

Atlas Copco (India) Ltd. Annual Report 2009



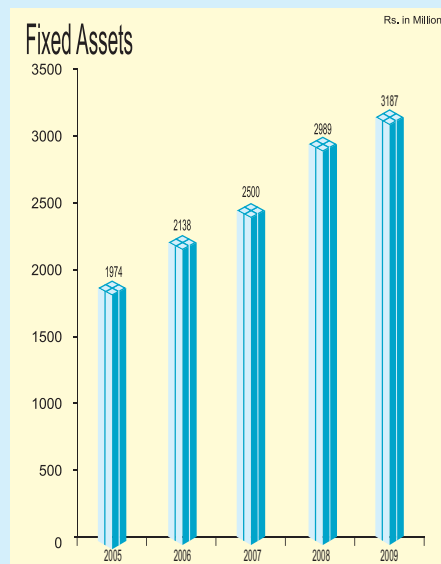
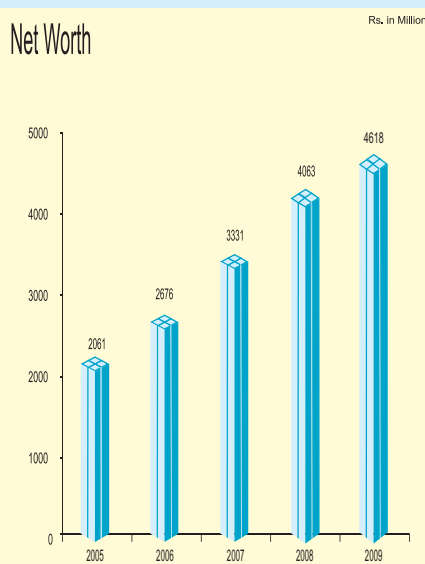
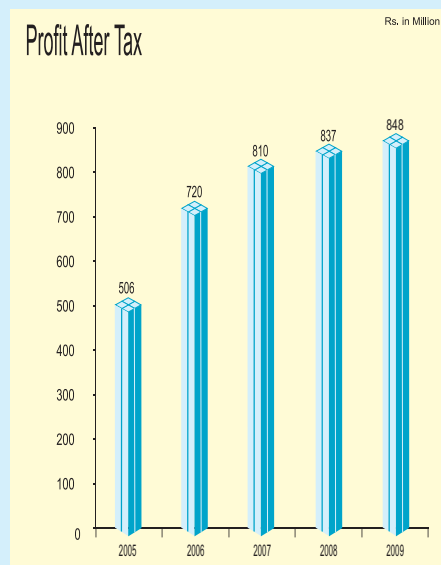
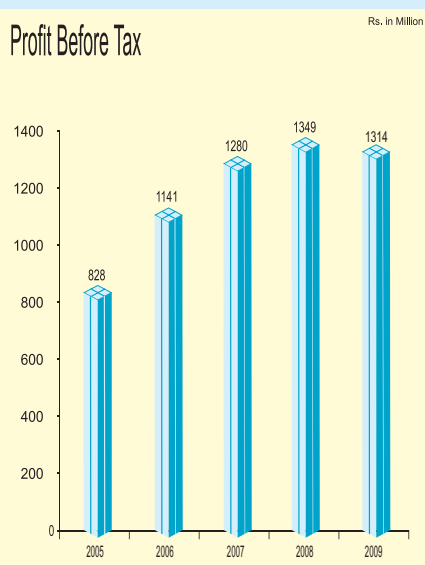
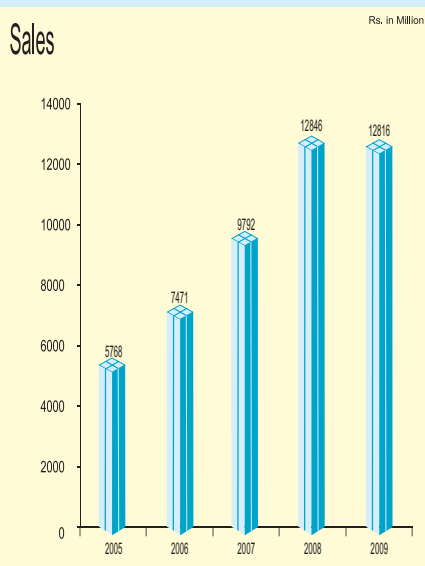
Sustainable Productivity



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Financial Highlights



Atlas Copco (India) Ltd.

Board of Directors

Mr. A. K. Hirjee
Chairman
Mr. F. Vandenberghe
Managing Director
Mr. R. Leten
Mr. H. O. Meyer
Ms. J. Livijn
Mr. D. B. Engineer
Mr. B. K. Poddar
Mr. J. K. Delvadavala
(Alternate to Ms. J. Livijn)

Company Secretary

Mr. A. C. Daga

Bankers

Citibank N. A.
Bank of India
Deutsche Bank
BNP Paribas
Union Bank of India
HDFC Bank
Hong kong & Shanghai
Banking Corporation

Auditors

B S R & Co.

Solicitors & Advocates

Crawford Bayley & Co.
Mumbai

Registrar & Transfer Agents

Karvy Computershare Private Ltd.
Karvy House, No. 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad - 500 034
Phone: 040-23420818
Fax: 040-23420814
E-mail: mailmanager@karvy.com

Pune Address

Karvy Computershare Private Ltd.
Shrinath Plaza, Ground Floor, B-Wing
Dnyaneshwar Paduka Chowk,
F. C. Road, Pune - 411 004
Phone: 020-25532078
Fax: 020-25533742
E-mail: rispune@karvy.com

Management Team

Mr. F. Vandenberghe
Managing Director

Mr. R. Verstrepen
Vice President-CT Operations

Mr. S. H. Ghotage
Vice President-Holding & CFO

Mr. A. Sengupta
G. M. AC CT Customer Centre

Mr. B. Etienne
G. M. CMT Customer Centre

Mr. P. Prabhudesai
G. M. ITBA Customer Centre

Mr. M. B. Patil
G. M. Corporate - HR

Mr. C. M. Pandit
G. M. CMT Product Company

Mr. B. Mohanty
G. M. CP CT Customer Centre

Mr. A. Coetzer
G. M. ASAP

Mr. S. Srinivasan
G. M. Gas and Process

Mr. U. Mazumder
G. M. Secoroc Product Company

Registered Office

Sveanagar, Mumbai - Pune Road,
Dapodi, Pune - 411 012
Phone: 020-39852100
Fax: 020-39852016

Factories

- 1 Sveanagar, Mumbai - Pune Road,
Dapodi, Pune - 411 012
- 2 Plot No. 90, MIDC Industrial Area,
Satpur, Nashik - 422 007
- 3 146/2, Sector-I, Lane 8,
IDA, Phase - II, Cherlapally,
Hyderabad - 500 051
- 4 Plot No 208/11/A, Sector-III,
Lane - 9, Phase - II, Cherlapally,
Hyderabad - 500 051

Cover :

Photograph taken on the occasion of visit of former Prime Minister of India (Late) Pandit Jawaharlal Nehru to Atlas Copco AB at Sickla, Stockholm, Sweden in June, 1957. The other side shows the photograph of front view of Company's Pune facility.

DIRECTORS' REPORT

To The Members:

The Directors of Atlas Copco (India) Ltd. have the pleasure in presenting their fiftieth report and the Audited Accounts for the year ended 31 December 2009.

1. FINANCIAL RESULTS:

	(Rs. in lakhs)*	
	2009	2008
Profit for the year before exceptional items & taxes	13303	13487
Add / (Less) : Exceptional items	(167)	-
Profit for the year before tax	13136	13487
Less: Provision for tax	(4661)	(5113)
Net profit for the year	8475	8374
Adding thereto:		
Balance in profit & loss account brought forward	13506	7187
Balance in profit & loss account of subsidiaries on account of Amalgamation	1767	-
	23748	15561
Appropriations:		
Proposed Dividend	1128	902
Corporate dividend tax	192	153
General Reserve	1000	1000
Balance carried forward	21428	13506

* One Million rupees equals 10 Lakhs.

- Previous year's figures have been regrouped to conform to current year's presentation.

2. OPERATIONS:

The total revenue for the year at Rs. 128,161 lakhs was almost at the same level of Rs 128,461 lakhs in the previous year. Profit before exceptional items and taxes for the year at Rs. 13,303 lakhs, compared to Rs. 13,487 lakhs in the previous year.

The year under review was a difficult one but your Company did relatively well in turbulent times, thanks to the timely steps taken by your Company to minimise the impact of the world wide economic recession on the operations.

3. INVESTMENTS / ACQUISITION AND AMALGAMATION:

During the year, your Company has invested an amount of Rs. 3,251 lakhs in acquiring balance 75% equity stake in Focus Rocbit Pvt. Ltd. (Focus) and Prisma Roctools Pvt. Ltd. (Prisma), both based at Hyderabad. As you are aware, your Company had already acquired 25% equity stake in both companies in 2008 and with the current acquisition, both Focus and Prisma became 100% subsidiaries of your Company effective 1 April 2009.

Your Directors are pleased to inform you that the Honorable High Court of Judicature at Mumbai, vide its order dated 18 December 2009 has sanctioned the scheme of amalgamation of both Focus and Prisma with your Company with effect from 1 April 2009, the appointed date. Accordingly, the income, expenditure and net results of Focus and Prisma for the nine month period ended 31 December 2009 have been included in the accounts of the Company. The Balance Sheet and Profit & Loss Account and Cash Flow Statement of the Company as at 31 December 2009 therefore, reflect the working of your Company for twelve months and working of Focus and Prisma for nine months, both ended 31 December 2009 and to this extent, are not strictly comparable with prior year figures.

4. DIVIDEND & TRANSFER TO GENERAL RESERVE:

Your Directors are pleased to recommend a dividend of Rs.5 per share (50%) for the year ended 31 December 2009 which will be tax free in the hands of the shareholders, as the Company will bear the dividend distribution tax of Rs. 192 lakhs. The dividend will absorb an amount of Rs. 1,128 lakhs (previous year Rs. 902 lakhs). Your Directors propose to transfer an amount of Rs. 1,000 lakhs (previous year Rs. 1,000 lakhs) to the General Reserve, having regard to the requirements of Section 205 (2A) of the Companies Act, 1956. The balance amount of Rs. 21,428 lakhs (previous year Rs. 13,506 lakhs) will be retained in the Profit & Loss Account.

5. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND:

During the year, in accordance with terms of Section 205 C of the Companies Act, 1956, an amount of Rs. 0.10 lakhs, being unclaimed fixed deposits and interest thereon and an amount of Rs. 5.18 lakhs, being unclaimed dividend for the year 2001, were transferred to the Investor Education & Protection Fund established by Central Government.

6. EMPLOYEES AND INDUSTRIAL RELATIONS:

The industrial relations during the year under review continued to be cordial. The total number of employees of the Company as on 31 December 2009 was 1540 (2008:1490). Your Company has concluded long term settlements with employee unions both at Pune and Nasik factories for a period of three years. The Directors place on record their sincere appreciation of the services rendered by employees at all levels.

7. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:

- Conservation of Energy, Technology absorption and Foreign Exchange Earnings & Outgo:

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure A to this report.

b) Particulars of Employees:

Particulars pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, and forming part of the Directors' Report for the year ended 31 December 2009, are not attached to this report. Members desiring to have a copy of the same may write to the Company Secretary at the registered office of the Company.

ii) that the Directors have selected such accounting policies, and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and of the profit of the Company for the year ended on that date.

iii) that the Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.

iv) that the Directors have prepared the annual accounts on a going concern basis.

8. DIRECTORS:

Mr. F. Vandenberghe was appointed as an additional Director with effect from 20 March 2009 and as Managing Director with effect from 1 August 2009.

Ms. J. Livijn was appointed as an additional Director with effect from 30 July 2009.

Mr. J. K. Delvadavala was appointed as Alternate Director with effect from 29 May 2009.

Mr. B. Rosengren resigned from the Directorship of the Company during the year. The Board places on record its appreciation for the guidance and support provided by Mr. Rosengren during his tenure as Director of the Company.

Mr. B. K. Poddar and Mr. H. O. Meyer retire by rotation and being eligible, offer themselves for reappointment.

Mr. R. Leten also retires by rotation but owing to his increasing responsibilities with the parent Company, Atlas Copco AB, Sweden, does not offer himself for reappointment. The Board expresses its gratitude for the advice and guidance provided by Mr. R. Leten during his tenure.

9. REPORT ON CORPORATE GOVERNANCE:

The report on Corporate Governance, in accordance with the guidelines issued by Securities & Exchange Board of India and Clause 49 of the listing agreement with the Bombay Stock Exchange Ltd. and Pune Stock Exchange Ltd., is attached in Annexure B to this report.

On behalf of the Board of Directors

10. CORPORATE SOCIAL RESPONSIBILITY:

Your Company continues to support an orphanage at Pune by providing financial help. The Board of Directors of the Company, in their meeting held on 30 October 2009, have approved a Donation of an amount of Rs. 52 lakhs to Atlas Copco Charitable Foundation.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm:

i) that in the presentation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

12. AUDITORS:

The Board has received a letter from a member giving special notice under Section 225 read with Section 190 of the Companies Act, 1956 to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors of the Company for the financial year commencing 1 January 2010. M/s Deloitte Haskins & Sells have signified their consent to act as auditors of the company, if appointed.

13. ACKNOWLEDGMENTS:

Your Board of Directors wishes to express its sincere appreciation for the excellent support and co-operation by Atlas Copco Group, shareholders, vendors, customers, bankers and all other business associates. The Board also wishes to record its appreciation for the contribution and commitment of the employees of the Company.

Mumbai
2 March 2010

A. K. Hirjee
Chairman

ANNEXURE A TO THE DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31 December 2009.

A. Conservation of energy:

The Company has continued its efforts to conserve energy by adopting following measures:

- i) Elimination of wastes at every stage of use.
- ii) Preventive maintenance of various equipment to keep them in good running condition.
- iii) Improvement in power factor.
- iv) Optimal use of waste water treatment plant.
- v) Use of polycarbonate sheets for all roofs to allow natural light in the factory buildings and use of Compact Fluorescent Lamps (CFLs) in the offices.
- vi) Use of appropriate size equipment to ensure optimum energy consumption.
- vii) Monitor and control testing time for Diesel/Motor driven compressors.
- viii) Use of high efficiency elements in Compressors which reduces power consumption.
- ix) Installation of FRP Fans driven by natural blowing air on the roofs of heat treatment plant for hot air and smoke evacuation.
- x) Use of timers on air conditioners.
- xi) Use of energy monitoring systems.

The above actions have resulted in reduction of power consumption, saving in energy and fuel costs and environment protection.

B. Technology absorption:

Research and Development.

1. Specific areas in which the Company carries out R & D.
The Company maintains close contact with the Atlas Copco Group Companies, which are responsible for the research and development of various product lines. Value engineering and value analysis, with respect to these products, processes and substitute materials, is carried out on a continuous basis to improve quality, reduce rejections and give better value to the Company's customers.
The Engineering Competency Centres of the Company, located at Pune and Bangalore, which provide mechanical engineering, CAE and software development services, have been working in close coordination with Engineering Departments of more than 30 group companies all over the world.
2. Benefits derived as a result of the above R & D.
The benefits derived are, improvements in quality and cost reductions for the existing range of products, development of new products with less energy consumption and noise reduction, import substitution, export promotion and faster product launch in the markets.
3. Future plans and actions.
The Company has an ongoing program for up-gradation of existing products, introduction of new products, improvement in manufacturing processes and product costs, import substitution and export promotion. This is done through continuous process

and product development in close interaction with Group companies, customers and vendors.

4. Expenditure on R & D.

Since the Company has no specific Research and Development Department, it is not possible to quantify expenditure, whether capital or revenue, incurred on research and development activities.

Technology absorption, adaptation and innovation.

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

The Company maintains constant contact with Atlas Copco Group companies to absorb the latest technology developed by them. Continuous interaction with their technical staff, visits and training of our employees at Group company factories, regular meetings of Product Committees, and visits of technical staff from other Group companies to our factories, help us to keep up to date with all the latest technical developments.

During the year the Company has successfully absorbed technology for manufacture and assembly of Pavers at the Road Construction Equipment plant at Nasik. Similarly, Pune factory has introduced energy efficient Rotary and Reciprocating compressors with low noise levels. In addition, Pune factory has also absorbed technology to assemble Air Filter accessories.

2. Benefits derived as a result of the above efforts

The benefits of the technology developed by the Atlas Copco Group are available for the Company on a continuous basis, which enables manufacturing of the entire range of existing and new products at optimum costs and make available the latest range of existing and new products for both domestic and export markets. This also helps to increase the Company's market share and to improve the Company's competitive position.

3. Imported technology (imported during the last five years reckoned from the beginning of the financial year).

During the last five years, technology and know-how for screw and reciprocating compressors, air filters, hydro fracturing rigs, hydraulic drill rigs, breakers, rock drills, DTH hammers, rock drilling equipment and road construction equipment was imported. This has been successfully absorbed in the Company's manufacturing activity after extensive field trials. The active interaction of the Company with Atlas Copco Group companies ensures a continuous flow of rapid changing technologies. The Company can, as a result, meet the ever-demanding requirements of domestic and overseas customers.

C. Foreign Exchange Earnings and Outgo:

1. Activities relating to exports:

The Company continues to focus on development of new products and services for export market, up-gradation of existing products and improvement in quality and costs with technological support from Atlas Copco Group companies.

2. Total foreign exchange used:

- i. Earning in foreign currency – Rs. 20,422 lakhs.
- ii. Payments in foreign currency – Rs. 41,104 lakhs.

ANNEXURE B TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

I. The Corporate Governance Philosophy:

The Company believes in and has consistently practiced good corporate governance and is committed to provide value to all its stakeholders. Being part of the Atlas Copco Group, the Company adheres to the Atlas Copco Business Code of Practice, which includes a number of internal policy documents, which are published by the Group in "THE WAY WE DO THINGS". This covers amongst other matters, the Group policy on business code of practice, environment, disclosures, business control, audit and internal control.

II. Board of Directors ('The Board'):

a) Size of the Board:

The Board comprises of 7 Directors (excluding Alternate Director) of whom 1 is Executive and 6 are Non-Executive Directors. The Chairman of the Board is a non-Executive Director. The parent Company – Atlas Copco AB has right to nominate 1/3 Directors on the Board of the Company in terms of Article 116A of the Articles of Association of the Company but till date they have not used this right and nominated any Director on the Board of the Company.

The Non-Executive Directors are eminent industrialists and professionals with experience in over-all management, finance and law, who bring in a wide range of skills and experience to the Board. None of the Directors have materially significant pecuniary or business relationship with the Company.

b) Composition of the Board as on the date of the report:

Name of the Director	Status
Mr. A. K. Hirjee - Chairman	Non-Executive-Independent
Mr. D. B. Engineer	Non-Executive-Independent
Mr. B. K. Poddar	Non-Executive-Independent
Mr. R. Leten	Non-Executive-Promoter Group
Mr. H. O. Meyer	Non-Executive-Promoter Group
Ms. J. Livijn	Non-Executive-Promoter Group
Mr. F. Vandenberghe - Managing Director	Executive-Promoter Group
Mr. J. K. Delvadavala (Alternate for Ms. J. Livijn)	Non-Executive-Independent

c) Board Meetings for the calendar year 2009:

The meetings of the Board of Directors are scheduled well in advance and generally held at Mumbai and Pune. The notice confirming the meeting and the detailed agenda is sent at least 7 days in advance to all the Directors. Senior Management of the Company is invited to attend the Board Meetings to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and the financial results.

i) Number of Board Meetings:

During the calendar year 2009, the Board of Directors met seven times on the following dates:

Date	Board Strength	No. of Directors present
22 January 2009	7	4
19 February 2009	6	4
27 April 2009	7	4
30 July 2009	8	3
24 August 2009	8	4
30 October 2009	8	5
18 December 2009	7	5

ii) **Attendance of Directors for the calendar year 2009:**

Name of the Director	Meetings attended	Attendance at the last Annual General Meeting	No. of Directorships in other Boards as on 31 December 2009* (Refer Note Below)	No. of Memberships in other Board Committees as on 31 December 2009 (Refer Note Below)
Mr. A. K. Hirjee – Chairman	7 out of 7	Present	4	6
Mr. D. B. Engineer	7 out of 7	Present	9	5
Mr. B. K. Poddar	6 out of 7	Present	11	3
Mr. R. Leten	0 out of 7	Absent	-	-
Mr. H. O. Meyer	1 out of 7	Absent	-	-
Ms. J. Livijn ~	0 out of 4	-	-	-
Mr. B. Rosengren\$	0 out of 6	Absent	-	-
Mr. J. K. Delvadavala (Alternate for Ms. J. Livijn) ^	4 out of 4	-	3	1
Mr. F. Vandenberghe Managing Director @	3 out of 5	Present	-	-
Mr. M. M. Mustapha #	1 out of 1	-	-	-

~ Ms. J. Livijn was appointed as an Additional Director with effect from 30 July 2009.

\$ Resigned from the Directorship of the Company with effect from 30 October 2009.

^ Mr. J. K. Delvadavala was appointed as an Alternate Director to Mr. B. Rosengren with effect from 29 May 2009 and ceased to be the Alternate Director to Mr. B. Rosengren with effect from 30 October 2009. Thereafter, Mr. J. K. Delvadavala has been appointed as an Alternate Director to Ms. J. Livijn with effect from 30 October 2009.

@ Mr. F. Vandenberghe was appointed as an Additional Director with effect from 20 March 2009 and as Managing Director with effect from 01 August 2009.

Mr. M. M. Mustapha relinquished his office as the Managing Director of the Company with effect from 31 January 2009 and also ceased to be a Board member from that date.

NOTE :

i) Mr. A. K. Hirjee is Chairman of one other Board, one Audit Committee and one Shareholders' Grievance Committee.

ii) Mr. D. B. Engineer is Chairman of one other Board and one Audit Committee.

iii) Mr. B. K. Poddar is Chairman of five other Boards.

iv) Mr. J. K. Delvadavala is Chairman of one other Audit Committee.

* Number of Directorships in other companies excludes Directorships in foreign companies, private companies and companies under Section 25 of the Companies Act, 1956.

d) Code of Conduct:

The Board has adopted the code of conduct for all its Directors and Senior Management which has been displayed on the Company's website.

III. Committee of Directors:

The Board has constituted various Committees in line with the requirements of clause 49 of the Listing Agreements with the Stock Exchange and the applicable provisions of the Companies Act, 1956.

a) Audit Committee as on the date of the report:

i. The Audit Committee comprises of the following Non Executive independent members of the Board:

1. Mr. A. K. Hirjee - Chairman
2. Mr. D. B. Engineer
3. Mr. B. K. Poddar

ii. During the calendar year 2009 the Audit Committee met four times on the following dates:

Date	Total Strength	No. of Members present
19 February 2009	3	3
27 April 2009	3	3
30 July 2009	3	2
30 October 2009	3	3

iii. Attendance of the Directors in the Audit Committee Meeting:

Name of the Director	Meetings attended
Mr. A. K. Hirjee	4 out of 4
Mr. D. B. Engineer	4 out of 4
Mr. B. K. Poddar	3 out of 4

Statutory and Internal Auditors, Managing Director and Senior Executives are also invited for the meetings.

iv. Broad terms of reference of the Audit Committee:

- Approving and implementing the audit procedures and techniques.
- Reviewing audit reports of both statutory and internal auditors with auditors and management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Review of transactions with related parties.

b) Shareholders Grievances & Share Transfer Committee as on the date of the report:

The committee comprising of following two Non-Executive independent members of the Board and the Managing Director, approves transfer of shares, splitting and consolidation of shares, issuance of duplicate share certificates and reviewing shareholders' complaints and resolution thereof. The Company Secretary is the Compliance Officer.

- Mr. D. B. Engineer - Chairman
- Mr. A. K. Hirjee
- Mr. F. Vandenberghe^

^ Mr. F. Vandenberghe was appointed as a member of Shareholders Grievances and Share Transfer Committee with effect from 27.04.2009.

i. Attendance of the Directors for the calendar year 2009 in the Shareholders Grievances and Share Transfer Committee meetings:

Name of the Director	Meetings attended
Mr. D. B. Engineer	11 out of 13
Mr. A. K. Hirjee	10 out of 13
Mr. M. M. Mustapha #	0 out of 2
Mr. F. Vandenberghe^	3 out of 8
Mr. B. Rosengren@	0 out of 5
Mr. J. K. Delvadavala (Alternate for Mr. B. Rosengren)\$	2 out of 5

Mr. M. M. Mustapha relinquished his office as the Managing Director of the Company with effect from 31 January 2009 and also ceased to be a Board member from that date.

^ Mr. F. Vandenberghe was appointed as a member of Shareholders Grievances and Share Transfer Committee with effect from 27 April 2009.

@ Mr. B. Rosengren was appointed as a member of the Shareholders Grievances and Share Transfer Committee with effect from 27 April 2009 and ceased to be the member of the said Committee with effect from 30 October 2009.

\$ Mr. J. K. Delvadavala (Alternate Director to Mr. B. Rosengren) was member of the Shareholders Grievances and Share Transfer Committee with effect from 29 May 2009 to 30 October 2009.

ii. Details of investors' complaints received during 2009:

Nature of Complaint	Received	Replied /Resolved	Pending	Remarks
Non-receipt of Dividend	98	98	-	-
Non-receipt of Share Certificate after transfer / Exchange / sub-divided / consolidated / Annual Report	76	76	-	-
Total	174	174	-	-

iii. Number of complaints pending with the company:

All the complaints/letters received during the year have been resolved/replied to the satisfaction of the shareholders and no complaints are pending with the Company.

iv. Number of shares pending for transfer:

As on 31 December 2009, no shares were pending for transfer.

c) Committee of Directors as on the date of the report:

This Committee deals with routine matters like banking operation, authorization to employees in respect of Excise, Sales Tax, Tender submission etc. and also matters specifically delegated by the Board from time to time.

The committee comprises of following three non-executive independent members of the Board and the Managing Director:

1. Mr. A. K. Hirjee
2. Mr. D. B. Engineer
3. Mr. B. K. Poddar
4. Mr. F. Vandenberghe

One meeting of Committee of Directors was held on 8 September 2009.

d) Remuneration Committee as on the date of the report:

The remuneration committee comprises of following non executive independent members of the Board:

1. Mr. A. K. Hirjee - Chairman
2. Mr. D. B. Engineer
3. Mr. B. K. Poddar

i. Broad Terms of reference of the remuneration Committee:

- To review and recommend remuneration of Executive / Non-executive Directors
- To present report to the Board on remuneration of Directors and others.

ii. Remuneration policy:

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. Compensation is also linked to individual and team performance as they support the achievement of Corporate Goals. The Company does not have an Employee Stock Option Policy.

The remuneration committee met on 22 January 2009, 19 February 2009 and 20 March 2009 during the year under review.

iii. Details of remuneration paid to the Directors during the calendar year 2009

Executive Director:

(All figures in Indian Rupees)

Name of Director	Relationship with other Directors	Salary	Commission (Provision made)	Perquisites Benefits	Retirement	Performance Linked variable compensation
Mr. F. Vandenberghe@	None	2,410,000	Nil	1,833,144	Nil	600,000
Mr. M. M. Mustapha #	None	1,480,000	Nil	950,963	Nil	915,000

@ Mr. F. Vandenberghe was appointed as an Additional Director with effect from 20 March 2009 and as Managing Director with effect from 01 August 2009.

Mr. M. M. Mustapha relinquished his office as the Managing Director of the Company with effect from 31 January 2009 and also ceased to be a Board member from that date.

Terms of Contract:

Name of the Director	Date of appointment	Expiry of contract	Severance fees	Notice Period
Mr. F. Vandenberghe@	1 August 2009	31 July 2013	-	Six Months
Mr. M. M. Mustapha #	1 October 2006	30 September 2010	-	Six Months

@ Mr. F. Vandenberghe was appointed as an Additional Director with effect from 20 March 2009 and as Managing Director with effect from 01 August 2009.

Mr. M. M. Mustapha relinquished his office as the Managing Director of the Company with effect from 31 January 2009 and also ceased to be a Board member from that date.

Non-Executive Directors:

(All figures in Indian Rupees)

Name of Director	Relationship with other Directors	Commission (Provision made)	Sitting Fees Paid
Mr. A. K. Hirjee	None	1,750,000	145,000
Mr. D. B. Engineer	None	825,000	148,000
Mr. B. K. Poddar	None	825,000	90,000
Mr. J. K. Delvadavala (Alternate to Mr. B. Rosengren)	None	500,000	46,000
Total		4,000,000	429,000

IV. General Body Meeting:

Annual General Meetings

The 47th AGM was held at Hotel Taj Blue Diamond, Russett Room, 11 Koregoan Road, Pune 411 001 and the 48th and 49th AGM's were held at Hotel Le Meridien Pune, Regal Room, RBM Road, Pune – 411 001 on the following dates and time.

AGM No.	Date	Time	Special Resolution passed for
47	30 April 2007	2.30 P.M.	Approving payment of 1% of net profits of the Company in each financial year computed in the manner prescribed under Section 198 read with Section 349 and 350 of the Companies Act, 1956 to and amongst the Directors excluding Managing Director.
48	29 April 2008	2.30 P.M.	No Special Resolution was passed
49	27 April 2009	2.30 P.M.	No Special Resolution was passed

V. Disclosures:

- a) There were no instances of non-compliance of any requirements of the Stock Exchanges, SEBI or any statutory authority or on any matters related to Capital Markets, during the last three years. Consequently, there were no penalties imposed or strictures passed on the Company by any of these authorities.
- b) During the year, there were no transactions of material nature with the related parties that may have had potential conflict with the interests of the Company.
- c) Directors' appointment/ reappointment:
Please refer to the explanatory statement attached to the Notice of the Annual General Meeting.

VI. Means of Communication:

- a) Quarterly/Half Yearly Financial Results of the Company are forwarded to the Mumbai and Pune Stock Exchanges and are published in Economic Times and Maharashtra Times. These reports are also displayed on the website of Bombay Stock Exchange i.e. www.bseindia.com.
- b) The Company has not made any presentations to any Institutional Investors / Analysts during the year.

VII. General Shareholder information:

A. Annual General Meeting

Date	30 April 2010
Day	Friday
Time	2.30 P.M.
Venue	Hotel Le Meridian Pune Regal Room, RBM Road, Pune – 411001

B. Financial year

January to December

C. Book Closure

21 April 2010 to 30 April 2010 (Both days inclusive)

D. Dividend payment date

On or after 1 May 2010, if declared at the Annual General meeting on 30 April 2010, within the stipulated statutory period.

E. Registered Office

Sveanagar, Mumbai Pune Road, Dapodi, Pune - 411012
Telephone No.: (020) 39852100 Fax No.: (020) 39852016

F. Listing on Stock Exchanges

Bombay Stock Exchange Ltd.
Phiroze Jeebhoy Towers, Dalal Street, Mumbai – 400001
Telephone No.: (022) 22721233/34 Fax No.: (022) 22721919
Pune Stock Exchange Ltd.,
Shivleela Chambers, 752, Sadasiv Peth,
R. B. Kumthekar Marg, Pune- 411 030.
Telephone No.: (020) 24485701-3 Fax No.: (020) 24460082

G. Stock Code

Bombay Stock Exchange Ltd. - 526991
Pune Stock Exchange Ltd. - 47

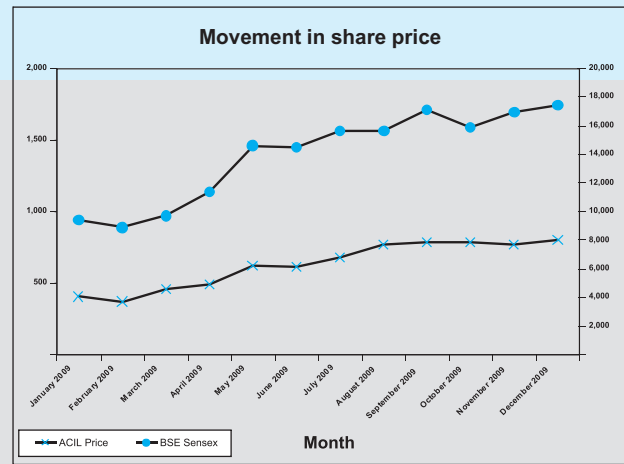
H. ISIN Number

INE445A01019

I. Market price data

Date	Open	High	Low	Close	No. of Shares Traded	BSE Sensex
January 2009	420	499	335	404	16,817	9,424
February 2009	380	428	353	370	12,194	8,892
March 2009	376	465	351	458	47,608	9,709
April 2009	455	661	450	494	87,558	11,403
May 2009	509	660	450	624	56,986	14,625
June 2009	635	870	605	616	92,404	14,494
July 2009	627	744	571	676	227,379	15,670
August 2009	700	775	671	768	35,236	15,667
September 2009	752	840	722	785	42,944	17,127
October 2009	783	903	761	786	45,170	15,896
November 2009	755	822	745	769	34,086	16,926
December 2009	768	835	740	808	51,306	17,465

J. Movement in share price:



K. Address of Registrars and share transfer agents:

1. Karvy Computershare Private Ltd.,
Karvy House, No 46, Avenue 4, Street No 1, Banjara Hills, Hyderabad - 500034
Telephone No.: (040) 23420818 Fax No.: (040) 23420814
Email: mailmanager@karvy.com
2. Karvy Computershare Private Ltd.,
Shrinath Plaza, Ground Floor, B-Wing, Dnyaneshwar Paduka Chowk, F. C. Road, Pune – 411004
Telephone No.: (020) 25532078 Fax No.: (020) 25533742
Email: rispune@karvy.com

L. Share Transfer System:

Physical share transfers are registered and share certificates are dispatched within 30 days of receipt, if the transfer documents are in order.

M. Distribution of shares as at 31 December 2009

Category	No. of Shares	Percentage Holding
Promoters	18,899,360	83.77
Financial Institutional Investors / Non-Resident Investors	87,846	0.38
Mutual Funds	608,139	2.70
Banks	1,864	0.01
Bodies Corporate	211,227	0.94
GIC and other insurance Companies	95,370	0.42
Public	2,656,696	11.77
NSDL/CDSL (in transit)	1,062	0.01
Total	22,561,564	100.00

N. Outstanding GDR's/ ADR's / Warrants or any /Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any of these instruments.

O. Dematerialization of shares:

As of 31 December 2009- 2,748,554 shares were dematerialized in the following depositories.

- National Securities Depository Ltd. - 2,507,113 shares
- Central Depository Services Ltd. - 241,441 shares

P. Plant Locations:

The Company's plants are located at –

- i. Sveanagar, Mumbai-Pune Road, Dapodi, Pune – 411 012.
- ii. Plot No. 90, MIDC Industrial Area, Satpur, Nasik – 422 007.
- iii. 146/2, Sector-I, Lane 8, IDA, Phase – II, Cherlapally, Hyderabad – 500 051.
- iv. Plot No 208/11/A, Sector-III, Lane – 9, Phase – II, Cherlapally, Hyderabad - 500 051.

Q. Address for correspondence:

Shareholders can correspond with the Registered Office of the Company at Pune and/or with Company's Registrars and Share Transfer Agent.

	Company	Registrars and Share Transfer Agent at Hyderabad	Registrars and Share Transfer Agent at Pune
Person to contact	Mr. A. C. Daga	Mr. P. A. Varghese	Ms. Sandhya Gholkar
Telephone no.	(020) 39852543	(040) 23420862	(020) 25532078
Fax no.	(020) 39857042	(040) 23420814	(020) 25533742
Email Address	anand.daga@in.atlascopco.com	varghese@karvy.com	rispune@karvy.com

R. Investors Grievances Redressal:

The Company has designated an exclusive email id viz. investors.grievances@in.atlascopco.com to enable investors to register their grievances.

Certificate of Compliance with the Corporate Governance requirements under Clause 49 of Listing agreement

To the Members of

Atlas Copco (India) Limited

We have examined the compliance of conditions of Corporate Governance by Atlas Copco (India) Limited ('the Company') for the year ended 31 December 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange Limited, Mumbai and Pune Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company during the year for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion, and to the best of our knowledge and according to the information and explanations given to us, we certify that the Company is in compliance with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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

For BSR & Co.
Chartered Accountants

Mumbai
2 March 2010

Juzer Miyajiwala
Partner
Membership No. 047483

Declaration by the Managing Director under clause 49 of the Listing Agreement

To,

The Members of Atlas Copco (India) Ltd.,

I, F. Vandenberghe, Managing Director of Atlas Copco (India) Ltd. declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct applicable to them for the year ended 31 December 2009.

Mumbai
2 March 2010

F. Vandenberghe
Managing Director

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors,
Atlas Copco (India) Ltd.
Pune

We, F. Vandenberghe, Managing Director and S. H. Ghotage, Chief Financial Officer of Atlas Copco (India) Ltd., to the best of our knowledge and belief, certify that:-

1. We have reviewed financial statements and the cash flow statement for the year ended 31 December 2009 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies, where applicable during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

Mumbai
2 March 2010

F. Vandenberghe
Managing Director

S. H. Ghotage
Chief Financial officer

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO:

The year started in the midst of the global crisis, financial meltdown and adverse business conditions, which decelerated the GDP growth of 2008/09 to a level of 6.7%, from an average level of 8.8% in past few years. The first quarter of the calendar year witnessed volatile economy, reduced business activity and reduced exports. The rise in inflation, high interest rates and liquidity crunch witnessed slowdown in domestic investments.

The Indian Government introduced a lot of stimulus measures to boost the demand. Increase in public expenditure, reduction of excise duty, service tax and custom duty were some of the significant steps, amongst others. The Reserve Bank of India also reduced the repo and reverse repo rates on two occasions to inject liquidity in the market. As a result of this, the market sentiment improved in the later part of the year.

OPERATIONS:

The Company posted revenue of Rs. 128,161 lakhs during the year at almost the same level as last year's revenue of Rs. 128,461 lakhs. Profit before exceptional items and taxes at Rs. 13,303 lakhs shows a marginal reduction of 1% over previous year's profit of Rs. 13,487 lakhs. The revenue and profitability include the results of the acquired companies Focus Rocbit Pvt. Ltd. and Prisma Roctools Pvt. Ltd. for the period April 01 to December 31 2009 and therefore they are not strictly comparable to those of previous year.

The global economic crisis did impact the continuous growth that your Company has been experiencing for the last few years. However, the impact on both turnover and profitability of the Company was minimized due to the backlog of orders on hand and incremental revenues arising from the acquisitions made by the Company during the year. Strong focus on after market and the newly added road construction business contributed to the result. Focus on inventory reduction and collection of over dues from customers improved the working capital. Continuous improvements in product costs and other costs have helped the Company to maintain the profitability during this turbulent time.

INDUSTRIAL SEGMENT:

The Industrial segment develops, manufactures and markets a wide range of air and gas compressors, of both rotary and reciprocating technology, in various powers, pressure ranges and capacities to serve the diverse needs of consumers of compressed air and gas. Included in this segment are also a wide range of pneumatic and electric tools such as grinders, drills, impact wrenches, screw drivers, nut runners etc. The key market segments for air and gas compressors are the general industry covering engineering, automotive, textiles, cement, pharmaceutical, PET blowing, and power generation etc. In the construction industry we cover mining, road construction, tunneling etc. Pneumatic and electric tools are primarily used in automation of assembly processes and controlled tightening systems. The key market segment for these tools are automotive industry, the general industry and automotive after markets.

This segment has achieved revenue of Rs. 77,585 lakhs during the year as compared to previous year's revenue of Rs. 79,822 lakhs, a marginal reduction of 2.8%.

The Industrial segment witnessed a reduction of demand due to lack of fresh investment across all the market segments and also a reduction in exports. The severe impact of economic slow down was well absorbed by the good volume of orders on hand at the beginning of the year. The glut in the motor vehicle industry badly affected the business of pneumatic and electric tools both in terms of volume and profitability. Similarly, textiles, cement, metal industries did not perform very well and this had an impact on the compressor business. However, focus on after market parts and services helped this segment to maintain the profitability.

To improve operational efficiency, the Pune factory has been restructured to achieve process excellence. The factory organization has been adjusted to achieve higher efficiency and a more cost effective environment. Plant layout has been adapted to address changes in the product portfolio. During the year, priority was given to develop new products with higher energy efficiency and increased customer value.



CONSTRUCTION & MINING SEGMENT:

The Construction and Mining segment develops, manufactures and markets rock drilling tools, drilling rigs, construction tools, breakers, blast hole drilling rigs, water well drilling rigs, loading equipment, road construction equipment etc. A wide range of this equipment is manufactured at the Nasik plant. Some specialized drilling and loading equipment are sourced from other Group companies abroad. Key market segments served by this segment include rock excavation, light construction & demolition, exploration drilling, surface drilling, tunneling, underground mining, road construction etc.

This segment achieved revenues of Rs. 47,137 lakhs during the year compared to previous year's revenue of Rs. 45,775 lakhs. This revenue includes revenues from acquired business for the period of nine month from April 2009, as well as from the newly added road construction business.



The business acquired from Focus and Prisma, consisting of manufacture and sale of Rockbits and Rocktools now forms part of this segment. The manufacturing facility at Cherlapally, Hyderabad is being upgraded with purchase of additional land adjacent to the existing facility and during 2010 the construction of a new factory building and the installation of new state of art equipment is foreseen.

This segment also witnessed lack of demand due to the economic slow down. The business outlook for iron ore, cement, uranium, irrigation, quarrying and building construction was subdued through out the year. Coal mining, hydropower and road construction, to the contrary, were developing good. The depreciation of rupee in terms of Euro during the year impacted the costs of imports adversely and had a severe impact on profitability of this segment.

OUTLOOK FOR 2010:

Since beginning of the year the Indian economy is back in the recovery stage and shows growth momentum. The GDP growth is estimated to touch 8%. Overall business sentiment looks positive. Government has announced a number of infrastructure projects which should help to boost the economy. Most of the industrial sectors like textiles, power generation, automotive, cement, fertilizer, road construction, metals and oil & gas are expected to do well.

However, in order to fill up the order pipeline, severe competition in the market may be expected, with the risk of price erosion. Maintaining product and service differentiation and offer best value to the customer will be a big challenge. Foreign exchange rate fluctuation is another risk for those products with higher import content. The stimulus package, which is partly withdrawn in Union Budget 2010 can have some impact on the development of the growth.

Your Company which is an established player in the market for the products and services it offers has a firm plan to introduce new products and services to maintain its leadership position and to deliver profitable growth. Investments in product development will be made to improve and extend our product offering to the specific requirements of our customers. In order to support the extended local product offering, Pune factory will increase its assembly capacity for screw compressors. Our present inbound logistic processes will be redefined in order to achieve higher operational efficiency.

Your Company's strength will enable us to capitalize on the challenges that we will encounter in the year to come.

RISK MANAGEMENT:

The Company's internal control processes cover, amongst others, processes for identification, assessment and mitigation of various kinds of risks, which include strategic, operational, financial, environmental and reputation risks. Such risks are reviewed and discussed at various meetings of Business Boards, Product Committees, Management Committee, Facilities Committee and various other forums within the organization, where members of senior management are involved. Company's internal auditors review the internal controls, risk assessment and mitigation procedures, independently as a part of their internal audit process and their observations and findings are presented, reviewed and discussed in the Audit Committee meetings. The Board also reviews the risk assessment and mitigation procedures periodically.

The Control Self Assessment database maintained by the Atlas Copco Group documents and monitors the risk assessment and mitigation by each operating unit head. The Atlas Copco Group's principles, guidelines and instructions that are documented in 'The Way We Do Things' provides executives with tools to monitor and follow up the business operations closely and quickly detect the deviations that could develop into risks. The Managers in charge of operating units continuously communicate with employees, customers and other stakeholders both in a formal and an informal way to keep themselves abreast with the developments in the market, products, competition and other areas.

INTERNAL CONTROL, AUDIT AND SYSTEMS:

The Company has effective and adequate internal control systems, which ensure reliable financial reporting, safeguarding of assets, adherence to management policies and promotion of ethical conduct. These systems are regularly reviewed, modified and improved upon, to conform to changes in the business environment and processes. The Atlas Copco Group's procedures also require a regular internal audit to be conducted for each business unit and experienced people within the Group conduct such audits. In addition, the Board has appointed an Audit Committee of Independent Directors, which regularly reviews the findings of external and internal audits and the adequacy of internal control systems.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company employed 1540 people as at 31 December 2009, consisting of persons well qualified in technical and managerial skills and having the requisite competence required for their tasks. The Company's HR processes ensure the availability of a competent and motivated team of employees who are encouraged to enrich and update their competency by attending regular training programs, both external and in-house. The Company has an in-house Academy which conducts training programs through out the year on various areas and all employees are encouraged to participate in these programs.

The Company follows the philosophy of market level compensation and benchmarks its compensation levels with other companies in the engineering sector. This ensures that the company has a market based revision policy for compensation to its managerial employees. In addition, to recognize and reward good performance, the Company has a performance based variable compensation structure, which ensures proper reward for those employees who excel in relation to their performance targets.

All employees are made aware of and have an access to the database where the Company's Business Code of Practice has been published and it is mandatory for all senior managerial employees to disclose their financial interests, if any, in any of the transactions with the Company.

CAUTIONARY STATEMENT:

This report contains forward-looking statements based on the perceptions of the Company and the data and the information available with the Company. The Company does not and can not guarantee the accuracy of various assumptions underlying such statements and they reflect the Company's current views of future events and are subject to risks and uncertainties associated with such statements. Many factors like change in the general economic and business conditions, significant changes in political environment, tax laws, amongst others, could cause actual results to be materially different from those expressed or implied in this report. The Company does not assume any obligation for such variations.

Auditors' Report To the Members of Atlas Copco (India) Limited

We have audited the attached Balance Sheet of Atlas Copco (India) Limited ('the Company') as at 31 December 2009 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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.

- 1 As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure 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 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 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 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 Accounting Standards referred to in sub section (3C) of Section 211 of the Act, to the extent applicable;
 - e) on the basis of written representations received from the Directors of the Company as at 31 December 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 December 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and
 - f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act in the manner so required 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 31 December 2009;
 - ii) in the case of the Profit and Loss Account, of the profit 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 BSR & Co.
Chartered Accountants

Mumbai
2 March 2010

Juzer Miyajiwala
Partner
Membership No. 047483

Annexure to the Auditors' Report – 31 December 2009

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the members of Atlas Copco (India) Limited ('the Company') on the financial statements for the year ended 31 December 2009, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. The periodicity of physical verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the current year and no material discrepancies were noticed upon such verification.
(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by management during the year. In our opinion, the frequency of such physical verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained.
(b) The procedures for physical verification of inventories followed by 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 records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are of specialized technical specification that are required by Company's customers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 and the directives issued by the Reserve Bank of India with regard to the deposits accepted from the public. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Act in respect of manufacture of power driven pumps and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. There were no dues on account of cess under Section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues were in arrears, as at 31 December 2009, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of disputes other than those mentioned below.

Name of the statute	Nature of the dues	Amount (Rs '000)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax & Interest	95	1984-85	Income Tax Tribunal
	Tax & Interest	481	1985-86	Income Tax Tribunal
	Tax & Interest	2,116	1986-87	Income Tax Tribunal
	Tax & Interest	263	1988-89	Income Tax Tribunal
	Tax & Interest	286	1989-90	Income Tax Tribunal
	Tax & Interest	1,495	1991-92	Income Tax Tribunal
	Tax & Interest	2,660	1992-93	Income Tax Tribunal
	Tax & Interest	11,438	1993-94	Income Tax Tribunal
	Tax & Interest	3,687	1994-95	Income Tax Tribunal
	Tax & Interest	5,782	1995-96	Income Tax Tribunal
	Tax & Interest	24,667	1996-97	Income Tax Tribunal
	Tax & Interest	1,316	1997-98	Income Tax Tribunal
	Tax & Interest	13,890	1999-00	Income Tax Tribunal
	Tax & Interest	61,954	2000-01	Commissioner (Appeals)
	Tax & Interest	30,311	2001-02	Commissioner (Appeals)
	Tax & Interest	48,682	2002-03	Commissioner (Appeals)
	Tax & Interest	36,667	2003-04	Commissioner (Appeals)
	Tax & Interest	75,682	2005-06	Commissioner (Appeals)
Tax & Interest	451	2006-07	Commissioner (Appeals)	
Tamil Nadu Government Sales Tax Act, 1959.	Penalty	1,042	1989-90 1990-91 1991-92	Commissioner (Appeals) Chennai
Central Sales Tax Act, 1956 & Bombay Sales Tax Act, 1959	Tax & interest	1,795	2000-01	Maharashtra Sales Tax Tribunal
	Tax & Interest	10,356	2001-02	Maharashtra Sales Tax Tribunal
	Tax & Interest	940	2002-03	Maharashtra Sales Tax Tribunal
	Tax & Interest	2,189	2003-04	Maharashtra Sales Tax Tribunal

Central Excise Act, 1944.	Duty	388	1992-1993 to 1995-96	Deputy Commissioner Central Excise
	Duty	623	2000-01	Deputy Commissioner Central Excise
	Duty	4,219	1992-93	CESTAT (formerly CEGAT)
	Penalty	4,780	2007	CESTAT
Finance Act, 1994	Service Tax	3,125	16.08.2002-31.03.2004	Deputy Commissioner Central Excise

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any outstanding dues to any financial institution or debenture holders during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
19. According to the information and explanations given to us, the Company does not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For BSR & Co.
Chartered Accountants

Mumbai
2 March 2010

Juzer Miyajiwala
Partner
Membership No. 047483

Atlas Copco (India) Ltd.
Balance Sheet
As at 31 December 2009

	<i>Notes</i>	2009 (Rs.'000)	2008 (Rs.'000)
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	2	225,616	225,616
Reserves and surplus	3	4,392,304	3,837,366
		4,617,920	4,062,982
Loan funds			
Secured loans	4	202,770	401,436
Unsecured loans	4A	751,268	1,637,668
		5,571,958	6,102,086
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	3,186,880	2,989,244
Less: Accumulated Depreciation		1,374,777	1,151,282
Net block		1,812,103	1,837,962
Capital work-in-progress (including capital advances)		16,173	10,383
		1,828,276	1,848,345
Investments	6	145,045	75,037
Deferred tax assets (Net)	7	133,988	124,695
Current assets, loans and advances			
Inventories	8	2,443,450	2,848,243
Sundry debtors	9	3,091,865	3,375,033
Cash and bank balances	10	403,049	236,661
Loans and advances	11	780,513	939,333
		6,718,877	7,399,270
Current liabilities and provisions			
Current liabilities	12	2,686,519	2,795,022
Provisions	12	567,709	550,239
		3,254,228	3,345,261
Net current assets		3,464,649	4,054,009
		5,571,958	6,102,086

Significant Accounting Policies

1

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For B S R & Co.
Chartered Accountants

For and on behalf of Atlas Copco (India) Ltd.

A. K. Hirjee
Chairman

D. B. Engineer
Director

B. K. Poddar
Director

J. K. Delvadavala
Director

Juzer Miyajiwala
Partner
Membership No. 047483
Mumbai
2 March 2010

F. Vandenberghe
Managing Director

S. H. Ghotage
Chief Financial Officer

A. C. Daga
Company Secretary

Atlas Copco (India) Ltd.
Profit and Loss Account
for the year ended 31 December 2009

	<i>Notes</i>	2009 (Rs.'000)	2008 (Rs.'000)
Income			
Sales		12,062,165	12,530,220
Less: Excise duty		469,668	823,429
Net Sales		<u>11,592,497</u>	<u>11,706,791</u>
Other operating income	13	1,191,302	1,116,291
Other income	14	32,353	23,045
		<u>12,816,152</u>	<u>12,846,127</u>
Expenditure			
Manufacturing and other expenses	15	11,011,522	11,049,311
Depreciation (including amortisation of goodwill)	5	315,144	280,769
Interest costs	16	159,132	167,332
		<u>11,485,798</u>	<u>11,497,412</u>
Profit for the year before exceptional items and taxes		1,330,354	1,348,715
Less/(Add): Exceptional items	17	16,708	-
Profit for the year before tax		1,313,646	1,348,715
Add / (Less) : Provision for tax			
- current year		475,000	520,000
- deferred tax -(credit)/charge	7	(13,467)	(32,460)
- fringe benefit tax		4,600	23,750
		<u>466,133</u>	<u>511,290</u>
Net profit after tax		847,513	837,425
Balance brought forward		1,350,508	718,666
Add : On account of amalgamation (refer note 28)		176,758	-
Profits available for appropriation		2,374,779	1,556,091
Proposed dividend		112,808	90,246
Corporate dividend tax		19,172	15,337
Transfer to general reserve		100,000	100,000
Balance in Profit and Loss Account carried forward		<u>2,142,799</u>	<u>1,350,508</u>
		<u>2,374,779</u>	<u>1,556,091</u>
Significant Accounting Policies	1		
Basic and diluted earnings per share of Rs. 10 each (Rs.):	27		
On profit after taxation before exceptional items		38.05	37.12
On profit after taxation and exceptional items		37.56	37.12

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Juzer Miyajiwala

Partner

Membership No. 047483

Mumbai

2 March 2010

For and on behalf of Atlas Copco (India) Ltd.

A. K. Hirjee
Chairman

D. B. Engineer
Director

B. K. Poddar
Director

J. K. Delvadavala
Director

F. Vandenberghe
Managing Director

S. H. Ghotage
Chief Financial Officer

A. C. Daga
Company Secretary

Atlas Copco (India) Ltd.
Cash Flow Statement
for the year ended 31 December 2009

	2,009 (Rs. '000)	2008 (Rs. '000)
A Cash flow from operating activities		
Profit for the year before Tax (before exceptional items - see note 17)	1,330,354	1,348,715
Depreciation and Amortisation	315,144	280,769
Interest expenses	159,132	167,332
Loss/(Profit) on fixed assets sold / discarded	4,823	763
Unrealised foreign exchange loss / (gain)	(25,957)	(6,475)
Interest earned	(1,869)	(715)
Dividend earned	(1,739)	-
Operating Profit before working capital changes	<u>1,779,888</u>	<u>1,790,389</u>
(Increase) / Decrease in working capital **		
Inventories	484,514	(741,397)
Sundry debtors	483,055	(294,712)
Loans and advances	134,290	(338,999)
Current liabilities	(181,614)	244,930
Provisions	(8,927)	92,539
Net change in working capital	<u>911,318</u>	<u>(1,037,639)</u>
Cash generated from operations	<u>2,691,206</u>	<u>752,750</u>
Direct Taxes paid	(433,833)	(556,482)
Net Cash Inflow/(Outflow) from operating activities before exceptional item	<u>2,257,373</u>	<u>196,268</u>
Payments under Employees' Voluntary Retirement Scheme	(16,708)	-
Net Cash Inflow/(Outflow) from operating activities	<u>2,240,665</u>	<u>196,268</u>
B Cash flow from investing activities		
Purchase of Fixed Assets	(210,425)	(506,264)
Sale of Fixed Assets	19,303	2,909
Sale / (Purchase) of investments		
- In subsidiaries	(339,983)	(75,037)
- In Mutual Fund	(145,045)	-
Interest received on deposits	1,869	715
Dividend Received	1,739	-
Net cash generated from / (used in) investing activities	<u>(672,542)</u>	<u>(577,677)</u>

Atlas Copco (India) Ltd.
Cash Flow Statement
for the year ended 31 December 2009

	2009 (Rs. '000)	2008 (Rs. '000)
C Cash flow from financing activities		
Repayment of borrowings	(3,265,621)	(1,725,332)
Proceeds from Unsecured term loan	550,899	-
Proceeds from short term borrowings	1,576,707	2,389,919
Repayment of Fixed Deposits	(10)	(80)
Interest paid on loans and deposits	(159,132)	(167,332)
Dividend and Dividend Tax paid	(104,909)	(105,583)
Additions / Repayment of Finance Lease (net)	(10,669)	(20,576)
Net cash generated from / (used in) financing activities	<u>(1,412,735)</u>	<u>371,016</u>
Net increase / (Decrease) in cash & cash equivalents (A+B+C)	155,388	(10,393)
Cash & Cash equivalents at the beginning of the year (See note 10)	236,661	247,054
Cash and Cash equivalents (from acquisition of Focus & Prisma) (Refer note 28)	11,000	-
Cash & Cash equivalents at the end of the year * (See note 10)	<u>403,049</u>	<u>236,661</u>

* includes dividend account Rs. 8,426,769/- (previous year Rs. 7,752,428/-)

** includes cash and cash equivalents taken over on amalgamation - (Refer note 28)

The schedules referred to above form an integral part of the cash flow statement.

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Juzer Miyajiwala

Partner

Membership No. 047483

Mumbai

2 March 2010

For and on behalf of Atlas Copco (India) Ltd.

A. K. Hirjee
Chairman

D. B. Engineer
Director

B. K. Poddar
Director

J. K. Delvadavala
Director

F. Vandenberghe
Managing Director

S. H. Ghotage
Chief Financial Officer

A. C. Daga
Company Secretary

Notes to the financial statements

As at 31 December, 2009

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards, under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, ('the Act') to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest thousand.

1.2 Accounting estimates

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognised in the period in which the results are known / materialised. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Fixed assets, Intangible assets and depreciation

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation.

The Company provides depreciation on Factory Building, Workshop Machinery and Equipment purchased for rental business, on straight line basis and on other fixed assets on the written down value basis. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If management's estimate of the useful life of the fixed asset at the time of acquisition of the asset is shorter than that envisaged in Schedule XIV, depreciation is provided at a higher rate based on management's estimate of the useful life. Pursuant to the policy, depreciation on equipment purchased for rental business is provided on a straight line basis over their estimated useful life of 4 years.

Goodwill and Designs and Drawings are amortised on a straight line basis over their estimated useful life of 10 years.

Leasehold land is amortised over the period of the lease of 95 years.

Assets individually costing less than Rs. 5,000 are depreciated at the rate of 100% per annum.

Advances paid towards acquisition of fixed assets outstanding at each Balance Sheet date and the cost of fixed assets not ready for their intended use at the Balance Sheet are disclosed under capital work-in-progress.

1.4 Impairment of assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal.

1.5 Investments

Long term investments are stated at cost. However when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investment is made are classified as current investments. Current investments are carried at lower of cost and fair value, which is determined for each individual investment. Cost includes related expenses such as commission / brokerages etc.

Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed off.

1.6 Inventories

Inventories include raw materials, bought out components, work in progress and manufactured and traded finished goods. Inventories are valued at cost or net realisable value, whichever is lower. Cost is arrived at on the weighted average basis and includes, where appropriate, manufacturing overheads and excise duty.

Notes to the financial statements

As at 31 December, 2009 (continued)

1.7 Foreign currency transactions

Foreign currency transactions are recorded in the books of the Company at standard exchange rates fixed on the basis of a review of the actual exchange rates. The difference between the actual rate of settlement and the standard rate is charged or credited to the Profit and Loss Account.

The premium or the discount arising at the inception of forward exchange contracts related to underlying receivables and payables are amortised as expense or income over the period of the contracts. With respect to forward exchange contracts, entered into against highly probable future transactions or firm commitments, mark to market loss, if any, is recognised as at the Balance sheet date in view of the principle of prudence enunciated in AS - 1.

Foreign currency current assets and current liabilities outstanding at year-end are translated at the year end exchange rate and the unrealised exchange gain or loss is recognised in the profit and loss account.

Exchange differences arising on payment of liabilities for purchase of fixed assets from outside India and year end conversion of such liabilities is charged or credited to the Profit and Loss Account.

1.8 Revenue recognition

Revenue from sale of products is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are accounted net of amounts recovered towards sales tax.

Income from services is recognised when the services are rendered.

Indent commission income is recognised on receipt of credit notes from Atlas Copco Group companies, when orders placed on them by customers, are executed in accordance with the terms of arrangements.

Dividend income is recognised when the right to receive dividend is unconditional at the Balance Sheet date.

Interest on deployment of surplus funds is recognised using the time proportion method basis.

Export entitlements are recognised in the Profit and Loss account when the right to receive credit as per the terms of the entitlement is established in respect of the exports made.

Revenues from rental of equipment are recognized on a straight line basis over the lease period.

1.9 Employee benefits

a) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

Voluntary Retirement Scheme costs are charged off to Profit and Loss account in the year in which they are incurred.

b) Post employment benefits (defined benefit/ contribution plans)

The employees' gratuity scheme is a defined benefit plan. The Company has taken Group Gratuity Policies with the Life Insurance Corporation of India ('LIC') for future payment of gratuities. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service costs are recognised immediately in the Profit and Loss account.

Contributions to Provident Fund are accrued as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and charged to the Profit and Loss account. The Company pays contribution to a Government Provident Fund in respect of the Nashik and Hyderabad units. As regards, the Pune unit, the contributions are made to a Recognized Fund. The guidance on implementing AS 15, Employee Benefits (Revised 2005) issued by the Accounting Standards Board ('ASB') states that provident funds set up by the employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, the Company is unable to exhibit the related disclosures.

Contributions to the provident fund and Superannuation Fund which are a defined contribution schemes, are recognised as an expense in the Profit and Loss account in the period in which the contribution is due.

Notes to the financial statements

As at 31 December, 2009 (continued)

c) Long term employee benefits

Long term employee benefits comprise compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary using the projected unit method at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognised immediately in the Profit and Loss account.

1.10 Taxation

Income tax expense comprises current tax, fringe benefit tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Timing differences, which reverse within the tax holiday period, do not result in tax consequence and therefore no deferred taxes are recognised in respect of the same. For this purpose, the timing differences, which originate first, are considered to reverse first.

1.11 Warranty

The Company periodically assesses and provides for the liability on warranty given on sale of its products, based on past performance of such products.

1.12 Lease

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as Finance Lease. Such assets are capitalised at the fair value of assets or present value of the minimum lease payments at the inception of the lease whichever is lower.

Lease payments under operating leases are recognized as an expense in the statement of Profit and Loss on a straight line basis over the lease term.

1.13 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

1.14 Provisions and Contingencies

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
2. Share capital		
Authorised:		
25,000,000 (previous year 25,000,000) equity shares of Rs 10 each	<u>250,000</u>	<u>250,000</u>
Issued, subscribed and fully paid-up:		
22,561,566 (previous year 22,561,566) equity shares of Rs 10 each	<u>225,616</u>	<u>225,616</u>
Issued, subscribed and fully paid up includes :		
(a) 110,600 equity shares allotted as fully paid-up, pursuant to a contract without payment being received in cash,		
(b) 17,202,315 equity shares allotted as fully paid-up by way of bonus shares by capitalisation of General Reserve and Share Premium Account,		
(c) 4,027,095 equity shares allotted as fully paid-up to shareholders of erstwhile Chicago Pneumatic India Limited ('CPIL'), pursuant to the Scheme of Amalgamation, without payment being received in cash,		
(d) 18,899,360 shares held by Atlas Copco AB, Sweden.		
3 Reserves and surplus		
Capital reserve		
Balance as per last Balance Sheet	598	598
SICOM capital incentive subsidy		
Balance as per last Balance Sheet	2,000	2,000
Central investment subsidy		
Balance as per last Balance Sheet	3,266	3,266
Special capital incentive		
Balance as per last Balance Sheet	2,000	2,000
Securities premium		
Balance as per last Balance Sheet	-	-
Add : On account of amalgamation (refer note 28)	19,786	-
Shares forfeited		
Balance as per last Balance Sheet	-	-
Add : On account of amalgamation (refer note 28)	535	-
General reserve		
Balance as per last Balance Sheet	2,478,994	2,378,994
Less : On account of amalgamation (refer note 28)	(357,674)	-
Add : Transfer from Profit and Loss Account	100,000	100,000
	<u>2,221,320</u>	<u>2,478,994</u>
Profit and Loss Account	<u>2,142,799</u>	<u>1,350,508</u>
	<u>4,392,304</u>	<u>3,837,366</u>

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
4 Secured loans		
Term loan from bank*	83,333	166,668
(Amounts due within one year - Rs. 83,333,333/-; Previous Year - Rs. 83,333,333/-)		
Bank Overdraft #	105,012	209,674
Finance Lease ©	14,425	25,094
	202,770	401,436

* The Company has availed Term loan at an interest of 11.25% per annum, repayable over a period of three years. The term loan is secured by first pari-passu charge on all of the Company's Stock in Trade, Receivables and Movable Plant and Machinery.

Secured by hypothecation of underlying book debts and Inventories.

© Finance lease is secured by underlying assets.

4A Unsecured loans

Fixed deposits (Unclaimed) (due within one year - Nil; previous year - Rs. 10,000/-)	-	10
Unsecured Term Loan (due within one year - Rs. 550,899,000; previous year - Nil)	550,899	-
Packing Credit in foreign currency (due within one year - Nil; previous year - Rs. 776,476,000/-)	-	776,476
Buyers Credit (due within one year - Rs. 181,404,000; previous year - Rs. 290,605,000/-)	181,404	290,605
Short Term Loan (due within one year - Nil; previous year - Rs. 550,000,000/-)	-	550,000
Interest free sales tax deferred loan from the State Industrial and Investment Corporation of Maharashtra Limited (due within one year - Rs. 4,071,552/-; previous year - Rs. 1,391,376/-)	18,965	20,577
	751,268	1,637,668

5 Fixed Assets

DESCRIPTION	GROSS BLOCK - AT COST					DEPRECIATION						NET BLOCK		
	As at 01.01.2009	Taken over from Focus & Prisma in pursuant to Scheme- Refer Note- 28	Additions	Transfer	Deductions	As at 31.12.2009	As at 01.01.2009	Taken over from Focus & Prisma in pursuant to Scheme - Refer Note- 28	For the year	Transfer	On Deductions	As at 31.12.2009	As on 31.12.2009	As on 31.12.2008
Intangible Assets														
Goodwill	700,934	-	-	-	-	700,934	303,735	-	70,093	-	-	373,828	327,106	397,199
Design and Drawings	365,400	-	-	-	-	365,400	158,340	-	36,540	-	-	194,880	170,520	207,060
Tangible Assets														
Land (Freehold)	2,302	-	34,168	-	-	36,470	-	-	-	-	-	-	36,470	2,302
Land (Leasehold)	242	-	-	-	-	242	92	-	2	-	-	94	148	150
Factory Building	536,185	19,703	17,216	-	753	572,351	58,800	2,328	17,984	-	-	79,112	493,239	477,385
Electrical Installations	137,373	2,382	5,046	-	8,915	135,886	33,421	386	16,100	-	1,786	48,121	87,765	103,952
Workshop Machinery	401,508	91,922	38,732	(7,697)	40,392	484,073	205,327	10,043	28,083	(2,578)	37,048	203,827	280,246	196,181
Patterns and Dies	117,233	406	11,157	7,697	1,893	134,600	76,956	74	15,236	2,578	1,827	93,017	41,583	40,277
Vehicles	13,311	4,682	854	25,966	22,775	22,038	12,088	1,018	3,614	17,569	18,731	15,558	6,480	1,223
Lease Assets - Vehicles	110,182	-	-	(25,966)	850	83,366	60,647	-	10,639	(17,569)	464	53,253	30,113	49,535
Furniture, Fittings and office equipment etc.	549,996	4,974	46,990	-	55,490	546,470	238,242	1,443	93,090	-	47,085	285,690	260,780	311,754
Rental Equipment	54,578	-	50,472	-	-	105,050	3,634	-	23,763	-	-	27,397	77,653	50,944
	2,989,244	124,069	204,635	-	131,068	3,186,880	1,151,282	15,292	315,144	-	106,941	1,374,777	1,812,103	1,837,962
Previous Year	2,499,781	-	520,776	-	31,313	2,989,244	898,155	-	280,769	-	27,642	1,151,282	1,837,962	-
Capital Work in Progress (Including capital advances)													16,173	10,383
													1,828,276	1,848,345

Notes to the financial statements
As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
6 Investments		
Long Term Non trade Investments, unquoted		
Focus Rocbit Private Limited	-	60,030
1,271,250 equity shares of Rs. 10 each fully paid		
Prisma Roctools Private Limited	-	15,007
162,391 equity shares of Rs.10 each fully paid (refer note 28)		
Subtotal (A)	<u>-</u>	<u>75,037</u>
Current Non Trade Investments - Quoted		
(i) 5,563,351; (previous year Nil) units of Reliance Liquid Fund - Treasury Plan	85,048	-
(ii) 3,491,270 ; (previous year Nil) units of HDFC Cash Management Fund - Treasury advantage plan	35,000	-
(iii) 2,350,596 ; (previous year Nil) units of HDFC Cash Management Fund - Savings Plan	24,997	-
Subtotal (B)	<u>145,045</u>	<u>-</u>
	<u>145,045</u>	<u>75,037</u>
Investment purchased and sold during the year		
Name of the Scheme	Units	Value
(I) Reliance Liquid Fund - Treasury Plan	2,943,639	45,000
(ii) HDFC Cash Management Fund - Treasury Advantage Plan	54,961,040	551,342
(iii) HDFC Cash Management Fund - Savings Plan	174,230,867	1,853,189
7 Deferred tax assets		
Provision for doubtful debts	36,333	24,754
Payments under Employees' Voluntary Retirement Scheme	16,673	14,850
Employee benefits - gratuity, compensated absences	125,693	132,959
Other differences (Net)	29,598	30,191
	<u>208,297</u>	<u>202,754</u>
Deferred tax liability		
Difference between book and tax depreciation	(74,309)	(78,059)
	<u>(74,309)</u>	<u>(78,059)</u>
Deferred tax assets (Net)	<u>133,988</u>	<u>124,695</u>
8 Inventories		
Raw materials and bought out components *	982,105	1,339,872
Manufactured components	53,649	69,235
Work-in-progress	102,977	88,709
Finished goods * #	1,304,719	1,350,427
	<u>2,443,450</u>	<u>2,848,243</u>
* Includes goods in transit Rs. 320,462,424/- (previous year Rs.472,676,000/-)		
# Includes provision for excise duty Rs.33,198,395/-(previous year Rs.31,716,594/-)		
9 Sundry debtors		
(Unsecured)		
Over six months:		
Considered good	482,732	393,562
Considered doubtful	106,560	72,493
	<u>589,292</u>	<u>466,055</u>
Other debts :		
Considered good	2,609,133	2,981,471
	<u>3,198,425</u>	<u>3,447,526</u>
Less: Provision for doubtful debts	106,560	72,493
	<u>3,091,865</u>	<u>3,375,033</u>
Debts due from Companies under the same management Rs.480,258,623/- (previous year Rs.508,506,000/-) Refer note 26		

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
10 Cash and bank balances		
Cash in hand	728	1,063
Cheques on hand	63,899	71,269
Balance with scheduled banks		
On current accounts	338,183	164,089
On fixed deposit accounts	239	240
	<u>403,049</u>	<u>236,661</u>
11 Loans and advances		
(unsecured)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	348,140	474,571
Considered doubtful	11,741	11,741
	<u>359,881</u>	<u>486,312</u>
Less: Provision for doubtful advances	11,741	11,741
	<u>348,140</u>	<u>474,571</u>
Advance tax (net)	115,732	167,495
Balances with customs, excise, port trust etc. (considered good)	316,641	297,267
	<u>780,513</u>	<u>939,333</u>
12 Current liabilities and provisions		
Current liabilities		
Sundry creditors		
Total outstanding dues of micro enterprise and small enterprise (Refer note 23.3)	-	585
Total outstanding dues to creditors other than micro enterprise and small enterprise	1,374,948	1,781,193
Advance from customers	424,288	381,798
Unclaimed dividends	8,427	7,752
Other liabilities	878,856	623,694
	<u>2,686,519</u>	<u>2,795,022</u>
Provisions		
Proposed dividend	112,808	90,246
Corporate dividend tax	19,172	15,337
Provision for compensated absences	225,123	226,337
Provision for warranty (Refer Note 24)	90,479	63,701
Provision for gratuity	120,127	154,618
	<u>567,709</u>	<u>550,239</u>
	<u>3,254,228</u>	<u>3,345,261</u>
13 Other operating income		
Services rendered	690,145	596,553
Indent commission	389,857	434,691
Income from rental of equipment	43,987	6,588
Export benefits	47,295	44,135
Sale of scrap	10,304	22,515
Foreign exchange Gain (net)	9,714	11,809
	<u>1,191,302</u>	<u>1,116,291</u>
14 Other income		
Interest received (tax deducted at source Rs.29,994/-; Previous year Rs.74,040/-)	1,869	715
Dividend from non trade investments	1,739	-
Miscellaneous income	28,745	22,330
	<u>32,353</u>	<u>23,045</u>

Notes to the financial statements
As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
15 Manufacturing and other expenses		
Consumption of raw material and bought out components (Increase)/Decrease in manufactured finished goods, work-in-progress and manufactured components	5,381,466	5,355,838
Opening stock # :		
Finished goods	1,264,110	963,863
Work-in-progress	130,028	142,293
Manufactured components	69,235	55,310
	<u>1,463,373</u>	<u>1,161,466</u>
Closing stock:		
Finished goods	1,144,688	1,240,756
Work-in-progress	102,977	88,709
Manufactured components	53,649	69,235
	<u>1,301,314</u>	<u>1,398,700</u>
	162,059	(237,234)
Purchase of Traded goods	2,935,278	3,400,387
Personnel Costs :		
Salaries, wages, bonus and commission (Refer note 23.2)	787,809	660,350
Contribution to provident and other funds	98,662	214,331
Staff welfare expenses	104,201	106,922
	<u>990,672</u>	<u>981,603</u>
Operating and other expenses:		
Traveling and conveyance expenses	230,667	279,936
Stores and tools consumed	58,971	83,894
Freight, transport and packing	129,075	184,363
Rent	210,667	166,729
Commission	206,956	175,487
Technical know-how fees and royalty	59,561	21,080
Legal and Professional Fees	89,993	82,478
Power and fuel	45,913	45,400
Communication expenses	74,352	58,961
Excise duty *	33,703	64,604
Conference and Training Costs	24,680	47,222
Provision for doubtful debts and bad debts written off	101,216	34,049
Insurance	10,782	15,041
Rates and taxes	4,742	3,219
Donation	349	4,885
Audit fees (Refer Note 23.1)	3,750	3,550
Loss on fixed assets sold / discarded	4,823	763
Repairs and Maintenance		
on Factory Building	12,301	9,597
on Machinery	13,313	24,278
on Other assets	17,712	17,164
Miscellaneous expenses	208,521	226,017
	<u>1,542,047</u>	<u>1,548,717</u>
	<u>11,011,522</u>	<u>11,049,311</u>

* includes difference between excise duty on closing stock and excise duty on opening stock Rs.1,481,801/- (previous year Rs.22,379,591/-)

includes stock taken over on amalgamation - Refer note- 28

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
16 Interest costs		
Bank Loans	154,621	160,691
Others	4,511	6,641
	<u>159,132</u>	<u>167,332</u>
17 Exceptional items		
Compensation for Voluntary Retirement Scheme	16,708	-
	<u>16,708</u>	<u>-</u>
18 Segment reporting		

The Company has disclosed Business Segments as the primary segment. Segments have been identified by the Management taking into account the nature of products, manufacturing process, customer profiles, risk and reward parameters and other relevant factors.

The Company's operations can be mainly classified into two primary segments, 'Industrial' and 'Construction and Mining'. Segment assets include all operating assets used by the business segment and consist primarily of fixed assets, debtors and inventories. Segment liabilities primarily include creditors and other liabilities. Assets and liabilities that can not be allocated between the segments are shown as a part of unallocated assets and liabilities. For details on products and services refer Management discussion and analysis.

Secondary segments have been identified with reference to the geographical location of external customers.

18.1 Information about Primary Business Segments

Particulars	2009 (Rs '000)	2008 (Rs '000)
1. Segmentwise Revenue (net sale/ income from each segment)		
a) Industrial segment	7,758,517	7,982,199
b) Construction and Mining segment	4,713,699	4,577,471
Total	<u>12,472,216</u>	<u>12,559,670</u>
2 Inter segment revenue	-	-
3 Other Unallocable Income	343,936	286,457
Net sales/income from operations (1+3)	<u>12,816,152</u>	<u>12,846,127</u>
4 Segment Results Profit (+)/Loss (-) before exceptional items, tax and interest		
a) Industrial segment	1,019,536	998,251
b) Construction and Mining segment	458,750	640,840
Total	<u>1,478,286</u>	<u>1,639,091</u>
5 Interest	159,132	167,332
6 Other un-allocable expenditure / (income) - net	(11,200)	123,044
7 Total Profit before exceptional item and tax (4-5-6)	<u>1,330,354</u>	<u>1,348,715</u>
8 Exceptional items		
a) Industrial segment	1,447	-
b) Construction and Mining segment	15,261	-
c) Other unallocable	-	-
Total	<u>16,708</u>	<u>-</u>
9 Profit before tax	1,313,646	1,348,715
Provision for tax	475,000	520,000
Provision for deferred tax	(13,467)	(32,460)
Provision for Fringe benefit Tax	4,600	23,750
10 Profit after tax	<u>847,513</u>	<u>837,425</u>

Notes to the financial statements
As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
Other Information		
11 Segment Assets		
a) Industrial segment	4,431,100	5,002,693
b) Construction and Mining segment	3,377,808	3,604,363
c) Other Unallocable	1,017,278	840,290
Total	8,826,186	9,447,346
12 Segment Liabilities		
a) Industrial segment	1,785,575	1,975,205
b) Construction and Mining segment	1,133,755	1,077,816
c) Other Unallocable	1,288,936	2,331,343
Total	4,208,266	5,384,364
13 Capital Expenditure		
a) Industrial segment	87,046	252,928
b) Construction and Mining segment	60,725	211,858
c) Other Unallocable	56,864	55,991
Total	204,635	520,777
14 Depreciation / Amortisation		
a) Industrial segment	103,133	90,534
b) Construction and Mining segment	199,861	161,060
c) Other Unallocable	12,150	29,175
Total	315,144	280,769
15 Non-cash Expenses other than depreciation		
a) Industrial segment	57,682	32,150
b) Construction and Mining segment	43,534	1,899
c) Other Unallocable	-	-
Total	101,216	34,049

18.2 Information about Secondary Segments

Revenue		
India	10,773,953	10,645,511
Outside India	2,042,199	2,200,616
Total	12,816,152	12,846,127
Segment Assets		
India	8,346,152	8,913,070
Outside India	480,034	534,276
Total	8,826,186	9,447,346
Segment Liabilities		
India	3,434,104	4,165,666
Outside India	774,162	1,218,698
Total	4,208,266	5,384,364

The Company's fixed assets are located entirely in India.

Notes to the financial statements

As at 31 December, 2009 (continued)

19 Related party disclosures

19.1 Parties where control exists

Holding Company

Atlas Copco AB, Sweden holds 83.77 % (previous year :83.77%) of the equity share capital as of 31 December 2009

19.2 Other related parties with whom transactions have taken place during the year

Fellow subsidiaries

ABAC Aria Compressa SPA
Atlas Copco (Nanjing) Construction & Mining Equipment
Atlas Copco (Wuxi) Exploration Equipment
Atlas Copco Rotex Oy
Atlas Copco (PDE) Germany
Atlas Copco (Schweiz) AG
Atlas Copco (Shenyang) Construction & Mining Equipment Ltd.
Atlas Copco (South East Asia) Pte Ltd.
Atlas Copco (Thailand) Ltd
Atlas Copco (Zhangjiakou) CMT
Atlas Copco (Wuxi) Compressor Technique
Atlas Copco Airpower NV
Atlas Copco Algeria SPA
Atlas Copco Angola
Atlas Copco Application Center Europe
Atlas Copco ASAP NV
Atlas Copco Bahrain
Atlas Copco Brazil
Atlas Copco Chilena S.A.C.
Atlas Copco China/Hongkong Ltd
Atlas Copco CMT-USA
Atlas Copco Compressor INC, (Comptec)
Atlas Copco Compressor INC, (Holyoke)
Atlas Copco Compressors Ltd. Great Britain
Atlas Copco Compressors, Australia
Atlas Copco Construction & Mining Equipment Ltd, China
Atlas Copco Construction Tools AB, Kalmar, Sweden
Atlas Copco Construction Tools Gmbh
Atlas Copco Craelius AB
Atlas Copco Crepelle, France
Atlas Copco Customer Finance
Atlas Copco Drilling Solutions Allen / Garland, USA
Atlas Copco Drilling Solutions Roanoke, USA
Atlas Copco Eastern Africa Ltd.
Atlas Copco Energas Gmbh
Atlas Copco Exploration Products
Atlas Copco Forage ET Demoliti
Atlas Copco Ghana Ltd
Atlas Copco Great Britain CMT
Atlas Copco Hurricane (USL)
Atlas Copco Industrial Equipment Co.Saudi Arabia
Atlas Copco Italia(Compressor Div)
Atlas Copco Keetting Marine Center
Atlas Copco KK
Atlas Copco MAI Gmbh

Notes to the financial statements

As at 31 December, 2009 (continued)

Atlas Copco Makinalari, Turkey
Atlas Copco Mexicana, SA DE CV
Atlas Copco Mfg..Korea Co. Ltd.
Atlas Copco Middle East FZE
Atlas Copco Nederlands BV (NLA)
Atlas Copco Pair Limited
Atlas Copco Phillipines Inc.
Atlas Copco Pneumatec Inc.
Atlas Copco Rock Drills AB
Atlas Copco Romania SRL
Atlas Copco Rotex AB
Atlas Copco SA Espanola
Atlas Copco Secoroc (Pty) Ltd.
Atlas Copco Secoroc AB
Atlas Copco Secoroc LLC, USA
Atlas Copco Services Middle East
Atlas Copco South Africa (Pty) Ltd.
Atlas Copco Surface Drilling Equipment USA
Atlas Copco Taiwan Ltd.
Atlas Copco Tools & Assembly System
Atlas Copco Tools Gmbh
Atlas Copco Venezuela, SA
Atlas Copco Worthington Creyssens
Atlas Copco Zambia Ltd
Atlas Copco Zimbabwe Pvt Ltd
Atlas Copco Mfg. Korea Co.Ltd.
Atlas Copco (South East Asia) Private Limited
Atlas Industrial Equipment Co.
Beacon Medical Products Lcc
Ceccato Aira Compressa SPA
Desouter Gmbh
Dynapac Compaction & Paving Equipment (India) Pvt. Ltd.
Dynapac Concrete SNC
Dynapac Gmbh
Georges Renault
Green Field AG (GFR)
Green Field AG, Switzerland
Atlas Copco Industrial Technique s.r.o.
Intermech Ltd
Liuzhoutech Machinery Co.Ltd.
Mafi Trench Company LLC
Atlas Copco Compressors LLC - Pneumatech Product Company
Power Tools Distribution NV
Rodcraft Pneumatic Tools Gmbh
Atlas Copco Compressors LLC - Tide Air Product Co.
Wuxi Pneumatic Air/Gas Purify Equipment Ltd
Atlas Copco Charitable Foundation
Focus Rocbit Private Limited
Prisma Roctools Private Limited
Pneumatech USA
Atlas Copco (India) Limited Employees Provident Fund

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
19.3 Whole-time directors (Refer note 23.2)		
Mr M.M. Mustapha (Upto 31 January 2009)		
Mr F. Vandenberghe (From 1 August 2009)		
Details of remuneration to directors are as under		
Salaries and Performance bonus	5,405	7,760
Perquisites	2,784	21,351
	<u>8,189</u>	<u>29,111</u>
<p>The above remuneration includes remuneration to Mr. F. Vandenberghe, a foreign national, with regard to whose appointment as managing director of the company w.e.f. 1 August 2009, an application has been made to the Central Government for approval as per the requirements of the Companies Act, 1956. The aforesaid approval has not been received till the date of approval of accounts by the Board of Directors.</p>		
19.4 Sales, commission and recoveries from related parties		
Significant transactions with Fellow subsidiaries		
Export to Atlas Copco Crepelle	71,124	151,508
Export to Power Tools Distribution N.V	271,367	607,248
Export to Atlas Copco Airpower NV	272,306	94,645
Export to other fellow subsidiaries	355,632	336,140
Commission from Atlas Copco Airpower NV	59,213	79,895
Commission from Power Tools Distribution NV	78,257	82,567
Commission from Atlas Copco Rockdrills AB	113,525	160,835
Commission from Atlas Copco Drilling Solutions Garland	59,629	29,084
Commission from other fellow subsidiaries	79,233	82,098
Service Income from Atlas Copco Drilling Solutions-Garland	85,344	88,656
Service Income from Atlas Copco Airpower NV	184,284	117,116
Service income from other fellow subsidiaries	97,345	64,271
Warranty Recovery from Atlas Copco Airpower NV	37,423	57,620
	<u>1,764,682</u>	<u>1,951,683</u>
19.5 Purchases of Raw material / Capital goods, other services from the related parties		
Significant transactions with Fellow subsidiaries		
Import from Atlas Copco Airpower NV	1,461,739	1,463,609
Import from Power Tools Distribution NV	618,366	755,000
Import / Purchase from other fellow subsidiaries	1,424,893	1,262,658
Import of Capital Goods from Atlas Copco Airpower NV	17,263	38,391
Import of Capital Goods from Atlas Copco (South East Asia) Private Limited	-	26,002
Import of Capital Goods from Power Tools Distribution NV	4,511	8,128
Import of Capital Goods from Pneumatech USA	5,739	-
Import of Capital Goods from other fellow subsidiaries	-	5,263
Group recharges from Atlas Copco Airpower N.V.	63,313	19,897
Group recharges from Atlas Copco Pair Limited	9,541	8,787
Group recharges from Atlas Copco China/Hongkong Limited	44,305	1,249
Group recharges from other fellow subsidiaries	22,938	21,358
	<u>3,672,608</u>	<u>3,610,342</u>
19.6 Royalty paid / payable to related parties		
Atlas Copco Airpower NV	59,561	21,080

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
19.7 Dividend paid to related parties		
Holding company		
Atlas Copco AB, Sweden	75,597	75,597
	<u>75,597</u>	<u>75,597</u>
19.8 Donation paid to Atlas Copco Charitable Foundation	-	4,885
19.9 Provident fund contribution to Atlas Copco (India) Limited Employees Provident fund	26,612	22,526
19.10 Outstanding balances		
Debtors		
From related parties with whom significant transactions have taken place during the year		
Atlas Copco Airpower n.v	118,804	110,899
Power Tools Distribution n.v.	144,254	136,316
Intermech Limited, Newzeland	2,302	70,888
From other fellow subsidiaries	214,674	190,403
	<u>480,034</u>	<u>508,506</u>
Creditors		
To related parties with whom significant transactions have taken place during the year		
Atlas Copco Airpower n.v	252,657	369,372
Power Tools Distribution n.v.	144,873	179,959
Dynapac GMBH	94,081	36,311
Atlas Copco Compressor LLC, Comptec	10,092	132,759
Wuxi AC Compressor Co. Ltd	76,874	36,281
To other fellow subsidiaries	216,691	483,926
	<u>795,268</u>	<u>1,238,608</u>
20 Accounting for lease		
20A Finance Lease		
20A.1 The reconciliation between total minimum lease rent as at Balance Sheet date and their present value is stated below :		
Total of minimum lease rent payable as of December 31	14,425	30,545
Present value of lease rent payable as of December 31	11,856	25,094
20A.2 The total minimum lease rent at the Balance Sheet date , their present value for the following period is stated below:		
Lease rent payable not later than one year	14,425	16,120
Present value of the above	11,856	13,238
Lease rent payable later than one year but not later than five years	-	14,425
Present value of the above	-	11,856
20B Operating Lease		
The Company has entered into operating lease arrangements for cars. Lease agreement on operating lease arrangements, debited to the Profit & Loss Account and future minimum lease payments in respect of non-cancellable operating leases are summarised below:		
Lease payments debited to the Profit and Loss Account:	60,432	39,443
Future minimum lease payments in respect of non-cancellable leases -		
- amounts due within one year from the date of balance sheet	60,038	54,115
- amounts due in the period between one year and five years	77,907	123,594
- amounts due after five years	-	-

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
20C Rental operations - Operating Lease		
During the previous year the Company has started rental of equipments, which are classified as operating lease. The rental period of these equipment range for a period from 1 - 3 months.		
21	38,749	50,063
Estimated amount of contracts remaining to be executed on capital account but not provided for (net of advances)		
22 Contingent liabilities not provided for:		
(a) Claims against the Company not acknowledged as debts	98,689	23,045
(b) Sales tax matters pending in appeal	26,678	21,940
(c) Excise matters pending in appeal	13,844	9,064
(d) Income tax matters pending in appeal	529,510	526,061
(e) Property tax matter pending in appeal	11,449	10,222
(f) Bills discounted	29,856	34,252
23 Supplementary statutory information		
23.1 Remuneration to Auditors:		
- Audit	2,050	1,850
- Tax Audit	800	800
- Other services including miscellaneous reports	900	900
	<u>3,750</u>	<u>3,550</u>
23.2 Managerial Remuneration		
Salaries and Performance bonus	5,405	7,760
Perquisites	2,784	21,351
Commission to non executive directors	4,000	3,500
	<u>12,189</u>	<u>32,611</u>
Computation of Net profit in accordance with section 349 of the Companies Act, 1956. (for the purpose of commission payable to Non-executive Directors)		
Profit for the year before exceptional items and taxes	1,330,354	1,348,715
Add: Managerial Remuneration	8,189	29,111
Commission to Non-executive Directors	4,000	3,500
Provision for doubtful debts & bad debts written off	101,216	34,049
Loss on sale of fixed assets	4,823	763
	<u>1,448,582</u>	<u>1,416,138</u>
Less: Bad debts written off (including amounts written off from Provision for doubtful debts and advances)	67,149	29,062
Net Profit	<u>1,381,433</u>	<u>1,387,076</u>
Maximum commission payable to Non-executive directors as restricted to 1% of total profits	13,814	13,871
Provision for commission payable to Non-executive directors	4,000	3,500
23.3 Micro, Small & Medium Enterprises Development Act, 2006		
As per the MSMED Act, and to the extent of the information available, amounts unpaid as at the year end together with the interest paid / payable, is as follows:		
(a) The Principal amount and interest due	-	585
(b) Interest Paid under MSMED Act, 2006	-	-
(c) Interest due (other than 23.3 (b))	-	-
(d) Interest accrued and unpaid	-	-
(e) Interest due and payable till actual payment	-	-

Notes to the financial statements
As at 31 December, 2009 (continued)

	2009 Rs. '000	2008 Rs. '000
23.4 Remittances made by the Company		
(i) Remittances made by the Company in foreign currency on account of dividend	75,597	75,597
(ii) Number of non-resident shareholders	1	1
(iii) Number of shares held by non-residents on which dividend was remitted	18,899,360	18,899,360
(iv) Year for which dividend was remitted	2008	2007
The information given above excludes non-resident Indian shareholders to whom remittances were made to their bank accounts in India.		
23.5 Expenditure in foreign currency		
(i) Travelling	5,501	5,163
(ii) Technical know-how fees	59,561	21,080
(iii) IT, software and related services	77,272	30,289
(iv) Training costs	637	5,350
(v) Payroll and social security benefits	8,680	4,422
(vi) Others	17,600	6,065
23.6 C.I.F. value of imports		
(i) Components and spare parts	3,907,293	3,889,628
(ii) Capital goods	33,895	82,711
23.7 Earnings in foreign exchange		
(i) Exports at F.O.B. value	1,242,536	1,395,598
(ii) Commission	386,411	434,480
(iii) Recovery of freight and Insurance on exports	8,856	42,875
(iv) Recovery of warranty	37,423	57,620
(v) Service Income	366,973	270,043

23.8 (i) Details of Sales, Opening Stock and Closing Stock:

	Opening Stock		Sales		Closing stock **	
	Qty (nos.)	Amount (Rs.'000)	Qty (nos.)	Amount (Rs.'000)	Qty (nos.)	Amount (Rs.'000)
Air, gas and screw compressors, dryer and filters	456	287,334	6,304	4,439,660	287	354,007
	(665)	(211,048)	(7,598)	(4,591,335)	(456)	(287,334)
Pneumatic tools *#	4,642	39,106	43,741	670,397	2,789	25,663
	(4,007)	(37,981)	(70,648)	(1,080,775)	(4,642)	(39,106)
Rock drilling equipment	20	31,395	426	1,249,561	12	9,497
	(30)	(30,165)	(570)	(1,262,233)	(20)	(31,395)
Road Construction Equipments	14	34,356	236	282,176	21	9,470
	-	-	(25)	(47,460)	(14)	(34,356)
Spares, accessories and components for above *#@		1,051,242		4,950,703		959,731
		(766,951)		(4,724,808)		(1,027,470)
		1,443,433		11,592,497		1,358,368
		(1,046,145)		(11,706,791)		(1,419,661)

* Includes goods in transit

@ Includes opening stock taken over on amalgamation Refer Note 28

Includes traded products

** Excludes items sent for re-processing and shown in work-in-progress or items dismantled and includes adjustment for shortages/excesses.

Figures in brackets are for the previous year.

Notes to the financial statements
As at 31 December, 2009 (continued)

(ii) **Purchase Cost of Traded products:**

	Qty (nos)	Amount (Rs.'000)
Pneumatic tools	15,365	160,796
	(20,805)	(205,208)
Spares, accessories and components		2,774,482
		(3,195,179)
		2,935,278
		(3,400,387)

Figures in brackets are for the previous year.

23.9 Raw materials and bought out components consumed:

	2009		2008	
	Qty. (Nos.)	Amount (Rs.'000)	Qty. (Nos.)	Amount (Rs.'000)
Casting and forgings	156,277	69,909	323,985	179,871
Semi-finished blanks	389,801	54,102	486,248	69,029
Diesel Engines and Electric motors	7,653	849,140	8,975	739,817
Elements	5,580	582,110	6,418	630,051
Other components		3,826,205		3,737,070
		5,381,466		5,355,838

23.10 Raw materials and bought out components consumed (continued):

	2009		2008	
	Qty. (Nos.)	%	Qty. (Nos.)	%
Imported at landed cost	2,433,344	45.22%	1,953,993	36.48%
Indigenously obtained	2,948,122	54.78%	3,401,845	63.52%
	5,381,466	100.00%	5,355,838	100.00%

- i. The consumption figures are ascertained on the basis of opening stocks plus purchases less closing stocks and therefore, include the adjustments for excesses and shortages ascertained on physical count, write-off of unserviceable items, etc.
- ii. The item "spare parts" in paragraph 4D(c) of part II to Schedule VI of the Companies Act, 1956 is interpreted to mean components used in the manufacture of finished products or sold as such and not spare parts used for repairs and maintenance of machine.
- iii. Consumption of other components shown above include the cost of bought-out components sold without processing, the purchase and sale of such components being ancillary to the manufacturing activity. In view of wide variety of items that are included in this category, the quantitative figures would not give a fair and comparable picture and hence, have not been stated.

23.11 Information for each class of goods manufactured

	*Installed capacity (per annum) Nos.	Actual production Nos.
Air, gas and screw compressors	11,500	6,135
	(11,500)	(7,852)
Pneumatic tools	70,000	41,888
	(70,000)	(46,689)
Rock drilling equipment	530	418
	(490)	(315)
Road Construction Equipments	550	243
	(550)	(39)

* The installed capacity disclosed above is as per certificate of the Factory Flow Manager which has been relied upon by the Auditors without verification, since this is a technical matter.

Figures in brackets are for the previous year.

Notes to the financial statements

As at 31 December, 2009 (continued)

24 The movement in provision for warranty is as follows:

	2009 (Rs.'000)	2008 (Rs.'000)
Balance as at 1st January	63,701	67,235
Add: Provision made during the year	60,470	32,013
Less: Utilisation during the year	33,692	35,547
Balance as at 31st December	90,479	63,701

25 Derivative instruments and foreign currency exposures:

The following derivative instruments are outstanding at the Balance sheet date:

Nature of derivative instrument	Currency	Amount in thousands		Purpose
		2009	2008	
Forward Contracts	EUR	2,221	9,675	Hedging of foreign currency loans and interest thereon
	USD	731	8,585	
	EUR	3,519	-	Hedging of firm commitments in relation to imports
	USD	-	793	

The Company has recognised 'MTM' losses aggregating to NIL (Previous year- Rs. 863,486 /-) in the Profit and Loss Account.

The following foreign currency exposures have not been hedged by derivative instruments or otherwise at the balance sheet date.

Nature of Exposure

Foreign Currency receivables

Currency	2009		2008	
	Foreign Currency	INR	Foreign Currency	INR
EUR	5,179,827	347,189,292	4,871	334,072
GBP	-	-	6	451
SEK	8,748,100	56,732,301	6,491	40,634
USD	1,606,295	75,070,036	3,278	158,818
JPY	340,000	172,380	-	-
SGD	26,139	869,629	-	-
ZAR	-	-	59	300
Total	15,900,361	480,033,638	14,705	534,276

Foreign Currency payables

Currency	2009		2008	
	Foreign Currency	INR	Foreign Currency	INR
AUD	-	-	31	1,035
CAD	45,600	2,032,428	8	302
DZD	-	-	198	134
EUR	8,444,580	566,016,549	10,554	723,804
GBP	-	-	3	242
JPY	-	-	79	43
HKD	93,272	562,057	-	-
NZD	17,066	572,548	2,046	57,420
SEK	11,447,642	74,239,105	17,287	108,218
SFR	-	-	2	106
SGD	540	17,963	-	-
USD	2,746,302	128,348,149	6,757	327,393
YEN	4,681,424	2,373,482	-	-
Total	27,476,426	774,162,281	36,965	1,218,698

Notes to the financial statements

As at 31 December, 2009 (continued)

26 Debts due from companies under the same management as per Section 370(1B) of the Companies Act, 1956 are as follows

	2009 (Rs.'000)	2008 (Rs.'000)
Atlas Copco Eastern Africa Ltd	8,725	1,829
Atlas Copco (Zhangjiakou) Cmt	1,454	1,080
Atlas Copco ASAP NV	123	823
Atlas Copco Brazil Ltd	223	140
Atlas Copco Hollioke	45	332
Atlas Copco Comptec Inc.	1,566	5,985
Atlas Copco Construction Tools GMBH	8,912	1,914
Atlas Copco Cralieus AB	3,181	7,242
Atlas Copco Crepele	14,265	25,129
Atlas Copco Drilling Solutions Garland	8,506	22,888
Atlas Copco Drilling Solutions Roanoke	-	7,828
Atlas Copco Energas GMBH	7,955	6,622
Atlas Copco Exploration Products	23	322
Atlas Copco Great Britain	990	491
Atlas Copco Indonesia	11,105	-
Atlas Copco Mai GMBH	1,461	2,890
Atlas Copco Mexicana	2,378	6,189
Atlas Copco Rockdrills AB	38,780	32,335
Atlas Copco Secoroc Pty Ltd	-	691
Atlas Copco Secorock AB	8,220	3,344
Atlas Copco Tools AB	19,860	559
Atlas Copco Worthington	2,181	3,395
Atlas Copco Airpower n.v	118,804	110,899
Atlas Copco KK	239	1,918
Ceccato Aria Compresa SPA	1,952	5,385
Intermech Limited New Zeland	2,302	70,888
Pneumatic Inc	307	-
Power Tools Distribution n.v.	144,254	136,316
AC Customer Finance	-	14,719
AC Compressor Australia	2,095	-
Green Field	-	161
AC (Shenyang) Const	-	590
Beacon Medaes	213	1,140
Georges Renault	4,893	9,268
Atlas Copco Romania	-	143
AC Garland	19,223	-
AC (Shanghai) Trading	803	-
Mafi Trench	1,380	2,015
AC Venezuela Asa	-	18
Dynapac Compaction AB	9,942	1,548
Atlas Copco Zambia Ltd.	-	1,766
Atlas Copco Angola LDA	-	2,543
Atlas Copco AB - CMT	-	3,285
Atlas Copco Zimbabwe	-	2,986
Atlas Copco Algeria SPA	7,663	4,127
Atlas Copco Bahrain	99	518
Atlas Copco Bangladesh	3,874	56
Atlas Copco Construction and Mining Technique LLC	5,380	63
Atlas Copco CTO, AB - Berema	-	807
Atlas Copco Hurricane USL	2,155	107
Atlas Copco Italia	-	48
Atlas Copco Ketting Marine centre	-	336
Atlas Copco Secoroc LLC	-	2,700
AC South Africa PTY Ltd.	-	435
AC Vietnam	252	261
AC Pneumatech	10	9
AC Portable OEM Solution	-	25

Notes to the financial statements

As at 31 December, 2009 (continued)

	2009 (Rs.'000)	2008 (Rs.'000)
Dynapac GmbH	1,605	402
Dynapac Compaction and Paving	649	105
Industrial Technique s.r.o.	-	202
Atlas Copco Compressors LLC - Tide Air Product Co.	64	22
Wuxi AC Compressor Co. Ltd.	1,451	497
Wuxi Pneumatic China	-	170
AC Middle East	7	-
AC Nanjing Const Mining EQP	913	-
AC nederlands bv (nla)	551	-
AC PAKISTAN	64	-
AC PHILIPNESS	375	-
AC THAILAND	496	-
Atlas Copco (sea) Pte Ltd	374	-
Atlas Copco Mct GmbH	2,391	-
Atlas Copco Peruana SA	943	-
ABAC Aria Compressa Spa	1,674	-
Atlas Copco Bulgaria Eood	1,901	-
ZAO Atlas Copco (Russia)	389	-
Atlas Copco Rotex OY	221	-
Dynapac Concrete SnC	397	-
	480,258	508,506
27 Earnings Per Share (Basic and diluted)		
a) Profit after tax	847,513	837,425
Add:		
b) Exceptional Item (net of tax)	11,029	-
c) Profit for the year (after taxation before exceptional items net of tax)	858,542	837,425
d) Total number of equity shares outstanding at the end of the year	22,561,566	22,561,566
e) Basic and diluted earnings per share (in rupees) (c/d)	38.05	37.12
f) Profit after tax (after exceptional items)	847,513	837,425
g) Basic and diluted earnings per share (in rupees) (f/d)	37.56	37.12

28 Scheme of amalgamation

During the previous year, the Company had acquired, 25% share holding of Focus Rocbit Pvt Ltd (Focus) and Prisma Roctolols Pvt Ltd (Prisma). In the current year the Company acquired the balance 75% share holding, thereby making them 100% wholly owned subsidiaries. The Board of Directors at their meeting held on 8 September 2009 approved the composite Scheme of Amalgamation (the Scheme) between the Company and the aforementioned subsidiaries. The scheme of amalgamation was sanctioned by the Hon'ble High Court of Bombay on 18 December 2009 and certified copy of the order was filed with the Registrar of Companies on 15 January 2010. Accordingly, the scheme has been given effect to in these financial statements. In accordance with the requirements of the Scheme, the amalgamation of the aforementioned Focus and Prisma with the Company has been accounted for as follows:

Amalgamation of Focus and Prisma with the Company with effect from 1 April, 2009

- Focus and Prisma amalgamates with the Company retrospectively from 1 April 2009, the Appointed date. Focus and Prisma's current source of revenue is from construction and mining tool segment.
- The scheme prescribes the 'Pooling of Interest method' as defined under Accounting Standard 14 - Accounting for Amalgamation.
- Under the pooling of interests method, the assets, liabilities and reserves of the transferor company are recorded by the transferee company at their existing carrying amounts. The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor company is adjusted in reserves in the financial statements of the transferee company.
- As Focus and Prisma are wholly-owned subsidiaries of the Company, no shares are issued pursuant to the merger and investments made by the Company in Focus and Prisma stand cancelled.
- During the period, Focus and Prisma carried on their existing business in trust for and on behalf of the Company and all vouchers, documents etc. for the period are in the name of Focus and Prisma. The title deeds, licenses, agreements, loan documents etc., are being transferred in the name of the Company.
- Consequent assets and liabilities inherited by the Company as on 1 April 2009, incorporated in accounts under pooling of interest method and adjustment made in General Reserve of the Company, are as follows: -

Notes to the financial statements

As at 31 December, 2009 (continued)

Particulars	Focus (Rs '000)	Prisma (Rs '000)
Assets		
Fixed Assets - Net block	77,964	30,815
Sundry Debtors	145,843	28,087
Cash and Bank Balances	10,915	85
Loans and Advances	26,036	18,376
Inventory	62,897	16,824
Total-A	323,655	94,187
Liabilities		
Secured loans	51,793	10,447
Unsecured loans	-	1,387
Deferred tax	2,307	1,866
Provision for tax (including FBT)	14,525	8,654
Provision for gratuity	473	-
Provision for compensated absences	1,025	-
Provision for warranty	2,022	-
Current liabilities	34,603	34,315
Total- B	106,748	56,669
Reserves		
Shares forfeited	535	-
Securities Premium	6,982	12,804
Profit and Loss account	158,540	18,218
Total- C	166,057	31,022
Net assets including reserves - Total (D= A-B-C)	50,850	6,496
Investment - E	322,011	93,009
Adjustment made in General Reserve of the Company - Total (F=D-E)	(271,161)	(86,513)

- g) The net results for the year of Focus and Prisma (including Inter Company transactions) are included in these financial statements.

Particulars	Focus (Rs '000)	Prisma (Rs '000)
Sales and Service (net)	265,939	148,322
Profit before tax	49,596	542

- h) Pursuant to the amalgamation, the method and rates of depreciation and inventory valuation policy followed by the erstwhile subsidiaries have been aligned to the policies followed by the Company. The impact arising therefrom is not significant.

29 Disclosure as per Accounting Standard 15

29A Defined Contribution plan:

The Company has recognized Rs. 39,926,000/- (2008: Rs 40,074,855/-) towards post employment defined contribution plans comprising of provident and super annuation fund in the profit & loss account.

29B Defined Benefit plan - Gratuity:

The following table sets out the status of the Gratuity Plan as required under AS 15. Statement Showing changes in Present Value of obligation as on 31-December-2009

	2009 (Rs '000)	2008 (Rs '000)
Present value of obligations at the beginning of the year	225,965	185,098
Interest cost	15,244	14,522
Current service cost	14,798	13,830
Benefits paid	(16,400)	(7,138)
Actuarial (Gain) / Loss on obligations	(23,155)	19,653
Present value of obligations as at the end of the year	216,452	225,965

Notes to the financial statements

As at 31 December, 2009 (continued)

Table showing changes in the fair value of plan asset as on 31-December-2009

	2009 (Rs '000)	2008 (Rs '000)
Fair value of plan assets at the beginning of year	71,347	41,835
Expected return on plan assets	6,599	4,625
Contributions	28,965	32,308
Benefits Paid	(16,400)	(7,138)
Actuarial (Gain)/ Loss on Plan Assets	5,814	(283)
Fair Value of Plan Assets at the end of the year	96,325	71,347
Actuarial Gain/Loss recognized as on 31-December-2009		
Actuarial Gain/ (Loss) for the year - Obligation	23,155	(19,653)
Actuarial Gain/ (Loss) for the year - plan assets	5,814	283
Actuarial Loss recognized in the year	28,969	19,370
Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss		
Present Value of Obligations as at the end of the year	216,452	225,965
Fair Value of Plan assets as at the end of the year	96,325	71,347
Net Asset / (Liability) Recognized in the Balance Sheet	(120,127)	(154,618)
Expenses Recognized in the statement of profit & loss account		
Current service cost	14,798	13,830
Interest cost	15,244	14,522
Expected return on plan assets	(6,599)	(4,625)
Net Actuarial (Gain) / loss recognized in the statement of Profit & Loss	28,969	19,370
Expenses Recognized in statement of Profit & Loss	52,412	43,097
Actuarial Assumptions		
Discount Rate	8.9%	7%
Salary Escalation	7%	7%
Investment details	% invested as at 31 December 2009	% invested as at 31 December 2008
Government (Central & State) and Other Approved Marketable Securities	56.00%	70.24%
Bonds/Debentures/Loans, etc.	36.00%	22.38%
Equity	6.00%	5.64%
Liquid Fund / Money Market Instrument / Preference Shares	2.00%	1.74%
	100.00%	100.00%

30 Prior year comparatives

Prior year figures have been reclassified wherever necessary to conform to the current year's presentation. The current year numbers include the impact of amalgamation (Refer note - 28).

For and on behalf of Atlas Copco (India) Ltd.

A. K. Hirjee
Chairman

D. B. Engineer
Director

B. K. Poddar
Director

J. K. Delvadavala
Director

Mumbai
2 March 2010

F. Vandenberghe
Managing Director

S. H. Ghotage
Chief Financial Officer

A. C. Daga
Company Secretary

Atlas Copco (India) Ltd.

Balance Sheet Abstract and Company's General Business Profile (Part IV)

I. REGISTRATION DETAILS

Registration No. State Code
 Balance Sheet

II. CAPITAL RAISED DURING THE YEAR (Rs. '000)

Public Issue
 Rights Issue
 Bonus Issue
 Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. '000)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid up Capital Reserves and Surplus
 Secured Loans Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets Investments
 Net Current Assets Deferred Tax Assets
 Accumulated Losses Miscellaneous

IV. PERFORMANCE OF COMPANY (Rs. '000)

Turnover Total Expenditure
 Profit/(Loss) Before Tax Profit/(Loss) After Tax
 Earnings Per Share (Rs.) Dividend rate %

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Product Description
8414.40	A i r & G a s C o m p r e s s o r s
Item Code No. (ITC Code)	P r o d u c t D e s c r i p t i o n
8207.11	P n e u m a t i c T o o l s
Item Code No. (ITC Code)	P r o d u c t D e s c r i p t i o n
8414.90	S p a r e s a n d
8467.89	A c c e s s o r i e s

For and on behalf of Atlas Copco (India) Ltd.

A. K. Hirjee Chairman **D. B. Engineer** Director **B. K. Poddar** Director **J. K. Delvadavala** Director

Mumbai
2 March 2010

F. Vandenberghe Managing Director **S. H. Ghotage** Chief Financial Officer **A. C. Daga** Company Secretary

FINANCIAL HIGHLIGHTS

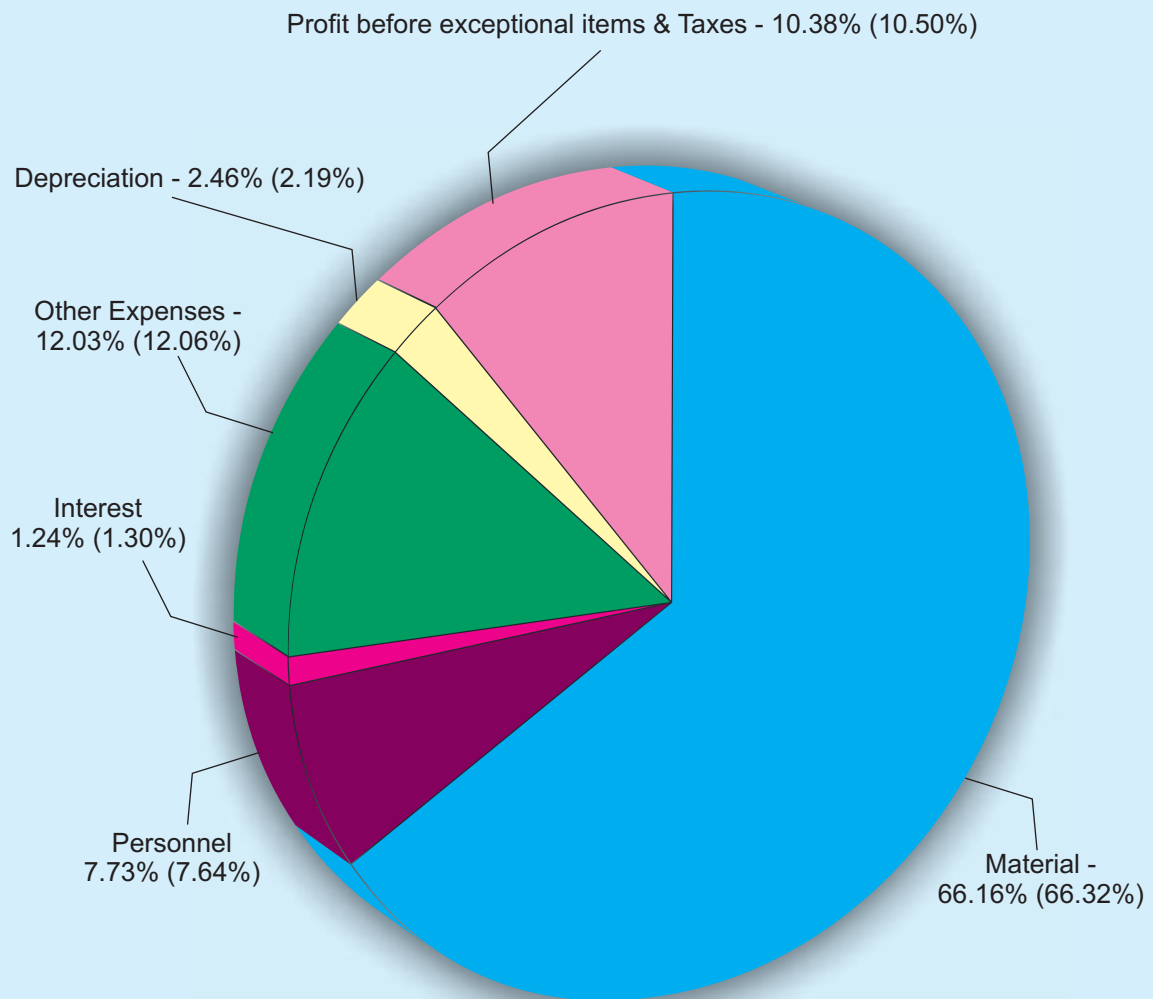
(Rs. '000)

Particulars	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ASSETS EMPLOYED										
Net Fixed Assets	320,059	283,302	276,135	338,525	1,423,772	1,347,511	1,425,014	1,626,522	1,848,345	1,828,276
Investments	140,193	49,227	574,830	481,734	119	-	-	-	75,037	145,045
Deferred Tax Assets (Net)	-	3,318	26,736	45,875	30,841	13,470	37,998	92,235	124,695	133,988
Net Current Assets	789,229	771,462	252,122	600,653	1,141,543	1,439,962	1,775,733	3,007,556	4,054,009	3,464,649
Misc. Expenditure	-	262,209	160,664	60,320	-	-	-	-	-	-
TOTAL	1,249,481	1,369,518	1,290,487	1,527,107	2,596,275	2,800,943	3,238,745	4,726,313	6,102,086	5,571,958
FINANCED BY										
Equity Share Capital	72,537	112,808	112,808	112,808	112,808	112,808	225,616	225,616	225,616	225,616
Share Capital Suspense	40,271	-	-	-	-	-	-	-	-	-
Reserves	1,055,249	1,107,603	1,078,902	1,352,959	1,520,210	1,948,676	2,450,695	3,105,524	3,837,366	4,392,304
Borrowed Funds	81,424	149,107	98,777	61,340	963,257	739,459	562,434	1,395,173	2,039,104	954,038
TOTAL	1,249,481	1,369,518	1,290,487	1,527,107	2,596,275	2,800,943	3,238,745	4,726,313	6,102,086	5,571,958
PROFIT & LOSS										
Sales & other income	2,149,615	2,360,072	2,561,455	3,053,598	4,076,345	5,768,104	7,471,340	9,792,344	12,846,127	12,816,152
Profit before Depreciation & Tax	305,704	286,947	459,251	684,768	809,797	1,032,002	1,374,411	1,412,987	1,629,484	1,645,498
Depreciation	41,382	52,384	52,776	59,056	106,124	196,468	204,339	225,821	280,769	315,144
Profit before Exceptional items & Tax	264,322	234,563	406,475	625,712	703,673	835,534	1,170,072	1,187,166	1,348,715	1,330,354
Extra ordinary item										
- Payment to & provision for employees retired under Voluntary Retirement Scheme	(22,391)	-	-	-	-	-	-	-	-	-
- Profit on sale of Assets	48,517	-	-	-	-	-	-	-	-	-
- Expenses related to Amalgamation	(17,919)	-	-	-	-	-	-	-	-	-
Exceptional items (Net)	-	(76,047)	164,492	(113,663)	(290,613)	(7,320)	(28,075)	92,456	-	(16,708)
Taxation	(115,000)	(53,665)	(171,582)	(174,361)	(182,034)	(322,571)	(421,582)	(469,579)	(511,290)	(466,133)
Profit after Tax	157,529	104,851	399,385	337,688	231,026	505,643	720,415	810,043	837,425	847,513
Dividend	42,303	45,123	383,547	56,404	56,404	67,685	90,246	90,246	90,246	112,808
Dividend %	37.5	40	340	50	50	60	40	40	40	50
Corporate Tax on Dividend	9,560	643 @	44539 @	7,227	7,371	9,492	15,342	15,337	15,337	19,172

@ Net of excess provision for dividend tax in earlier year.

NOTES

Distribution of Revenue in year 2009



* Figures in bracket are for the previous year.



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