



# ATLAS CYCLES (HARYANA) LIMITED

Registered Office : Industrial Area, Atlas Road, Sonapat-131 001, (Haryana) India.  
Corporate Identity Number L35923HR1950PLC001614

**Date: 24<sup>th</sup> May, 2023**

The Manager, Capital Market (Listing)  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Bandra-Kurla Complex  
Bandra (E)  
MUMBAI – 400051  
FAX NO. 022-26598237/38

The Manager (Listing)  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
MUMBAI – 400001  
FAX NO. 022-22721919/2037/2039/  
2041/2061

**SUB: Submission of Audited Financial Results for Quarter and Financial year ended March 31, 2021**

Dear Sirs,

Pursuant to the provisions of the Listing Regulations, we wish to inform you that the Board of Directors of the Company at its meeting held on today i.e. 24.05.2023 (commenced at 1:30 P.M. and concluded at 10:25 P.M.) has, inter-alia, transacted the following businesses:

1. Approved the Audited Financial Results (Standalone & Consolidated) of the Company for the Quarter and year ended March 31, 2021 duly approved by the Board of Directors of the Company, in the format prescribed under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, together with Auditors' Reports of the Statutory Auditors. The copies of the same are enclosed herewith.
2. Due to poor performance in F.Y 2020-21, no Dividend has been declared.

Kindly take this information in your records and oblige.

Thanking you,

**For Atlas Cycles (Haryana) Limited**

**Rakesh  
Company Secretary**



**DINESH NANGRU & CO.**  
*Chartered Accountants*

1526, Outram Lines, Kingsway Camp,  
New Delhi-110009

Tel. : 011-40502155

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**Independent Auditor's Report**

**TO THE MEMBERS OF ATLAS CYCLES (HARYANA) LIMITED**

**Report on the Audit of Standalone Ind AS Financial Statements**

**Qualified Opinion**

We have audited the standalone Ind AS financial statements of Atlas Cycles (Haryana) Limited ("the Company") which comprise Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss, the Cash Flow Statement and statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the '**Basis of Qualified Opinion**' section of our Report, the aforesaid standalone Ind AS financial statements give the information required by the companies Act 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian accounting standards ("IND AS") prescribed under section 133 of the act read with the companies (Indian accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March 2021, of its loss, changes in equity and its cash flows for the year ended on that date.

**Basis of Qualified Opinion**

1. Refer Notes 8.1, 8.2 and 14.1 of the statement, we are unable to comment on the current status of suit filed for earlier year by the company for criminal and recovery proceedings filed for above referred matters.
2. Refer Note 9 of the statement, the Physical Stock taking at Sonapat unit has not been carried out as at the Balance Sheet date. Hence, we are unable to comment on the physical stock position at Sonapat unit amounting to Rs. 6,50,03,902/- as Sonapat unit was sealed by Municipal Committee Sonapat.
3. Refer Note 9.1, Since the company is not having its manufacturing activities operational as on the date of report, the stock is valued at cost instead of valued at cost or net realizable value whichever is lower, Quantification of effect is not ascertainable in absence of Net realizable value, marketability and usability of stock.
4. Refer Note 11 of the statement, in absence of reconciliation with individual debtors and in absence of balance confirmations from debtors, we are unable to comment upon position of debtors considered as good.
5. Refer Note 23.1 and Note 40, The company has not provided for the interest on overdue outstanding payment of creditors including MSMEs and on suits filed by creditors in different courts. Exact quantum of liability is not ascertainable in absence of reconciliations with suppliers and balance confirmations by suppliers;



however, the company has disclosed in contingent liability regarding claims of interest filed by creditors in different courts.

6. Refer Note 3 of the significant policies to the statement, we are unable to comment on certain current accounts with banks as we have not been provided with certain bank statements for the year under report claimed to be non-operative in books of the company.
7. Refer Note 5.1 of the statement, Special attention is brought on unquoted investment In equity shares and debentures.
8. Refer Note 20.1, we are unable to comment upon transaction relating Rs. 5,90,00,000/- as advance received against sale of non- core asset in absence of Proper Agreement to sell/ Sale deed or explanation provided to us.
9. Refer Note 7 of the statement, the company has not reversed Provision for deferred tax/ Deferred tax asset created during the previous Financial year 19-20 amounting to Rs. 9,99,01,400/- against which Income tax return is yet to be filed as on date of report.
10. The company has not provided reconciliation of books with 26AS "ANNUAL TAX STATEMENT" as per Income Tax and further no liability was recognized or disclosed in contingent liability related to TDS demand amounting Rs. 24,29,165/- and TDS interest and late fee Amounting Rs. 2,68,438/- as reflecting 26AS statement.
11. Refer note 22.1, the company has defaulted in repayment of Inter corporate Loan within stipulated time as per the agreed terms. Further, the company has not provided for interest liability on the same for the financial year 2020-21, The company has understated losses to the tune of Rs. 99,00,000/-
12. Refer Note 36.1 , the company has not provided for Statutory Audit fee during the financial year, hence understated losses to the tune of Rs. 29,00,000/- (PY 29,00,000/-).
13. Refer Note 25.2 and Note 11.1, The company has neither exported goods nor disclosed advance against export sales as per FEMA regulations amounting Rs.22,84,620/- in Sahibabad unit and Rs. 53,57,299/- in Sonapat unit respectively.
14. The company has not provided for Gratuity liability as per IND-AS 19 as on Balance Sheet date and further we are unable to quantify the effect of the same due to unavailability of Actuarial valuations and significant records.
15. The company has not filed the annual return for the year. Special attention is brought to the fact that due to non- payment/ non- filing of return, the GSTN Of Sonapat unit has been suspended by the department.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. We are independent of the company in accordance with the code of ethics



issued by The Institute of Chartered Accountants of India and we have fulfilled our ethical responsibilities in accordance with the provisions of the act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion.

#### Emphasis on Matter

1. There was no significant impact of COVID-19 on the financial statements of the Company for the year ended 31st March, 2021, in the opinion of the management the impact would not be significant which describes the management's assessment of the impact of the outbreak of COVID-19 on the activities of the Company. The management believes that no adjustments are required in the Financial statements as it does not impact the current financial year, however in view of the various preventive measures taken and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
2. The operations of the company have been completely closed therefore the concept of going concern is doubtful. However, the present new management has resolved on 22-04-23 that the financial statements for the year ended as on 31-03-21 shall be prepared on going concern basis. The honorable NCLT Delhi vide order dated 06.12.2022 removed the existing Directors and management committees members of the company and appointed six new directors on the Board and the newly appointed Board shall be stepping into and responsible for all decisions, reporting, signing, finalizing and authorizing Financial statement for year ending as at 31<sup>st</sup> March 2021.
3. Special attention brought to the fact that the accounting record ERP System related to Sonapat unit were incomplete due to sealing by municipal committee of Sonapat and management decided to shift all accounting from ERP to Tally software for the year under reporting. We have relied upon the judgement of management for shifting of accounting software from ERP to tally for sonapat unit for the FY 2020-21.

Our opinion is not modified in respect of this matter 1, 2 and 3.

#### Key Audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below are key audit matters to be communicated in our report.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Refer Note 9.1 , read with point no. 3 of Basis of Qualified opinion ,the valuation of stock in trade is taken at cost as certified by the management. Considering the significant judgement involved , increased complexities due to	Principal Audit Procedures performed: - Obtained complete list of quantitative Stock items and its current status of valuation.



<p>closed down of operations of Plant, uncertainty and materiality of the amount involved, we have identified valuation of Stock at cost as Key Audit Matter for current year Audit.</p>	<ul style="list-style-type: none"> <li>- We held discussions with key personnel to identify itemized stock which were valued at cost and its justification.</li> <li>- Verified related disclosures , its appropriateness of judgement.</li> </ul>
<p>Refer Note 11, read with point no. 4 of Basis of Qualified opinion, the unsecured trade receivable exceeding 6 months amounting to Rs. 18,35,30,895/- considered as good have not been realized as on the date of the report, however no provision has been created on the same.</p> <p>The company has created a provision for doubtful Trade Receivables amounting Rs. 13,37,18,752/- during the year.</p> <p>The company has PAN India Dealer net work with defined credit period for Trade receivables which has now long outstanding receivable amount for which appropriate loss allowance is required to be created for expected credit losses using simplified approach in accordance with the requirement of Ind AS 109 measuring the Loss allowance equal to credit losses.</p> <p>Only Sahibabad unit has Circularized balance confirmation directly to the address of the Statutory Auditors. Only Two parties have responded even their balances were not reconciled.</p> <p>Considering the significant judgement involved , increased complexities due to closed down of operations of Plant, uncertainty and materiality of the amount involved, we have identified realization of the Trade Receivables as Key Audit Matter for current year Audit.</p>	<p>Principal Audit Procedures performed:</p> <ul style="list-style-type: none"> <li>- Understanding the trade receivables process with regard to valuation and testing of controls designed and implemented by the management.</li> <li>- Testing the accuracy of aging of trade receivables at year end on sample basis.</li> <li>- Obtained a list of outstanding receivables and discussed plan of recovery with the management.</li> <li>- Circularized balance confirmation directly to the address of the Statutory Auditors and discussed any variation if any.</li> <li>- Tested subsequent settlement of trade receivable after the Balance Sheet date on a sample basis.</li> <li>- Verified the related disclosures made in notes to financial statements in accordance with IND AS 115 and IND AS 109.</li> <li>- The company has not followed IND-AS 109 for impairment loss of Trade Receivables</li> </ul>
<p>Refer Note 23.1 read with point no. 5 of Basis of Qualified opinion on Litigations, claims and Contingent Liabilities regarding interest liability on cases pending at MSME, NCLT and district courts amounting Rs. 1,00,09,762, Rs. 2,67,15,580 and Rs. 1,89,28,503 respectively. Considering the significant judgement involved , increased complexities due to closed down of operations of Plant, uncertainty and materiality of the amount involved, we have identified Litigations ,</p>	<p>Principal Audit Procedures performed:</p> <ul style="list-style-type: none"> <li>- Understanding the process, evaluated the design and implementation with regard to recording of provisioning, claims and contingent Liabilities.</li> <li>- For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of disclosures made in relation to contingent liabilities.</li> </ul>



claims and Contingent Liabilities as Key Audit Matter for current year Audit.	
<p>Refer Note 25 read with point 7 of Annexure A of the report, of Basis of Qualified opinion the company has significantly defaulted in payment of statutory dues as on the Balance Sheet date and as on the date of the report amounting to Rs. 93,63,304/- which included EPF of Rs. 69,79,919/-, ESI of Rs. 4,94,941/-, TDS of Rs. 18,56,994/-, GST of Rs. 13,950/- and Professional Tax of Rs. 17,500/-.</p> <p>Considering the significant judgement involved , increased complexities due to closed down of operations of Plant, uncertainty and materiality of the amount involved, we have identified defaulted in payment of statutory dues as Key Audit Matter for current year Audit.</p>	<p>Principal Audit Procedures performed:</p> <ul style="list-style-type: none"> <li>- Understanding the process, evaluated the design and implementation with regard to recording of payment of statutory dues.</li> <li>- The statutory dues regarding PF, ESI, Gratuity, GST, TDS were outstanding as on Balance Sheet date and as on the signing date.</li> <li>- The management is of view that the statutory dues shall be paid on preferential basis.</li> </ul>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the preparation and presentation of these standalone financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the standalone financial position, standalone financial performance, standalone cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the standalone financial statements. The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements



and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors of the Company are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the financial reporting process of the company.

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are



based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 (The Order) issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

A. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and 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. Refer Para 3 of Emphasis of matter stated above, however our opinion is not modified in this regard.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act read with companies (Indian Accounting Standard) Rules 2015 as amended except for the matters described in Basis for Qualified opinion paragraph.





(e) The matters described in Basis of Qualified opinion and Emphasis of matter paragraph, in our opinion may have adverse effect on the functioning, stability of the company and which may lead to change of controlling management.

(f) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company, as explained by the management, has legal cases in MSMEs, NCLT and various District courts to tune of Rs. 90,71,63,546/- which includes Rs.26,25,10,798, 58,01,72,999 and Rs. 6,44,79,749 respectively as recovery claims by vendors and interest liability is likely to incur but is not provided for in books of accounts however appropriate disclosures have been provided.

Further, according to the explanation and information given to us, there are Outstanding Income tax pending with relevant tax department on account of disputes which are as follows:

NAME OF STATUE	OF	NATURE OF LIABILITY	AMOUNT (Rs.)	PERIOD	FORUM WHERE DISPUTE IS PENDING
Income tax act, 1961	tax	Income tax	9,75,130/-	AY 2012-13	Commissioner of income tax appeals
Income tax act, 1961	tax	Addition to income	1,96,23,551/- (Income tax is NIL)	AY 2017-18	Commissioner of income tax appeals

- ii. The Company did not have any long-term contracts including derivatives for which there were any material foreseeable losses.
- iii. There has been some delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer note no. 25.1 of the statement



C. With respect to the matter to be included in the Auditor's report under Section 197(16)

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director Company and it is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Dinesh Nangru and Co  
Chartered Accountants  
Firm Registration No: 015003N



CA Dinesh Nangru  
Partner

Membership No: 094779

UDIN: 23094779 BGYVNE2582

Place: Delhi

Date: 24/05/2023



### **“Annexure A” to the Independent Auditors’ Report**

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the members of ATLAS CYCLES (HARYANA) LTD.)

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone Ind AS Financial Statements for the year ended 31 March 2021, we report that:

- 1)
  - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for Sonapat unit as the unit was sealed and operations were closed;
  - (b) The company has a policy on physical verification of the fixed assets in a phased manner, designed to cover all the items over a period of three years, which in our opinion, was reasonable having regard to the size of the company and nature of its business. However, we have explained that due to COVID-19, sealing of Sonapat unit and closure of operations of the company, fixed asset has not been physically verified by the management during the year.
  - (c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- 2)
  - (a) As explained to us, the inventories were physically verified during the year by the Management except for sonapat unit as the unit was under seal by municipal community/ corporation of Sonapat.
  - (b) The discrepancies on physical verification of the inventory, wherever physical verification was done, as compared to books records, which have been dealt with were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and However, attention is drawn on Note No. 8.1, 8.2, 14.1 of the statement.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security given.



- 5) The Company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) According to the information and explanation given to us, and the records of the company examined by us, the company is not regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, **income-tax**, goods and service tax, cess and other material statutory dues. However, according to the information and explanation given to us, undisputed material amounts payable in respect of statutory dues were in arrears as at 31st March, 2021 for a period more than six months from the date they became payable, on account of following:

Nature of liability	Amount of liability payable (In Rs.)
ESI	4,94,941/-
PF	69,79,919/-
TDS	18,56,994/-
Professional Tax	17,500/-
GST	13,950/-

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. However, the company has taken inter corporate loan from its associate concern Milton Cycle Industries Limited of Rs. 9,00,00,000/- (Rs Nine crores) which carries interest @ 11% p.a. The company has not honored repayment terms as stipulated terms of inter corporate loan agreement. Further point no. 11 of basis of qualified opinion of our report.
- 10) To the best of our knowledge and according to the information and explanations given to us, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) To the best of our knowledge and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.



In our opinion, all transactions with the related parties are in compliance with section 177 and

188 of Companies Act, 2013 and Refer Note 46 of financial statement for disclosures as required by the applicable Ind AS.

- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Dinesh Nangru and Co  
Chartered Accountants  
Firm Regn. No : 015003N

CA DINESH NANGRU  
Partner

M. No. 094779

UDIN: 23094779 BGYVNE2582

Date: 24/05/2023

Place: New Delhi





**DINESH NANGRU & CO.**  
*Chartered Accountants*

1526, Outram Lines, Kingsway Camp,  
New Delhi-110009

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## **“Annexure – B” to the Independent Auditors’ Report**

(Referred to in paragraph 1(f) under Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of ATLAS CYCLES (HARYANA) LIMITED (“the Company”) as of 31 March 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, during the year most of the units were substantially non- operative and most of the employees were not available for explanation at the time of our audit, therefore, in absence of proper explanation and records, we are unable to comment on all material aspects however, an adequate internal financial controls system over financial reporting with reference to IND-AS financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India”.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on ,internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those



Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Dinesh Nangru and Co  
Chartered Accountants

Firm Registration No: 015003N

CA Dinesh Nangru  
Partner

Membership No: 094779

UDIN: 23094779B6YVNE2502

Place: Delhi

Date: 24/05/23



**Atlas Cycles (Haryana) Limited**  
Regd. Office : Industrial Area, Sonapat Haryana 131001

(in lakh)

**Statement of audited Standalone Financial Results for the quarter ended 31st march 2021**

S.No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.20	31.03.21	31.03.20
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>					
	a) Revenue from operations	463.37	430.11	2,922.40	1,730.00	15,590.21
	b) Other income(loss)	0.91	0.80	2,271.47	7.00	4,420.04
	<b>Total Income</b>	<b>464.28</b>	<b>430.91</b>	<b>5,193.87</b>	<b>1,737.00</b>	<b>20,010.25</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of Materials Consumed	375.54	364.40	1,476.69	1,172.00	11,138.70
	b) Changes in inventories of finished goods, work-in-progress and stock in trade	38.09	52.20	120.64	195.00	286.45
	c) Employee benefit expenses	433.69	434.18	1,198.83	1,910.00	3,478.50
	e) Finance Cost	4.71	0.32	671.58	8.00	941.81
	f) Depreciation and amortisation	60.27	100.89	123.65	362.00	439.65
	g) Other expenses	642.01	379.27	671.22	1,610.00	4,412.27
	<b>Total expenses</b>	<b>1,554.51</b>	<b>1,331.26</b>	<b>4,262.61</b>	<b>5,257.00</b>	<b>20,697.38</b>
<b>3</b>	<b>Profit / (loss) before exceptional items and tax (1 - 2)</b>	<b>-1,090.23</b>	<b>-900.35</b>	<b>931.26</b>	<b>-3,520.00</b>	<b>-687.13</b>
<b>4</b>	<b>Exceptional items - reversal / write back of liabilities</b>	-	-	-	-	-
<b>5</b>	<b>Profit / (loss) before tax (3 - 4)</b>	<b>-1,090.23</b>	<b>-900.35</b>	<b>931.26</b>	<b>-3,520.00</b>	<b>-687.13</b>
<b>6</b>	<b>Tax expense</b>	-	-	-721.84	-	-999.01
<b>7</b>	<b>Net profit / (loss) for the period</b>	<b>-1,090.23</b>	<b>-900.35</b>	<b>1,653.10</b>	<b>-3,520.00</b>	<b>311.88</b>
<b>8</b>	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss, net of tax	-	-	-	-	-
	<b>Other comprehensive income, net of tax</b>	-	-	-	-	-
<b>9</b>	<b>Total comprehensive income / (loss) for the period (7 + 8)</b>	<b>-1,090.23</b>	<b>-900.35</b>	<b>1,653.10</b>	<b>-3,520.00</b>	<b>311.88</b>
<b>10</b>	<b>Paid up equity share capital (Face value Rs. 5 per share)</b>	<b>325.19</b>	<b>325.19</b>	<b>325.19</b>	<b>325.19</b>	<b>325.19</b>
<b>11</b>	<b>Earning per share (EPS)</b>					
	Basic and diluted EPS after extraordinary items (not annualized)					
	Basic (Rs)	-16.76	-13.84	25.42	-54.12	4.80
	Diluted (Rs)	-16.76	-13.84	25.42	-54.12	4.80

**Notes to financial results:**

- The unaudited financial result of Atlas Cycles Haryana Ltd. ("the company") have been prepared in accordance with Indian accounting standards (IndAS) notified under the companies (Indian accounting standards) Rules, 2015, as amended.
- The figure for the quarter ended 31 March 2021 are a balancing figure between the audited figure of the full financial year and the unaudited year to date figure upto the third quarter of the financial year ending 31 March 2021.
- The statutory auditors have carried out limited review of the unaudited financial result for the quarter ended 31st march 2021.
- The unaudited financial result of the company for the quarter ended 31st march 21 have been reviewed by the audit committee of the board and approved by the board of directors at their meeting on 24th May 2023.
- Impact of Covid-19: A nation wide lockdown was declared by the government of India wef 24th march 2020 due to out break of Covid-19 pandemic, which was extended in phases up to 31st may 2020. The pandemic has resulted in significant decrease in economic activities across all the sectors of economy including that of our company. The company has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of property, plant and equipment, inventories, receivables and other assets. In developing the assumption relating to possible future uncertainties in the global economic conditions because of this pandemic, the company, has used internal and external sources of information and concluded that no adjustments are required to the financial results. Given the dynamic nature of pandemic the company will continue to monitor the evolving scenario for any material changes.

PLACE : New Delhi  
DATE: 24/05/23



On behalf of the Board  
For Atlas Cycles (Haryana) Limited

*Jamail Singh*  
Jamail Singh  
Chairman(Director)





ATLAS CYCLES (HARYANA) LIMITED  
STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT 31.03.2021

(Amount in Rs In Lakhs)

Particulars	As at	
	31.03.2021 Audited	31.03.2020 Audited
<b>ASSETS</b>		
(1) Non - current assets		
(a) Property, plant and equipment	4,055.29	4,428.28
(b) Capital work-in-progress	-	-
(c) Financial assets		
Investments	32.00	32.11
Other financial assets	12.26	170.63
(d) Deferred tax assets (net)	2,709.01	2,709.01
(e) Other non - current assets	1,667.38	1,667.38
<b>Total non - current assets</b>	<b>8,475.92</b>	<b>9,007.41</b>
(2) Current assets		
(a) Inventories	2,110.62	3,139.08
(b) Financial assets	-	-
Investments	4.93	4.93
Trade receivables	2,609.39	4,257.46
Cash and cash equivalents	105.44	392.65
Bank balance other than cash and cash equivalent	18.71	18.71
Loans	1,573.34	2,254.60
Other financial assets	145.45	155.01
(d) Other current assets	274.83	273.70
<b>Total current assets</b>	<b>6,842.71</b>	<b>10,495.13</b>
<b>TOTAL ASSETS</b>	<b>15,318.64</b>	<b>19,503.54</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	325.19	325.19
(b) Other equity	1,642.20	5,162.11
<b>Total Equity</b>	<b>1,967.39</b>	<b>5,487.30</b>
<b>LIABILITIES</b>		
(1) Non - current liabilities		
(a) Financial liabilities		
Borrowings	-	-
Other financial liabilities	758.83	883.98
(b) Provisions	69.59	96.92
<b>Total non - current liabilities</b>	<b>828.42</b>	<b>980.89</b>
(2) Current liabilities		
(a) Financial liabilities		
Borrowings	900.00	900.00
Trade Payables	10,340.22	10,841.43
Other financial liabilities	-	26.02
(b) Other Current Liabilities	382.92	394.08
(c) Provisions	899.69	873.83
<b>Total current liabilities</b>	<b>12,522.83</b>	<b>13,035.35</b>
<b>Total Equity &amp; Liabilities</b>	<b>15,318.64</b>	<b>19,503.54</b>



ON BEHALF OF THE BOARD  
For ATLAS CYCLES (HARYANA) LTD.

Jarnail Singh  
CHAIRMAN (DIRECTOR)

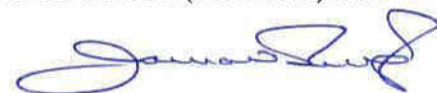
Place *New Delhi*  
Date: *24-05-2023*

**ATLAS CYCLES (HARYANA) LIMITED**

**STATEMENT OF STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021**

Particulars	In Rs. Lakhs	
	Year ended 31.03.2021 AUDITED	Year ended 31.03.2020 AUDITED
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax as per statement of profit and loss	-3,519.91	-687.13
<b>Adjustments for:</b>		
Depreciation & Amortisation	361.73	439.65
(Gain)/Loss on disposal of property, plant & equipment	1.44	-3,713.33
Profit on Sale of Current Investments	-	-
Provision for Bad Debts	655.52	0.07
Liability / Provisions no longer required written back	-	-12.00
Interest Income	-5.33	-33.00
Finance costs	7.66	941.81
<b>Operating Profit before Working Capital Changes</b>	<b>-2,498.90</b>	<b>-3,064.92</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in trade and other receivables	992.56	5,496.05
Decrease/ (Increase) in Inventories	1,028.45	1,018.72
Decrease/ (Increase) in Other Non Current Financial Assets	158.37	-70.00
Decrease/ (Increase) in Other Non Current Assets	0.00	33.39
Decrease/ (Increase) in Current Loans	681.25	-24.67
Decrease/ (Increase) in Other Current Assets	-1.13	152.38
Decrease/ (Increase) in Other Current Financial Assets	9.55	-9.34
Decrease/ (Increase) in Bank Balances other than cash equivalents	-	-
Increase/ (decrease) Other Non-Current Financial Liabilities	-125.15	-1,802.11
Increase/ (decrease) in Non Current Provisions	-27.33	8.89
Increase/ (decrease) in trade and other payables	-501.21	-2,705.40
Increase/ (decrease) in Other Financial Liabilities	-26.02	-38.52
Increase/ (decrease) in Other Current Liabilities	-11.16	-175.72
Increase/ (decrease) in Provisions	25.86	62.23
<b>Net cash flows generated from (used in) operating activities after exceptional items</b>	<b>-294.82</b>	<b>-1,119.01</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment, including CWIP and capital advances	-0.12	-470.39
Sale, plant & equipment, including CWIP and capital advances	9.95	7,643.40
Sale/(Purchase) of Investment/Provision for investment	0.12	-
Interest Received	5.33	33.00
<b>Net cash flows generated from (used in) investing activities</b>	<b>15.28</b>	<b>7,206.01</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from Short term Borrowings	-	-5,078.20
Net Proceeds from Long term Borrowings	-	-32.43
Interest Paid	-7.66	-941.81
<b>Net cash flows generated from (used in) financing activities</b>	<b>-7.66</b>	<b>-6,051.44</b>
Net increase (decrease) in cash and cash equivalents	-287.20	35.56
Net foreign exchange difference	-	-
Cash and cash equivalents at the beginning of the year	392.65	357.08
<b>Cash and cash equivalents at year end</b>	<b>105.44</b>	<b>392.65</b>

ON BEHALF OF THE BOARD  
For ATLAS CYCLES (HARYANA) LTD.



**Jarnail Singh**  
**CHAIRMAN(DIRECTOR)**



Place: *New Delhi*  
Date: *24-05-2022*

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted  
Along-with Annual Audited Financial Results - (Standalone)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2021 (See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1	Turnover / Total income	17,36,64,487	17,36,64,487
	2	Total Expenditure	52,60,86,059	53,84,55,523
	3	Net Profit/(Loss)	-35,24,21,572	-36,47,91,036
	4	Earnings Per Share	-54.19	-56.08
	5	Total Assets	1,52,99,64,671	1,53,18,63,577
	6	Total Liabilities	1,33,51,31,959	1,36,79,24,878
	7	Net Worth	19,48,32,712	18,39,38,699
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
<b>II</b>	<p><b><u>Audit Qualification (each audit qualification separately):</u></b></p> <p><b>A. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. We unable to comment on the current status of suit filed for earlier year by the company for criminal and recovery. Proceedings filed for above referred matters.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> <ol style="list-style-type: none"> <li>1. As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</li> <li>2. As per Management view , accounts being prepared as going concern in view efforts for the revival of the company being on and consequent recovery from the customers of outstanding debts, the provision for bad debts has been made in accordance with the policy of making provision on the basis of time period for which the debt has been outstanding.</li> <li>3. In view of disputed claims/pending reconciliation and in the absence of proper documentation provisions for interest, if any, payable in respect of outstanding dues to suppliers has not been made.</li> </ol> </li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. Management's estimation on the impact of audit qualification: N.A</li> <li>ii. If management is unable to estimate the impact, reasons for the same: N.A</li> <li>iii. Auditors' Comments on (1) or (II) above: N.A</li> </ol> </li> </ol>			



	<p><b>B. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The Physical Stock taking at Sonapat unit has not been carried out as at the Balance Sheet date. Hence, we are unable to comment on the physical stock position at Sonapat unit amounting to Rs. 6, 50, 03,902/- as Sonapat unit was sealed by Municipal Committee Sonapat.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>C. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. Since the company is not having its manufacturing activities operational as on the date of report, the stock is valued at cost instead of valued at cost or net realizable value whichever is lower, Quantification of effect is not ascertainable in absence of Net realizable value, marketability and usability of stock</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>D. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. In absence of reconciliation with individual debtors and in absence of balance confirmations from debtors, we are unable to comment upon position of debtors considered as good.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> </ol>



	<p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A  ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A  iii. <b>Auditors' Comments on (I) or (II) above:</b> N.A</p>
	<p><b>E. Details of Audit Qualification:</b></p> <p>1. The company has not provided for the interest on overdue outstanding payment of creditors including MSMEs and on suits filed by creditors in different courts. Exact quantum of liability is not ascertainable in absence of reconciliations with suppliers and balance confirmations by suppliers; however, the company has disclosed in contingent liability regarding claims of interest filed by creditors in different courts.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</p> <p>2. As per Management view , accounts being prepared as going concern in view efforts for the revival of the company being on and consequent recovery from the customers of outstanding debts, the provision for bad debts has been made in accordance with the policy of making provision on the basis of time period for which the debt has been outstanding.</p> <p>3. In view of disputed claims/pending reconciliation and in the absence of proper documentation provisions for interest, if any, payable in respect of outstanding dues to suppliers has not been made.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A  ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A  iii. <b>Auditors' Comments on (I) or (II) above:</b> N.A</p>
	<p><b>F. Details of Audit Qualification:</b></p> <p>1. The significant policies to the statement, we are unable to comment on certain current accounts with banks as we have not been provided with certain bank statements for the year under report claimed to be non- operative in books of the company.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p>



	<p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A  ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A  iii. <b>Auditors' Comments on (I) or (II) above:</b> N.A</p>
	<p><b>G. Details of Audit Qualification:</b></p> <p>1. The statement, Special attention is brought on unquoted investment in equity shares and debentures.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A  ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A  iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</p>
	<p><b>H. Details of Audit Qualification:</b></p> <p>1. We are unable to comment upon transaction relating Rs. 5, 90, 00,000/- as advance received against sale of non- core asset in absence of Proper Agreement to sell/ Sale deed or explanation provided to us.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.  2. Audit fees is to be accounted for in the year of audit is carried out.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A  ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A  iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</p>

	<p><b>I. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The company has not reversed Provision for deferred tax/ Deferred tax asset created during the previous Financial year 19-20 amounting to Rs. 9,99,01,400/- against which Income tax return is yet to be filed as on date of report.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> <ol style="list-style-type: none"> <li>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</li> <li>2. Audit fees is to be accounted for in the year of audit is carried out.</li> </ol> </li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>J. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The company has not provided reconciliation of books with 26AS "ANNUAL TAX STATEMENT" as per Income Tax and further no liability was recognized or disclosed in contingent liability related to TDS demand amounting Rs. 24,29,165/- and TDS interest and late fee Amounting Rs. 2,68,438/- as reflecting 26AS statement.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> <ol style="list-style-type: none"> <li>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</li> <li>2. Audit fees is to be accounted for in the year of audit is carried out.</li> </ol> </li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>K. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The company has defaulted in repayment of Inter corporate Loan within stipulated time as per the agreed terms. Further, the company has not provided for interest liability on the same for the financial year 2020-21</li> </ol>




	<p>2. <b>Type of Audit Qualification</b> : Qualified Opinion</p> <p>3. <b>Frequency of qualification</b>: First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification</b>: N.A  ii. <b>If management is unable to estimate the impact, reasons for the same</b>: N.A  iii. <b>Auditors' Comments on (I) or (II) above</b>: N.A</p>
	<p><b>L. Details of Audit Qualification:</b></p> <p>1. The company has understated losses to the tune of Rs. 99,00,000/-</p> <p>2. <b>Type of Audit Qualification</b> : Qualified Opinion</p> <p>3. <b>Frequency of qualification</b>: First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification</b>: N.A  ii. <b>If management is unable to estimate the impact, reasons for the same</b>: N.A  iii. <b>Auditors' Comments on (I) or (II) above</b>: N.A</p>
	<p><b>M. Details of Audit Qualification:</b></p> <p>1. the company has not provided for Statutory Audit fee during the financial year, hence understated losses to the tune of Rs. 29,00,000/- (PY 29,00,000/-).</p> <p>2. <b>Type of Audit Qualification</b> : Qualified Opinion</p> <p>3. <b>Frequency of qualification</b>: First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. Audit fees is to be accounted for in the year of audit is carried out.</p>





	<p><b>5. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>i. Management's estimation on the impact of audit qualification: N.A</b></p> <p><b>ii. If management is unable to estimate the impact, reasons for the same: N.A</b></p> <p><b>iii. Auditors' Comments on (I) or (II) above: N.A</b></p>
	<p><b>N. Details of Audit Qualification:</b></p> <p>1. The company has neither exported goods nor disclosed advance against export sales as per FEMA regulations amounting Rs.22, 84,620/- in Sahibabad unit and Rs. 53, 57,299/- in Sonepat unit respectively.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</p> <p>2. Audit fees is to be accounted for in the year of audit is carried out.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>i. Management's estimation on the impact of audit qualification: N.A</b></p> <p><b>ii. If management is unable to estimate the impact, reasons for the same: N.A</b></p> <p><b>iii. Auditors' Comments on (I) or (II) above: N.A</b></p>
	<p><b>O. Details of Audit Qualification:</b></p> <p>1. The company has not provided for Gratuity liability as per IND-AS 19 as on Balance Sheet date and further we are unable to quantify the effect of the same due to unavailability of Actuarial valuations and significant records.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</p> <p>2. As per Management view , accounts being prepared as going concern in view efforts for the revival of the company being on and consequent recovery from the customers of outstanding debts, the provision for bad debts has been made in accordance with the policy of making provision on the basis of time period for which the debt has been outstanding.</p> <p>3. In view of disputed claims/pending reconciliation and in the absence of proper documentation provisions for interest, if any, payable in respect of outstanding dues to suppliers has not been made.</p>



	<p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</p> <p>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</p> <p>iii. <b>Auditors' Comments on (I) or (II) above:</b> N.A</p>
	<p><b>P. Details of Audit Qualification:</b></p> <p>1. The company has not filed the annual return for the year. Special attention is brought to the fact that due to non- payment/ non- filing of return, the GSTN of Sonepat unit has been suspended by the department.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</p> <p>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</p> <p>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</p>
<p><b>III</b></p>	<p><b><u>signatories:</u></b></p> <ul style="list-style-type: none"> <li>• CFO </li> <li>• Audit Committee Chairman </li> <li>• Statutory Auditor </li> </ul> <p>Place: New Delhi Date: 24.05.2023</p>



**DINESH NANGRU & CO.**  
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**Independent Auditor's Report**

**TO THE MEMBERS OF ATLAS CYCLES (HARYANA) LIMITED**

**Report on the Audit of Consolidated Financial Statements**

**Qualified Opinion**

We have audited the accompanying consolidated financial statements of Atlas Cycles (Haryana) Limited ("the Holding Company") and its Subsidiaries Atlas Cycles Sonapat Limited, Atlas Cycles (Sahibabad) Limited and Atlas Cycles (Malanpur) Limited which have been audited by other auditors and we have relied upon their audit report (collectively referred to as "the Group") which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in '**Basic of Qualified Opinion**' section of our report, aforesaid Consolidated financial statements give the information required by the companies Act 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian accounting standards ("IND AS") prescribed under section 133 of the act read with the companies (Indian accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March 2021, of its loss, changes in equity and cash flows for the year ended on that date.

**Basis of Opinion**

1. Refer Notes 8.1, 8.2 and 14.1 of the statement, we are unable to comment on the current status of suit filed for earlier year by the company for criminal and recovery proceedings filed for above referred matters.
2. Refer Note 9 of the statement, the Physical Stock taking at Sonapat unit has not been carried out as at the Balance Sheet date. Hence, we are unable to comment on the physical stock position at Sonapat unit amounting to Rs. 6,50,03,902/- as Sonapat unit was sealed by Municipal Committee Sonapat.
3. Refer Note 9.1, Since the company is not having its manufacturing activities operational as on the date of report, the stock is valued at cost instead of valued at cost or net realizable value whichever is lower, Quantification of effect is not ascertainable in absence of Net realizable value, marketability and usability of stock.
4. Refer Note 11 of the statement, in absence of reconciliation with individual debtors and in absence of balance confirmations from debtors, we are unable to comment upon position of debtors considered as good.



5. Refer Note 23.1 and Note 40, The company has not provided for the interest on overdue outstanding payment of creditors including MSMEs and on suits filed by creditors in different courts. Exact quantum of liability is not ascertainable in absence of reconciliations with suppliers and balance confirmations by suppliers; however, the company has disclosed in contingent liability regarding claims of interest filed by creditors in different courts.
6. Refer Note 3 of the significant policies to the statement, we are unable to comment on certain current accounts with banks as we have not been provided with certain bank statements for the year under report claimed to be non-operative in books of the company.
7. Refer Note 5.1 of the statement, Special attention is brought on unquoted investment In equity shares and debentures.
8. Refer Note 20.1, we are unable to comment upon transaction relating Rs. 5,90,00,000/- as advance received against sale of non-core asset in absence of Proper Agreement to sell/ Sale deed or explanation provided to us.
9. Refer Note 7 of the statement, the company has not reversed Provision for deferred tax/ Deferred tax asset created during the previous Financial year 19-20 amounting to Rs. 9,99,01,400/- against which Income tax return is yet to be filed as on date of report.
10. The company has not provided reconciliation of books with 26AS "ANNUAL TAX STATEMENT" as per Income Tax and further no liability was recognized or disclosed in contingent liability related to TDS demand amounting Rs. 24,29,165/- and TDS interest and late fee Amounting Rs. 2,68,438/- as reflecting 26AS statement.
11. Refer note 22.1, the company has defaulted in repayment of Inter corporate Loan within stipulated time as per the agreed terms. Further, the company has not provided for interest liability on the same for the financial year 2020-21, The company has understated losses to the tune of Rs. 99,00,000/-
12. Refer Note 36.1, the company has not provided for Statutory Audit fee during the financial year, hence understated losses to the tune of Rs. 29,00,000/- (PY 29,00,000/-).
13. Refer Note 25.2 and Note 11.1, The company has neither exported goods nor disclosed advance against export sales as per FEMA regulations amounting Rs.22,84,620/- in Sahibabad unit and Rs. 53,57,299/- in Sonapat unit respectively.
14. The company has not provided for Gratuity liability as per IND-AS 19 as on Balance Sheet date and further we are unable to quantify the effect of the same due to unavailability of Actuarial valuations and significant records.
15. The company has not filed the annual return for the year. Special attention is brought to the fact that due to non-payment/ non-filing of return, the GSTN of Sonapat unit has been suspended by the department.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We are independent of



the group in accordance with the code of ethics issued by The Institute of Chartered Accountants of India and we have fulfilled our ethical responsibilities in accordance with the provisions of the act. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our Qualified opinion.

#### Emphasis on Matter

1. There were no significant impact of COVID-19 on the financial statements of the Company for the year ended 31st March, 2021 however the impact on next financial year is presently not ascertainable, in the opinion of the management the impact would not be significant which describes the management's assessment of the impact of the outbreak of COVID-19 on the activities of the Company. The management believes that no adjustments are required in the Financial statements as it does not impact the current financial year, however in view of the various preventive measures taken and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
2. The operations of the company have been completely closed therefore the concept of going concern is doubtful. However, the present new management has resolved on 22-04-23 that the financial statements for the year ended as on 31-03-21 shall be prepared on going concern basis. The honorable NCLT Delhi vide order dated 06.12.2022 removed the existing Directors and management committees members of the company and appointed six new directors on the Board and the newly appointed Board shall be stepping into and responsible for all decisions, reporting, signing, finalizing and authorizing Financial statement for year ending as at 31<sup>st</sup> March 2021.
3. Special attention brought to the fact that the accounting record ERP System related to Sonepat unit were incomplete due to sealing by municipal committee of Sonepat and management decided to shift all accounting from ERP to Tally software for the year under reporting. We have relied upon the judgement of management for shifting of accounting software from ERP to tally for sonepat unit for the FY 2020-21.

Our opinion is not modified in respect of this matter 1, 2 and 3.

#### Key Audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below are key audit matters to be communicated in our report.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Refer Note 9.1 , read with point no. 3 of Basis of Qualified opinion ,the valuation of stock in trade is taken at cost as certified by the management. Considering the significant judgement involved , increased complexities due to closed down of operations of Plant,	Principal Audit Procedures performed: <ul style="list-style-type: none"> <li>- Obtained complete list of quantitative Stock items and its current status of valuation.</li> <li>- We held discussions with key personnel to identify itemized stock which were valued at cost and its justification.</li> </ul>



<p>uncertainty and materiality of the amount involved, we have identified valuation of Stock at cost as Key Audit Matter for current year Audit.</p>	<ul style="list-style-type: none"> <li>- Verified related disclosures , its appropriateness of judgement.</li> </ul>
<p>Refer Note 11, read with point no. 4 of Basis of Qualified opinion, the unsecured trade receivable exceeding 6 months amounting to Rs. 18,35,30,895/- considered as good have not been realized as on the date of the report, however no provision has been created on the same. The company has created a provision for doubtful Trade Receivables amounting Rs. 13,37,18,752/- during the year. The company has PAN India Dealer net work with defined credit period for Trade receivables which has now long outstanding receivable amount for which appropriate loss allowance is required to be created for expected credit losses using simplified approach in accordance with the requirement of Ind AS 109 measuring the Loss allowance equal to credit losses. Only Sahibabad unit has Circularized balance confirmation directly to the address of the Statutory Auditors. Only Two parties have responded even their balances were not reconciled. Considering the significant judgement involved , increased complexities due to closed down of operations of Plant, uncertainty and materiality of the amount involved, we have identified realization of the Trade Receivables as Key Audit Matter for current year Audit.</p>	<p>Principal Audit Procedures performed:</p> <ul style="list-style-type: none"> <li>- Understanding the trade receivables process with regard to valuation and testing of controls designed and implemented by the management.</li> <li>- Testing the accuracy of aging of trade receivables at year end on sample basis.</li> <li>- Obtained a list of outstanding receivables and discussed plan of recovery with the management.</li> <li>- Circularized balance confirmation directly to the address of the Statutory Auditors and discussed any variation if any.</li> <li>- Tested subsequent settlement of trade receivable after the Balance Sheet date on a sample basis.</li> <li>- Verified the related disclosures made in notes to financial statements in accordance with IND AS 115 and IND AS 109.</li> <li>- The company has not followed IND-AS 109 for impairment loss of Trade Receivables</li> </ul>
<p>Refer Note 23.1 read with point no. 5 of Basis of Qualified opinion on Litigations, claims and Contingent Liabilities regarding interest liability on cases pending at MSME, NCLT and district courts amounting Rs. 1,00,09,762, Rs. 2,67,15,580 and Rs. 1,89,28,503 respectively. Considering the significant judgement involved , increased complexities due to closed down of operations of Plant, uncertainty and materiality of the amount involved, we have identified Litigations , claims and Contingent Liabilities as Key Audit</p>	<p>Principal Audit Procedures performed:</p> <ul style="list-style-type: none"> <li>- Understanding the process, evaluated the design and implementation with regard to recording of provisioning, claims and contingent Liabilities.</li> <li>- For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of disclosures made in relation to contingent liabilities.</li> </ul>



Matter for current year Audit.	
<p>Refer Note 25 read with point 7 of Annexure A of the report, of Basis of Qualified opinion the company has significantly defaulted in payment of statutory dues as on the Balance Sheet date and as on the date of the report amounting to Rs. 93,63,304/- which included EPF of Rs. 69,79,919/-, ESI of Rs. 4,94,941/-, TDS of Rs. 18,56,994/-, GST of Rs. 13,950/- and Professional Tax of Rs. 17,500/-.</p> <p>Considering the significant judgement involved , increased complexities due to closed down of operations of Plant, uncertainty and materiality of the amount involved, we have identified defaulted in payment of statutory dues as Key Audit Matter for current year Audit.</p>	<p>Principal Audit Procedures performed:</p> <ul style="list-style-type: none"> <li>- Understanding the process, evaluated the design and implementation with regard to recording of payment of statutory dues.</li> <li>- The statutory dues regarding PF, ESI, Gratuity, GST, TDS were outstanding as on Balance Sheet date and as on the signing date.</li> <li>- The management is of view that the statutory dues shall be paid on preferential basis.</li> </ul>

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the



design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

A. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of these books. Refer Para 3 of Emphasis of matter stated above, however our opinion is not modified in this regard.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with companies (Indian Accounting Standard) Rules 2015 as amended except for the matters described in Basis for Qualified opinion paragraph.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries as on 31st March, 2021 taken on record by the Board of Directors of the respective Companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company, as explained by the management, has legal cases in MSMEs, NCLT and various District courts to tune of Rs. 90,71,63,546/- which includes Rs.26,25,10,798, 58,01,72,999 and Rs. 6,44,79,749 respectively as recovery claims by vendors and interest liability is likely to incur but is not provided for in books of accounts however appropriate disclosures have been provided.

Further, according to the explanation and information given to us, there are Outstanding Income tax pending with relevant tax department on account of disputes which are as follows:

NAME OF STATUE	NATURE OF LIABILITY	AMOUNT (Rs.)	PERIOD	FORUM WHERE DISPUTE IS PENDING
Income tax act, 1961	Income tax	9,75,130/-	AY 2012-13	Commissioner of income tax appeals
Income tax act, 1961	Addition to income	1,96,23,551/- (Income tax is NIL)	AY 2017-18	Commissioner of income tax appeals

- ii. The Company did not have any long-term contracts including derivatives for which there were any material foreseeable losses.
- iii. There has been some delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there was no amount required to be transferred, to the Investor Education and Protection Fund by its subsidiary companies incorporated in India during the year ended 31st March 2021.

C. With respect to the matter to be included in the Auditor's report under Section 197(16)

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Dinesh Nangru & Co  
Chartered Accountants  
Firm Registration No: 0015003N

CA Dinesh Nangru  
Partner

Membership No: 094779  
UDIN: 23694779BG4VNF6465



Place: Delhi

Date: 24/05/2023



**DINESH NANGRU & CO.**  
*Chartered Accountants*

1526, Outram Lines, Kingsway Camp,  
New Delhi-110009

Tel. : 011-40502155

Mobile : 9212259051

E-mail : dineshnangru@gmail.com

### **"Annexure – A" to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ATLAS CYCLES (HARYANA) LIMITED ("the Company") as of 31 March 2021 in conjunction with our audit of the Consolidated IND AS Financial Statements of the Company and its subsidiary companies for the year ended on that date.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, during the year most of the units were substantially non-operative and most of the employees were not available for explanation at the time of our audit, therefore, in absence of proper explanation and records, we are unable to comment on all material aspects however, an adequate internal financial controls system over financial reporting with reference to IND-AS financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India".

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note



require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Dinesh Nangru & Co  
Chartered Accountants  
Firm Registration No: 0015003N

CA Dinesh Nangru  
Partner

Membership No: 094779  
UDIN: 23094779B627VNF6465



Place: Delhi

Date: 24/05/2023

<b>Atlas Cycles (Haryana) Limited</b>						
<b>Regd. Office : Industrial Area, Sonapat Haryana 131001</b>						
<b>Statement of audited Consolidated Financial Results for the quarter ended 31st march2021.</b>						
<b>(in lakh)</b>						
S.No.	Particulars	Quarter ended			Year ended	
		31.03.2021 Audited	31.12.2020 Unaudited	31.03.20 Audited	31.03.21 Audited	31.03.20 Audited
1	<b>Income</b>					
	a) Revenue from operations	463.37	430.11	9,886.55	1,730.00	15,590.21
	b) Other income	0.91	4.67	-16.30	7.00	4,420.04
	<b>Total income</b>	<b>464.28</b>	<b>434.78</b>	<b>9,870.25</b>	<b>1,737.00</b>	<b>20,010.25</b>
2	<b>Expenses</b>					
	a) Cost of Materials Consumed	375.54	364.40	7,602.58	1,172.00	11,138.70
	b) Changes in inventories of finished goods, work-in-progress and stock in trade	38.09	52.20	594.55	195.00	286.45
	c) Employee benefit expenses	433.89	434.18	928.38	1,910.00	3,478.50
	d) Excise Duty on Sales	-	-	-	8.00	941.81
	e) Finance Cost	4.71	0.32	344.34	362.00	439.65
	f) Depreciation and amortisation	60.27	100.89	109.23	1,610.00	4,412.27
	g) Other expenses	640.49	381.99	3,987.35	-	-
	<b>Total expenses</b>	<b>1,552.99</b>	<b>1,333.98</b>	<b>13,566.43</b>	<b>5,257.00</b>	<b>20,697.38</b>
3	<b>Profit / (loss) before exceptional items and tax (1 - 2)</b>	<b>-1,088.71</b>	<b>-899.20</b>	<b>-3,696.18</b>	<b>-3,520.00</b>	<b>-687.13</b>
4	Exceptional items - reversal / write back of liabilities	-	-	-	-	-
5	<b>Profit / (loss) before tax (3 - 4)</b>	<b>-1,088.71</b>	<b>-899.20</b>	<b>-3,696.18</b>	<b>-3,520.00</b>	<b>-687.13</b>
6	Tax expense	-	-	-459.09	-	-999.01
7	<b>Net profit / (loss) for the period</b>	<b>-1,088.71</b>	<b>-899.20</b>	<b>-3,237.09</b>	<b>-3,520.00</b>	<b>311.88</b>
8	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss, net of tax	-	-	-	-	-
	<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Total comprehensive income / (loss) for the period (7 + 8)</b>	<b>-1,088.71</b>	<b>-899.20</b>	<b>-3,237.09</b>	<b>-3,520.00</b>	<b>311.88</b>
10	Paid up equity share capital (Face value Rs. 5 per share)	325.19	325.19	325.19	325.19	325.19
11	<b>Earning per share (EPS)</b>					
	Basic and diluted EPS after extraordinary items (not annualized)					
	Basic (Rs)	-16.74	-13.83	-49.77	-54.12	4.80
	Diluted (Rs)	-16.74	-13.83	-49.77	-54.12	4.80

**Notes to financial results:**

The unaudited consolidated financial result of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015 as amended.

The unaudited consolidated financial result includes result of:

**Subsidiaries**

Atlas Cycles Sonapat Ltd.  
Atlas Cycles Sahibabad Ltd.  
Atlas Cycles Malanpur Ltd.

The figures for the quarter ended 31 March 21 are a balancing figure between the audited figure of the full financial year and the unaudited year to date figure upto the third quarter of the financial year ending 31st March 2021.

The statutory auditors have carried out limited review of the unaudited consolidated financial result for the quarter ended 31st march2021.

The unaudited consolidated financial result of the Group for the quarter ended 31 st march 20 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting on 24th May 2023.

Impact of Covid-19: A nation wide lockdown was declared by the government of India wef 24th march 2020 due to out break of Covid-19 pandemic, which was extended in phases up to 31st may 2020. The pandemic has resulted in significant decrease in economic activities across all the sectors of economy including that of our company. The company has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of property, plant and equipment, inventories, receivables and other assets. In developing the assumption relating to possible future uncertainties in the global economic conditions because of this pandemic, the company, has used internal and external sources of information and concluded that no adjustments are required to the financial results. Given the dynamic nature of pandemic the company will continue to monitor the evolving scenario for any material changes.

PLACE : New Delhi  
DATE: 24/05/23



On behalf of the Board  
For Atlas Cycles (Haryana) Limited

*Jamail Singh*  
Jamail Singh  
Chairman(Director)



ATLAS CYCLES (HARYANA) LIMITED  
STATEMENT OF ASSETS AND LIABILITIES CONSOLIDATED BALANCE SHEET AS AT 31.03.2021

(Amount in Rs In Lakhs)

Particulars	As at	
	31.03.2021 AUDITED	31.03.2020 Audited
<b>ASSETS</b>		
(1) Non - current assets		
(a) Property, plant and equipment	4,055.29	4,428.28
(b) Capital work-in-progress	-	-
(c) Financial assets	-	-
Investments	17.00	17.11
Other financial assets	12.26	170.63
(d) Deferred tax assets (net)	2,709.01	2,709.01
(e) Other non - current assets	1,658.38	1,658.58
<b>Total non - current assets</b>	<b>8,451.92</b>	<b>8,983.61</b>
(2) Current assets		
(a) Inventories	2,110.62	3,139.08
(b) Financial assets	-	-
Investments	4.93	4.93
Trade receivables	2,609.39	4,257.46
Cash and cash equivalents	110.25	401.95
Bank balance other than cash and cash equivalent	18.71	18.71
Loans	1,573.34	2,254.60
Other financial assets	145.65	155.01
(d) Other current assets	274.83	273.70
<b>Total current assets</b>	<b>6,847.72</b>	<b>10,505.43</b>
<b>TOTAL ASSETS</b>	<b>15,299.65</b>	<b>19,489.05</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	325.19	325.19
(b) Other equity	1,623.14	5,147.35
Inter unit balances	-	-
<b>Total Equity</b>	<b>1,948.33</b>	<b>5,472.54</b>
<b>LIABILITIES</b>		
(1) Non - current liabilities		
(a) Financial liabilities	-	-
Borrowings	-	-
Other financial liabilities	758.83	883.98
(b) Provisions	69.59	96.92
<b>Total non - current liabilities</b>	<b>828.42</b>	<b>980.89</b>
(2) Current liabilities		
(a) Financial liabilities	-	-
Borrowings	900.00	900.00
Trade Payables	10,340.22	10,841.43
Other financial liabilities	-	26.02
(b) Other Current Liabilities	427.55	394.33
(c) Provisions	855.13	873.83
(d) Current Tax Liabilities	-	-
<b>Total current liabilities</b>	<b>12,522.90</b>	<b>13,035.61</b>
<b>Total Equity &amp; Liabilities</b>	<b>15,299.65</b>	<b>19,489.05</b>
	(0.00)	(0.00)



ON BEHALF OF THE BOARD  
For ATLAS CYCLES (HARYANA) LTD.

*Jarnail Singh*  
Jarnail Singh  
CHAIRMAN(DIRECTOR)

Place: *New Delhi*  
Date: *24-05-2023*

**ATLAS CYCLES (HARYANA) LIMITED**  
**STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021**

(Amount in Rs In Lakhs)

Particulars	Year ended 31.03.2021 AUDITED	Year ended 31.03.2020 AUDITED
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax as per statement of profit and loss	(3,524.22)	(687.67)
<b>Adjustments for:</b>	-	-
Depreciation & Amortisation	361.73	439.65
(Gain)/Loss on disposal of property, plant & equipment	1.44	(3,713.33)
Profit on Sale of Current Investments	-	-
Bad Debts	655.52	0.07
Liability / Provisions no longer required written back	-	(12.00)
Interest Income	(5.33)	(33.00)
Finance costs	7.68	941.84
<b>Operating Profit before Working Capital Changes</b>	<b>(2,503.17)</b>	<b>(3,064.44)</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in trade and other receivables	992.56	5,496.05
Decrease/ (Increase) in Inventories	1,028.45	1,018.72
Decrease/ (Increase) in Other Non Current Financial Assets	158.37	(70.00)
Decrease/ (Increase) in Other Non Current Assets	0.20	42.39
Decrease/ (Increase) in Current Loans	681.25	(24.67)
Decrease/ (Increase) in Other Current Assets	(1.13)	152.38
Decrease/ (Increase) in Other Current Financial Assets	9.35	(9.34)
Decrease/ (Increase) in Bank Balances other than cash equivalents	-	-
Increase/ (decrease) Other Non-Current Financial Liabilities	(125.15)	(1,802.11)
Increase/ (decrease) in Non Current Provisions	(27.33)	8.89
Increase/ (decrease) in trade and other payables	(501.21)	(2,705.40)
Increase/ (decrease) in Other Financial Liabilities	(26.02)	(38.52)
Increase/ (decrease) in Other Current Liabilities	33.22	(175.65)
Increase/ (decrease) in Provisions	(18.70)	62.23
	<b>(299.29)</b>	<b>(1,109.46)</b>
<b>Net cash flows generated from (used in) operating activities after exceptional items</b>	<b>(299.29)</b>	<b>(1,109.46)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment, including CWIP and capital advances	(0.12)	(470.39)
Sale, plant & equipment, including CWIP and capital advances	9.95	7,643.40
Sale/(Purchase) of Investment/provision of investment	0.12	-
Interest Received	5.33	33.00
	-	-
<b>Net cash flows generated from (used in) investing activities</b>	<b>15.28</b>	<b>7,206.01</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from Short term Borrowings	-	(5,078.20)
Net Proceeds from Long term Borrowings	-	(32.43)
Interest Paid	(7.68)	(941.84)
<b>Net cash flows generated from (used in) financing activities</b>	<b>(7.68)</b>	<b>(6,052.46)</b>
Net increase (decrease) in cash and cash equivalents	(291.69)	46.09
Net foreign exchange difference	-	-
Cash and cash equivalents at the beginning of the year	401.95	355.86
<b>Cash and cash equivalents at year end</b>	<b>110.25</b>	<b>401.95</b>



*(Signature)*

**Chairman**  
**Din No05332407**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted  
Along-with Annual Audited Financial Results - (Consolidated)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2021 (See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1	Turnover / Total income	17,36,64,487	17,36,64,487
	2	Total Expenditure	52,60,86,059	53,88,86,059
	3	Net Profit/(Loss)	-35,24,21,572	-36,52,21,572
	4	Earnings Per Share	-54.19	-56.15
	5	Total Assets	1,52,99,64,671	1,52,99,64,671
	6	Total Liabilities	1,33,51,31,959	1,34,79,31,959
	7	Net Worth	19,48,32,712	18,20,32,712
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
<b>II</b>	<p><b><u>Audit Qualification (each audit qualification separately):</u></b></p> <p><b>A. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>We unable to comment on the current status of suit filed for earlier year by the company for criminal and recovery. Proceedings filed for above referred matters.</li> <li><b>Type of Audit Qualification :</b> Qualified Opinion</li> <li><b>Frequency of qualification:</b> First time</li> <li><b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> <ol style="list-style-type: none"> <li>As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</li> <li>As per Management view , accounts being prepared as going concern in view efforts for the revival of the company being on and consequent recovery from the customers of outstanding debts, the provision for bad debts has been made in accordance with the policy of making provision on the basis of time period for which the debt has been outstanding.</li> <li>In view of disputed claims/pending reconciliation and in the absence of proper documentation provisions for interest, if any, payable in respect of outstanding dues to suppliers has not been made.</li> </ol> </li> <li><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li><b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li><b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li><b>Auditors' Comments on (I) or (II) above:</b> N.A</li> </ol> </li> </ol>			

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	<p><b>B. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The Physical Stock taking at Sonepat unit has not been carried out as at the Balance Sheet date. Hence, we are unable to comment on the physical stock position at Sonepat unit amounting to Rs. 6, 50, 03,902/- as Sonepat unit was sealed by Municipal Committee Sonepat.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>C. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. <b>Since the company is not having its manufacturing activities operational as on the date of report, the stock is valued at cost instead of valued at cost or net realizable value whichever is lower, Quantification of effect is not ascertainable in absence of Net realizable value, marketability and usability of stock</b></li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>D. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. In absence of reconciliation with individual debtors and in absence of balance confirmations from debtors, we are unable to comment upon position of debtors considered as good.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> </ol>



	<p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A  ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A  iii. <b>Auditors' Comments on (I) or (II) above:</b> N.A</p>
	<p><b>E. Details of Audit Qualification:</b></p> <p>1. The company has not provided for the interest on overdue outstanding payment of creditors including MSMEs and on suits filed by creditors in different courts. Exact quantum of liability is not ascertainable in absence of reconciliations with suppliers and balance confirmations by suppliers; however, the company has disclosed in contingent liability regarding claims of interest filed by creditors in different courts.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</p> <p>2. As per Management view , accounts being prepared as going concern in view efforts for the revival of the company being on and consequent recovery from the customers of outstanding debts, the provision for bad debts has been made in accordance with the policy of making provision on the basis of time period for which the debt has been outstanding.</p> <p>3. In view of disputed claims/pending reconciliation and in the absence of proper documentation provisions for interest, if any, payable in respect of outstanding dues to suppliers has not been made.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification:</b> N.A  ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A  iii. <b>Auditors' Comments on (I) or (II) above:</b> N.A</p>
	<p><b>F. Details of Audit Qualification:</b></p> <p>1. The significant policies to the statement, we are unable to comment on certain current accounts with banks as we have not been provided with certain bank statements for the year under report claimed to be non- operative in books of the company.</p> <p>2. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>3. <b>Frequency of qualification:</b> First time</p>



	<p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification: N.A</b></p> <p>ii. <b>If management is unable to estimate the impact, reasons for the same: N.A</b></p> <p>iii. <b>Auditors' Comments on (I) or (II) above: N.A</b></p>
	<p><b>G. Details of Audit Qualification:</b></p> <p>1. The statement, Special attention is brought on unquoted investment in equity shares and debentures.</p> <p>2. <b>Type of Audit Qualification : Qualified Opinion</b></p> <p>3. <b>Frequency of qualification: First time</b></p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification: N.A</b></p> <p>ii. <b>If management is unable to estimate the impact, reasons for the same: N.A</b></p> <p>iii. <b>Auditors' Comments on (1) or (II) above: N.A</b></p>
	<p><b>H. Details of Audit Qualification:</b></p> <p>1. We are unable to comment upon transaction relating Rs. 5, 90, 00,000/- as advance received against sale of non- core asset in absence of Proper Agreement to sell/ Sale deed or explanation provided to us.</p> <p>2. <b>Type of Audit Qualification : Qualified Opinion</b></p> <p>3. <b>Frequency of qualification: First time</b></p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</p> <p>2. Audit fees is to be accounted for in the year of audit is carried out.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification: N.A</b></p> <p>ii. <b>If management is unable to estimate the impact, reasons for the same: N.A</b></p> <p>iii. <b>Auditors' Comments on (1) or (II) above: N.A</b></p>






	<p><b>I. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The company has not reversed Provision for deferred tax/ Deferred tax asset created during the previous Financial year 19-20 amounting to Rs. 9,99,01,400/- against which Income tax return is yet to be filed as on date of report.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> <ol style="list-style-type: none"> <li>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</li> <li>2. Audit fees is to be accounted for in the year of audit is carried out.</li> </ol> </li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>J. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The company has not provided reconciliation of books with 26AS "ANNUAL TAX STATEMENT" as per Income Tax and further no liability was recognized or disclosed in contingent liability related to TDS demand amounting Rs. 24,29,165/- and TDS interest and late fee Amounting Rs. 2,68,438/- as reflecting 26AS statement.</li> <li>2. <b>Type of Audit Qualification :</b> Qualified Opinion</li> <li>3. <b>Frequency of qualification:</b> First time</li> <li>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> <ol style="list-style-type: none"> <li>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</li> <li>2. Audit fees is to be accounted for in the year of audit is carried out.</li> </ol> </li> <li>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>i. <b>Management's estimation on the impact of audit qualification:</b> N.A</li> <li>ii. <b>If management is unable to estimate the impact, reasons for the same:</b> N.A</li> <li>iii. <b>Auditors' Comments on (1) or (II) above:</b> N.A</li> </ol> </li> </ol>
	<p><b>K. Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>1. The company has defaulted in repayment of Inter corporate Loan within stipulated time as per the agreed terms. Further, the company has not provided for interest liability on the same for the financial year 2020-21</li> </ol>



	<p>2. <b>Type of Audit Qualification</b> : Qualified Opinion</p> <p>3. <b>Frequency of qualification</b>: First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification</b>: N.A  ii. <b>If management is unable to estimate the impact, reasons for the same</b>: N.A  iii. <b>Auditors' Comments on (I) or (II) above</b>: N.A</p>
	<p><b>L. Details of Audit Qualification:</b></p> <p>1. The company has understated losses to the tune of Rs. 99,00,000/-</p> <p>2. <b>Type of Audit Qualification</b> : Qualified Opinion</p> <p>3. <b>Frequency of qualification</b>: First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>i. <b>Management's estimation on the impact of audit qualification</b>: N.A  ii. <b>If management is unable to estimate the impact, reasons for the same</b>: N.A  iii. <b>Auditors' Comments on (I) or (II) above</b>: N.A</p>
	<p><b>M. Details of Audit Qualification:</b></p> <p>1. the company has not provided for Statutory Audit fee during the financial year, hence understated losses to the tune of Rs. 29,00,000/- (PY 29,00,000/-).</p> <p>2. <b>Type of Audit Qualification</b> : Qualified Opinion</p> <p>3. <b>Frequency of qualification</b>: First time</p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. Audit fees is to be accounted for in the year of audit is carried out.</p>



	<p><b>5. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>i. Management's estimation on the impact of audit qualification: N.A</b></p> <p><b>ii. If management is unable to estimate the impact, reasons for the same: N.A</b></p> <p><b>iii. Auditors' Comments on (I) or (II) above: N.A</b></p>
	<p><b>N. Details of Audit Qualification:</b></p> <p>1. The company has neither exported goods nor disclosed advance against export sales as per FEMA regulations amounting Rs.22, 84,620/- in Sahibabad unit and Rs. 53, 57,299/- in Sonepat unit respectively.</p> <p>2. <b>Type of Audit Qualification : Qualified Opinion</b></p> <p>3. <b>Frequency of qualification: First time</b></p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. In the absence of any clarity regarding interest liability of the company on amount outstanding in the books as inter corporate deposit, the same has not been provided for.</p> <p>2. Audit fees is to be accounted for in the year of audit is carried out.</p> <p>5. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>i. Management's estimation on the impact of audit qualification: N.A</b></p> <p><b>ii. If management is unable to estimate the impact, reasons for the same: N.A</b></p> <p><b>iii. Auditors' Comments on (I) or (II) above: N.A</b></p>
	<p><b>O. Details of Audit Qualification:</b></p> <p>1. The company has not provided for Gratuity liability as per IND-AS 19 as on Balance Sheet date and further we are unable to quantify the effect of the same due to unavailability of Actuarial valuations and significant records.</p> <p>2. <b>Type of Audit Qualification : Qualified Opinion</b></p> <p>3. <b>Frequency of qualification: First time</b></p> <p>4. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>1. As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</p> <p>2. As per Management view , accounts being prepared as going concern in view efforts for the revival of the company being on and consequent recovery from the customers of outstanding debts, the provision for bad debts has been made in accordance with the policy of making provision on the basis of time period for which the debt has been outstanding.</p> <p>3. In view of disputed claims/pending reconciliation and in the absence of proper documentation provisions for interest, if any, payable in respect of outstanding dues to suppliers has not been made.</p>

	<p>5. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>i. Management's estimation on the impact of audit qualification: N.A</p> <p>ii. If management is unable to estimate the impact, reasons for the same: N.A</p> <p>iii. Auditors' Comments on (1) or (II) above: N.A</p>
	<p><b>P. Details of Audit Qualification:</b></p> <p>1. The company has not filed the annual return for the year. Special attention is brought to the fact that due to non- payment/ non- filing of return, the GSTN of Sonepat unit has been suspended by the department.</p> <p>2. Type of Audit Qualification : Qualified Opinion</p> <p>3. Frequency of qualification: First time</p> <p>4. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>1. As per Management view , efforts for the revival of the company are being made. Hence, accounts are prepared as per going concern and stocks are valued at cost.</p> <p>5. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>i. Management's estimation on the impact of audit qualification: N.A</p> <p>ii. If management is unable to estimate the impact, reasons for the same: N.A</p> <p>iii. Auditors' Comments on (1) or (II) above: N.A</p>
<p><b>III</b></p>	<p><b><u>signatories:</u></b></p> <ul style="list-style-type: none"> <li>• CFO </li> <li>• Audit Committee Chairman </li> <li>• Statutory Auditor </li> </ul> <p>Place: New Delhi Date: 24.05.2023</p>