYCLES

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 is being obtained at the ensuing Annual General Meeting.

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

Details of remuneration paid during 2007-2008.

A. Whole Time Director

Name	:	Shri I.D. Chugh
Salary	:	754033
Long Service Allowance	:	1550
Provident Fund Contribution	:	58296
Leave Travel Assistance	:	41000
Medical Expenses	:	34000
Total	:	888879

B. Non-Executive Directors

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

Name of Director	Sitting Fee	Out of Pocket expenses	Total
	Rs.	Rs.	Rs.
Shri Hari Krishan Ahuja	46000	13500	59500
Shri Hira Lal Bhatia	46000	13500	59500
Shri Jai Narain Sawhney	40000	12000	52000
Shri Prithvi Raj Chawla	46000	13500	59500

F. Shareholders/Investors Grievance Committee

(i) Terms of Reference :

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

(ii) Composition :

The Committee comprises of one Independent Non-Executive Director and one Whole-time Director. Shri J.N. Sawhney is the Chairman of the Committee. Shri T.A. Viswanathan, Company Secretary was the Compliance Officer till 31.3.2007. Since 1.4.2007 Shri Rajesh Khanna, Company Secretary is the Compliance Officer. Meetings of the Committee were held during the year on 30.04.2007, 30.07.2007, 31.10.2007 and 31.01.2008.

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

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

G. Share Transfer Sub-Committee

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

As on 31.03.2008, no cases of transfer were pending.

During the year 23 letters/complaints were received from shareholders/debentureholders all of which were replied/resolved to the full satisfaction of the shareholders/debentureholders.

H. Subsidiary Companies :

The Company has three wholly owned subsidiary companies viz. Atlas Cycles (Sonapat) Limited, Atlas Cycles (Sahibabad) Limited and Atlas Cycles (Malanpur) Limited. The minutes of the Board Meetings of the aforesaid subsidiary Companies held on 30.06.2007, 27.09.2007, 26.12.2007 and 31.03.2008 were placed at the Board Meeting of the Company at its meetings held on 31.03.2008 and 30.07.2008.

I. CEO/CFO Certification :

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

J. Report on Corporate Governance :

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

K. Compliance :

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

L. General Body Meetings :

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2006-2007	16.11.2007	3.30 PM	Industrial Area, Sonapat
2005-2006	29.09.2006	4.00 PM	Industrial Area, Sonapat
2004-2005	30.09.2005	4.00 PM	Industrial Area, Sonapat

Two Special Resolutions were passed in the last Annual General Meeting of the Company held on 16.11.2007, wherein the approval of the members was obtained to (a). borrow monies in excess of the aggregate of the paid-up Capital and its free reserves, up to a limit not exceeding Rs.100 Crores under Section 293(1)(d) and all other applicable provisions, if any of the Companies Act, 1956 (ii). to make loan(s) and/or given any guarantee(s)/provide any security(es) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of any body corporate, up to a limit not exceeding Rs.100 Crores under Section 372A and any other applicable provisions, if any of the Companies Act, 1956.

M. Disclosures :

- Related party transactions as per AS-18 have been dealt with in Schedule 10 (Notes to the accounts). However, these transactions are not in conflict with the interest of the Company.
- There were no instances of non-compliance by the Company or penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other authority on any matter related to the capital markets during the last three years.

N. Means of Communication :

- Quarterly results are usually published in one English newspaper, viz., Financial Express and one Hindi newspaper, viz., Dainik Tribune.
- Management Discussion & Analysis Report is enclosed.

O. General Shareholders Information :

- Next Annual General Meeting is proposed to be held on 30.09.2008 at Company's Registered Office in Industrial Area, Sonapat.
- Financial Calendar

Accounting year	April to March
First Quarter results	Last week of July
Second Quarter results	Last week of October
Third Quarter results	Last week of January
Fourth Quarter results	Last week of April
- Date of book closure : 23.09.2008 to 30.09.2008
- Dividend payment date : Dividend declared in the next Annual General Meeting will be paid within 30 days of the date of declaration to those shareholders whose names appear on the Register of members on the date of Annual General Meeting.
- Listing on Stock Exchanges and Stock Codes : Equity shares are listed on Delhi Stock Exchange (Stock Code DSE : 01174) National Stock Exchange and the Stock Exchange, Mumbai (Stock Code BSE : 505029).



(vi) Equity Share Price data for the year 2007-2008

Month	Equity Share Price on NSE and BSE			
	Share Price on NSE		Share Price on BSE	
	HIGH Rs.	LOW Rs.	HIGH Rs.	LOW Rs.
2007 April	132.50	95.65	132.50	95.65
May	154.80	127.00	154.80	127.00
June	188.00	147.00	188.00	147.00
July	166.45	144.05	160.10	148.10
August	158.70	140.00	162.50	144.20
September	198.00	151.25	180.90	157.30
October	189.00	154.15	184.25	154.55
November	200.00	160.00	193.00	171.25
December	247.00	171.25	238.65	174.90
2008 January	294.00	144.00	274.80	161.00
February	188.00	135.00	178.50	146.55
March	160.00	106.85	165.00	124.35

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

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

(ix) Distribution of Equity Shareholding as on 31.03.2008.

No. of Shares

(Range)	Number of shareholders	% to total	No. of shares held	% to total
UPTO-500	8595	94.48	646803	19.89
501-1000	222	2.44	164917	5.07
1001-2000	100	1.1	145773	4.48
2001-3000	40	0.44	97891	3.01
3001-4000	32	0.35	111831	3.44
4001-5000	19	0.21	89715	2.76
5001-10000	31	0.34	232219	7.14
10001 and Above	58	0.64	1762770	54.21
Total	9097	100.00	3251919	100.00

(x) Categories of Equity Shareholders as on 31.03.2008.

Category	No. of fully paid up shares held	% shareholding
Promoters, Associates, Directors and relatives	1599440	49.19
Financial Institutions/Banks	8476	0.26
Foreign Institutional Investors/ overseas Corporate Bodies/ Non-Resident Indians	8414	0.26
Mutual Funds	16	0.00
Bodies Corporate	167517	5.15
General Public	1468056	45.14
Total	3251919	100.00

(xi) Dematerialisation of Equity Shares and liquidity :

As on 31.03.2008 of the total equity shares, 43.49% were held in dematerialised form and the balance 56.51% shares in physical form. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments which are pending for conversion.

(xii) Plant Locations :

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

(xiii) Address for Correspondence:

The Company's registered office is situated in Industrial Area, Sonapat-131001.

Correspondence by the shareholders/debentureholders should be addressed to the registered office.

Security holders holding shares in electronic mode should address all their correspondence to their respective Depository participant.

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

New Delhi, the 21st August, 2008

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

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

I confirm that the Company has in respect of the financial year ended March 31, 2008 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.

RAJESH KAPOOR
CEO

New Delhi, 21st August, 2008

**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) Limited for the year ended March 31st, 2008 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 producers and implementations 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 31st, 2008 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the company.

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

For MEHRA KHANNA AND CO.
CHARTERED ACCOUNTANTS

Place: Delhi
Date: 21ST August, 2008

Rajiv Bhasin
(Partner)



MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The Bicycle industry in India is around seventy years old when the first two units were set up in 1939. Before independence the bicycle industry was significantly dependent on import of bicycle parts for manufacture of the finished products. Now the industry is almost entirely self-sufficient. With the setting up of six more units including Atlas Cycles (Haryana) Limited within a period of 10 years after independence, production of bicycles in the country picked up and now the Country is producing over 15 Million Bicycles a year thus ending country's dependence on the import of bicycles.

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

The market has also shifted from Standard/conventional models to more fancy bicycles such as sporty bikes, hi-tech models with gears, ATBs, MTBs and SLR both for domestic and export markets. The industry is now capable of meeting any challenge from the foreign market.

2. OPPORTUNITY AND THREATS

The major threat facing the bicycle industry is steep increase in the price of basic raw material like steel and the industry require a very large working capital. Such increase in steel price has not been witnessed in the history of Indian bicycle industry and increase still continuous.

Secondly the market is not absorbing the full impact of price increase resulting in affecting the Industry's profitability position.

Though the overall demand in India is shifting to fancy segment the demand for motorized two wheelers is equally increasing day by day. The introduction of e-bikes is also likely to pose a threat to the industry. The world bicycle trade is presently dominated by China and strenuous efforts need to be made to make Indian bicycle industry more competitive.

3. PRODUCT WISE PERFORMANCE

The Company has a recognized Research and Development center 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.

4. OUT-LOOK

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 industry faces a very challenging time.

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

5. RISK AND CONCERNS

The major point of concern is unorganized sector in the bicycle today. The threat is from unorganized sector as well as cheap import from China supplying cheap and sub-standard products in the market.

In the last few years there has been a slight fall in demand for bicycles in India. As against this, new capacities have been set up, particularly in the unorganized sector, which certainly pose a threat to the existing units. There is a stiff competition in domestic as well as export market due to excess capacity. With thin margin the profitability of the industry as a whole is on the decline.

6. 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, the Company has a well defined system of internal control throughout the organisation. The internal audit department regularly probes the deficiency in operation of internal control and suggest ways to rectify such deficiencies. To improve efficiency and internal control the Company has introduced Microsoft-Navision, 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.

7. FINANCIAL PERFORMANCE

The Company achieved a turnover of Rs. 562.39 crores during the year compared to Rs. 472.99 crores during the previous year. Income from other sources has decreased from Rs. 105.40 crores to Rs. 4.94 crores. Profit after taxation, decreased from Rs. 53.66 Crores in the previous year to Rs. 2 crores during the year.

8. HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

Training at all levels has been a continuous process in the Company. The Company continues to strengthen its human resources. Cordial industrial relations were maintained at all the units. The total man power strength during the year was approx. 2000 employees.

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

} DIRECTORS

New Delhi, the 21ST August, 2008



AUDITOR'S 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 2008 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, 2008 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, 2008
 - (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

CA. Rajiv Bhasin
(Partner)

Place : Delhi

Date : 21st August, 2008

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, 2008.

- (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 are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to books of records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) & (d) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and

nature of its business with regard to the purchase of inventories and fixed assets and with regard to sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have informed of any instance of major weaknesses in the aforesaid internal control procedures.

- (v) According to the information and explanations given to us, during the year, there was no transaction that needed to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 58A and provision of section 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) rules, 1975, with regard to the deposits accepted from the public. As per information and explanations given to us, no order under the aforesaid section has been passed by the company law board on the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where pursuant to the rule made by the central government the maintenance of the cost records has been prescribed under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, the company has been regular in deposited undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income-tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it, we are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they become payable.
- (b) Accordingly to the information and explanations given to us and the records of the company examined by us, there are no disputed dues of income-tax wealth-tax, custom duty and cess matters. The detail of disputed sale-tax and excise duty dues are as follows:-

Nature of the statute	Nature of the dues	Forum where pending	Amount (in lac)	Period to which the amount relates
Central excise law	excise duty	commissioner (appeals)	4.01	1997-98
Sales tax laws	entry tax	commissioner (appeals)	7.80	1999-2000
Sales tax	CST & LST	commissioner (appeals)	213.83	1998-99

- (x) The Company does not have accumulated losses at the end of the financial year march 31, 2008. Further, the company has not incurred any cash losses during the financial year ended March 31, 2008 and in the preceding financial year ended March 31, 2007.
- (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, 2008.

For Mehra Khanna & Co.
Chartered Accountants

CA. Rajiv Bhasin
(Partner)

Place : Delhi

Date : 21st August, 2008

**ATLAS CYCLES (HARYANA) LIMITED****BALANCE SHEET AS AT 31-3-2008**

	Schedules	2008	2007
		Rs.	Rs.
SOURCES OF FUNDS			
Shareholders Funds :			
Issued Share capital	1	3,25,19,190	3,25,19,190
Reserves & Surplus	2	1,15,79,97,750	1,19,30,77,890
		1,19,05,16,940	1,22,55,97,080
Loan Funds			
Secured Loans	3	79,68,80,50	65,79,80,642
Unsecured loans		5,49,30,000	5,48,43,000
		85,18,10,503	71,28,23,642
		2,04,23,27,443	1,93,84,20,722
APPLICATION OF FUNDS			
Fixed Assets	4	77,16,89,485	66,34,68,632
Investments	5	23,19,37,226	17,41,49,091
Current assets, loans and advances	6	2,87,35,79,538	2,83,45,40,474
Less Current liabilities and provisions	7	1,77,05,78,806	1,71,64,37,475
Net Current Assets		1,10,30,00,732	1,11,81,02,999
Less Deferred Tax Liability		6,43,00,000	1,73,00,000
		2,04,23,27,443	1,93,84,20,722
Notes to the Accounts	10		

JAIDEV KAPUR
PRESIDENTSALIL KAPUR
PRESIDENTVIKRAM KAPUR
PRESIDENTRAJESH KHANNA
COMPANY SECRETARYRAJESH KAPOOR
C.E.OM.M.MEHRA
C.F.OS.KHANNA
C.F.OC.M.DHALL
C.F.O

The schedules referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our report of even date.
for MEHRA KHANNA & CO
Chartered Accountants

CA.RAJIV BHASIN
PARTNER

Delhi : the 21ST AUGUST, 2008

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

} DIRECTORS

New Delhi : the 21ST AUGUST, 2008