

Annual Report  
**2017-18**



**ATLAS**  
CYCLES (HARYANA) LTD.



# ATLAS CYCLES (HARYANA) LIMITED

INDUSTRIAL AREA, ATLAS ROAD,  
SONEPAT-131001  
CIN : L35923HR1950PLC001614

## BOARD OF DIRECTORS :

Mr. Hira Lal Bhatia (DIN: 00159258), Non Executive Director  
Mr. I.D. Chugh (DIN: 00073257), Whole Time Director  
Mr. Kartik Roop Rai (DIN: 06789287), Independent Director  
Mr. Sanjiv Kavaljit Singh (DIN: 00015689), Independent Director  
Ms. Sadhna Syal (DIN: 07837529), Independent Women Director

## COMPANY SECRETARY

Mr. Lalit Lohia

## REGISTERED OFFICE :

Industrial Area, Atlas Road,  
Sonapat -131001 (Haryana)

## SECRETARIAL AUDITORS :

Messers Mukesh Arora & Co.  
Company Secretaries, Delhi

## BANKERS :

Central Bank of India  
Punjab National Bank  
Bank of Baroda

## BOARD COMMITTEES :

### Audit Committee

Mr. Kartik Roop Rai (DIN: 06789287) Chairman  
Mr. Sanjiv Kavaljit Singh (DIN: 00015689) Member  
Mr. Hira Lal Bhatia (DIN: 00159258) Member

### Stakeholders Relationship Committee

Mr. Hira Lal Bhatia (DIN: 00159258) Chairman  
Mr. I. D. Chugh (DIN: 00073257) Member

### Nomination & Remuneration Committee

Mr. Sanjiv Kavaljit Singh (DIN: 00015689) Chairman  
Mr. Kartik Roop Rai (DIN: 06789287) Member  
Mr. Hira Lal Bhatia (DIN: 00159258) Member

## UNITS :

### SONEPAT UNIT

Atlas Road, Industrial Area,  
Sonapat - 131001 (Haryana)

### SAHIBABAD UNIT

Plot No. 55, Site-IV,  
UPSIDC, Industrial Area,  
Sahibabad - 201010 (U.P.)

### MALANPUR UNIT

Plot No. U-16, 17, 21 & 22,  
Malanpur Industrial Area,  
Near Gwalior,  
Distt. Bhind (M. P.)

## STATUTORY AUDITORS :

M/s Dinesh Nangru & Co.,  
Chartered Accountants, New Delhi

## REGISTRAR AND SHARE TRANSFER AGENTS :

Mas Services Limited  
T-34, 2nd Floor, Okhla Industrial  
Area, Phase-2, New Delhi-110020  
Tel: (011) 26387281, 82, 83  
E-mail : info@masserv.com

## STOCK EXCHANGE(S) WHERE COMPANY'S SECURITIES ARE REGISTERED

National Stock Exchange of India Limited  
BSE Limited

## E-MAIL

[companysecretary@atlasbicycles.co.in](mailto:companysecretary@atlasbicycles.co.in)

## WEBSITE

[www.atlasbicycles.com](http://www.atlasbicycles.com)

## CORPORATE IDENTITY NUMBER

CIN : L35923HR1950PLC001614

# CONTENTS

## PARTICULARS

Directors' Report	03
Corporate Governance Report	24
CEO/CFO Certification	35
Management Discussion & Analysis Report	36
Auditors' Report	38
Balance Sheet	42
Statement of Profit & Loss	43
Cash Flow Statement	45
Notes to Financial Statement	47
Consolidated Auditors' Report	73
Consolidated Balance Sheet	76
Consolidated Statement of Profit & Loss	77
Consolidated Cash Flow Statement	79
Consolidated Notes to Financial Statement	81

## Page No.



**BOARD'S REPORT / DIRECTORS' REPORT 2017-18**

CIN: L35923HR1950PLC001614

**TO THE MEMBERS:-**

Your directors are delighted to present Sixty Seventh (67<sup>th</sup>) Annual Report of your Company along with the Audited Statement of Accounts for the year ended 31st March 2018.

**FINANCIAL HIGHLIGHTS, STATE OF COMPANY AFFAIRS & FUTURE PROSPECTS**

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	F.Y. 2017-18	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2016-17
Revenue from operations (Gross)	65327.46	69621.99	65327.46	69621.99
Total Income	65589.38	70017.81	65589.38	70017.81
Total Expenses	65786.14	69502.43	65787.36	69503.40
Profit Before Tax (after exceptional Item)	(196.76)	515.39	(197.98)	514.41
Tax Expenses (including Deferred tax)	36.20	(197.65)	36.20	(197.65)
Profit After tax	(160.55)	317.74	(161.78)	316.76

The Net Loss of the Company during the FY 2017-18 was ₹ 160.55 Lacs as against profit of ₹ 317.74 lacs during the FY 2016-17.

**Annual Return**

MGT-9 as required under sub-section (3) of section 92 of Companies Act, 2013 has been annexed to this report and forms its integral part.

**PRODUCTION**

During the year under consideration, the Company produced 22,99,529 bicycles as against 25,13,691 bicycles in the previous year.

**SALES**

Sales during the year amounted to ₹ 65327.46 lacs including the sales to foreign countries as against ₹ 69621.99 lacs including the sales to foreign countries in the previous year.

**TRANSFER TO RESERVES**

The Company proposes to transfer ₹ NIL to the General Reserve for the F.Y. 2017-18 as against ₹ NIL to General Reserve in the previous year.

**EXPORTS**

During the period under consideration your Company exported bicycles and bicycle components to several countries thereby earning valuable foreign exchange of ₹ 1679.13 Lacs.

**SHARE CAPITAL & SUB-DIVISION**

- The paid up Equity Share Capital as at 31<sup>st</sup> March 2018 stood at ₹ 3,25,19,190/- i.e. 65,03,838 Equity Shares of ₹ 5/- Each. During the year under review, the company has on Record date 31.10.2017 (fixed vide Board Meeting dated 16.10.2017) sub-divided Equity Shares of the Company having a face value of ₹ 10/- each fully paid up into 2 (Two) Equity Shares having a face value of ₹ 5/- each fully paid up.
- Effect of sub-division on paid up share capital of the Company:-

**PRE-SUB DIVISION:-** Paid up capital comprises of 3251919 equity shares of ₹ 10/- each fully paid up.

**POST-SUB DIVISION:-** Paid up capital comprises of 6503838 equity shares of ₹ 5/- each fully paid up.

- The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31<sup>st</sup> March 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

**DIVIDEND**

Since the books are not in good shares, no Dividend has been declared in the Financial Year 2017-18.

**CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of the Company are prepared in accordance with Indian Accounting Standards ("Ind AS") issued by the Institute of Chartered Accountants of India and forming part of this Annual Report. The three wholly owned subsidiary companies of the Company are yet to commence its business.

**CHANGE IN NATURE OF BUSINESS**

There is no change in the nature of business.

**DEVELOPMENT OF NEW PRODUCT-TITANIUM**

Atlas Cycles is proud to announce launch of India's 1<sup>st</sup> Titanium Bicycle. The bike was launched at Auto Expo 2018 held in Noida (India) and was the centre of attraction among the visitors and media. This premium bike for professional bikers is priced at ₹ 3 lakh and comes with following features:

- Light weight Titanium frame (used in aircrafts)
- Dual Disc Brakes (Shimano)
- Shimano 30 Speed Gears
- Alloy pedals
- Maxxis tyre & tubes
- Shimano hollow crank chain wheel

**PERFORMANCE OF THE UNITS**

Sahibabad unit continued to do well during the year. Value of sales increased as compared to last year. There was a substantial increase in supplies to state governments also. A series of new models was launched in high-end segment by



the name called PEAK.

Considering the production figures, Sonapat Unit performance has fallen compared to previous year. The manufacturing activity at Sonapat Unit of the company were suspended with effect from 24.02.2018, as per board's decision vide board meeting dated 24.02.2018. As per order of National Company Law Tribunal (NCLT), Principal Bench, New Delhi, on 02.08.2018, manufacturing activity of Sonapat Unit has been resumed.

Malanpur Unit of the Company is already closed and is in the process of being sold.

#### **NON –PERFORMING ASSETS – NPA**

During the year under review, the company's current account was declared NON –PERFORMING ASSETS – NPA by its consortium bankers in December, 2017. However, default was made good by company in December, 2017 itself and the company current accounts become active, normal and operative.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) read with Part B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

#### **DIRECTORS**

Mr. Hira Lal Bhatia (DIN: 00159258) is retiring by rotation at 67<sup>th</sup> Annual General Meeting and, being eligible, offers himself for re-appointment.

Further, pursuant to Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shareholders may take note that Mr. Hira Lal Bhatia, Non Executive Director of the Company holds 2625 equity shares in the Company as on the date of this report.

The members of the Company at 66<sup>th</sup> Annual General Meeting approved appointment of Ms. Sadna Syal (DIN: 07837529) as an Independent Director for a period of 5 years w.e.f 28.09.2017 and she will not be liable to retire by rotation.

Based on the recommendations of the Nomination and Remuneration Committee and subject to approval of members by special resolution at 67<sup>th</sup> Annual General Meeting and such other statutory and regulatory approvals as may be required, the Board of Directors of the Company at its meeting held on 16<sup>th</sup> January 2018, approved re-appointment of Mr. Ishwar Das Chugh (DIN:00073257) as Whole Time Director of the Company for a period of 3 years w.e.f. 31<sup>st</sup> March 2018 to 30<sup>th</sup> March, 2021 under the provisions of section 196, 197, 198 and 203 read with the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

In the Board Meeting held on 23<sup>rd</sup> May, 2018, the Board of Directors perused and took note of the statement of declarations received from the Independent Directors viz; Mr. Sanjiv Kavaljit Singh (DIN: 00015689), Mr. Kartik Roop Rai (DIN: 06789287) and Ms. Sadhna Syal (DIN:- 07837529) that they fulfill all the criteria of Independent director envisaged in Regulation 16(1)(b) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 149(6) of the Companies Act, 2013.

#### **CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS**

Non-Executive Directors are paid only sitting fees of ₹ 15,000 for attending the Board Meeting and ₹ 5000 for attending the Committee Meeting of the Company.

#### **KEY MANAGERIAL PERSONNEL**

In the capacity of Key Managerial Personnel, the Company has following officers:

1. Mr. Ishwar Das Chugh, Whole Time Director
2. Mr. Chander Mohan Dhall, Chief Financial Officer
3. Mr. Narendra Pal Singh, Chief Executive Officer
4. \*\*Mr. Lalit Lohia, Company Secretary

\*\* Mr. Lalit Lohia was appointed as Company Secretary of the Company w.e.f. 02.05.2017 and is Key Managerial Personnel of the Company from such date.

Mr. Chander Mohan Dhall whose tenure as Chief Financial Officer of the Company was expiring on 31<sup>st</sup> March 2018, was re-appointed as Chief Financial Officer of the Company in board meeting dated 16<sup>th</sup> January, 2018 for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019. Mr. Narendra Pal Singh whose tenure as Chief Executive Officer of the Company was expiring on 31<sup>st</sup> March 2018 was re-appointed as Chief Executive Officer of the Company in board meeting dated 16<sup>th</sup> January, 2018 for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

#### **COMPLIANCE CERTIFICATE BY CHIEF FINANCIAL OFFICER AND CHIEF EXECUTIVE OFFICER**

Board of Directors in the board meeting held on 17.09.2018 took note of the Compliance Certificate duly signed by Mr. Chander Mohan Dhall, Chief Financial Officer and Mr. Narendra Pal Singh, Chief Executive Officer that they have reviewed financial statements and cash flow statement etc. for the financial year ended 31<sup>st</sup> March, 2018 as per Regulation 17(8) read with Schedule II Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Such certificate is annexed after Corporate Governance Report for F.Y. 2017-18 and forms Integral part of this Annual Report.

#### **PERFORMANCE OF BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) & Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a healthy discussion was held among directors after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance in the Board Meeting held on 23<sup>rd</sup> May, 2018.

The performance evaluation of the Independent Directors as per Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors as per Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors expressed their satisfaction with the evaluation process.

#### **NUMBER OF MEETINGS OF THE BOARD**

There were total of 10 number of Board Meetings held during the financial year 2017-18. Further details are provided in the

Corporate Governance Report.

#### **DEPOSITS (INCLUDING LOANS FROM MEMBERS)**

The Sahibabad Unit and Malanpur unit has already repaid to all its deposit holders. Sonapat Unit of the Company is in the process of repaying all its deposit holders. The Company has not accepted any further deposit from the public or members during the year.

The Company has been strictly complying with all orders passed by National Company Law Tribunal, Chandigarh Bench regarding application filed by company in F.Y 2015-16 under Section 74(2) of Companies Act, 2013 to National Company Law Tribunal (erstwhile Company Law Board) for extension of time in repayment of its deposits and interest thereon. As per latest order passed by such Honorable bench on 12<sup>th</sup> July, 2018 vide CP. No. 111/ND/2016, RT CP. NO. 150/CHD/HRY/2017 under section 74(2) of the Companies Act, 2013, the company has paid its pending fixed deposit along with overdue interest to its fixed deposit holders.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

There were NIL Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

#### **VIGIL MECHANISM / WHISTLE BLOWER MECHANISM**

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company and whistle blower mechanism is reviewed regularly by the Audit Committee of the Company. There were Nil complaints recorded under Whistle Blower Mechanism during the year.

#### **NOMINATION AND REMUNERATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

#### **RISK MANAGEMENT POLICY**

The Company has developed and implemented the risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. The Company has formulated a Risk Management Committee which discussed the impact and acceptability of all risks to which Company is exposed. It also discussed to take suitable action or propose to the Board of Directors for taking any suitable action for minimizing the risks. Accordingly, it has considered to study risks by dividing them into following categories :

1. Strategic Risk Assessment
2. Operation Risk Assessment
3. Compliance Risk Assessment
4. Internal Audit Risk Assessment
5. Financial Statement Risk Assessment
6. Fraud Risk Assessment
7. Market Risk Assessment
8. Credit Risk Assessment

9. Customer Risk Assessment
10. Supply Chain Risk Assessment
11. Product Risk Assessment
12. Security Risk Assessment
13. Information Technology Risk Assessment
14. Project Risk Assessment

Since our company is not among top 100 listed companies determined on the basis of market capitalization at the end of F.Y 2017-18 (on the basis of list of top 100 companies available on NSE/ BSE websites), it is not mandatory for our company to maintain such committee. The Board of Directors at its meeting held on 4<sup>th</sup> August, 2017 has dissolved Risk Management committee on the basis of aforesaid grounds.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel and there are no related party transactions which exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company. The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee on quarterly basis for confirmation. Omnibus approval was obtained on a yearly basis for transactions which are repetitive in nature subject to further approval in case actual transactions are found to be exceeding the omnibus approval. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review on quarterly basis.

A Policy on Material Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company [www.atlasbicycles.com](http://www.atlasbicycles.com). None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

#### **CORPORATE GOVERNANCE**

The Company complies with the clauses of Listing Agreement entered into with the National Stock Exchange of India Limited and BSE Limited, where the Company's shares are listed and the Company complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, in terms of the provisions of Section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has complied with the requirements of Corporate Governance and a Report on Corporate Governance together with certificate from the Company's Statutory Auditors confirming compliance, is set out in a statement, which forms part of this Annual Report.

## **STATUTORY AUDITORS AND AUDITORS' REPORT**

The shareholders of the company vide 66<sup>th</sup> Annual General Meeting of the company held on 28<sup>th</sup> September, 2017 approved appointment of M/s Dinesh Nangru & Co., Chartered Accountants (Firm Registration No. 015003N) in place of M/s Mehra Khanna & Co., Chartered Accountants for a term of five years commencing from F.Y 31<sup>st</sup> March, 2018 to FY 31<sup>st</sup> March, 2022 and hold office from the conclusion of the 66<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 71<sup>st</sup> Annual General Meeting on such remuneration plus GST, out of pocket expenses, as may be mutually agreed between Board and Dinesh Nangru & Co. The company shall place this matter for ratification by shareholders of the company at 67<sup>th</sup> Annual General Meeting.

The qualifications or remarks in the Auditor's Report read with Notes to financial statements are self-explanatory.

## **SECRETARIAL AUDITOR AND SECRETARIAL AUDITOR'S REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Mukesh Arora & Company, a firm of Company Secretaries in Practice (Certificate of Practice Number: 4405) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report and forms an integral part of this Report.

## **COST AUDIT**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is not required to carry out audit of cost records relating to Bicycle Industry. Accordingly, your Company did not appoint Cost Auditor in this financial year.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Company has appointed for the F.Y 2017-18, Mr. Harish Kumar Arora as Internal Auditor for Sonapat Unit, Mr. Gopal D. Girdharwal, as Internal Auditor for Sahibabad Unit and Mr. Sanjay Kapur, Joint President for Malanpur Unit are reporting on internal control and audit procedures followed. However, Mr. Harish Arora, the Internal Auditor for Sonapat Unit has resigned from company w.e.f 16.04.2018. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Company actively reviews the adequacy of internal control systems and effectiveness of internal audit function.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Requirements relating to Corporate Social Responsibilities as envisaged in Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable on our company for this financial year

## **HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION**

Your Company strives to provide the best working environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. Every initiative and policy of the Company takes care of welfare of all its employees. The human resource development function of the Company is guided by a strong set of values and policies. The details of initiatives taken by the Company for the development of human resource are given in Management Discussion and Analysis Report. The Company maintained healthy, cordial and harmonious industrial relations at all levels throughout the year.

## **STATUTORY INFORMATION**

The Business Responsibility Reporting as required by Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to your Company for the year under review.

## **PERSONNEL AND PARTICULARS OF EMPLOYEES**

The industrial relations with the workers and staff of the Company remained cordial throughout the year. There was unity of objective among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continue to be an area of prime importance.

Particulars of the employees as required under section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2018 is annexed to this report and forms an integral part of this report.

None of the employees listed in the said Annexure is a relative of any Director of the Company. Apart from Mr. Vikram Kapur, President of Sonapat Unit, Mr. Rajiv Kapur, Joint President of Sonapat Unit, Mr. Gautam Kapur, Joint President of Sahibabad Unit, Mr. Girish Kapur, Joint President of Sahibabad Unit and Mr. Sanjay Kapur, Joint President of Malanpur Unit, none of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

## **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

There were NIL cases of sexual harassment filed during the Financial Year.

## **LISTING OF COMPANY'S EQUITY SHARE**

Your Company's shares continue to be listed on BSE Limited and National Stock Exchange of India Limited. The annual listing Fee for the year 2017-2018 has been paid to BSE Limited and National Stock Exchange of India Limited within stipulated time.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March 2018 is given here below:



## CONSERVATION OF ENERGY

### SONEPAT UNIT

The following measures were taken: -

- a) Energy saving by installing new Hot Water Generator 4 Lac K Cal capacity dual fuel system PNG / HSD more efficient and Environment friendly (use HSD on emergency only) and also by using Tube wells through two nos 80 KL tanks (Settling) as the running hours of tube wells is being reduced.
- b) Automatic power factor panel installed resulting into power saving.
- c) Conveyors are being re layout according to sections re layout resulting into less material movements finally reduced operator fatigue.
- d) Low temperature Chemicals introduce in Phosphating line resulting into saving in energy cost due to reduction in Boiler running hours Also improvement in product quality as fine crystalline coating of the phosphating layer having more coating life.

### SAHIBABAD UNIT

The following measures were taken: -

LED lights were installed in the new area developed for stores and all ordinary lights in the management block were replaced with LED lights.

## TECHNOLOGY ABSORPTION

The efforts made towards technology absorption were: -

### SONEPAT UNIT

The following efforts were made: -

- a. Converted all Brazing operation with PNG which is more efficient and Environment friendly (use HSD on emergency only).

### SAHIBABAD UNIT

The following efforts were made: -

- a. New alignment fixture was introduced for proper alignment of product for improved quality New SKD lines were installed for better quality and productivity improvement.

## FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned: ₹ 1679.13 lacs

Total foreign exchange used: ₹ 4173.66 lacs

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013 that:

- I. In the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2018 and of the loss of the Company for the year ended on that date.
- III. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors

- IV. The Annual Accounts have been prepared on a going concern basis.
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- VI. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to Financial Statements are found to be adequate by the Statutory Auditors of the Company.

## REPORT ON THE HIGHLIGHTS OF PERFORMANCE OF ITS SUBSIDIARY COMPANIES, JOINT VENTURES, ASSOCIATE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

The Company has 3 (three) wholly owned subsidiary companies viz. Atlas Cycles Sonepat Limited, Atlas Cycles (Sahibabad) Limited and Atlas Cycles (Malanpur) Limited. These companies are yet to commence its business and accordingly there are no highlights of performance or their contribution to the overall performance of the Company to reflect during the year. The Annual Reports of Subsidiary Companies are available for download at [www.atlasbicycles.com](http://www.atlasbicycles.com). Apart from these, the Company do not have any associate companies and joint ventures.

Form AOC-1 containing salient features of 3 wholly owned subsidiary companies duly certified by Statutory Auditors of the Company under section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 are annexed herewith. There are no associate companies as per definition given in Section 2(6) of the Companies Act, 2013.

There are no companies which have become or ceased to be subsidiary companies, associate companies or joint ventures during the year.

## ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees in the Company and the cooperation extended by Banks, Government authorities, customers and shareholders of the Company and looks forward to a continued mutual support and co-operation.

### HIRA LAL BHATIA

(DIN: 00159258)

3-B/11, N.E.A., Utri Marg,  
New Delhi – 110060

### ISHWAR DAS CHUGH

(DIN: 00073257)

I-73, Naraina Vihar,  
New Delhi - 110028

DIRECTORS

Date : 17<sup>th</sup> September, 2018

Place : New Delhi

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014].

**To**  
**The Members,**  
**Atlas Cycles (Haryana) Limited**  
**Atlas Road, Industrial Area,**  
**Sonepat -131001, Haryana**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Atlas Cycles (Haryana) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable as the company did not issue any security during the financial year under review.)**

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable as the company has not granted any options to its employees during the financial year under review);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable as the company has not issued any debt securities during the financial year under review);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not applicable as the company has not Delisted its Equity Shares during the financial year under review); and**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 **(Not applicable as the company has not bought back any of its securities during the financial year under review);**
- (vi) Any other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972;

I have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards-1(Meeting of the Board of Directors) & Secretarial Standards-2 (General Meetings)
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange (**NSE**) and Bombay Stock Exchange (**BSE**).
- (iii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**Further reported that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision at Board Meeting and Committee are carried through while the dissenting members' views are captured and recorded as part of the minutes.