

Atlas Copco (India) Ltd. Annual Report 2010



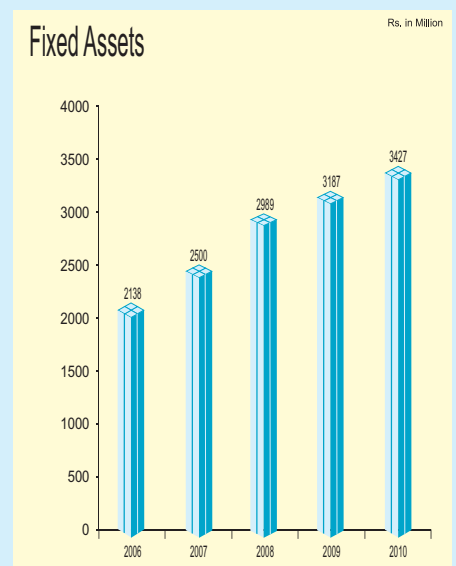
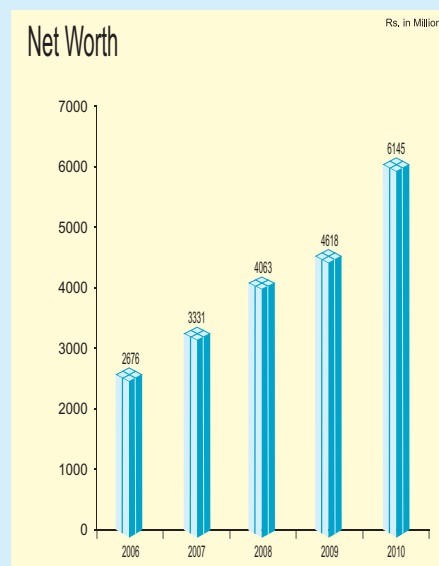
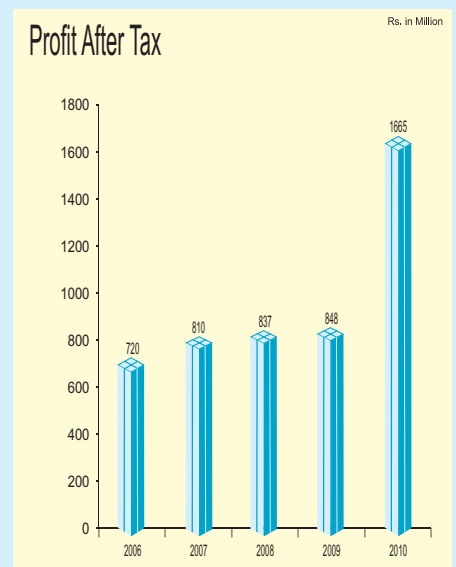
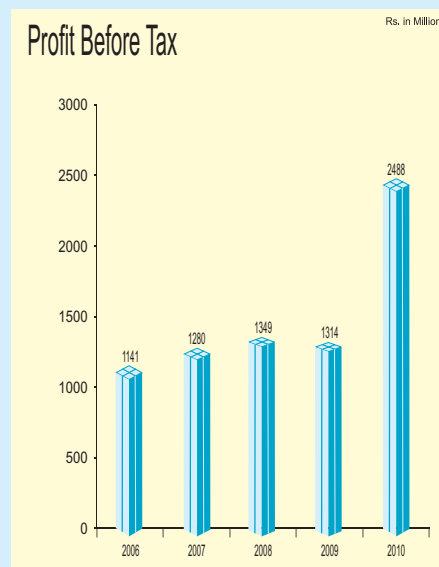
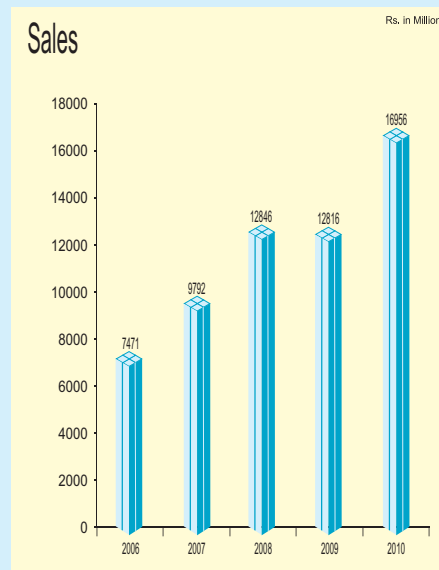
Sustainable Productivity



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Financial Highlights



Atlas Copco (India) Ltd.

Board of Directors

Mr. A. K. Hirjee
Chairman
Mr. F. Vandenberghe
Managing Director
Mr. H. O. Meyer
Ms. J. Livijn
Mr. P. Leys
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

Deloitte Haskins & Sells

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. P. Prabhudesai
G. M. ITBA CC

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. Mazumdar
G. M. Secoroc Product Company

Registered Office

Sveanagar, Mumbai - Pune Road,
Dapodi, Pune - 411 012
Phone: 020-39852100
Fax: 020-27147928

Factories

- 1 Sveanagar, Mumbai - Pune Road,
Dapodi, Pune - 411 012
- 2 Plot No. 90, MIDC Industrial Area,
Satpur, Nashik - 422007
- 3 146/2, Sector-I, Lane 8,
IDA, Phase - II, Cherlapally,
Hyderabad - 500051

DIRECTORS' REPORT

To The Members:

The Directors of Atlas Copco (India) Ltd. have the pleasure in presenting their Fifty-First report and the Audited Accounts for the year ended 31 December 2010.

1. FINANCIAL RESULTS:

Particulars	(Rs. in lakhs)*	
	2010	2009
Profit for the year before exceptional items & tax	22339	13303
Add/(Less): Exceptional items	2545	(167)
Profit for the year before tax	24884	13136
Less: Provision for tax (including adjustments for prior year's provision/deferred tax)	(8311)	(4661)
Net profit for the year	16573	8475
Adding thereto:		
Balance in profit & loss account brought forward	21428	13506
On Account of Amalgamation	-	1767
	38001	23748
Appropriations:		
Proposed Dividend	1128	1128
Corporate dividend tax	179	192
General Reserve	1750	1000
Balance carried forward	34944	21428

* One Million equals 10 Lakhs rupees.

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

2. OPERATIONS:

The total revenue for the year at Rs. 169,559 lakhs registered a growth of 32% over previous year's revenue of Rs 128,161 lakhs. The profit before exceptional items and taxes for the year at Rs. 22,339 lakhs, showed an impressive improvement of 68% over previous year's profit of Rs. 13,303 lakhs.

While the global economy started recovering slowly at the beginning of the year under review, Indian economy witnessed a smart growth with a GDP growth of 8.6%. The exchange rates remained in favour of rupee in most part of the year reducing the product costs and improving the profitability.

3. 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 2010 which

will be tax free in the hands of the shareholders, as the Company will bear the dividend distribution tax of Rs. 179 lakhs. The dividend will absorb an amount of Rs.1,128 lakhs (previous year Rs. 1,128 lakhs). Your Directors propose to transfer an amount of Rs. 1,750 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. 34,945 lakhs (previous year Rs. 21,428 lakhs) will be retained in the Profit & Loss Account.

4. 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. 22.55 lakhs, being unclaimed dividend for the year 2002, was transferred to the Investor Education & Protection Fund established by Central Government.

5. DELISTING OF SHARES:

Atlas Copco AB, Sweden, the Promoters of your Company who held 83.77% of the shares of the Company communicated their intention to acquire the balance share from minority shareholders of the Company and to delist the shares of the Company from Bombay and Pune Stock Exchange through a reverse book building process as prescribed by SEBI. Accordingly, through a public announcement made on 18 February 2011, Atlas Copco AB acquired 1,834,566 equity shares of the Company from minority shareholders at the exit price of Rs. 2,750 per share increasing their shareholding in the Company to 91.90%. Accordingly, an application has been made to Bombay and Pune Stock Exchanges for delisting of shares and is awaiting their approval.

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 2010 has grown to 1714, an increase of 11% over 2009. 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.
- 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 2010, 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.

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 2010 and of the profit of the Company for the year ended on that date.

8. DIRECTORS:

Mr. P. Leys was appointed as an additional Director with effect from 30 July 2010.

Mr. D. B. Engineer and Mr. A. K. Hirjee retire by rotation and being eligible, offer themselves for reappointment.

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.

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.

12. AUDITORS:

M/s. Deloitte Haskins & Sells, Chartered Accountants, retire at the end of the 51st Annual General Meeting, and, being eligible, offer themselves for re-appointment.

10. CORPORATE SOCIAL RESPONSIBILITY:

Your Company continues to support an orphanage at Pune by providing financial help. Further donations were made to the Lila Poonawalla Foundation to promote education amongst woman and to the Red Cross Society of India to support their efforts in providing help to thalassamic patients

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 partners. The Board also wishes to express its sincere appreciation for the contribution and commitment of all the employees to the success of the Company.

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.
- ii) that the Directors have selected such accounting

On behalf of the Board of Directors

Mumbai
25 April 2011

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 2010.

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 electrical 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 building 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.
- xii) Installation of positive suction system for LPG in CTO plant at Nasik.
- xiii) Installation of water sprinkler system in LPG area in CTO plant at Nasik.

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 contacts 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 Product Development 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, noise and emission reduction, more local product development and increased local

production, 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 reducing 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 contacts 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, amongst others, successfully absorbed technology for manufacture and assembly of ECM 660 Crawler from Japan at SDE plant and F 181 Paver from Germany at the Road Construction Equipment plant at Nasik.

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 the Company to manufacture a broad range of existing and new products at optimum costs 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, centrifugal and reciprocating compressors, dryers and air filters, hydro fracturing rigs, hydraulic drill rigs, breakers, rock drills, Down The Hole 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. 25,621 lakhs.
- ii. Payments in foreign currency - Rs. 55,762 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. H. O. Meyer	Non-Executive-Promoter Group
Ms. J. Livijn	Non-Executive-Promoter Group
Mr. P. Leys	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 2010:

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 2010, the Board of Directors met Five times on the following dates:

Date	Board Strength	No. of Directors present
29 January 2010	8	4
2 March 2010	8	5
30 April 2010	8	6
30 July 2010	8	6
29 October 2010	8	5

ii) **Attendance of Directors for the calendar year 2010 and details of number of other companies / committees in which the Director of the Company is a Director / Member / Chairman:**

Name of the Director	Meetings attended	Attendance at the last annual General Meeting	No. of Directorships in other Board as on 31 December, 2010 (* Refer Note below)	No. of Memberships in other Board Committees as on 31 December, 2010 (^ Refer Note below)
Mr. A. K. Hirjee - Chairman	4 out of 5	Present	4	6
Mr. D. B. Engineer	5 out of 5	Present	8	5
Mr. B. K. Poddar	5 out of 5	Present	11	3
Mr. R. Leten#	0 out of 3	Absent	-	-
Mr. H. O. Meyer	1 out of 5	Present	-	-
Ms. J. Livijn	0 out of 5	Absent	-	-
Mr. J. K. Delvadavala (Alternate for Ms. J. Livijn) @	4 out of 5	Present	2	1
Mr. P. Leys \$	2 out of 2	-	-	-
Mr. F. Vandenberghe Managing Director	5 out of 5	Present	-	-

@ Mr. J. K. Delvadavala was appointed as an Alternate Director to Ms. J. Livijn w.e.f. 29 June 2010.

\$ Mr. P. Leys was appointed as an Additional Director w.e.f. 30 July 2010.

Mr. R. Leten ceased to be the Director of the Company w.e.f. 30 April, 2010.

- 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 Two Audit Committees.
- 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.

^ Memberships in Committees other than Audit Committee / Shareholders' Grievance Committee of all Public Limited Companies and all Committees of Private Limited / Foreign Companies are excluded in the above table.

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 Exchanges 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 2010 the Audit Committee met four times on the following dates:

Date	Total Strength	No. of Members present
2 March 2010	3	3
30 April 2010	3	3
30 July 2010	3	3
29 October 2010	3	2

Clause 49 of the Listing Agreement specifies that the Audit Committee should meet four times in a year and not more than four months shall elapse between two meetings. The Audit Committee Meeting held on 2 March 2010, was delayed by two days due to non-availability of quorum for the meeting.

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

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

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

iv. Broad terms of reference of the Audit Committee include:

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

v. The Company Secretary acts as the Secretary to the Audit Committee.

b) Shareholder's 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.

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

i. Attendance of the Directors for the calendar year 2010 in the Shareholders' Grievances and Share Transfer Committee meetings:

Name of the Director	Meetings attended
Mr. D. B. Engineer	11 out of 11
Mr. A. K. Hirjee	1 out of 11
Mr. F. Vandenberghe	10 out of 11

ii. Details of investors' complaints received during 2010:

Nature of Complaint	Received	Replied / Resolved	Pending	Remarks
Non-receipt of Dividend	125	125	--	--
Non-receipt of Share Certificate after transfer / Exchange / sub-divided / consolidated / Annual Report	129	129	--	--
Total	254	254	--	--

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 2010, 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 19 November 2010.

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 2 March 2010 during the year under review.

iii. Details of remuneration paid to the Directors during the calendar year 2010

Executive Director:

(All figures in Indian Rupees)

Name of Director	Relationship with other Directors	Salary	Commission (Provision made)	Perquisites	Retirement Benefits	Performance Linked variable compensation
Mr. F. Vandenberghe	None	5,400,000	Nil	1,648,126	Nil	243,000

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

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	1,950,000	73,000
Mr. D. B. Engineer	None	850,000	116,000
Mr. B. K. Poddar	None	850,000	80,000
Mr. J. K. Delvadavala (Alternate to Ms. J. Livijn)	None	850,000	40,000
Total		4,500,000	309,000

IV. General Body Meeting:

A. Annual General Meetings

The 48th, 49th and 50th AGM 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
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
50	30 April 2010	2.30 P.M.	No Special Resolution was passed

B. Postal Ballot:

- i) A Postal Ballot was conducted in the year 2010 for passing of Special Resolution for delisting of Equity Shares of the Company from Bombay Stock Exchange Ltd. and Pune Stock Exchange Ltd.
- ii) Details of voting pattern and summary of results declared is as under:

Votes polled in favour	Votes polled against	Total number of votes	% of votes polled in favour	% of votes polled against
19,635,785	212,255	19,848,040	98.93%	1.07%

- iii) Person who conducted the Postal Ballot exercise: Mr. Ritesh Kamdar, Practicing Company Secretary.
- iv) Procedure for Postal Ballot : As prescribed by Section 192A of the Companies Act, 1956 and other applicable provisions of the Companies Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 read with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

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	:	28 June 2011
Day	:	Tuesday
Time	:	2.30 P.M.
Venue	:	Hotel Le Meridien Pune Regal Room, RBM Road, Pune - 411001

- B. Financial year : January to December
- C. Book Closure : 21 June 2011 to 28 June 2011
(Both days inclusive)
- D. Dividend payment date : On or after 28 June 2011, if declared at the Annual General meeting on 28 June 2011, 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 Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
Telephone No.:(022) 22721233/34 Fax No.:(022) 22721919
- Pune Stock Exchange Ltd.,
Shivleela Chambers, 752, Sadashiv Peth, R. B. Kumthekar Marg, Pune- 411 030.
Telephone No.:(020) 24485701-3 Fax No.:(020) 24460083

G. Stock Code:

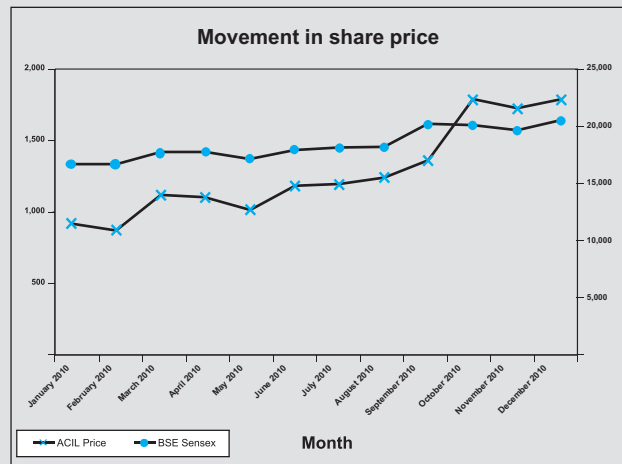
- Bombay Stock Exchange Ltd. - 526991
- Pune Stock Exchange Ltd. - 47

H. ISIN Number : INE445A01019

I. Market price data:

Date	Open	High	Low	Close	No. of Shares Traded	BSE Sensex
January 2010	825	950	751	865	66,494	16,358
February 2010	831	915	800	820	41,999	16,430
March 2010	833	1,145	751	1,076	3,29,111	17,528
April 2010	1,071	1,145	880	1,065	81,316	17,559
May 2010	1,087	1,161	870	971	34,962	16,945
June 2010	971	1,180	926	1,146	83,663	17,701
July 2010	1,153	1,249	1,060	1,156	67,598	17,868
August 2010	1,170	1,327	1,165	1,212	1,79,714	17,971
September 2010	1,220	1,350	1,211	1,337	1,03,233	20,069
October 2010	1,350	2,020	1,341	1,799	6,62,490	20,032
November 2010	1,848	1,900	1,625	1,728	1,69,527	19,521
December 2010	1,711	1,810	1,610	1,796	1,12,934	20,509

J. Movement in share price:



K. Address of Registrars and share transfer agents:

- 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
- Karvy Computershare Private Ltd.,
Shrinath Plaza, 3rd Floor, C-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. a. Distribution of shareholding as on 31 December 2010

Number of Shares held	Members		Shares	
	Number	Percentage (%)	Number	Percentage (%)
1 - 500	16,745	95.57	1,643,820	7.29
501 - 1000	472	2.69	320,796	1.42
1001 - 2000	173	0.99	240,372	1.07
2001 - 3000	45	0.26	115,800	0.51
3001 - 4000	16	0.09	57,346	0.25
4001 - 5000	11	0.06	49,610	0.22
5001 - 10000	26	0.15	180,568	0.80
10001 & Above	33	0.19	19,953,252	88.44
Total	17,521	100.00	22,561,564	100.00

b. Shareholding pattern as on 31 December 2010

Category	No. of Shares	Percentage (%) Holding
Promoters	18,899,360	83.77
Financial Institutional Investors/Non Resident Investors	106,354	0.46
Mutual Funds	549,829	2.44
Banks	1,728	0.01
Bodies Corporate	355,873	1.58
GIC and other insurance Companies	340	0.01
Public	2,644,850	11.72
NSDL/CDSL (in transit)	3,230	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 2010 - 2,796,602 shares were dematerialized with the following depositories :

National Securities Depository Ltd.	- 2,480,144 shares
Central Depository Services Ltd.	- 316,458 shares

P. Plant Locations:

The Company's plants are located at -

- Sveanagar, Mumbai-Pune Road, Dapodi, Pune - 411012.
- Plot No. 90, MIDC Industrial Area, Satpur, Nasik - 422007.
- 146/2, Sector-I, Lane 8, IDA, Phase - II, Cherlapally, Hyderabad - 500051.

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) 44655140	(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.

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 2010.

Mumbai
25 April 2011

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 2010 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
25 April 2011

F. Vandenberghe
Managing Director

S. H. Ghotage
Chief Financial officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Atlas Copco (India) Limited

We have examined the compliance with conditions of Corporate Governance by Atlas Copco (India) Limited for the year ended on 31st December, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement subject to the audit committee meeting held on 2 March, 2010 was held after a gap of more than four months which is not in accordance with the requirements of para II (B) of the Corporate Governance Code.

We further 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 DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No.117365W)

Date: 25th April, 2011
Place: Pune

G. Shankar
Partner
(Membership No.27023)

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs vide its circular no. 17/2011 dated 21st April, 2011 has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that services of notice/documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses and changes therein from time to time, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate the same to the Company/Registrar.

Henceforth, the Company will be sending the documents like the notice calling the annual general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the members and made available to us by the Depositories.

In case you desire to receive the documents mentioned above in physical form, please intimate the same to the Company/Registrar.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO:

The highlights of the pre-budget economic survey presented by the Finance Minister of India suggest robust growth and steady fiscal consolidation of the Indian economy in the year 2010-11. The GDP growth rate has been 8.6% during the year and is expected to be around 9% in the next fiscal year. India has made a quick and strong turnaround from the slowdown caused by recent global and domestic challenges. However, sustained inflation with high food and commodity prices and hardening interest rates has been a cause of concern.

OPERATIONS:

The Company posted revenue of Rs. 169,559 lakhs during the year as against last year's revenue of Rs. 128,161 lakhs showing an overall growth of 32% over previous year. Profit before exceptional items and taxes at Rs. 22,339 lakhs shows a substantial improvement of 68% over previous year's profit of Rs. 13,303 lakhs.

The strong growth in revenue is partly attributable to the continued recovery of the market, which already was noticed by the end of 2009 and to the robust growth of the Indian economy in the domestic market coupled with an extended product offering and increased exports of products and services to the group companies abroad. Improved operational efficiencies in factories and better price realization from customers have helped to improve margins and the profitability as compared to previous year. Strengthening of Rupee against Euro and USD and consequent reduction in the cost of imports has also contributed to the improved profitability.

INDUSTRIAL SEGMENT:

The Industrial segment develops, manufactures and markets a wide range of air and gas compressors, of both rotary and reciprocating technology, oil injected and oil free, 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. 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. 108,879 lakhs during the year as compared to previous year's revenue of Rs. 77,568 lakhs, an impressive growth of 40% over previous year.

The Industrial segment has witnessed growth in volumes and profitability due to surge in demand in Power, Water well sectors and strong recovery in Automobile & general industry. Introduction of custom designed engineered products for Oil and Gas markets also supplemented the growth. The contribution from after market - parts and service continued at the same pace. Introduction of new products and services, better price realization coupled with reduction in costs, and favorable exchange rates in most part of the year helped the segment to improve the bottom line.



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 (including rock bits & rock tools), loading equipment, road construction equipment, etc. A wide range of these equipment is manufactured at the Nasik and Hyderabad plants. 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. 57,080 lakhs during the year compared to previous year's revenue of Rs. 47,135 lakhs, showing a growth of 21% over previous year.



The year has witnessed a strong recovery in the domestic market for all the products of this segment. Export market has also picked up considerably showing a 46% growth over previous year. Significant initiatives have been taken at the manufacturing locations at Nasik and Hyderabad for product up-gradation, quality improvement, cost reduction and import substitution. Expansion of production capacity at Hyderabad is nearing completion, both for factory and administrative office. Similarly, large investments have been done at Nasik in the Air rock plant and Power rock plant for the manufacture of pneumatic and hydraulic crawlers respectively. During 2010, first environment friendly diesel engine driven Blast Hole Drill (IDM 70) machine was produced.

OUTLOOK FOR 2011:

Indian economy is expected to grow at 9% during the fiscal year 2011-12. Power, textile, metal, infrastructure, automobile industries are expected to invest significant amounts in expansion and up-gradation of existing facilities. Infrastructure projects are expected to develop favorable and to contribute positively to our road construction equipment business. Union budget allocation for infrastructure development is 23% higher than last year in order to give a boost to infrastructure development in railways, ports, housing and highway development.

Exports are also expected to grow further in view of the growth indications from US, Europe and other parts of world.

However, rising inflation and interest rates is a cause of concern and could be a deterrent to the growth prospects. Political situation in Arabian Gulf and resultant impact on prices of oil could also impact the growth in demand.

Your Company, being a dominant player in the market for the products and services it offers for infrastructure and other industries will certainly benefit from this expected growth in the economy. In addition, investment for a new factory for Compressor manufacturing in Pune will contribute in our strive to become a World Class excelling supplier but also ensure further introduction of new products.

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 an effective and adequate internal control system, which ensures 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 added 174 employees during the year and employed 1714 talented people well qualified in technical and managerial skills and having the requisite set of competences required for their tasks, as at 31 December 2010. The Company's People Development 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 in-house and external, national and international. The Company has an in-house Academy which conducts training programs throughout the year on various areas and all employees are encouraged to participate in these programs.

The Company follows the philosophy of market conform remuneration and benchmarks its compensation levels with other companies in the engineering sector. This ensures that the Company has a market based remuneration review policy for compensation to its 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

1. We have audited the attached Balance Sheet of ATLAS COPCO (INDIA) LIMITED ("the Company") as at 31st December, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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.
2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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 31st December, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st December, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st December, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

G. Shankar
Partner
(Membership No.27023)

Date: 25th April, 2011
Place: Pune

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF ATLAS COPCO (INDIA) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2010.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have not been physically verified by the management during the year but the company has a system of verifying the fixed assets once in every three years. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.
- (c) The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern assumption.
- (ii) (a) Inventories have been physically verified during the year by the management except for stocks with third parties in respect of which confirmations have been received in some cases. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book stocks were not material having regard to the size of operations of the Company and have been properly dealt with in the books of accounts.
- (iii) (a) The Company has not granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
Sub-clauses (b), (c), (d), (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that most of the items purchased are of a special nature and comparable alternative quotations are not available, 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 inventory and fixed assets and for the sale of goods and services. Whilst there is no continuing failure to correct major weaknesses in internal control system, the internal controls over financial reporting have been strengthened by the management.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, contracts or arrangements that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) The transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs 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.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company relating to the manufacture of power driven pumps pursuant to the notification of the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and, on the basis of the information received, are of the opinion that prima facie the prescribed accounts and records have been maintained / are being made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for any other products of the Company.
- (ix) (a) According to the records of the Company, apart from the certain instances of delays in payment of Income tax deducted at source, Service tax and Excise duty, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as at 31st December, 2010 for a period of more than six months from the date they became payable except for Service tax amounting to Rs. 10,364,532, which has since been paid subsequent to the Balance Sheet date.
- (b) According to the information and explanations given to us and records of the company, the details of the dues of sales tax/income tax/ custom duty/ wealth tax/ service tax/ excise duty/ cess, which have not been deposited on account of any dispute, are given below:

Nature of the dues	Amounts Involved (dues to the extent not deposited) (Rs. '000)	Forum where dispute is pending
Sales Tax	12,280	Maharashtra Sales Tax Tribunal
	22,981	Commissioner, Appeals
Sales Tax Penalty	1,042	Commissioner (Appeals), Chennai
Service Tax	3,125	Deputy Commissioner Central Excise
	1,457	In process of filing appeal with Tribunal
	6,756	Assistant Commissioner of Central Excise
Excise Duty (Including penalty but excluding interest)	2,553	Deputy Commissioner Central Excise
	4,780	Customs Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
	1,500	Commissioner Central Excise
	300	Assistant Commissioner, Central Excise
Income Tax A.Y. 1997-98	521	Commissioner of Income Tax (Appeals)
A.Y. 2000-01	15,099	Income Tax Tribunal
A.Y. 2002-03	29,461	Commissioner of Income Tax (Appeals)
A.Y. 2003-04	9,597	Commissioner of Income Tax (Appeals)
A.Y. 2006-07	120,777	Income Tax Tribunal

- (x) The Company does not have any accumulated losses as at 31st December, 2010. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi/ mutual benefit fund and therefore the requirements pertaining to such class of companies are not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The term loans taken by the Company during the year have been applied for the purpose for which they were raised.
- (xvii) 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.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has not made any public issue during the year and therefore the question of disclosing the end use of money does not arise.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company had been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117365W)

Date: 25th April, 2011
Place: Pune

G. Shankar
Partner
(Membership No.: 27023)

Atlas Copco (India) Ltd.
Balance Sheet
As at 31st December 2010

	Schedule	Rs.'000	As at 31st December, 2010 Rs.'000	As at 31st December, 2009 Rs.'000
SOURCES OF FUNDS				
Shareholders' funds :				
Share capital	1	225,616		225,616
Reserves and surplus	2	5,918,972		4,392,304
			6,144,588	4,617,920
Loan funds :				
Secured loans	3	116,142		188,345
Unsecured loans	4	76,981		765,693
			193,123	954,038
Total			6,337,711	5,571,958
APPLICATION OF FUNDS				
Fixed assets :				
Gross block		3,426,652		3,186,880
Less: Depreciation / Amortisation		1,630,904		1,374,777
Net block	5	1,795,748		1,812,103
Capital work-in-progress		49,313		3,976
Capital advances		43,854		12,197
			1,888,915	1,828,276
Investments	6		-	145,045
Deferred tax Balance :				
Deferred tax Asset		277,784		208,297
Deferred tax Liability		(101,729)		(74,309)
			176,055	133,988
Current assets, loans and advances				
Inventories	7	3,291,512		2,443,450
Sundry debtors	8	3,820,651		3,091,865
Cash and bank balances	9	219,256		403,049
Loans and advances	10	1,120,408		780,513
		8,451,827		6,718,877
Less :				
Current liabilities and provisions :				
Current liabilities	11	3,065,225		2,574,338
Provisions	12	1,113,861		679,890
		4,179,086		3,254,228
Net current assets			4,272,741	3,464,649
Total			6,337,711	5,571,958
Notes to the Accounts	20			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

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

A. K. Hirjee
Chairman

D. B. Engineer
Director

F. Vandenberghe
Managing Director

G. Shankar
Partner

S. H. Ghotage
VP-Holding & Chief Financial Officer

A. C. Daga
Company Secretary

Date : 25th April, 2011
Place : Pune

Date : 25th April, 2011
Place : Mumbai

Atlas Copco (India) Ltd.
Profit and Loss Account
for the year ended 31st December 2010

	Schedule	Rs.'000	For the year ended 31st December, 2010 Rs.'000	For the year ended 31st December, 2009 Rs.'000
INCOME				
Sales of Products and Services, Revenues from Construction Contracts (Gross)			17,554,087	13,186,154
Less: Excise duty			746,781	469,668
Sales of Products and Services, Revenues from Construction Contracts (Net)			16,807,306	12,716,486
Other operating income	13		71,945	67,313
Other income	14		76,606	32,353
			<u>16,955,857</u>	<u>12,816,152</u>
EXPENDITURE				
Consumption of Raw Materials and Components			6,687,563	5,367,461
Purchases for Resale			4,266,622	2,822,452
(Increase) / Decrease in finished goods and work-in-progress stocks	15		(366,867)	162,059
Employee Cost	16		1,262,190	986,672
Other expenses	17		2,509,577	1,672,878
Depreciation / Amortisation			310,247	315,144
Interest	18		52,594	159,132
			<u>14,721,926</u>	<u>11,485,798</u>
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION			2,233,931	1,330,354
(Less) / Add: Exceptional items	19		254,450	(16,708)
PROFIT BEFORE TAXATION			2,488,381	1,313,646
Provision for taxation - Current year		952,826		475,000
- Deferred tax		(129,567)		(13,467)
- Fringe Benefit tax		-		4,600
			<u>823,259</u>	<u>466,133</u>
PROFIT AFTER TAXATION			1,665,122	847,513
Add : Excess provision for current taxation in respect of earlier years			79,719	-
Less : Deferred tax charge in respect of earlier years			(87,500)	-
NET PROFIT			1,657,341	847,513
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			2,142,799	1,350,508
Add : On account of amalgamation			-	176,758
PROFIT AVAILABLE FOR APPROPRIATION			<u>3,800,140</u>	<u>2,374,779</u>
APPROPRIATIONS :				
Proposed dividend			112,808	112,808
Tax on proposed dividend			17,865	19,172
Transfer to general reserve			175,000	100,000
Balance carried to Balance Sheet			3,494,467	2,142,799
			<u>3,800,140</u>	<u>2,374,779</u>
Basic earnings per equity share (Nominal Value per share Rs.10)			73.46	38.05
Diluted earnings per equity share (Nominal Value per share Rs.10)			73.46	38.05
Notes to the Accounts	20			

In terms of our report attached to the Balance Sheet

For Deloitte Haskins & Sells
Chartered Accountants

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

A. K. Hirjee
Chairman

D. B. Engineer
Director

F. Vandenberghe
Managing Director

G. Shankar
Partner

S. H. Ghotage
VP-Holding & Chief Financial Officer

A. C. Daga
Company Secretary

Date : 25th April, 2011
Place : Pune

Date : 25th April, 2011
Place : Mumbai

Atlas Copco (India) Ltd.
Cash Flow Statement
for the year ended 31st December 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax:		2,488,381		1,313,646
Adjustment for:				
Depreciation/Amortisation	310,247		315,144	
Unrealised exchange (Gain)/Loss	(237)		2,155	
Interest expense	52,594		159,132	
Profit/loss on sale of fixed assets	(2,936)		4,823	
Interest income	(24,056)		(1,869)	
Surplus on prepayment of Sales Tax Deferral	(2,388)		-	
Dividend Income	(6,653)		(1,739)	
		<u>326,571</u>		<u>477,646</u>
Operating Profit before Working Capital changes		2,814,952		1,791,292
Adjustments for changes in Working capital				
Inventories	(848,062)		484,514	
Sundry Debtors	(728,786)		457,098	
Loans and advances	(115,626)		134,290	
Current Liabilities	480,501		(181,614)	
Provisions	235,948		(8,927)	
		<u>(976,025)</u>		<u>885,361</u>
Cash generated from operations		1,838,927		2,676,653
Income taxes paid (including fringe benefit tax)		<u>(886,351)</u>		<u>(433,833)</u>
Net Cash from Operating activities		952,576		2,242,820
B CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Assets :				
Purchase	339,848		(221,094)	
Sale	33,455		19,303	
Investments :				
Purchase	(6,159,561)		(2,934,559)	
Sale	6,304,606		2,449,531	
Interest received	24,056		1,869	
Dividend Received	6,653		1,739	
		<u>(130,639)</u>		<u>(683,211)</u>
Net cash from / used in investing activities		(130,639)		(683,211)

Atlas Copco (India) Ltd.
Cash Flow Statement
for the year ended 31st December 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long term borrowings	-		550,899	
Repayment of Long term borrowings	(815,636)		(3,265,621)	
Repayment of Fixed Deposits	-		(10)	
Working capital borrowings	12,129		1,578,319	
Sales Tax deferral	(16,577)		(1,612)	
Interest paid	(52,594)		(159,132)	
Dividend paid	(114,553)		(89,572)	
Tax on Dividend	(18,736)		(15,337)	
Net Cash from/used in financing activities		(1,005,967)		(1,402,066)
D UNREALISED EXCHANGE GAIN / (LOSS) IN CASH AND CASH EQUIVALENTS		237		(2,155)
E NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(183,793)		155,388
Cash and cash equivalents (Opening balance)		403,049		236,661
Cash and cash equivalents (from acquisition)		-		11,000
Cash and cash equivalents (Closing balance)		219,256		403,049

- Notes :** 1 Figures in brackets represent outflows of cash and cash equivalents.
2 Purchase of fixed assets include payments for items in capital work-in-progress and advances of capital nature. Adjustment for increase/decrease in Current Liabilities related to the acquisition of fixed assets has not been made as these figures are not readily ascertainable and therefore would form part of changes in working capital.
3 Cash and cash equivalents comprise of :

	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000	As at 31st December, 2008 Rs. '000
Cash on hand	906	728	1,063
Cheques on hand	45,841	63,899	71,269
Bank Balance:			
With Scheduled Banks:			
In Current Accounts	165,827	329,756	156,337
Fixed Deposit Account	-	239	240
In Dividend Account (Restricted)	6,682	8,427	7,752
	219,256	403,049	236,661

In terms of our report attached to the Balance Sheet
For Deloitte Haskins & Sells
Chartered Accountants

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

A. K. Hirjee
Chairman

D. B. Engineer
Director

F. Vandenberghe
Managing Director

G. Shankar
Partner

S. H. Ghotage
VP-Holding & Chief Financial Officer

A. C. Daga
Company Secretary

Date : 25th April, 2011
Place : Pune

Date : 25th April, 2011
Place : Mumbai

Atlas Copco (India) Ltd.
Schedules forming part of the Balance Sheet as at 31st December, 2010

SCHEDULE 1 - SHARE CAPITAL	Rs. '000	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
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:			
22,561,564 (previous year 22,561,564) equity shares of Rs 10 each		<u>225,616</u>	<u>225,616</u>
Notes :			
(I) Of the above shares 110,600 (previous year 110,600) equity shares are allotted as fully paid-up, pursuant to a contract without payment being received in cash.			
(II) Of the above shares 17,202,315 (previous year 17,202,315) equity shares allotted as fully paid-up by way of bonus shares by capitalisation of General Reserve and Share Premium Account.			
(III) Of the above shares 4,027,095 (previous year 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.			
(IV) Of the above 18,899,360 Equity shares are held by Atlas Copco AB, the holding company			
SCHEDULE 2 - RESERVES AND SURPLUS			
Capital reserve :			
As per last Balance Sheet		1,133	598
Add : On account of amalgamation		<u>-</u>	<u>535</u>
		1,133	1,133
SICOM capital incentive subsidy :			
As per last Balance Sheet		2,000	2,000
Central investment subsidy :			
As per last Balance Sheet		3,266	3,266
Special capital incentive :			
As per last Balance Sheet		2,000	2,000
Securities premium Account :			
As per last Balance Sheet		19,786	-
Add : On account of amalgamation		<u>-</u>	<u>19,786</u>
		19,786	19,786
General reserve :			
As per last Balance Sheet	2,221,320		2,478,994
Less : On account of amalgamation	-		(357,674)
Add : Transfer from Profit and Loss Account	<u>175,000</u>		<u>100,000</u>
		2,396,320	2,221,320
Balance in Profit and Loss Account		<u>3,494,467</u>	<u>2,142,799</u>
Total		<u>5,918,972</u>	<u>4,392,304</u>

Atlas Copco (India) Ltd.

Schedules forming part of the Balance Sheet as at 31st December, 2010

	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
SCHEDULE 3 - SECURED LOANS		
Loans and advances from banks		
- Terms loans*	-	83,333
- Cash Credit #	116,142	105,012
Total	<u>116,142</u>	<u>188,345</u>

Notes :

* Above loan from bank is secured by first pari-passu charge on all of the Company's Stock in Trade, Receivables and Movable Plant and Machinery (both present and future).

Secured by hypothecation of the Company's Stock in Trade and Receivables (both present and future)

SCHEDULE 4 - UNSECURED LOANS

a) Loans and advances from Banks		
- Term Loan (repayable within one year Rs. Nil (previous year - Rs. 550,899 ('000)))	-	550,899
- Buyers Credit (repayable within one year Rs. Nil (previous year - Rs. 181,404 ('000)))	-	181,404
- Book overdraft (Short term)	999	-
b) Loans and Advances from other than Banks - Sales tax deferral (repayable within one year Rs Nil; previous year - 4,071 ('000))	-	18,965
c) Loans and Advances from other than Banks (in respect of assets taken on finance lease) (repayable within one year Rs 16,926 ('000) (previous year - Rs. 11,856 ('000))	75,982	14,425
Total	<u>76,981</u>	<u>765,693</u>

SCHEDULE 5 - FIXED ASSETS

	Cost						Depreciation/Amortisation						Net Block	
	As at 31st December, 2009 Rs.'000	Additions on Amalgamation Rs.'000	Additions during the year Rs.'000	Deductions during the year Rs.'000	Reclassification/ Adjustments Rs.'000	As at 31st December, 2010 Rs.'000	Up to 31st December, 2009 Rs.'000	Additions on Amalgamation Rs.'000	For the Year Rs.'000	On Deductions Rs.'000	Reclassification/ Adjustments Rs.'000	Up to 31st December, 2010 Rs.'000	As on 31st December, 2010 Rs.'000	As on 31st December, 2009 Rs.'000
TANGIBLE ASSETS														
Freehold Land	36,470	-	-	-	3,707	40,177	-	-	-	-	-	-	40,177	36,470
Leasehold Land	242	-	-	-	-	242	94	-	3	-	-	97	145	148
Buildings	572,351	-	13,755	-	(14,594)	571,512	79,112	-	18,213	-	(211)	97,114	474,398	493,239
Plant & Machinery	975,377	-	175,163	20,062	11,116	1,141,594	496,559	-	100,825	15,153	(329)	581,902	559,692	478,818
Furniture & Fixtures	169,545	-	11,307	204	(1,402)	179,246	64,403	-	20,158	15	(644)	83,902	95,344	105,142
Office Equipment	81,496	-	13,507	990	(1,119)	92,894	28,578	-	8,146	557	(145)	36,022	56,872	52,918
Vehicles	22,038	-	239	11,260	1,088	12,105	15,558	-	1,354	9,032	923	8,803	3,302	6,480
Leased Assets - Vehicles	83,366	-	63,507	31,442	(472)	114,959	53,253	-	12,192	22,706	(372)	42,367	72,592	30,113
Assets given on Lease-Plant & Machinery	105,050	-	12,892	21,236	276	96,982	27,397	-	24,557	7,214	14	44,754	52,228	77,653
INTANGIBLE ASSETS (Other than internally generated)														
Goodwill	700,934	-	-	-	-	700,934	373,828	-	70,093	-	-	443,921	257,013	327,106
Design and Drawings	365,400	-	-	-	-	365,400	194,880	-	36,540	-	414	231,834	133,566	170,520
Software	74,611	-	35,515	32	513	110,607	41,115	-	18,166	30	937	60,188	50,419	33,496
Total	3,186,880	-	325,885	85,226	(887)	3,426,652	1,374,777	-	310,247	54,707	587	1,630,904	1,795,748	1,812,103
Previous year	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	

Atlas Copco (India) Ltd.

Schedules forming part of the Balance Sheet as at 31st December, 2010

SCHEDULE 6 - INVESTMENTS

	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
Current Investments (Non - Trade, Unquoted)		
(at cost or fair value whichever is lower)		
In units of Mutual Funds :		
Units of Rs. 10/- each in Reliance Mutual Fund (Nil; previous year 5,563,351) (Reliance Liquid Fund - Treasury Plan)	-	85,048
Units of Rs. 10/- each in HDFC Mutual Fund (Nil; previous year 3,491,270) (HDFC Cash Management Fund - Treasury advantage plan)	-	35,000
Units of Rs. 10/- each in HDFC Mutual Fund (Nil; previous year 2,350,596) (HDFC Cash Management Fund - Savings Plan)	-	24,997
Total	<u>-</u>	<u>145,045</u>

Note:	Purchases No.	Cost Rs. '000	Sales No.
(A) Purchase and sale of investments during the year :- (Current, Non-trade, Unquoted)			
a) Units of Rs. 10/- each in TATA Mutual Fund (Tata Floater Fund - Daily Dividend)	25,985,759	276,395	25,985,759
b) Units of Rs. 1000/- each in TATA Mutual Fund (Tata Liquid Super High Investment Fund - Daily Dividend)	485,225	540,793	485,225
c) Units of Rs. 10/- each in Reliance Mutual Fund (Reliance Liquid Fund - Treasury Plan)	63,486,851	970,536	63,486,851
d) Units of Rs. 1000/- each in Reliance Mutual Fund (Reliance Money Manager Fund - Institutional Option)	610,522	611,216	610,522
e) Units of Rs. 10/- each in Reliance Mutual Fund (Reliance Liquidity Fund - Daily Reinvestment Option)	10,019,800	100,249	10,019,800
f) Units of Rs. 10/- each in HDFC Mutual Fund (HDFC Cash Management Fund - Treasury advantage plan)	106,470,170	1,068,056	106,470,170
g) Units of Rs. 10/- each in HDFC Mutual Fund (HDFC Cash Management Fund - Savings Plan)	243,721,204	2,592,316	243,721,204
(B) Purchase and sale of investments during the previous year :- (Current, Non-trade, Unquoted)			
a) Units of Rs. 10/- each in Reliance Mutual Fund (Reliance Liquid Fund - Treasury Plan)	2,943,639	45,000	2,943,639
b) Units of Rs. 10/- each in HDFC Mutual Fund (HDFC Cash Management Fund - Treasury advantage plan)	54,961,040	551,342	54,961,040
c) Units of Rs. 10/- each in HDFC Mutual Fund (HDFC Cash Management Fund - Savings Plan)	174,230,867	1,853,189	174,230,867

SCHEDULE 7 - INVENTORIES

Stores and Spares	5,029	4,914
Raw materials and bought out components	1,428,456	977,191
Manufactured components	91,682	53,649
Work-in-progress	150,689	102,977
Finished goods	1,615,656	1,304,719
Total	<u>3,291,512</u>	<u>2,443,450</u>

SCHEDULE 8 - SUNDRY DEBTORS (UNSECURED)

1) Debts Outstanding for a period exceeding six months		
Considered good	515,397	482,732
Considered doubtful	215,368	106,560
	<u>730,765</u>	<u>589,292</u>
2) Other debts :		
Considered good	3,305,254	2,609,133
	<u>4,036,019</u>	<u>3,198,425</u>
Less: Provision for doubtful debts	215,368	106,560
Total	<u>3,820,651</u>	<u>3,091,865</u>

Notes : Debts due from Companies under the same management within the meaning of sub-section (1B) of section 370 Rs. 587,832 ('000) (previous year Rs.480,258,('000)) refer note 24

Atlas Copco (India) Ltd.

Schedules forming part of the Balance Sheet as at 31st December, 2010

	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
SCHEDULE 9 - CASH AND BANK BALANCES		
Cash on hand	906	728
Cheques on hand	45,841	63,899
Balance with scheduled banks in -		
current accounts	172,509	338,183
deposit accounts	-	239
Total	219,256	403,049
SCHEDULE 10 - LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
a) Advances recoverable in cash or in kind or for value to be received		
Considered good	731,120	564,191
Considered doubtful	43,691	11,741
	<u>774,811</u>	<u>575,932</u>
Less : Provision for Doubtful Advances and Loans	<u>43,691</u>	<u>11,741</u>
	731,120	564,191
b) Tax paid in advance less provisions (current tax)	335,926	111,657
c) Tax paid in advance less provisions (Fringe benefit tax)	4,075	4,075
d) Balance with Customs, Central Excise, Port Trust etc.	49,287	100,590
Total	1,120,408	780,513
SCHEDULE 11 - CURRENT LIABILITIES		
Acceptances	37,900	32,943
Sundry creditors		
Total outstanding dues of micro enterprise and small enterprise (Refer note 25)	133,869	53,475
Total outstanding dues to creditors other than micro enterprise and small enterprise / small-scale industrial undertakings	<u>2,035,923</u>	<u>1,798,673</u>
	2,169,792	1,852,148
Advance from customers	631,801	424,288
Unclaimed dividends	6,682	8,427
Other liabilities	219,050	256,532
Total	3,065,225	2,574,338
SCHEDULE 12 - PROVISIONS		
Tax provision less payments (Current tax)	211,025	-
Provision for compensated absences & leave encashment	92,255	225,123
Provision for Gratuity	179,444	120,127
Provision for warranty (Refer Note 21)	177,767	102,610
Provision - Others (Refer Note 21)	322,261	100,050
Proposed dividend	112,808	112,808
Tax on proposed dividend	18,301	19,172
Total	1,113,861	679,890

Atlas Copco (India) Ltd.

Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2010

	Rs. '000	For the year ended 31st December, 2010 Rs. '000	For the year ended 31st December, 2009 Rs. '000
SCHEDULE 13 - OTHER OPERATING INCOME			
Export benefits		53,993	47,295
Sale of scrap		17,952	10,304
Foreign exchange Gain (net)		-	9,714
Total		<u>71,945</u>	<u>67,313</u>
SCHEDULE 14 - OTHER INCOME			
Interest received on bank deposits, income tax refunds, etc. (tax deducted at source Rs.2,664/- (Previous year Rs.29,994/-))		24,056	1,869
Income from non trade investments (current investments)		6,653	1,739
Profit on sale of Fixed Assets (net)		2,936	-
Surplus on prepayment of sales tax deferral		2,388	-
Miscellaneous income		40,573	28,745
Total		<u>76,606</u>	<u>32,353</u>
SCHEDULE 15 - (INCREASE)/DECREASE IN STOCKS OF FINISHED GOODS AND WORK-IN-PROGRESS			
Opening stock :			
Finished goods	1,144,688		1,264,110
Work-in-progress	102,977		130,028
Manufactured components	53,649		69,235
		<u>1,301,314</u>	<u>1,463,373</u>
Closing stock:			
Finished goods	1,425,810		1,144,688
Work-in-progress	150,689		102,977
Manufactured components	91,682		53,649
		<u>1,668,181</u>	<u>1,301,314</u>
Total		<u>(366,867)</u>	<u>162,059</u>
Notes :			
1) Opening stock of Finished goods excludes Goods-in-transit Rs. 160,031 ('000) (31st December, 2009 Rs. 86,317 ('000))			
2) Closing stock of Finished goods excludes Goods-in-transit Rs. 189,846 ('000) (31st December, 2009 Rs. 160,031 ('000))			
SCHEDULE 16 - EMPLOYEE COST			
Salaries, wages and bonus		937,520	783,809
Contribution to provident and other funds		181,765	98,662
Workmen and Staff welfare expenses		142,905	104,201
		<u>1,262,190</u>	<u>986,672</u>

Atlas Copco (India) Ltd.

Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2010

	Rs. '000	For the year ended 31st December, 2010 Rs. '000	For the year ended 31st December, 2009 Rs. '000
SCHEDULE 17 - OTHER EXPENSES:			
Stores and tools consumed		60,343	58,971
Power and fuel		54,993	45,913
Rent		205,346	210,667
Repairs and Maintenance-			
Buildings	9,750		12,301
Machinery	25,225		13,313
Others	30,791		22,285
		<u>65,766</u>	<u>47,899</u>
Insurance		7,962	10,782
Rates and taxes		2,965	4,742
Excise duty relating to increase/decrease in finished goods		(4,086)	1,482
Excise duty - Others		54,775	32,221
Traveling and conveyance expenses		321,221	230,667
Commission on Sales		188,806	209,848
Royalty (including cess thereon)		117,331	56,669
Donation		-	349
Warranty Provision		75,157	38,909
Expenses on Service Jobs		99,201	76,826
Freight, transport and packing		181,288	129,075
Legal and Professional Fees		169,671	93,743
Communication expenses		71,272	74,352
Conference and Training Costs		63,280	24,680
Provision for doubtful debts and advances (net)		140,758	34,067
Bad debts / advances		42,404	67,149
Provision for Statutory Levies (includes Rs. 101,689 ('000) relating to earlier years (Previous year Rs. Nil))		101,689	-
Provision against claims from Customers (includes Rs. 28,000 ('000) relating to earlier years (Previous year Rs. Nil))		28,000	-
Penalties on late delivery (includes Rs. 95,500 ('000) relating to earlier years (Previous year Rs. Nil))		135,404	11,691
Loss on sale/write off of Fixed Assets (net)		-	4,823
Foreign exchange loss (net)		41,245	-
Miscellaneous expenses		284,786	207,353
Total		<u><u>2,509,577</u></u>	<u><u>1,672,878</u></u>
SCHEDULE 18 - INTEREST			
Interest on fixed period Loans		13,245	154,621
Interest - Others		39,349	4,511
		<u><u>52,594</u></u>	<u><u>159,132</u></u>
SCHEDULE 19 - EXCEPTIONAL ITEMS			
Compensation for Voluntary Retirement Scheme		-	16,708
Excess provision for compensated absences for earlier years written back		138,000	-
Excess provision for other expenses for earlier years written back		116,450	-
		<u><u>254,450</u></u>	<u><u>16,708</u></u>

SCHEDULE 20 - NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting :

The financial statements have been prepared and presented on going concern basis and on accrual basis of accounting under the historical cost convention and comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.

b) Fixed assets and depreciation :

- i) Fixed assets are stated at cost of acquisition or construction, including any cost attributable for bringing the asset to its working condition for its intended use.
- ii) The Company provides depreciation on Factory Building, Workshop Machinery and Assets given on lease, 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 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 Assets given on lease 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.

c) Investments :

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. Cost includes related expenses such as commission, fees and duties.

d) Inventories :

Inventories include stores and spares, raw materials, bought out and manufactured 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, labour, manufacturing overheads and excise duty.

e) 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 monetary assets and monetary 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.

f) Revenue recognition :

Revenue from sale of products is recognised on transfer of all significant risks and rewards of ownership to the buyer.

Income from services is recognised when the services are rendered.

Indent commission income is recognised based on terms of arrangements with parties.

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

Interest is recognised using the time proportion method basis.

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

Accounting of Construction Contracts: Revenue for fixed price construction contracts is recognised on percentage of completion method. The stage of completion is determined with reference to the costs incurred on the contracts and their estimated total

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costs ascertained based on technical and other estimates.

Provisions for foreseeable loss on contracts in progress are made fully.

Amounts due from customers for contract work is the net of the amount of:

- a) Cost incurred plus recognised profits; less
- b) The sum of recognized losses and progress billings, for all contracts in progress for which cost incurred plus recognized profits (less recognized losses) exceed progress billings.

Amounts due to customers for contract work is the net of the amount of:

- a) The sum of recognized losses and progress billings; less
- b) cost incurred plus recognized profits, for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses)

g) Employee benefits :

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 during the year 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 defined contribution schemes, are recognised as an expense in the Profit and Loss Account in the period in which the contribution is due.

Long term employee benefits

Long term employee benefits comprise compensated absences / leave encashment. These are measured based on an actuarial valuation carried out by an independent actuary using the projected unit method during the year. Actuarial gains and losses and past service costs are recognised immediately in the Profit and Loss Account.

h) Taxation :

Tax expense for the year (current tax and deferred tax) is included in the determination of the net profit for the year.

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.

i) 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.

j) Warranty :

Provision for warranty is made based on past experience.

k) Provisions :

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.

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	For the year ended 31st December, 2010 Rs. '000	For the year ended 31st December, 2009 Rs. '000
2. Managerial remuneration under Section 198 of the Companies Act, 1956, to the Directors :		
Salary	5,643	5,206
Contribution to Provident Fund	-	199
Perquisites in cash or in kind	1,648	2,784
Commission to non-executive directors	4,500	4,000
Director's sitting fees	309	429
Total	<u><u>12,100</u></u>	<u><u>12,618</u></u>
3. Computation of Net Profit in accordance with Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956		
Profit before tax as per Profit and Loss Account	2,488,381	1,330,354
Add: Managerial remuneration	12,100	12,618
Provision for doubtful debts and advances (net)	140,758	34,067
Net Profit as per Section 309(5)	2,641,239	1,377,039
Commission payable to non-whole time Directors @ 1 % of net profits restricted to sum determined by the Board of Directors	4,500	4,000
4. (a) Legal and Professional Fees include payment to Auditors (net of service tax)		
Audit fees	1,000	1,000
Audit fees for foreign reporting	1,000	1,000
Quarterly Limited Review fees	1,000	900
Tax Audit fees	-	800
Other services	100	50
Total	<u><u>3,100</u></u>	<u><u>3,750</u></u>

(a) Payment to auditors excludes Rs. 300,000/- (Previous Year Rs. Nil), towards Other services, paid to the previous auditors.

(b) Payment to auditors excludes Rs.750,000/- (Previous Year Rs. Nil), towards Internal Audit fees in respect of earlier year, paid to the previous internal audit firm, some of the partners whereof are also partners in the audit firm.

(c) Payment to auditors excludes Rs.610,000/- (Previous Year Rs. Nil), towards taxation matters, paid to a firm, some of the partners whereof are also partners in the audit firm

(b) Provision for taxation for the year is an aggregate of the provision made for the year ended 31st March, 2010 as reduced by the provision for 9 months upto 31st December, 2009 and the provision based on the figures for the remaining nine months upto 31st December, 2010. However, the ultimate tax liability for the remaining nine months upto 31st December, 2010 will be determined based on the result for the year 1st April, 2010 to 31st March, 2011.

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5. Statement showing Capacities, Production, Purchases, Sales and Stocks

Class of goods	Unit of measurement	Licensed capacity Qty.	Installed capacity Qty.	Opening Stock		Production / Purchases		Closing Stock		Sales & Services etc.	
				Qty.	Value in Rs. '000	Qty.	Value in Rs. '000	Qty.	Value in Rs. '000	Qty.	Value in Rs. '000
A. Manufactured											
Air, gas and screw compressors and dryers (See Note 5 below)	Nos.	11,500 (11,500)	11,500 (11,500)	287 (456)	354,007 (287,334)	8,725 (6,135)	8,725 (6,135)	908 (287)	408,460 (354,007)	8,099 (6,304)	6,070,600 (4,439,660)
Pneumatic tools	Nos.	75,000 (75,000)	75,000 (70,000)	1,170 (2,311)	5,947 (18,494)	43,651 (26,540)	43,651 (26,540)	2,613 (1,170)	26,742 (5,947)	42,208 (27,681)	683,814 (465,128)
Rock drilling equipments	Nos.	16,900 (16,400)	16,800 (16,130)	709 (1,168)	26,961 (48,128)	15,016 (8,057)	15,016 (8,057)	289 (709)	89,061 (26,961)	15,436 (8,516)	1,674,211 (1,509,467)
Road construction equipments	Nos.	1,000 (700)	1,000 (550)	4 (14)	9,136 (34,356)	234 (226)	234 (226)	8 (4)	25,521 (9,136)	230 (236)	535,781 (282,176)
B. Trading											
Pneumatic tools	Nos.			1,636 (2,331)	20,050 (20,612)	23,020 (15,365)	158,342 (160,796)	1,631 (1,636)	13,533 (20,050)	23,025 (16,060)	274,466 (205,269)
C. Spares, accessories and components (See Note 6 below)											
					749,038 (892,704)		4,108,280 (2,661,656)		916,822 (749,038)		6,455,606 (4,690,797)
D. Income from Services rendered - After Sales Services / Engineering Services etc. - Commission Income - Income from rental of equipment											742,762 (690,145) 338,094 (389,857) 31,972 (43,987)
Total					1,165,139 (1,301,628)		4,266,622 (2,822,452)		1,480,139 (1,165,139)		16,807,306 (12,716,486)
Notes:	<p>(1) The licensed capacity is as per the Industrial Entrepreneur Memorandum (IEM) filed/to be filed with the Ministry of Commerce and Industry, the Secretariat for Industrial Assistance.</p> <p>(2) The installed capacity has been certified by the Management and relied upon by the auditors, this being a technical matter.</p> <p>(3) Opening stock excludes Goods-in-transit Rs. 160,031 ('000) (31st December, 2009 Rs. 86,317 ('000)) and Excise duty Rs. 33,198 ('000) (31st December, 2009 Rs. 31,717 ('000))</p> <p>(4) Closing stock excludes Goods-in-transit Rs. 189,846 ('000) (31st December, 2009 Rs. 160,031 ('000)) and Excise duty Rs. 37,353 ('000) (31st December, 2009 Rs. 33,198 ('000))</p> <p>(5) Production includes 5 Machines meant for captive consumption.</p> <p>(6) Spares, accessories and components are not earmarked for sale as such. The Company considers a component as 'meant for sale' only when it is actually sold and hence no stocks/purchases are indicated. The cost of such spares, accessories and components sold is included in Consumption of raw materials and components/Purchase for resale. It is not practicable to furnish quantitative information in respect of sales of accessories and components in view of the considerable number of items diverse in size and nature.</p> <p>(7) Figures in brackets are in respect of the corresponding previous year</p>										

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	For the year ended 31st December, 2010 Rs. '000	For the year ended 31st December, 2009 Rs. '000
6. CIF Value of Imports		
Raw materials and Components	2,791,610	2,086,995
Capital Goods	52,257	33,895
Goods for Resale	2,450,674	1,820,298
Total	5,294,541	3,941,188
7. Expenditure in Foreign Currency		
Royalty (net of TDS)	92,948	47,099
Charges paid for Technical / Professional Services	121,552	81,678
Deputation charges paid	10,266	8,680
Commission on Sales	29,491	31,788
Interest	1,563	13,133
Warranty Paid	5,119	-
Other matters	20,727	13,388
Total	281,666	195,766

8. Value of imported and indigenous raw materials, spare parts and components consumed:

Particulars	for the year ended on 31st December 2010		for the year ended on 31st December 2009	
	Value (Rs. '000)	Percentage (%)	Value (Rs. '000)	Percentage (%)
Imported	2,669,158	39.91%	2,433,344	45.34%
Indigenously obtained	4,018,405	60.09%	2,934,117	54.66%
Total	6,687,563	100.00%	5,367,461	100.00%

Notes: In giving the above information, the Company has taken the view that spares and components as referred to in Clause 4D(C) of Part II of Schedule VI covers only such items as go directly on to production.

9. Consumption of Raw materials and Components:

Particulars	Units	For the year ended on 31st December, 2010		For the year ended on 31st December, 2009	
		Quantity	Value (Rs. '000)	Quantity	Value (Rs. '000)
Casting and Forging	Nos	317,456	137,193	156,277	69,909
Semi-finished Blanks	Nos	558,846	86,306	389,801	54,102
Diesel Engines & Electric Motors	Nos	12,055	1,052,324	7,653	849,140
Elements	Nos	8,418	773,805	5,580	582,110
Others			4,637,935		3,812,200
Total			6,687,563		5,367,461

- Notes:** (a) The consumption has been arrived at by adding to the opening stocks, the purchases during the year, and deducting therefrom the closing stocks and therefore includes the excesses/shortages on physical count, write off of obsolete items etc.
(b) The consumption in value shown in 'others' is a balancing figure based on the total consumption shown in the profit and loss account.
(c) Consumption of raw material and components includes processing charges Rs. 201,528 ('000) (31st December, 2009 Rs. 114,502 ('000))

10. Remittances in foreign currency on account of dividend

Particulars	Paid in Current year Rs. '000	Paid in Previous Year Rs. '000
(a) Year to which dividend relates	2009	2008
(b) Number of non-resident shareholders to whom remittance was made	1	1
(c) Number of shares on which remittance was made	18,899,360	18,899,360
(d) Amount remitted	94,497	75,597

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11. Earnings in Foreign exchange

Particulars	For the year ended on 31st December, 2010 Rs. '000	For the year ended on 31st December, 2009 Rs. '000
FOB Value of exports	1,814,981	1,242,536
Commission	336,228	386,411
Service Income	350,027	366,973
Recovery of freight	17,545	8,856
Recovery of warranty	43,329	37,423
Total	2,562,110	2,042,199

12. The net exchange differences arising during the year :

- (i) recognised appropriately in the profit and loss account - net loss - Rs.41,245 ('000) (31st December, 2009 - net gain - Rs 9,714 ('000))
- (ii) adjusted in carrying amount of fixed assets - Rs. Nil (31st December, 2009 Rs. Nil)

13. Details of Employee Benefits as required by the Accounting Standard 15 (Revised) Employee benefits are as under :

(A) Defined Contribution Plan

Amount recognized as an expense in the Profit and Loss Account in respect of Defined Contribution Plans is Rs. 80,830,005 (previous year - Rs. 66,538,447).

(B) Defined Benefit Plan

- i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit & Loss Account.
- ii) The Defined Benefit Plans comprise of Gratuity
 Gratuity is a benefit to an employee based on 15/20/22/30 days (depending on the grade/ category of employee and the completed years of service) last drawn salary for each completed year of service.
 The Plan is funded.

(C) Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :	Gratuity	
	Current year	Previous year
1 Present Value of Defined Benefit Obligation as on 1st January, 2010	216,452	225,965
2 Current Service cost	9,246	14,798
3 Interest Cost	14,166	15,244
4 Losses (gains) on Curtailment	-	-
5 Liabilities extinguished on settlements	-	-
6 Plan amendments	7,318	-
7 Actuarial (gains) / losses	63,819	(23,155)
8 Benefits paid	(8,445)	(16,400)
9 Present value of Defined Benefit Obligation as on Balance Sheet date.	302,556	216,452

(D) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

1 Fair value of Plan assets as on 1st January, 2010	96,325	71,347
2 Expected return on plan assets	6,721	6,599
3 Actuarial gains and losses	1,873	5,814
4 Actual contributions by employers	26,638	28,965
5 Benefits paid	(8,445)	(16,400)
6 Plan assets as on 31st December, 2010	123,112	96,325

(E) Analysis of Defined Benefit Obligation :

1 Defined Benefit Obligation as at 31st December 2010	302,556	216,452
2 Fair Value of Plan assets at the end of the year	(123,112)	(96,325)
3 Net (Asset)/Liability recognized in the Balance Sheet as at 31st December, 2010	179,444	120,127

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	Current year Rs. '000	Previous year Rs. '000
(F) Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :		
1 Present value of Defined Benefit Obligation	302,556	216,452
2 Fair value of plan assets	123,112	96,325
3 Funded status [Surplus/(Deficit)]	(179,444)	(120,127)
4 Unrecognized Past Service Costs	-	-
5 Net asset/(Liability) recognized in Balance Sheet	(179,444)	(120,127)
(G) Components of employer expenses recognized in the statement of profit and loss for the year ended 31st December 2010		
1 Current Service cost	9,246	14,798
2 Interest cost	14,166	15,244
3 Expected return on plan assets	(6,721)	(6,599)
4 Curtailment cost/(credit)	-	-
5 Settlement cost/(credit)	-	-
6 Past Service cost	7,318	-
7 Actuarial Losses/(Gains)	61,946	28,969
8 Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	85,955	52,412
(H) In respect of Funded Benefits with respect to gratuity, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"		
(I) Principal Actuarial Assumptions :		
1 Discount Rate (%)	8.3	8.9
2 Expected Return on plan assets (%)	8.5	8.5
3 Salary Escalation (%)	8.0	7.0
4 Medical cost inflation	N/A	N/A
a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.		
b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.		
c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
(J) Experience History		
1 Defined Benefit Obligation at the end of the period	(302,556)	(216,452)
2 Plan Assets at the end of the period	123,112	96,325
3 Funded Status	(179,444)	(120,127)
4 Experience adjustments on plan liabilities	(23,008)	(19,501)
5 Experience adjustments on plan assets	1,873	5,814
(K) Actual Return on plan assets		
1 Expected Return on plan assets	6,721	6,599
2 Actuarial (gains) and losses	(1,873)	(5,814)
3 Actual Return on plan assets	8,500	6,500
(L) Contributions expected to be paid to the plan during the next financial year Rs. 30,000 ('000)		

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14. SEGMENT INFORMATION :
(A) Primary segments - Business Segments

Particulars	Industrial Segment		Construction and Mining Segment		Others		Elimination		Total Amount	
	Current Year Rs. '000	Previous Year Rs. '000	Current Year Rs. '000	Previous Year Rs. '000	Current Year Rs. '000	Previous Year Rs. '000	Current Year Rs. '000	Previous Year Rs. '000	Current Year Rs. '000	Previous Year Rs. '000
a Segment Revenue										
Sales to External Customers	10,887,923	7,756,850	5,708,006	4,713,512	326,831	342,182	-	-	16,922,760	12,812,544
Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue	10,887,923	7,756,850	5,708,006	4,713,512	326,831	342,182	-	-	16,922,760	12,812,544
b Segment Results before exceptional items and tax	1,766,758	1,018,118	636,260	478,779	88,600	148,485	-	-	2,491,618	1,645,382
Unallocated Corporate expenses									(238,190)	(159,504)
Interest expense									(52,594)	(159,132)
Interest income									24,056	1,869
Income / Profit from investments									6,653	1,739
Unallocated Other Income									-	-
Surplus on pre-payment of sales tax deferral									2,388	-
Profit before exceptional items and tax									2,233,931	1,330,354
Add / (Less) Exceptional Items									254,450	(16,708)
Profit after exceptional items and before tax									2,488,381	1,313,646
Income taxes									952,826	475,000
Deferred Tax									(129,567)	(13,467)
Fringe benefit tax									-	4,600
Profit after tax									1,665,122	847,513
Excess / (short) provision for current taxation in respect of earlier years									79,719	-
Deferred tax charge in respect of earlier years									(87,500)	-
Net profit									1,657,341	847,513
c Segment Assets	5,396,387	4,411,833	4,066,312	3,365,529	49,586	11,977	-	-	9,512,285	7,789,339
Unallocated Corporate Assets									1,004,512	1,036,847
Total Assets									10,516,797	8,826,186
d Segment Liabilities	2,453,191	1,785,572	1,216,511	1,189,707	21,083	23,442	-	-	3,690,785	2,998,721
Unallocated Corporate Liabilities									681,424	1,209,545
Total Liabilities									4,372,209	4,208,266
e Cost incurred during the period to acquire Segment fixed assets	108,333	87,046	187,762	60,725	42,866	10,802	-	-	338,761	158,573
f Depreciation / Amortisation	94,364	102,833	177,786	179,644	7,702	11,805	-	-	279,852	294,282
g Non-cash expenses other than depreciation/ amortisation	145,730	57,682	37,432	43,534	-	-	-	-	183,162	101,216

Note : Business segments of the Company are organised on the basis of three segments - Industrial Segment, Construction and Mining Segment and Others. Industrial Segment includes a wide range of air compressors and pneumatic and electric tools including accessories and components thereof and services rendered in connection with the said Products. Construction and Mining Segment includes rock drilling tools, drilling rigs, construction tools, breakers, blast hole drilling rigs, water wells, drilling rigs, loading equipment, road construction equipment etc. including accessories and components thereof and services rendered in connection with the said Products. Others includes engineering services comprising of Computer aided designing etc.

(B) Secondary segments - Geographical Segments

	India		Outside India		Total	
	Current Year Rs. '000	Previous Year Rs. '000	Current Year Rs. '000	Previous Year Rs. '000	Current Year Rs. '000	Previous Year Rs. '000
Segment revenue by geographical area based on geographical location of customers (including sales, services, export incentives, Other income etc.)	14,421,522	10,816,624	2,501,238	1,995,920	16,922,760	12,812,544

Note : The Company's operating facilities are located in India.

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15. Related party disclosures

(A) Name of the related party and nature of relationship where control exists:

Name of the party	Nature of relationship
Atlas Copco AB, Sweden	Holding Company

(B) Related Party Transactions:

Nature of transactions	Holding Company	Common Control	Key Management Personnel	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Purchase of goods	- (-)	4,489,258 (3,504,998)	- (-)	4,489,258 (3,504,998)
Sale of goods	- (-)	1,405,720 (970,429)	- (-)	1,405,720 (970,429)
Income from services	- (-)	350,028 (366,973)	- (-)	350,028 (366,973)
Commission income	111 (-)	335,403 (389,857)	- (-)	335,514 (389,857)
Commission paid	- (-)	28,085 (31,788)	- (-)	28,085 (31,788)
Royalty	- (-)	112,319 (59,561)	- (-)	112,319 (59,561)
Warranty charges paid	- (-)	5,119 (-)	- (-)	5,119 (-)
Warranty Recovery	- (-)	43,329 (37,423)	- (-)	43,329 (37,423)
Recovery of Freight	- (-)	13,293 (168)	- (-)	13,293 (168)
Travelling	- (-)	10,209 (4,892)	- (-)	10,209 (4,892)
Charges paid for Technical / Professional Services	- (-)	111,434 (67,325)	- (-)	111,434 (67,325)
Deputation charges (including contribution to funds)	10,266 (8,680)	- (-)	- (-)	10,266 (8,680)
Capital Goods purchased	- (-)	25,234 (21,774)	- (-)	25,234 (21,774)
Remuneration	- (-)	- (-)	7,291 (8,189)	7,291 (8,189)
Dividend paid	94,497 (75,597)	- (-)	- (-)	94,497 (75,597)
Other matters	- (861)	13,054 (6,830)	- (-)	13,054 (7,691)
Amounts outstanding at year end :				
- Receivable	0 (-)	587,832 (480,258)	- (-)	587,832 (480,258)
- Payable	10,328 (-)	960,832 (795,268)	- (-)	971,160 (795,268)

Notes:- 1) Previous year's figures are shown within brackets.

2) The related parties included in the various categories above, where transactions have taken place are given below:

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Year ended 31st December, 2010

Holding Company	Atlas Copco AB
Common Control	ABAC Aria Compressa S.p.A. Atlas Copco (Nanjing) Construction & Mining Equipment Ltd. Atlas Copco (Wuxi) Exploration Equipment Ltd. Oy Atlas Copco Rotex Ab Atlas Copco (Shenyang) Construction & Mining Equipment Ltd. Atlas Copco (South East Asia) Pte Ltd. Atlas Copco (Thailand) Ltd. Atlas Copco (Zhangjiakou) Construction & Mining Equipment Ltd. SPA Atlas Copco Algeria Atlas Copco ASAP n.v. Atlas Copco China/Hongkong Ltd. Atlas Copco Equipment Egypt S.A.E. Atlas Copco Bangladesh Ltd. Atlas Copco (Wuxi) Compressor Co. Ltd. Wuxi Pneumatic Air/Gas Purity Equipment Co. Ltd. Atlas Copco Application Center Europe GmbH Atlas Copco Blm S.r.l Atlas Copco Belgium n.v. Atlas Copco Construction Tools AB, Kalmar, Sweden Atlas Copco Construction Tools GmbH Atlas Copco Craelius AB Atlas Copco Crépelle S.A.S., France Atlas Copco Drilling Solutions Garland / Allen , USA Atlas Copco Eastern Africa Ltd. Atlas Copco Energas GmbH Atlas Copco Canada Inc. Atlas Copco Hurricane LLC Atlas Copco Italia S.p.A Atlas Copco KK Atlas Copco MAI GmbH Atlas Copco Mexicana, SA DE CV Atlas Copco Mfg. Korea Co. Ltd. Atlas Copco Rental LLC (formerly known as Atlas Copco Prime Energy) Atlas Copco Rock Drills AB Atlas Copco Romania S.r.l. Atlas Copco S.A.E Atlas Copco S.r.o. Atlas Copco Secoroc AB Atlas Copco Secoroc LLC Atlas Copco Taiwan Ltd. Atlas Copco Tools & Assembly System LLC Atlas Copco Tools AB Atlas Copco Tools Limited Atlas Copco (Shanghai) Trading Co. Ltd. Beacon Medical Products LLC Ceccato Aria Compressa S.p.A. Compresseurs Worthington - Creyssensac S.A.S. Dynapac Brasil Industria e comercio Ltda Dynapac Compaction Equipment AB Dynapac AB Dynapac GmbH Dynapac (China) Compaction &Paving Equipment Co. Ltd. Fuji Air Tools Co., Ltd

Atlas Copco (India) Ltd. Year ended 31st December, 2010

ETS Georges Renault S.A.S.
Greenfield AG
Intermech Ltd.
Liuzhou Tech Machinery Co.Ltd.
Power Tools Distribution n.v.
Rodcraft Pneumatic Tools GmbH
Shanghai Tooltec Industrial Tool Co. Ltd.
Vibra Techniques
Atlas Copco (Malaysia) Sdn. Bhd.
Atlas Copco (Philippines) Inc.
Atlas Copco CMT & CT Nigeria Ltd.
Atlas Copco Colombia Ltda
Atlas Copco MCT GmbH
Atlas Copco Peruana SA
Atlas Copco Tanzania Ltd.
Atlas Copco Zambia Ltd.
Shenyang Ruifeng Machinery Ltd.
PT Atlas Copco Indonesia
Atlas Copco Nederlands BV (NLA)
IRMER + ELZE Kompressoren GmbH
Atlas Copco Middle East FZE
Atlas Copco Services Middle East SPC
Atlas Copco Compressors LLC
Quincy Compressor, Inc.
Quincy Compressor, LLC.
Atlas Copco Airpower n.v.
Atlas Copco Brasil Ltda
Atlas Copco Comptec LLC.
ZAO Atlas Copco
Atlas Copco South Africa (Pty) Ltd
Atlas Copco BH .d.o.o
Atlas Copco Argentina S.A.C.I
Atlas Copco A.D.
Atlas Copco (Cyprus) Ltd.
Atlas Copco (Schweiz) AG
ABAC DMS Air Compressors Pte Ltd.
Atlas Copco Australia Pty Ltd.
Atlas Copco Bulgaria Eood
Atlas Copco Central Asia LLP
Atlas Copco Chilena S.A.C.
Atlas Copco Ltd.
Atlas Copco Construction & Mining Technique USA LLC
Atlas Copco Drilling Solutions LLC
Atlas Copco Hellas A.E.
Atlas Copco Polska Sp. Z.o.o.
Atlas Copco Forage Et Construction
Atlas Copco Iran AB
Sociedade Atlas Copco de Portugal Lda
Atlas Copco Mafi-Trench Company LLC
Atlas Copco Custom Design (formerly Tide - Air)
Atlas Copco Customer Finance AB
Atlas Copco Makinalari Imalat AS
LLC Atlas Copco Ukraine

Key management personnel

F. Vandenberghe (from 1st August, 2009)
M. M. Mustapha (upto 31st January, 2009)

Atlas Copco (India) Ltd.
Year ended 31st December, 2010

(C) Details of Material Related Party transactions with companies under common control with the Company :

Name of the Related Party	Purchase of goods Rs. '000	Sale of goods Rs. '000	Income from services & Commission Rs. '000	Commission Paid Rs. '000	Royalty (net of TDS) Rs. '000	Warranty charges Rs. '000	Warranty Recovery & Recovery of freight Rs. '000	Services Taken Rs. '000	Capital Goods Purchased Rs. '000	Amount Receivable Rs. '000	Amount Payable Rs. '000
Power Tools Distribution n.v.	990,138 (618,366)	418,904 (271,367)	105,960 (78,257)	- (-)	- (-)	- (-)	- (-)	1,584 (1,229)	3,279 (4,511)	206,044 (144,254)	193,148 (144,873)
Atlas Copco Airpower n.v.	1,637,337 (1,461,739)	366,834 (272,306)	190,788 (243,497)	- (-)	82,455 (47,099)	1,612 (-)	9,897 (37,423)	22,267 (16,215)	3,444 (17,263)	89,625 (118,804)	316,616 (252,657)
Atlas Copco ASAP n.v.	306 (340)	- (-)	6,213 (1,114)	- (-)	- (-)	- (-)	- (-)	37,482 (7,362)	- (-)	5,760 (-)	18,969 (-)
Atlas Copco China/Hongkong Ltd.	- (-)	1,781 (-)	- (1,763)	- (-)	- (-)	- (-)	- (-)	25,674 (44,305)	- (-)	1,721 (-)	- (-)
Atlas Copco Bangladesh Ltd.	- (-)	- (-)	1,442 (1,100)	3,142 (5,103)	- (-)	- (-)	- (-)	601 (-)	- (-)	5,751 (-)	3,109 (-)
Atlas Copco Construction Tools GmbH	5,776 (-)	- (-)	1,628 (1,875)	- (-)	- (-)	- (-)	11,334 (-)	602 (36)	4,992 (-)	7,301 (-)	5,089 (-)
Atlas Copco Eastern Africa Ltd.	7,837 (-)	5,582 (38,414)	- (-)	8,329 (-)	- (-)	- (-)	- (-)	2,298 (-)	- (-)	5,787 (-)	7,920 (-)
Atlas Copco Energas GmbH	149,033 (-)	- (-)	13,006 (17,695)	- (-)	- (-)	1,815 (-)	- (-)	2,010 (-)	- (-)	624 (-)	1,896 (-)
Atlas Copco Mfg. Korea Co. Ltd.	849 (575)	6,387 (-)	- (-)	6,469 (-)	- (-)	- (-)	158 (-)	202 (123)	- (-)	856 (-)	3,674 (-)
Atlas Copco Rental LLC (formerly known as Atlas Copco Prime Energy)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (80)	6,637 (-)	- (-)	- (-)
Atlas Copco Rock Drills AB	161,665 (124,441)	6,014 (68,352)	122,363 (113,525)	- (-)	- (-)	1,267 (-)	15,694 (-)	13,171 (3,353)	5,995 (-)	61,768 (-)	21,158 (-)
Atlas Copco Secoroc AB	160,867 (115,991)	825 (-)	1,443 (22,545)	- (-)	- (-)	- (-)	178 (-)	22,027 (30)	- (-)	4,302 (-)	60,825 (-)
Dynapac Compaction Equipment AB	96,858 (179,784)	84,973 (30,360)	8,070 (3,803)	- (-)	10,493 (-)	- (-)	- (-)	55 (-)	- (-)	17,853 (-)	43,423 (-)
Atlas Copco Drilling Solutions Garland / Allen, USA	191,789 (174,982)	26,044 (1,465)	49,667 (144,973)	- (-)	- (-)	424 (-)	1,944 (-)	453 (-)	- (-)	32,191 (-)	14,236 (-)
Pneumatech USA	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (5,739)	- (-)	- (-)

Atlas Copco (India) Ltd.
Year ended 31st December, 2010

	For the year ended 31st December, 2010 Rs. '000	For the year ended 31st December, 2009 Rs. '000
16. a) The total of future minimum lease payments under non-cancellable operating lease :		
(i) Not later than one year	92,804	68,592
(ii) Later than one year and not later than five years.	61,520	84,909
(iii) Later than five years	-	-
Total	<u>154,324</u>	<u>153,501</u>
b) Lease payments recognised in the profit and loss account for the year Rs.69,770 ('000) (31st December, 2009 Rs.60,432 ('000))		
c) The aforesaid leasing arrangements are in respect of vehicles with lease period of four years and in respect of buildings with lease period of 3 - 9 years.		

17. Particulars of assets taken on finance lease :

- (i) Total minimum lease payments as at the balance sheet date is Rs.85,247 ('000) (31st December, 2009 -Rs.14,425 ('000) and the present value of total minimum lease payments as at the balance sheet date is Rs.75,982 ('000) (31st December, 2009 - Rs.11,856 ('000)). The difference represents the finance charge payable in the future.
- (ii) Total of minimum lease payments at the balance sheet date :

Payable	Total minimum lease payments		Present value of minimum lease payments	
	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
Not later than one year	18,074	14,425	16,926	11,856
Later than one year and not later than five years	67,174	-	59,056	-
Later than five years	-	-	-	-

- (iii) The aforesaid leasing arrangements are in respect of vehicles. The lease period is four years.

	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
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17A. PARTICULARS OF ASSETS GIVEN ON LEASE :

i) Gross carrying amount	96,982	105,050
ii) Accumulated Depreciation	44,754	27,397
iii) Depreciation for the year	24,557	23,763

The aforesaid leased assets are equipment given on operating lease to customers.
The period of lease generally is 1-3 months.

18. EARNING PER SHARE

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the net profit after tax for the year disclosed in the Profit and Loss Account.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 22,561,564

Atlas Copco (India) Ltd.
Year ended 31st December, 2010

	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
19. (i) BREAK UP OF DEFERRED TAX LIABILITY AS AT YEAR END :		
Nature of timing difference		
Provision for Depreciation	101,729	74,309
Total	101,729	74,309
(ii) Break up of deferred tax asset as at year end:		
Nature of timing difference		
Provision for Leave encashment	30,645	44,447
Provision for Gratuity	59,607	81,246
Provision for doubtful debts/advances	71,540	36,333
Voluntary Retirement Compensation	7,255	16,673
Other Items	108,737	29,598
Total	277,784	208,297
20. Contingent Liability :		
Income Tax matters	382,869	529,510
Sales Tax matters	50,859	26,678
Excise Duty / Service Tax	21,180	13,844
Property Tax matters	-	11,449
Bills Discounted etc.	186,821	29,856
Claims against the company not acknowledged as debts	52,535	96,689
Total	694,264	708,026

21. Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (Accounting Standard-29)

	Warranty	Provision - Others					
		Earn Out	Late Delivery	Other Expenses	Provision for claims from customers	Provision for Performance Contracts	Others Provisions (for Statutory levies)
Carrying Amount at the beginning of the year	102,610 (63,701)	100,050 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Additional Provision made during the year	319,432 (230,283)	- (100,050)	134,032 (-)	17,600 (-)	28,000 (-)	7,590 (-)	101,689 (-)
Amounts Used during the year	244,275 (191,374)	66,700 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Unused amounts reversed during the year	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Carrying Amounts at the end of the year	177,767 (102,610)	33,350 (100,050)	134,032 (-)	17,600 (-)	28,000 (-)	7,590 (-)	101,689 (-)

Note : Figures in brackets are in respect of the corresponding previous year

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :

1) Warranty Provision :

Warranty cost are accrued at the time products are sold, based on past experience. The provision is discharged over the warranty period of 12-18 months from the date of sale.

Atlas Copco (India) Ltd. Year ended 31st December, 2010

2) Earn Out :

Earn Out is the amount provided for the payments to be made to the shareholders of Focus Rockbit Pvt. Ltd. and Prisma Rocktools Pvt. Ltd. as per the terms of the agreement between the Company and the shareholders at the time of takeover of the companies during the previous year.

3) Late Delivery :

These are accrued based on managements assessment of the expected late delivery damages payable by the Company to its customers. The provision is settled over a period of 12-24 months.

4) Other expenses :

Represent provision towards cost to come which will be settled on realisation of dues.

5) Provision for Claims from Customers :

Provision for amounts expected to be paid against settlement of claim from customers.

6) Provision for Performance Contracts :

Performance contracts is the provision made towards the performance of supplied machinery to customers as per agreements. These are generally settled on completion of the agreement.

7) Other Provisions (for Statutory Levies) :

Other Provisions (for Statutory Levies) are provisions made for potential statutory liabilities expected to be settled on completion of assessments/appeals.

22. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 44,561 ('000) (Previous Year -Rs 38,749 ('000)) towards tangible fixed assets.

23. a) Details of Derivative Instruments (for hedging)

Particulars	Amount in foreign currency		Equivalent amount in Rs. '000		Purpose
	Current Year	Previous Year	Current Year	Previous Year	
Forward cover	-	EURO 2,221,000	-	159,080	Covering Loans
	-	USD 731,000	-	35,627	Covering Loans
	-	EURO 3,519,000	-	245,978	Covering Firm Commitments for imports
	USD 2,763,000	-	128,119	-	Covering Firm Commitments for imports

b) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:

Particulars	Currency	Amount in foreign currency		Equivalent amount in Rs. '000	
		Current Year	Previous Year	Current Year	Previous Year
Sundry creditors	EUR	10,927,089	8,444,580	649,843	566,017
	USD	5,069,106	2,746,302	227,590	128,348
	SEK	18,969,750	11,447,642	125,295	74,239
	GBP	107,290	-	7,465	-
	CAD	-	45,600	-	2,032
	HKD	93,272	93,272	538	562
	NZD	9,431	17,066	302	573
	SGD	-	540	-	18
	CZK	1,539	-	4	-
	YEN	4,586,601	4,681,424	2,527	2,373
Sundry Debtors	EUR	7,248,166	5,179,827	431,054	347,189
	USD	3,570,321	1,606,295	160,299	75,070
	AUD	22,325	-	1,020	-
	SEK	9,744,489	8,748,100	64,362	56,732
	GBP	191	-	13	-
	SGD	-	26,139	-	870
	JPY	-	340,000	-	172
Bank balances	EUR	303,400	1,453,633	18,125	97,433
	USD	20,006	432,244	898	20,201

Atlas Copco (India) Ltd.

Year ended 31st December, 2010

24. Debts due from Companies under the same management within the meaning of sub-section (1B) of section 370.	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
Name of the Company		
ABAC Aria Compressa S.p.A	289	1,674
Atlas Copco (Shenyang) Construction & Mining Equipment Ltd.	1,946	-
Atlas Copco (Zhangjiakou) Construction & Mining Equipment Ltd.	2,945	1,454
Atlas Copco Airpower n.v.	89,625	118,804
Atlas Copco ASAP n.v.	5,760	123
Atlas Copco Services Middle East SPC	162	106
Atlas Copco Brasil Ltda	119	223
Atlas Copco China/Hongkong Ltd.	1,721	-
Atlas Copco CMT & CT Nigeria Ltd.	33	-
Atlas Copco Comptec LLC.	4,137	1,566
Atlas Copco Construction Tools AB, Kalmar, Sweden	256	-
Atlas Copco Construction Tools GmbH	7,301	8,912
Atlas Copco Craelius AB	855	3,181
Atlas Copco Customer Finance AB	3,568	-
Atlas Copco Canada Inc.	178	23
Atlas Copco Forage Et Construction	7,829	-
Atlas Copco Drilling Solutions Garland / Allen , USA	32,191	27,728
Atlas Copco Ltd.	339	990
Atlas Copco Hurricane LLC	519	2,155
Atlas Copco KK	122	239
Atlas Copco Mai GmbH	2,171	1,461
Atlas Copco Mexicana, SA DE CV	5,961	2,378
Atlas Copco Middle East FZE	487	-
Atlas Copco (Nanjing) Construction & Mining Equipment Ltd	1,025	913
IRMER + ELZE Kompressoren GmbH	8	-
Atlas Copco Rock Drills AB	61,768	38,780
Atlas Copco Secoroc AB	4,302	8,220
Atlas Copco Tools & Assembly System LLC	15,819	-
Compresseurs Worthington - Creyssensac S.A.S.	1,789	2,181
Atlas Copco Bangladesh Ltd.	5,751	3,874
Atlas Copco (Malaysia) Sdn. Bhd.	3,055	-
Atlas Copco Compressors LLC	221	-
Atlas Copco Crépelle S.A.S., France	25,454	14,265
Atlas Copco Eastern Africa Ltd.	5,787	8,725
Atlas Copco Energas GmbH	624	7,955
Atlas Copco Mct GmbH	55	2,391
Atlas Copco Peruana Sa	767	943
Atlas Copco Tanzania Ltd.	45	-
Atlas Copco (Shanghai) Trading Co. Ltd	5,548	803
Beacon Medical Products LLC	809	213
Ceccato Aria Compressa S.p.A.	1,460	1,952
Dynapac Compaction Equipment Ab	17,853	10,591
Dynapac GmbH	452	2,001
ETS Georges Renault S.A.S.	4,096	4,893
Intermech Ltd.	2,788	2,302
Liuzhou Tech Machinery Co. Ltd.	250	-
Atlas Copco Mafi-Trench Company LLC	3,229	1,380
Atlas Copco Nederlands BV (NLA)	641	868
Power Tools Distribution N.V.	206,044	144,254
PT Atlas Copco Indonesia	3,919	11,105
Quincy Compressor, LLC.	389	-
Atlas Copco Custom Design (formerly Tide - Air)	922	64
Atlas Copco (Wuxi) Compressor Co Ltd.	1,996	1,451
Atlas Copco A.D.	196	-
Atlas Copco Construction & Mining Technique USA LLC	10,288	5,380
Atlas Copco Australia Pty Ltd.	1,020	2,095
Atlas Copco Hellas A.E.	22	-
Atlas Copco Italia S.p.A	6,035	-
Atlas Copco (Schweiz) AG	17	-

Atlas Copco (India) Ltd.
Year ended 31st December, 2010

	As at 31st December, 2010 Rs. '000	As at 31st December, 2009 Rs. '000
Atlas Copco South Africa (Pty) Ltd.	21,870	-
ZAO Atlas Copco	2,045	389
Atlas Copco Mfg. Korea Co. Ltd.	856	-
Atlas Copco Secoroc LLC	103	-
Atlas Copco Hollioke	-	45
Atlas Copco Tools AB	-	19,860
SPA Atlas Copco Algerie	-	7,663
Atlas Copco Vietnam Company Ltd.	-	252
Atlas Copco Pakistan (Pvt) Ltd	-	64
Atlas Copco (Philippines) Inc.	-	375
Atlas Copco (Thailand) Ltd.	-	496
ABAC DMS Air Compressors Pte Ltd.	-	374
Atlas Copco Bulgaria Eood	-	1,901
Oy Atlas Copco Rotex Ab	-	221
	587,832	480,258
25. a) Principal amount payable to Micro And Small Enterprises (to the extent identified by the company from available information) as at 31st December, 2010 is Rs. 133,869 ('000) (31st December, 2009 Rs. 53,475 ('000)) including unpaid amount of Rs. 3,278 ('000)(31st December, 2009 Rs. Nil) outstanding for more than 45 days. Interest due thereon is Rs. 31 ('000) (31st December, 2009 Rs. Nil)		
(b) Amount of payments made to suppliers beyond 45 days during the year is Rs. 651,433 ('000) (31st December, 2009 Rs. Nil). Interest paid thereon is Rs. Nil (31st December, 2009 Rs. Nil) and the estimated interest due and payable thereon is Rs. 6,579 ('000) (31st December, 2009 Rs. Nil)		
(c) Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil (31st December, 2009 - Rs. Nil) Amount of interest accrued and remaining unpaid as at the end of the year is Rs. 6,610 ('000) (31st December, 2009 Rs. Nil).		
(d) The amount of estimated interest due and payable for the period from 1st January, 2011 to actual date of payment or 15th February, 2011 (whichever is earlier) is Rs. 127 ('000).		
26. Disclosures under Accounting Standard - 7 (Revised) "Construction Contracts"		
(a) i) Contract Revenue recognised for the year ended 31st December, 2010 Rs. 325,528 ('000) (31st December, 2009 Rs. Nil)		
ii) Method used to determine the contract revenue recognized and the stage of completion of contracts in progress [Refer Note 1 (f) of Schedule 20]		
(b) Disclosures in respect of contracts in progress at the year end:		
i) Aggregate amount of costs incurred and recognised profits (less recognised losses) Rs. 325,528 ('000) (31st December, 2009 Rs. Nil)		
ii) Advances received are Rs. Nil (31st December, 2009 Rs. Nil)		
iii) Retention money is Rs. Nil (31st December, 2009 Rs. Nil)		
27. The previous year figures include the effect of amalgamation of two 100 % wholly owned subsidiaries namely, Focus Rocbit Pvt. Ltd. and Prisma Rocktools Pvt. Ltd. with itself w.e.f 1st April, 2009. Accordingly the previous year figures may not be strictly comparable.		
28. The previous years figures have been regrouped/restated wherever necessary to conform with current years classification.		

Signature to Schedules 1 to 20

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

A. K. Hirjee
Chairman

D. B. Engineer
Director

F. Vandenberghe
Managing Director

Date : 25th April, 2011
Place : Mumbai

S. H. Ghotage
VP-Holding & 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
 Secured Loans
 Reserves and Surplus
 Unsecured Loans

APPLICATION OF FUNDS

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

IV. PERFORMANCE OF COMPANY (Rs. '000)

Turnover
 Profit/(Loss) Before Tax
 Earnings Per Share (Rs.)
 Total Expenditure (including exceptional items)
 Profit/(Loss) After Tax
 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
8207.11	P n e u m a t i c T o o l s
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

F. Vandenberghe
Managing Director

Date : 25th April, 2011
Place : Mumbai

S. H. Ghotage
VP-Holding & Chief Financial Officer

A. C. Daga
Company Secretary

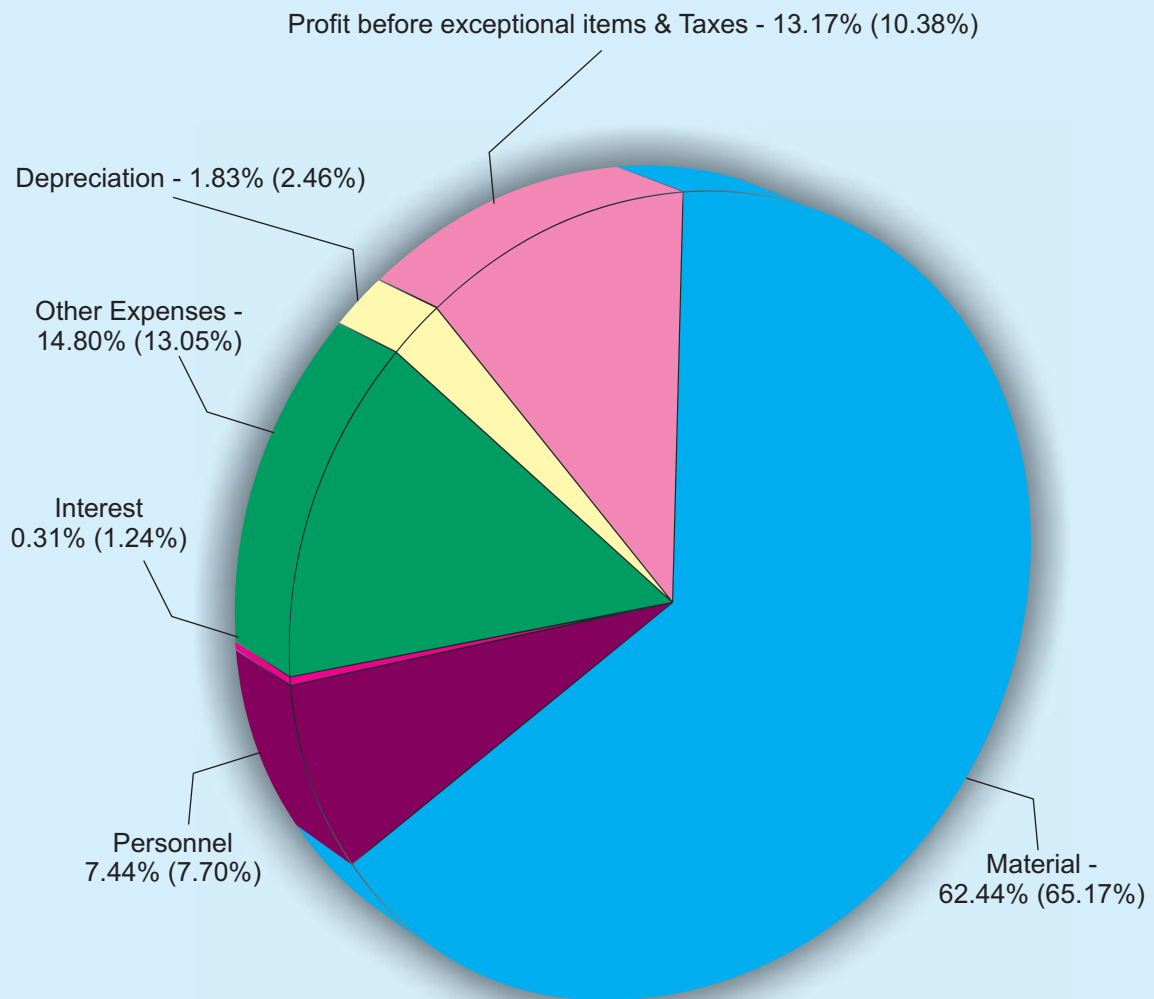
FINANCIAL HIGHLIGHTS

(Rs. '000)

Particulars	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
ASSETS EMPLOYED										
Net Fixed Assets	283,302	276,135	338,525	1,423,772	1,347,511	1,425,014	1,626,522	1,848,345	1,828,276	1,888,915
Investments	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	176,055
Net Current Assets	771,462	252,122	600,653	1,141,543	1,439,962	1,775,733	3,007,556	4,054,009	3,464,649	4,272,741
Misc. Expenditure	262,209	160,664	60,320	-	-	-	-	-	-	-
TOTAL	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	6,337,711
FINANCED BY										
Equity Share Capital	112,808	112,808	112,808	112,808	112,808	225,616	225,616	225,616	225,616	225,616
Reserves	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	5,918,972
Borrowed Funds	149,107	98,777	61,340	963,257	739,459	562,434	1,395,173	2,039,104	954,038	193,123
TOTAL	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	6,337,711
PROFIT & LOSS										
Sales & other income	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	16,955,857
Profit before Depreciation & Tax	286,947	459,251	684,768	809,797	1,032,002	1,374,411	1,412,987	1,629,484	1,645,498	2,544,178
Depreciation	52,384	52,776	59,056	106,124	196,468	204,339	225,821	280,769	315,144	310,247
Profit before Exceptional items & Tax	234,563	406,475	625,712	703,673	835,534	1,170,072	1,187,166	1,348,715	1,330,354	2,233,931
Exceptional items (Net)	(76,047)	164,492	(113,663)	(290,613)	(7,320)	(28,075)	92,456	-	(16,708)	254,450
Taxation	(53,665)	(171,582)	(174,361)	(182,034)	(322,571)	(421,582)	(469,579)	(511,290)	(466,133)	(823,259)
Profit after Tax	104,851	399,385	337,688	231,026	505,643	720,415	810,043	837,425	847,513	1,665,122
Dividend	45,123	383,547	56,404	56,404	67,685	90,246	90,246	90,246	112,808	112,808
Dividend %	40	340	50	50	60	40	40	40	50	50
Corporate Tax on Dividend	643 @	44539 @	7,227	7,371	9,492	15,342	15,337	15,337	19,172	17,865@

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

Distribution of Revenue in year 2010



* Figures in bracket are for the previous year.



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