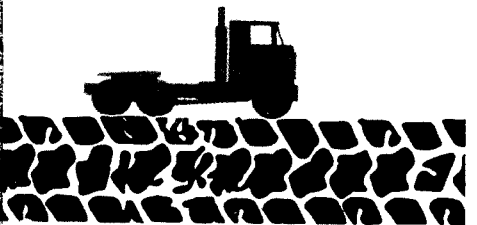


ANG
AUTO

ANG Auto Limited
Annual Report 2008-09





Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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ANG AUTO

ANG AUTO LIMITED

Registered Office: 1C/13, New Rohtak Road
Karol Bagh, New Delhi-110005.

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of the ANG Auto Limited will be held on Wednesday, the 23rd day of September, 2009, at 10.00 A.M., at PHD Chamber of Commerce, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account of the Company for the Year ended 31st March, 2009 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. O.P. Sharma, who retires by rotation, and being eligible, offers himself for the re-appointment.
3. To appoint M/s Sandesh Jain & Co., Chartered Accountants, the retiring Auditors as Statutory Auditors of the Company

to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General meeting and to fix their remuneration.

By Order of the Board
For **ANG AUTO LIMITED**

Sd/-

Place : New Delhi
Date : July 31st, 2009.

Rajiv Malik
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Only registered Members carrying the Attendance slip and the holder of valid proxies registered with the Company will be permitted to attend the Meeting.
3. Members holding shares in physical form are requested to notify/send the following at the registered Office to facilitate better service
Any change in the address/mandate
Share certificate (s) held in multiple accounts in identical names or joint account in the same order of names for consolidation of such shareholdings into one account.
4. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio Number in the attendance slip for

attending the meeting.

5. The Register of Members of the Company and Share Transfer Books will remain closed on 21st September, 2009 to 23rd September, 2009
6. Members are requested to quote Folio No. DP ID in all correspondence with the Company.
7. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday, Sunday and holidays, between 11:00 A.M. to 1:00 P.M upto the date of the Annual General Meeting.
8. All Members are requested to bring their copies of Annual Reports along with their attendance slips.
9. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information pertaining to the Directors seeking appointments/re-appointment in the Annual General Meeting is given below :

Particulars**Mr. O.P. Sharma**

| | |
|--|------------------------------|
| Date of Birth | 07.05.1948 |
| Qualifications | Diploma in Marine Management |
| Expertise in specific functional Area | Management |
| Directorship held in other public companies (excluding foreign companies and section 25 companies) | None |
| Membership(M)/ Chairmanship (c) of Committees of other public companies (includes only Audit Committee(AC) and Shareholders/Investors Grievance Committee(SGC) | None |
| Relationship with other directors | None |

10. Shareholders desiring any information as regards to accounts are requested to write to the Company at least seven days before the date of the Annual General Meeting so as to enable the Management to keep the information ready.

By Order of the Board
For **ANG AUTO LIMITED**

Place : New Delhi
Date: July 31st, 2009.

Sd/-
Rajiv Malik
Company Secretary



ANG AUTO LIMITED

Registered Office: 1C/13, New Rohtak Road, Karol Bagh, New Delhi-110005

ATTENDANCE SLIP

| | |
|------------|--|
| DP Id* | |
| Client Id* | |

| | |
|----------------------|--|
| Regd. Folio No. | |
| No. of share(s) held | |

I / We _____ of
 _____ Being a member / members of ANG Auto Limited hereby appoint
 _____ of
 _____ or failing him,

As my / our proxy to vote for me / us and on my / our behalf at the 18th Annual General Meeting of ANG Auto Limited held on 23rd day of September, 2009, at 10.00 A.M., at PHD Chamber of Commerce, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 or at any adjournment thereof.

Signed this _____ day of _____ 2009



ANG AUTO LIMITED

Registered Office: 1C/13, New Rohtak Road, Karol Bagh, New Delhi-110005

PROXY FORM

| | |
|------------|--|
| DP Id* | |
| Client Id* | |

| | |
|-----------------|--|
| Regd. Folio No. | |
|-----------------|--|

Name and address of shareholder _____

No. of share(s) Held _____

I / We hereby record my / our presence at the 18th Annual General Meeting of ANG Auto Limited held on Wednesday, 23rd September, 2009, at 10.00 A.M., at PHD Chamber of Commerce, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016.

 Signature of The Shareholders Proxy

| |
|--|
| Please Affix 30 Paise Revenue Stamp |
|--|

*Applicable for investors holding shares in electronic form

Note: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The proxy need not be member of the Company

Note : No gift / snacks will be distributed in Annual General Meeting

Highlights, 2008-09

In numbers

- Total income stood at Rs. 11,719.69 lacs in 2008-09 against Rs. 14,566.20 lacs in 2007-08
- EBIDTA stood at Rs. 1,951.91 lacs in 2008-09 against Rs. 3,234.71 lacs in 2007-08
- Profit after tax profit stood at Rs. 81.91 lacs in 2008-09 against Rs. 1,704.24 lacs in 2007-08
- EPS stood at Rs. 0.10 in 2008-09 against Rs. 13.96 in 2007-08

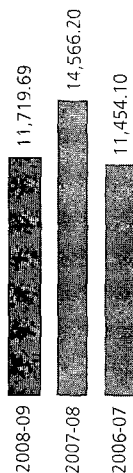
In the board room

- Invested Rs. 2,497.64 lacs in a steel fabrication unit for the manufacture of boiler structures for thermal power plants. The unit is expected to be operational by September 2009
- Bought back 7,50,000 equity shares at Rs. 53.52 per share and 7 mn bonds at a 50% discount on face value

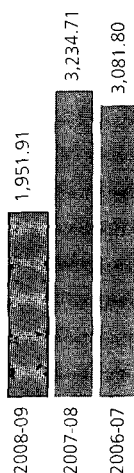
Post-balance sheet development

- Revenue declined 54.40% from Rs. 3,537.17 lacs in Q1/2008-09 to Rs. 1,612.96 lacs in Q1/2009-10
- EBIDTA declined 79.41% from Rs. 778.02 lacs in Q1/2008-09 to Rs. 160.23 lacs in Q1/2009-10
- Entered into a joint venture with TowerWorx USA. The Indian operation will be managed by TowerWorx India (P) Ltd to manufacture and market mobile tower solutions in India

Income from operation
(Rs. lacs)



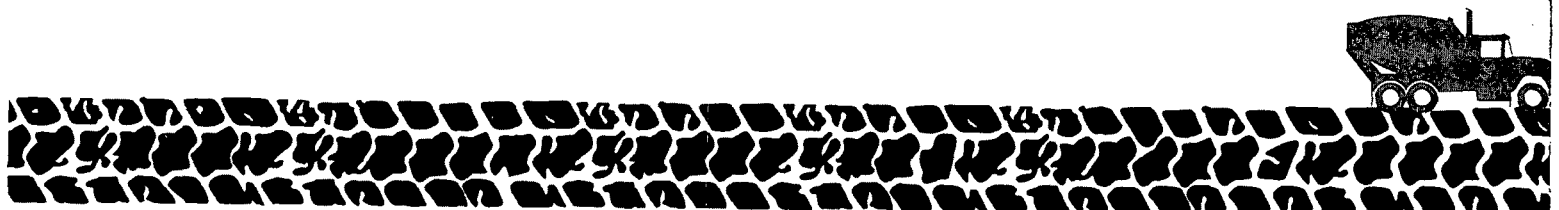
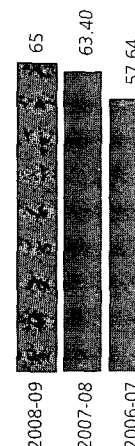
EBIDTA (Rs. lacs)



Capital employed (Rs. lacs)



Book value per share (Rs.)





Economy and the industry

Global economic review

Consequent to the massive global downturn, global economic growth declined from 3.5% in 2007 to 2.5% in 2008. While in the first half of the year commodity prices soared with crude prices touching a record high of USD147 in July 2008, during the second half, major financial institutions collapsed and led to a recessionary environment in advanced economies, affecting economies worldwide.

The slowdown was triggered by the US sub-prime crisis, which adversely affected major financial institutions. The US government announced various economic stimulus packages. Europe followed the trend and countries like Serbia, Ukraine, Hungary and Belarus, among others, approached the IMF for

help. Growth in advanced economies slowed from 2.6% in 2007 to 1.3% in 2008.

Global auto component industry

The global automotive component industry is pegged at USD1.3 trillion. The US and Europe comprised around 50% of total auto-component demand while the US accounted for around 27% of the market. The global auto component market is expected to reach USD1.65 trillion by 2015 as its manufacturing base is shifting towards low-cost, emerging economies including India, China and Thailand, among others.

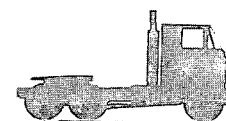
India enjoys a cost advantage with respect to castings and forgings as manufacturing costs in India are 25-30% lower than the West. Considering

the growing popularity of India in the automotive component sector, the Investment Commission set a target of attracting foreign investment worth USD5 billion for the next seven years with the objective of increasing India's share in the global auto components market from 0.9% (2007-08) to 2.5% by 2015.

Indian economic overview

The domestic economy's growth slowed from 9% in 2007-08 to 6.7% owing to the global economic downturn. The manufacturing and the agricultural sectors witnessed the biggest setbacks. The six core industries – crude oil, petroleum refinery products, coal, electricity, cement and finished steel – grew at 2.7% against 5.9% in 2007-08.

In the first quarter of 2009-10, economic growth accelerated for the



first time in six quarters, recording 6.1% GDP growth. The country's six core infrastructure segments grew 6.5% in June 2009 compared with 2.8% in May 2008. The core sector recorded a cumulative growth of 4.8% in the first quarter of 2009-10.

Indian auto component industry

India is now a global auto component hub and a significant player in the global automobiles supply chain. It is now a supplier of a range of high-value and critical automobile components to global automobile giants. The size of the Indian auto component industry was pegged at Rs. 76,320 crores in 2008-09. The global economic slowdown affected the industry's health during the year. Engine parts comprised the majority of the product basket. During 2008-09, the sector attracted Rs. 32,000 crore in investments.

Commercial vehicle industry (CV): The commercial vehicle industry was affected significantly by the global economic meltdown. Rising interest was a crucial factor affecting the CV industry as around 80% of the CVs were financed. Total commercial vehicle offtake declined 22.33% from 549,488 units in 2007-08 to 426,795 units in 2008-09. Among the total CV sales, the M&HCV segment recorded a 32.45% decline from 296,675 units in 2007-08 to 200,406 units in 2008-09 and LCV

segment sales declined 10.45% from 252,813 units in 2007-08 to 226,389 units in 2008-09. The Government of India announced several initiatives to boost sales during 2008-09 including a reduction of excise duty to 8% for buses and trucks, accelerated depreciation on new trucks and 90% grant to various transport undertakings for purchasing 40,000 commercial vehicles.

Trailers: Domestic trailer use is still at a nascent stage. The government's thrust on improving road infrastructure and proper implementation of overload restriction for the commercial vehicles is expected to drive the demand for trailers. The container movement volumes have now begun to show some positive momentum. In July 2009, container volumes rose 3.1% over the previous year for the second month in a row after declining in the first two months of this fiscal [Source: *The Economic Times*].

Road traffic: According to the Planning Commission, the road freight industry will grow at a compound annual growth rate (CAGR) of 9.9% from 2007-08 to 2007-12. Around 1,231 billion tonne km (BTK) of road freight volumes for 2011-12 has been targeted. These are expected to create a significant market for trailers in India.

Port traffic: Total traffic in ports grew 4.4% from 722 million tonnes in 2007-

08 to 754 million tonnes in 2008-09 (estimated), reflecting an opportunity for trailers for handling port traffic. Going forward, port traffic is expected to increase at 7.9% in 2009-10 and 7.2% in 2010-11.

Outlook

The automobile industry is showing signs of revival as CV sales rebounded from a low of 20,282 vehicles in December 2008 to 33,072 vehicles in May 2009. The domestic automobile major TATA Motors reported 18% growth in CV and passenger vehicle sales in July 2009 over the corresponding period in the previous year. An investment of around USD15 billion, slated for the auto components sector over the next few years, is expected to drive sectoral growth.

The prospects of the domestic auto industry appear optimistic as an increasing number of global automobile OEMs are establishing bases in India. Toyota Motors earmarked a Rs. 3,200-crore investment over 2008-11 for a second plant at Bangalore. Nissan intends to move its small car unit from the UK to India. It is expected that the country will be able to offset China and other Southeast Asian countries' traditional manufacturing advantage in the coming years, taking the industry a step closer to its targeted revenue of USD40 billion by 2014.



Analysis of the financial statements



Snapshot

(Rs. lacs)

| | 2008-09 | 2007-08 | Growth (%) |
|---------------------|-----------|-----------|------------|
| Revenue (net sales) | 11,719.69 | 14,566.20 | (19.54) |
| EBIDTA | 1,951.91 | 3,234.71 | (39.66) |
| PAT | 81.91 | 1,704.24 | (95.19) |

Analysis of the profit and loss account

■ The Company's revenue declined from Rs. 14,310.04 lacs in 2007-08 to Rs. 11,261.83 lacs in 2008-09 owing to the slowdown in the user industries in both domestic and international markets. Global markets accounted for 53.73% of the topline, but degrew 0.59% over 2007-08.

■ Other income increased 765.98% from Rs. 74.66 lacs in 2007-08 to Rs. 661.47 lacs in 2008-09 owing to increase in interest received and other miscellaneous incomes. Other income comprised 5.55% of the total income in 2008-09 against 0.52% in 2007-08; other income, as a proportion of EBIDTA, stood at 33.89% in 2008-09 against 2.31% in 2007-08.

■ Total operating cost declined 12.5% from Rs. 11,163.56 lacs in 2007-08 to Rs. 9,767.78 lacs in 2008-09 largely owing to a decline in production.

■ Manufacturing cost formed 15.94% of the total income in 2008-09 (14.12% in 2007-08), declining 8.01% from Rs. 2,031.25 lacs in 2007-08 to Rs. 1,868.59 lacs in 2008-09 owing to reduced operations.

■ The Company's power and fuel cost declined 8.68% from Rs. 430.40 lacs in

2007-08 to Rs. 393.02 lacs in 2008-09. The Faridabad unit use diesel for electricity generation. Increased cost of diesel during the first half of the year correspondingly increased power and fuel cost. Power and fuel cost, as a proportion of the total income, stood at 3.35% in 2008-09 against 2.99% in 2007-08. Per unit power cost stood at Rs. 7.56 in 2008-09 against Rs. 6.27 in 2007-08.

■ Employee cost increased 25.25% from Rs. 641.67 lacs in 2007-08 to Rs. 813.19 lacs in 2008-09 owing to new recruitments and increase in compensation paid to employees.

■ The Company's corporate tax outlay declined 13.73% from Rs. 151.15 lacs in 2007-08 to Rs. 130.40 lacs in 2008-09. The Company continues to enjoy a tax holiday for its unit at SEZ Nalagarh and Sitarganj.

■ The Company's total imports stood at Rs. 1,071.52 lacs in 2008-09 against Rs. 2,449.28 lacs in 2007-08. Export earning stood at Rs. 6,050.83 lacs in 2008-09, compared with Rs. 6,086.90 lacs in 2007-08.

Analysis of the balance sheet

■ The Company's capital employed

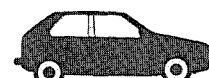
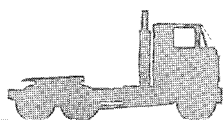
increased 0.15% from Rs. 23,331.06 lacs as on 31st March 2008 to Rs. 23,366.54 lacs as on 31st March 2009 owing to a decline in reserves and secured debt. Return-on-capital employed declined from 16.28% in 2007-08 to 6.57% in 2008-09 owing to profit erosion.

■ Net worth declined 6.92% from Rs. 8,405.23 lacs as on 31st March 2008 to Rs. 78,823.35 lacs as on 31st March 2009 largely owing to a decline in the share capital due to shares buyback.

■ The equity share capital comprised 1,25,40,000 shares of Rs. 10 each. Share capital declined 5.64% from Rs. 1,329 lacs as on 31st March 2008 to Rs. 1,254 lacs as on 31st March 2009 as the Company bought back 7,50,000 shares. The promoters' holding as on 31st March 2009 stood at 45.65%.

■ Reserves and surplus declined 6.14% from Rs. 7,681.25 lacs as on 31st March 2008 to Rs. 7,209.62 lacs as on 31st March owing to the utilisation of share premium reserves for paying premium for buyback.

■ Total debt portfolio increased 2.08% from Rs. 14,905.20 lacs as on 31st March 2008 to Rs. 15,215.13 lacs as on



31st March 2009 owing to the enhanced working capital requirement due to the spiralling raw material cost and capex for the steel fabrication plant. Secured loan increased 3.76% from Rs. 9,985.24 lacs as on 31st March 2008 to Rs. 10,360.89 lacs as on 31st March 2009. Unsecured loan declined 1.33% from Rs. 4,919.78 lacs as on 31st March 2008 to Rs. 4,854.24 lacs as on 31st March 2009. During 2008-09, the Company bought back 7 million bonds at a 50% discount on face value. The Company's debt-equity ratio stood at 1.94 as on 31st March 2009 against 1.77 as on 31st March 2008. Interest paid increased 29.81% from Rs. 1,010.70 lacs in 2007-08 to Rs. 1,312.02 lacs in 2008-09 owing to rising interest rates.

■ The Company's gross block increased 14.01% from Rs. 7,747.61 lacs as on 31st March 2008 to Rs. 8,832.82 lacs as on 31st March 2009 as the Company invested in the steel fabrication plant for the manufacture of boiler structures for thermal power plants. Depreciation increased 20.43% from Rs. 355.04 lacs in 2007-08 to Rs. 427.58 lacs in 2008-09 owing to an increased gross block. Return-on-gross block declined from 36.99% in 2007-08 to 17.30% in 2008-09 owing to a decline in profit and increased gross block. The effect of the increased gross block is expected to be reflected in the coming years. Accumulated depreciation, as a proportion of gross block, stood at 13.97%, reflecting the newness of the gross block.

■ During the year, the Company's investment stood at Rs. 1,411.98 lacs as on 31st March 2009 from nil as on 31st March 2008 as the Company invested in subsidiaries in UK and Hongkong.

■ The Company's working capital declined 18.40% from Rs. 14,501.80 lacs as on 31st March 2008 to Rs. 11,832.64 lacs as on 31st March 2009, reflecting effective working capital management. Current ratio for 2008-09 stood at 4.49 (4.78 in 2007-08).

■ Inventory increased 17.34% from Rs. 6,206.16 lacs as on 31st March 2008 to Rs. 7,282.39 lacs as on 31st March 2009 largely owing to inventory accumulation due to slower offtake during the year under review. Around 57.54% of the inventory comprised raw materials as on 31st March 2009 (41.88% as on 31st March 2008) and 13.05% comprised finished goods as on 31st March 2009 (25.30% as on 31st March 2008). Inventory turnover days increased from 116 days in 2007-08 to 216 days in 2008-09.

■ Sundry debtors declined 27.20% from Rs. 4,430.02 lacs as on 31st March 2008 to Rs. 3,224.96 lacs as on 31st March 2009. The receivables cycle increased from 102 days of turnover equivalent in 2007-08 to 122 days in 2008-09. Around 26.38% of the debtors were more than six months old as on 31st March 2009 (17.57% as on 31st March 2008), reflecting the impact of the slowdown.

■ Cash-and-bank balances declined 60.82% from Rs. 4,840.25 lacs as on

31st March 2008 to Rs. 1,895.93 lacs as on 31st March 2009.

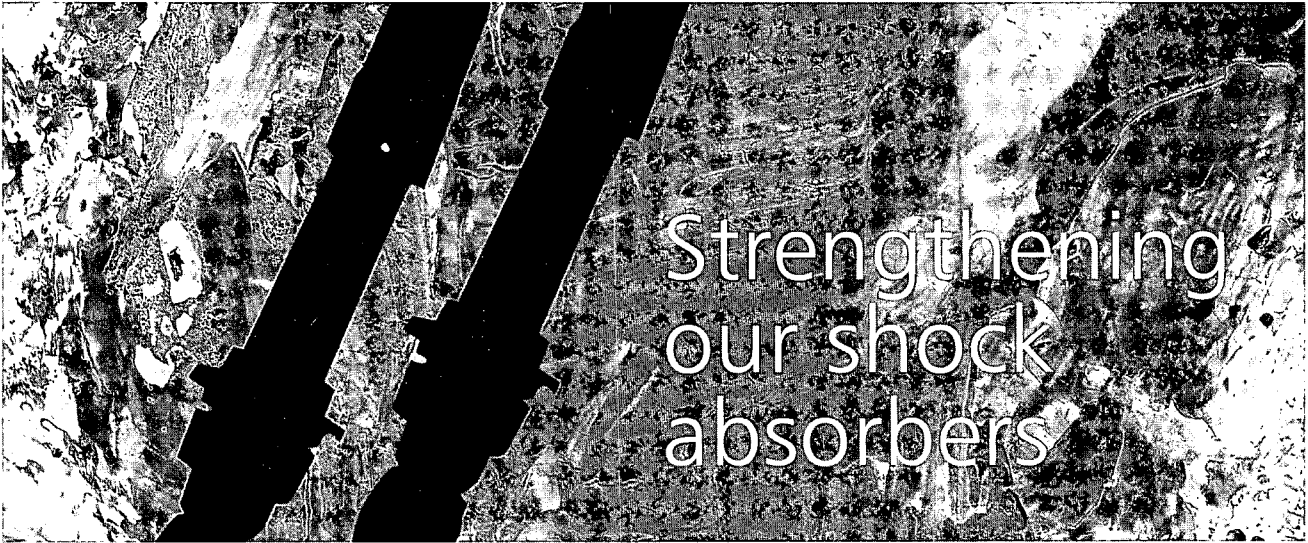
■ Loans and advances declined 3.14% from Rs. 2,265.52 lacs as on 31st March 2008 to Rs. 2,194.18 lacs as on 31st March 2009 owing to reduced loans and advances made to the staff and the payment of advance income tax, among others.

■ Current liabilities declined 14.67% from Rs. 3,240.15 lacs as on 31st March 2008 to Rs. 2,764.82 lacs as on 31st March 2009 owing to reduced creditors to consumables and raw materials. The Company's sundry creditors declined 32.02% from Rs. 2,501.76 lacs as on 31st March 2008 to Rs. 1,700.78 lacs as on 31st March 2009.

Internal control

Adequate control systems have been institutionalised for monitoring all operational and managerial functions, being carried out in conformity with well-defined processes. The compliance of these processes and its refinement reflect learning and changes in the business environment, which is reviewed periodically. Regular audits of all key business areas are conducted by internal audit teams. The audit observations are reported and discussed by the senior management and also presented to the Audit Committee of the Board. The observations are discussed with the operations teams and the recommendations are implemented appropriately.





As a responsible corporate, we endeavour to minimise risks and maximise returns. Our risk-mitigation approach is based on a comprehensive and integrated framework, encompassing prudent norms, structured reporting and control; this approach ensures that the risk management discipline is centrally initiated but efficiently decentralised across the organisation. At ANG, we believe in constant monitoring and decision-making to balance risk and reward.

Industry concentration risk

Dependence on a single industry can affect the Company's growth

Risk mitigation

To reduce dependence on the auto sector, ANG has ventured into the manufacture of boiler structure for thermal power plants. The Government of India has envisaged capacity addition to the tune of 78,700 MW during the Eleventh Five Year Plan, of which 75.85% is expected to be thermal power capacities. This provides significant optimism to the Company's business outlook.

Geographical concentration risk

Dependence on a particular geography could dent the Company's growth owing to a slowdown in that geography

Risk mitigation

- The Company enjoyed 46:54 revenue split between domestic and export markets.
- The Company has shifted its focus from the European market to Latin American, the US and other smaller markets.

Funding risk

The Company may not be able to source funds required for expansion.

Risk mitigation

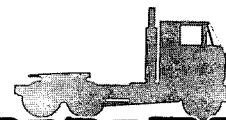
- The Company enjoys a debt-equity ratio of 0.88, enabling it to raise further debt

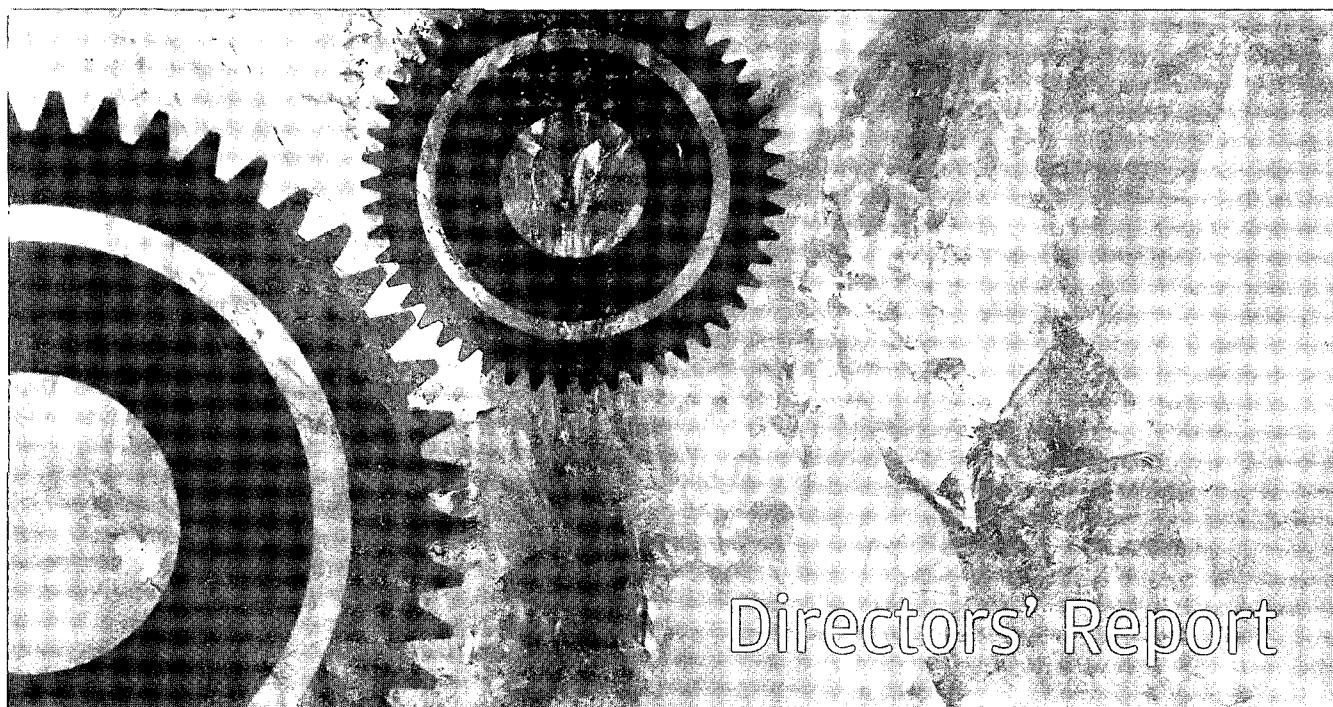
Liquidity risk

The Company may be unable to generate enough cash to sustain daily business operations.

Risk mitigation

- The Company enjoys working capital loan facility from of five banks.
- The Company's current ratio stood at a comfortable 4.49 in 2008-09.





Directors' Report

Dear members

Your Directors have pleasure in presenting the 18th Annual Report of your Company together with the audited statement of accounts of the Company for the year ended on 31st March 2009 together with Auditors' report thereon.

Financial results

(Rs. lacs)

| Particulars | 2008-09 | 2007-08 |
|---|-----------|-----------|
| Gross sales | 11,719.69 | 15,885.36 |
| Less: Sales to erstwhile Subsidiary ANG Auto Tech Pvt Ltd. | | 1,319.16 |
| Other income | | |
| Total income | 11,719.69 | 14,566.20 |
| Profit before tax and depreciation | 639.83 | 2,210.42 |
| (-) Depreciation | 427.52 | 355.09 |
| Profit before tax | 212.31 | 1,855.33 |
| (-) Provision for tax | 130.41 | 151.13 |
| Net profit after tax | 81.90 | 1,704.20 |

Overview

The performance of your Company for the year 2008-09 was in line with the trend in global market. During 2008-09, the heavy commercial sector was severely hit globally by economic slowdown resulting into falling demand of product manufactured by the Company in India and abroad. Accordingly, exports of the Company suffered tremendously due to slowdown of American and European economies. The revenue for the year fell by 31% as compared with the previous year. The Company reported a profit of Rs. 81.90 lacs in 2008-09 as compared with Rs. 1,704.20 lacs in 2007-08.

Dividend

Keeping in view the requirement of funds for continuing plans to impinge on future diverse challenges successfully, your Directors did not recommend any dividend for 2008-09.

Corporate Governance

It was our endeavour to ensure good Corporate Governance practices in all facets of your Company's activities. Pursuant to the SEBI recommendations, the Management Discussion and Analysis Report, Report on Corporate Governance with Auditor's Certificate in Compliance with conditions of Corporate Governance is provided in this Annual Report.

Joint venture

Your Company entered into a joint venture to produce and market mobile towers solutions in India. ANG Auto Ltd. and TowerWorx, US, have a 50:50 stake in the new company known as TowerWorx India (P) Ltd. TowerWorx, US, is the largest mobile tower producer in the US having a large customer base across the globe like AT&T, TMobile and Verizon, among others. The joint venture brings substantial technological benefit to the mobile telecom companies in terms of multiple carrier capability and rapid deployment

capability of towers versus the standard landline towers, used in the country today.

Incorporation of a wholly-owned subsidiary in United States of America

A company, ANG Auto USA INC, was incorporated by ANG Auto Limited as a promoter in the US, as per the laws of that country vide certificate of incorporation issued by the State of Delaware dated 29th May, 2009.

Buyback of Foreign Currency Convertible Bonds (FCCBs)

The subsidiary company, ANG Auto (UK) Ltd., purchased seven million of Foreign Currency Convertible Bonds of ANG Auto Ltd. during 2008-09 as per the Reserve Bank of India guidelines. The formalities to cancel the bonds are under process.

Director's responsibility statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Director's responsibility statement, it is hereby confirmed that

- (i) In the preparation of annual accounts for the financial year ended 31st March 2009, applicable accounting standards were followed.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Company's profit and loss of the Company for 2008-09.
- (iii) The Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the act for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities.

(iv) The Directors prepare the annual accounts on a going concern basis.

Public deposits

During 2008-09, your Company did not invite or accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption, foreign exchange earnings and outgo is given in the annexure forming a part of this Report.

Personnel

None of the employees of the Company were in receipt of the prescribed remuneration and as such, the list of employees as required under Section 217 (2A) of the Companies Act, 1956, is not enclosed. The management's relationship with employees was cordial during the year under review.

Industrial relations

Industrial relations remained cordial throughout the year. Your Directors wish to place on record their deep sense of appreciation for the services rendered by the executives, officers, staff and workers of the Company across all hierarchies.

The Company is committed towards providing industrial safety and environmental protection and these processes followed in right earnest at the Company's plant and facilities.

Statutory auditor

As per the provisions of the Companies Act, 1956, M/s. Sandesh Jain & Co., Chartered Accountants, hold office as

statutory auditors of your Company till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Your Company received a certificate from M/s. Sandesh Jain & Co. Chartered Accountants, as required under Section 224 (1B) of the Companies Act, 1956, to the effect that their reappointment, if made, will be within the limits as prescribed under the provisions thereof.

Directorate

Mr. O. P. Sharma, Director of the Company, shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Buyback

The Company issued the public announcement dated 7th July 2008 for purchase of its 7,50,000 equity shares of the Company and further corrigendum to public announcement dated 25th July 2008 declaring opening of buyback of 7,50,000 equity shares of Rs. 10 each. The Company completed its buyback of 7,50,000 equity shares on 24th December 2008 at an average price of Rs. 52.23 per equity shares. The total fund, utilised for the purpose, was Rs. 3,91,74,024.76 which were financed out of the free reserves and / or share premium account of the Company.

Acknowledgement

Your Directors wish to express their gratitude to customers, investors, regulatory authorities, clients and bankers for their continued support and services. Your Directors place on record their appreciation of the contribution made by the employees of ANG at all levels, enabling the Company to maintain service levels of a high order.

For and on behalf of the Board
ANG AUTO LTD

(Premjit Singh)
Managing Director

(Manoj Gupta)
Director

Annexure to the Directors' Report

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March 2009.

A. Conservation of energy

Energy conservation is an effective key value driver to reduce cost of production. Constant efforts are being made by your Company to reduce energy consumption, upgrade technology as well as equipment and derive optimum benefits from the present sources. The Company is continuously identifying the scope for improving end use efficiency by evaluating the

techno-economic viability of various energy conservation measures. The Company is primarily focusing on

- a) Technology upgradation
- b) Control on idle running of auxiliary equipment
- c) Providing limit switches
- d) Process optimisation to enhance production
- e) Training employees towards energy conservation

The Company's captive generation of power increased. The comparative statement of energy generation, as compared with last year, is given hereunder

| Particulars | 2008-09 | 2007-08 |
|---------------------------------|-------------|-------------|
| 1. Electricity units (MKWH) | 29,35,440 | 30,04,237 |
| Total amount | 1,87,24,862 | 1,64,95,977 |
| Average rate / unit (Rs. KWH) | 7.56 | 6.27 |
| 2. Own generation | | |
| Through diesel generator | | |
| Units (M.KWH) | 17,58,826 | 42,83,537 |
| Units per litre of diesel (KWH) | 3.08 | 3.55 |
| Average cost / unit (Rs. KWH) | 10.38 | 9.85 |

B. Technology absorption

The technology adopted by your Company is upgraded on a regular basis. In-house training is imparted regularly to plant personnel for adopting technology advancements and cost containment. Further, your Company follows better engineering practices, which include reverse engineering processes for enhancing productivity, product improvement, cost reduction, better quality and stability of products.

export markets for products and services and export plans. During 2008-09, the Company exported its products to the buyers based in United States of America (USA), UK, Brazil, Italy and Switzerland, among others.

The export turnover of your Company for 2008-09 was Rs. 605.08 lacs; net foreign exchange earning was Rs. 6,188.20 lacs and the foreign exchange outgo was Rs. 1,476.98 lacs on account of consultancy, foreign travel, import of capital goods and raw material.

C. Foreign exchange earnings and outgo

Activities under this head include those relating to exports and initiatives undertaken to increase exports; development of new

Certification by Chief Executive Officer (CEO) / Chief Financial Officer (CFO)

To,
The Board of Directors,
ANG Auto Limited

We, Premjit Singh, Managing Director (CEO) and Arun Jain, Manager of Finance (CFO) of ANG Auto Limited, both certify to the Board that we have reviewed the financial statement and the cash flow statement of the Company for the period ended 31st March 2009.

1. The statements do not contain materially untrue and misleading statements; the statements present a true and fair view of the Company's affair; they were made in accordance with the accounting standards and applicable laws and regulations.
2. There were no fraudulent or illegal transactions.
3. For the purpose of financial reporting, we accept the

responsibility for establishing and maintaining internal controls which was monitored by the Company's internal audit team and was evaluated based on feedbacks received from the internal audit team and the effectiveness of the internal controls. We reported to the auditors and the Audit Committee about the deficiencies, if any, in the internal controls.

4. We have indicated to the auditors and Audit Committee, significant changes in the internal controls and accounting policies. There were no instances of fraud, of which we were aware, during the period.

For ANG AUTO Ltd.

Arun Jain
CFO

Premjit Singh
CEO

Declaration under Clause 49 (I) (D) of the Listing Agreement

Pursuant to Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and senior management personnel of ANG Auto Limited affirmed compliance with the Code of Conduct for the year ended 31st March 2009.

For ANG AUTO Ltd.
Managing Director

Report on Corporate Governance

1. Company's philosophy on Code of Governance

Your Company believes that sound ethical practices, operational transparency and timely disclosures enhance stakeholder value across the long term. As a result, governance is intrinsic to the Company, supported by the four pillars of transparency, fairness, disclosure and accountability. The Company believes that sound governance practices should be enshrined in all activities, maximising shareholder value, safety and sustainability.

2. Board of Directors

a) Composition of category of Directors

The Board was constituted in a way to reinforce

understanding and competence to deal with emerging business issues and ensuring the Director's commitment to participate in the affairs of the Company. In terms of the Corporate Governance philosophy, all statutory and other significant material information was placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The total strength of the Board is five at the close of 2008-09, which included one Director who is also the Promoter, two Independent Directors and two Independent Non-Executive Directors, complying with the requirements of the Listing Agreement. As on 31st March 2009, the composition of the Board of Directors was as under:

| Serial number | Name of Director(s) | Category of directorship | Basic salary | Sitting fee paid (Rs.) | Commission (Rs.) |
|---------------|---------------------------|------------------------------------|--------------|------------------------|------------------|
| 1. | Mr. Premjit Singh | Promoter and Managing Director | 12,00,000 | – | – |
| 2. | Mr. Gurvinder Singh Jolly | Independent Non-Executive Director | – | 18,900 | – |
| 3. | Mr. Manoj Gupta | Independent Non-Executive Director | – | 21,000 | – |
| 4. | Mr. Sanjay Garg | Independent Non-Executive Director | – | 16,800 | – |
| 5. | Mr. O. P. Sharma | Executive Director | 2,94,400 | – | – |

b) Number of Board meetings and dates

During the financial year 2008-09, ten Board meetings were held. The dates on which the said meetings were held were as follows:

8th May 2008, 30th June 2008, 4th July 2008, 31st July 2008, 31st August 2008, 13th October 2008, 31st October 2008, 30th January 2009, 16th March 2009, 26th March, 2009

c) **Code of Conduct:** The Board of Directors adopted Code of Conduct, applicable to the Company's Director. All Board members and senior management personnel of the Company affirmed compliance with the Code of Conduct for the year

ended 31st March 2009.

d) **Risk management:** Your Company established a well-documented and robust risk management framework, these risks are identified across all business process of the Company on an ongoing basis. Once identified, these risks are systematically categorised as strategic risk, business risk or reporting risk. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the Company has set in place procedures to periodically place before the Board the risk assessment and minimisation procedures being followed by the Company.

Attendance of Directors at the Board meeting and last Annual General Meeting and number of other directorship and Committee membership as on 31st March 2009.

| Serial number | Name of Director(s) | Category of directorship | Number of other directorship | Number of Board meetings held | Number of Board meetings attended | Attendance at the last AGM |
|---------------|---------------------------|--------------------------|------------------------------|-------------------------------|-----------------------------------|----------------------------|
| 1. | Mr. Premjit Singh | Managing Director | 7 | 10 | 10 | Yes |
| 2. | Mr. Gurvinder Singh Jolly | Non-Executive Director | Nil | 10 | 9 | Yes |
| 3. | Mr. Manoj Gupta | Independent Director | 1 | 10 | 10 | Yes |
| 4. | Mr. Sanjay Garg | Independent Director | Nil | 10 | 9 | Yes |
| 5. | Mr. O. P. Sharma | Non-Executive Director | Nil | 10 | 10 | Yes |

3. Audit Committee

Constitution of the Committee: As a measure of good Corporate Governance and to provide assistance to the Board of Directors fulfilling the Board's oversight responsibilities, an Audit Committee was constituted as per Section 292A of the Companies Act, 1956, and the provisions of the Clause 49 of the Listing Agreement. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and ensuring compliance with financial policies of the Company. The

Committee reviews the financial statements with special emphasis on accounting policies and practices, compliance with the accounting standards and other legal requirements concerning the financial statements before they are submitted to the Board. The terms of reference of the Audit Committee include the matters specified under Clause 49 II of the Listing Agreement. Further, the Audit Committee may also review such matters as are considered appropriate by it or referred to it by the Board.

As on 31st March 2009, the Audit Committee comprised one Non-Executive Director, one Executive Director and two Non-Executive, Independent Directors.

Quorum for the Committee and its Chairman: The quorum for the meeting was two Independent Directors, which was more than one-third of the members of the Committee. The Committee was chaired by Mr. Sanjay Garg, an Independent Director. The composition of the Audit Committee was as under

| | | |
|------------------|----------|---------------------------------------|
| Mr. Sanjay Garg | Chairman | Non-Executive Independent Director |
| Mr. G. S. Jolly | Member | Non-Executive Independent Director |
| Mr. Manoj Gupta | Member | Non-Executive Independent Director |
| Mr. O. P. Sharma | Member | Executive Director |

Date and numbers of Audit Committee meetings held: During 2008-09, four Audit Committee meetings were held on 30th June, 2008, 31st July 2008, 31st October 2008, 30th January 2009

4. Remuneration Committee

The Remuneration Committee was formed on 15th December 2005 as per Clause 49 of the Listing Agreement. The following were the members of the Remuneration Committee:

Mr. Premjit Singh, Chairman
Mr. Manoj Gupta, Member
Mr. O. P. Sharma, Member

5. Shareholder's / Investor's Grievance Committee

The Committee formed by the Board of Directors to look into the investor's grievances and share transfers and the issue of duplicate certificates, oversees and reviews all matters connected with the transfer of securities at regular intervals. The Committee also looks into redressing of the shareholders' / investors' complaints like transfer of shares, non-receipt of declared dividends and non-receipt of balance sheet, among others, and also notes of transfers/transmissions of securities issued by the Company. The Committee oversees the performance of the Registrar and Transfer Agent and

recommends measures for the overall improvement of the quality of investor services. The Board of Directors delegated the power to Mr. Rajiv Malik, Company Secretary, to approve transfers and transmission of shares, folio consolidation, change of name, transposition, certificate split and consolidation, dematerialisation or rematerialisation of securities and replacement of certificates, among others.

The following are the members of the Committee:

Mr. Premjit Singh, Managing Director
Mr. Manoj Gupta, Director
Mr. O. P. Sharma, Director, was designated as the Compliance Officer of the Company

6. General body meetings

The last three Annual General Meetings of the Company were held as under:

| Year | Location | Date | Time |
|---------|---|------------------------|----------|
| 2005-06 | PHD Chamber of Commerce Siri Fort Road New Delhi | 28th September 2006 | 10.00 am |
| 2006-07 | PHD Chamber of Commerce Siri Fort Road New Delhi | 28th September 2007 | 10.00 am |
| 2007-08 | PHD Chamber of Commerce Siri Fort Road New Delhi | 29th September 2008 | 10.00 am |

7. Disclosures

a. **Disclosures:** Related party transactions during the year are disclosed as a part of accounts as required under Accounting Standard 18, issued by the Institute of Chartered Accountants of India.

b. During the year, the Company did not enter into any transaction of material nature with the Directors, their relative

or management which was in conflict with the Company's interests.

c. The Company laid down procedures to inform Board members about the risks assessment and minimisation procedures. The Company has a management risk policy in place and a risk officer.

d. There were no public, right or preferential issues during the year.

e. Details of non-compliance by the Company, penalties, strictures imposed by the Company by the stock exchange or

SEBI or any statutory authority, on any matter related to capital markets during last three years.

There were no instances of non-compliance of any matter related to the capital markets during last three years.

1. Share price movement

Script Code _ Bombay Stock Exchange: 530721

National Stock Exchange: ANGAUTO

Stock prices at Bombay Stock Exchange

Script Code: 530721

| Month | High (Rs.) | Low (Rs.) | Close (Rs.) | Number of shares |
|-------------|------------|-----------|-------------|------------------|
| April 08 | 117.70 | 85.00 | 108.20 | 2,86,400 |
| May, 08 | 111.80 | 86.05 | 86.90 | 98,266 |
| June, 08 | 96.90 | 53.85 | 85.65 | 11,02,842 |
| July, 08 | 99.80 | 69.95 | 77.25 | 2,93,233 |
| Aug, 08 | 82.50 | 66.00 | 68.35 | 90,136 |
| Sept, 08 | 83.50 | 55.05 | 56.05 | 1,87,247 |
| October, 08 | 62.50 | 35.15 | 40.40 | 2,51,907 |
| Nov, 08 | 43.00 | 30.00 | 31.80 | 1,04,593 |
| Dec, 08 | 50.10 | 27.20 | 46.70 | 2,07,138 |
| Jan, 09 | 59.40 | 30.10 | 32.25 | 61,243 |
| Feb, 09 | 33.95 | 28.00 | 29.75 | 20,956 |
| March, 09 | 30.45 | 23.90 | 25.65 | 51,367 |

Stock prices at National Stock Exchange, India in respect of the monthly closing price of the shares of the Company**

Script Name: ANG AUTO

Stock prices at National Stock Exchange Ltd.

Script Code: ANGAUTO

| Month | High | Low | Close | Number of shares |
|--------------|-------|-------|--------|------------------|
| April-08 | 124.9 | 86.4 | 100.96 | 1,18,297 |
| May-08 | 110 | 84.95 | 97.32 | 62,377 |
| June-08 | 95.9 | 64.50 | 76.33 | 4,50,917 |
| July-08 | 91.00 | 68.00 | 78.14 | 12,74,423 |
| August-08 | 80.14 | 61.05 | 73.76 | 89,239 |
| September-08 | 84.45 | 57.3 | 70.08 | 1,56,564 |
| October-08 | 62.9 | 36.25 | 45.87 | 2,43,344 |
| November-08 | 43.45 | 30.00 | 36.90 | 97,761 |
| December-08 | 48.75 | 30.15 | 40.76 | 1,76,157 |
| January-09 | 61.70 | 30.05 | 37.81 | 88,533 |
| February-09 | 36.35 | 28.05 | 30.35 | 20,593 |
| March-09 | 29.50 | 23.00 | 26.00 | 41,174 |

The shares of your Company are listed on the following stock exchanges

1. The National Stock Exchange of India Ltd. (NSE)

Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai _ 400051

2. The Bombay Stock Exchange Ltd. (BSE)

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai _ 400001

3. The Delhi Stock Exchange Association Ltd.

DSE House, 3/1, Asaf Ali Road
New Delhi _ 110002

4. The Ahmedabad Stock Exchange Ltd.

Kamdhenu Complex, Op: Sahanand College
Panjara Pole, Ahmedabad _ 380015

The Foreign Currency Convertible bonds of the Company are listed on Singapore Exchange Securities Trading Ltd.

The listing fee for 2009-10 was paid in time.

8. Means of communication

a. The Company published its quarterly results in the Business Standard (English) and Veer Arjun (Hindi).

b. The annual results (Annual Report containing Balance Sheet, among others) are posted to every shareholder of the Company.

c. The Company's website, viz. www.anggroup.biz is regularly updated with the financial results and other important events.

9. General shareholder's information

Annual General Meeting

Date: 23rd September 2009
 Time: 10.00 am
 Place: PHD Chamber of Commerce, New Delhi

Financial calendar: 2009-10

| | |
|---|--|
| Annual General Meeting: | September 2010 |
| Result of the quarter ended on 30th June 2009: | 31st July 2009 |
| Result of the quarter ended on 30th September 2009: | Last week of October 2009 |
| Result of the quarter ended on 30th December 2009: | Last week of January 2010 |
| Result of the quarter ended on 30th March 2010: | Last week of April 2010 |
| Book closure date: | 21st September 2009 to 23th September 2009 |
| Dividend payment date: | Within 30 days of declaration |
| Demat ISIN No. in NSDL and CDSL: | INE017D01010 |
| Registrar & Share Transfer Agent: | Beetal Financial and Computer Service Pvt. Ltd. Beetal House 3rd Floor, 99 Madangir, Local Shopping Centre, New Delhi - 110017 |
| Share transfer system: | Presently the share transfers in physical form should be lodged at the office of Registrar and Transfer Agent at the address given above, which are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Dematerialisation of shares is processed within a period of 21 days from the date of receipt of demat request. |
| Dematerialisation of shares: | Trading in the Company's equity shares on the stock exchange is permitted only in dematerialised form w.e.f. 27th February 2001 for all classes of investors as per notification issued by the Securities and Exchange Board of India (SEBI). |

Details of share capital of the Company as on 31st March 2009

| Serial number | Particular | Number of shares | % of Shares |
|---------------|--------------|--------------------|-------------|
| 1. | NSDL | 75,89,813 | 60.52 |
| 2. | CDSL | 40,26,599 | 32.11 |
| 3. | Physical | 9,23,588 | 7.37 |
| | Total | 1,25,40,000 | 100 |

Shareholding pattern as on 31st March 2009

| Category | Number of shares held | % of paid up capital |
|---|-----------------------|----------------------|
| A. Promoter's holding | | |
| 1. Promoters | | |
| Indian promoters | 60,66,878 | 48.38 |
| Foreign promoters | 0 | 0 |
| Persons acting in concert | 0 | 0 |
| Sub-total | 60,66,878 | 48.38 |
| Non-Promoter's holding | | |
| Institutional investors | | |
| Mutual funds and UTI | 2,300 | 0.02 |
| Banks, FIs, insurance companies (Central/State, Govt. institutions/ Non-Govt. institutions) | 1,000 | 0.01 |
| Foreign institutional investors | 11,43,762 | 9.12 |
| Sub-total | 11,47,062 | 9.15 |
| Others | | |
| Private corporate bodies | 23,25,724 | 18.55 |
| Indian public | 22,97,493 | 18.32 |
| NRIs/OCBs | 1,19,577 | 0.95 |
| Foreign Corporate Bodies | 5,75,350 | 4.59 |
| Overseas Corporate Bodies | 1,800 | 0.01 |
| Trust | 1,722 | 0.01 |
| Others (clearing members) | 7,694 | 0.06 |
| Sub-total | 53,29,360 | 42.50 |
| Grand total | 1,25,40,000 | 100.00 |

Address for investor's correspondence

| | |
|--|---|
| For transfer/dematerialisation of shares | Beetal Financial and Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, New Delhi-110062 |
| For any other query: | Secretarial department ANG Auto Limited 1C/13, New Rohtak Road, Karol Bagh, New Delhi-110005 |

Distribution of shareholding as on 31st March 2009 was as under:

| Shareholding of nominal value of Rs. 10 each | Number of shareholders | % of total number of shareholders | Number of shares held | Amount in Rs. | % to total paid-up capital |
|--|------------------------|-----------------------------------|-----------------------|---------------------|----------------------------|
| Up to 5,000 | 5,902 | 89.90 | 7,75,048 | 77,50,480 | 6.180 |
| 5,001 to 10,000 | 327 | 4.98 | 2,66,540 | 26,65,400 | 2.125 |
| 10,001 to 20,000 | 153 | 2.33 | 2,39,309 | 23,93,090 | 1.908 |
| 20,001 to 30,000 | 49 | 0.75 | 1,23,501 | 12,35,010 | 0.984 |
| 30,001 to 40,000 | 14 | 0.21 | 49,931 | 4,99,310 | 0.391 |
| 40,001 to 50,000 | 30 | 0.46 | 1,42,649 | 14,26,490 | 1.137 |
| 50,001 to 1,00,000 | 44 | 0.67 | 3,12,628 | 31,26,280 | 2.493 |
| 1,00,000 and above | 45 | 0.70 | 1,06,30,394 | 10,63,03,940 | 84.771 |
| Total | 6,562 | 100.00 | 1,25,40,000 | 12,54,00,000 | 100.00 |

Plant location

- # B-48, Phase II, Noida (U.P.)
- # 19-A, Udyog Vihar, Distt. Gautam Budh Nagar, Greater Noida
- # 11 & 12, SDF SEZ, Noida (U.P.)
- # 14/6 Mathura Road, Faridabad-121003 (Haryana)
- # 150-A, SEZ, Noida (U.P.)
- # 19, Udyog Vihar, Distt. Gautam Budh Nagar, Greater Noida (U.P.)
- # A-197 Eldeco Sidcul Industrial Park, Sitarganj, Uttarakhand

Compliance Certificate on Corporate Governance

To

The members of ANG Auto Limited,

We have examined the compliance of the conditions of Corporate Governance by ANG Auto Limited for the year ended on 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

We have to state that as per records maintained by the Company, there were no investor grievances remaining unattended / pending for more than one month.

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

For Sandesh Jain & Co.

Place : New Delhi
Date: 31st July 2009

Sandesh Jain
Proprietor

Auditors' Report

The Members,

ANG AUTO LIMITED

1. We have audited the attached Balance Sheet of ANG AUTO LIMITED as at 31st March 2009 and Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the manufacturing and other Companies (Auditors' Report) Order, 1988 ('the order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) We have obtained all 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account maintained at head office and with the Books of Accounts maintained at all the units and sales Depots.
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
5. The accounts conform with accounting policies and other norms. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009; and
 - b. In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - c. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Sandesh Jain & Co.
Chartered Accountants

Sandesh Jain
Proprietor

Place : New Delhi
Date : 30th June 2009

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date on the accounts of ANG AUTO LIMITED for the year ended 31st March 2009

In terms of the information and explanations given to us and on the basis of the books and records examined by us in the normal course of audit and to the best of our knowledge and belief we state that:-

1. In respect of its Fixed Assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
 - b) As per explanation given to us, the Fixed Assets were physically verified by the management at reasonable intervals having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories :
 - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations provided to us, the procedures of physical verification of inventories followed by the Company were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. (a) According to the information and explanations given to us during the year Company has not given/ taken any loan to Companies , firms or other parties to be covered in the register maintained under Section 301 of the Companies

Act, 1956., except the following :

| | Opening Balance | Debit | Credit | Closing Balance |
|------------------------|-----------------|-----------|---------|-----------------|
| Premjit Singh Chadha | 367,143 (Cr.) | 1,232,575 | 899,200 | 33,768.82 (Cr.) |
| ANG Logistic Pvt. Ltd. | - | 948,435 | 780,000 | 168,435 (Cr.) |

- (b) No interest has been paid by the Company on the unsecured loan taken from the director & others related parties .
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the Company and the nature of its business for the purchase of inventory and fixed assets and the sale of goods. During the course of our Audit, no major weakness has been noticed in the internal control.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register have been so entered.
 - b) In our opinion and according to the information and explanations furnished to us, the transactions exceeding the value of Rs. Five lacs in respect of any party during the year have been made at prices which are prima facie, reasonable, having regard to the prevailing market prices at the relevant time, where such prices are available.
6. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956 during

Annexure to the Auditors' Report (Contd.)

the year. Therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

7. In our opinion, the internal audit system of the Company is commensurate with the size and nature of its business.
8. The Company's management has informed us that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any product of the Company.
9. According to the records of the Company and the information and explanations given to us in respect of statutory and other dues:
 - a) The Company was generally regular in depositing statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess etc. with the appropriate authorities except for slight delay in few cases of Provident Fund, Employee's State Insurance and Tax Deduction at source.
 - b) According to the information and explanation given to us the following are the undisputed amounts payable in respect of income tax and sales tax that were outstanding, as on 31st March 2009 for a period of more than six months from the date they became payable.

| Nature of the statute | Nature of the dues | Amount (Rs.) | Period to which the amount relates |
|-----------------------|---|--------------|------------------------------------|
| Sales Tax | VAT tax due to be deposited with CTO, Noida | 1,215,450/- | Sept. 2008 |

- c) According to the information and explanations given to us, details of dues of Income Tax, stamp duty which has not been deposited as on 31st March 2009 on account of any dispute is given below :

| Particulars | Period in which Amount relates | Forum where matter is pending | Amount Rs. In lacs |
|-------------|--------------------------------|---|--------------------|
| Income Tax | Assessment Year 2000-2001 | CIT (Appeal) | 42.73 |
| Income Tax | Assessment Year 2006-07 | Appeal pending u/s 154 of Income Tax Act With Assessing officer | 32.41 |
| Stamp Duty | Fin. Year 2007-08 | Revenue Board, Allahabad (U.P.) | 12.73 |
| Entry Tax | Fin Year 2005-06 | Deputy Commissioner of Commercial Tax Jaipur | 0.82 |

The Company has also appealed against demand of Income tax in above mentioned case in Hon'ble Delhi High Court and the stay is given by the court in same case till any further decision.

10. The Company does not have any accumulated losses at the end of the financial year.
11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks or debentures during the year.
12. According to the information and explanations given to us and the records examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge

Annexure to the Auditors' Report (Contd.)

of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or nidhi /mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. According to the information and explanations given to us, and the records examined by us, the Company is not dealing or trading in securities, debentures and other investments. Therefore, clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
15. According to the information and explanation given to us, and records examined by us, the Company has not given any guarantee for loans taken by other from Banks or Financial Institutions.
16. To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, term loans and foreign Currency Convertible Bonds availed by the Company were, prima facie, applied by the Company during the year for the purpose for which these were obtained.
17. According to the cash flow statement and other records examined by us and according to the information and explanations given to us, on an overall basis, funds raised on short-term basis have prima facie, not been used during the year for long-term investment (fixed assets etc. and vice versa).
18. During the year under consideration the Company has not made any allotment on Preferential basis to the Company and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. According to the information and explanations given to us and the records examined by us, the Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Sandesh Jain & Co.
Chartered Accountants

Sandesh Jain
Proprietor

Place : New Delhi
Date : 30th June 2009

Balance Sheet As at 31st March 2009

(Amount in Rs.)

| Schedules | As at 31.03.2009 | As at 31.03.2008 |
|---|----------------------|----------------------|
| SOURCES OF FUNDS | | |
| Share Holder Fund | | |
| Share Capital A | 125,400,000 | 132,900,000 |
| Reserve & Surplus B | 720,961,703 | 768,125,332 |
| Secured Loans C | 1,036,089,774 | 998,524,453 |
| Unsecured Loans D | 485,423,769 | 491,978,457 |
| Deferred Tax Liability | 13,158,630 | 2,080,592 |
| | 2,381,033,876 | 2,393,608,835 |
| APPLICATION OF FUNDS | | |
| Fixed Assets | | |
| Gross Block E | 883,281,544 | 774,761,127 |
| Less : Depreciation | 123,422,598 | 80,303,853 |
| Net Fixed Assets | 759,858,946 | 694,457,274 |
| Capital Work in Progress | 252,332,765 | 188,469,336 |
| Investment F | 145,644,000 | - |
| Current Assets, Loans & Advances | | |
| Inventories G | 728,238,944 | 620,615,867 |
| Sundry Debtors H | 322,495,562 | 443,001,975 |
| Cash & Bank Balance I | 189,415,791 | 484,024,741 |
| Loans & Advances J | 215,061,103 | 226,552,463 |
| | 1,455,211,400 | 1,774,195,046 |
| Less: Current Liabilities & Provisions K | 296,040,821 | 324,015,441 |
| | 1,159,170,579 | 1,450,179,605 |
| Misc. Expenditure L | 64,027,586 | 60,502,621 |
| (To the extent not written off or adjusted) | | |
| Significant Accounting Policies S | | |
| Notes to Accounts T | | |
| | 2,381,033,876 | 2,393,608,835 |

This is the Balance Sheet referred to report in our even date attached

For Sandesh Jain & Co.

Chartered Accountants

Sandesh Jain

Proprietor

Membership No: 087316

Place: New Delhi

Dated: 30th June 2009

Premjit Singh

Managing Director

Sanjay Garg

Director

Arun Jain

CFO

G.S. Jolly

Director

Manoj Gupta

Director

Rajiv Malik

Company Secretary

Profit and Loss Account For the year ended 31st March 2009

(Amount in Rs.)

| Particulars | Schedules | Year ended 31.03.2009 | Year ended 31.03.2008 |
|--|-----------|--------------------------|--------------------------|
| INCOME | | | |
| Sales & Other Incomes | M | 1,171,969,094 | 1,438,470,124 |
| | | 1,171,969,094 | 1,438,470,124 |
| EXPENDITURE | | | |
| Material Consumed | N | 648,220,571 | 806,233,893 |
| Manufacturing Expenses | O | 186,858,717 | 203,124,780 |
| Selling & Distributive Expenses | P | 58,654,022 | 63,375,565 |
| Administrative Expenses | Q | 59,729,191 | 26,011,416 |
| Financial Expenses | R | 151,558,171 | 101,070,012 |
| Depreciation | E | 42,757,816 | 35,503,919 |
| Misc. Expenses Written off | | 22,905,715 | 17,611,273 |
| Significant Accounting Policies | S | | |
| Notes to Accounts | T | | |
| | | 1,170,684,202 | 1,252,930,858 |
| Profit Before Taxes | | 1,284,892 | 185,539,266 |
| Less : Provision for Income Tax | | 195,139 | 21,021,599 |
| Less : Fringe Benefit Tax | | 1,767,026 | 1,731,668 |
| Less : Provision for Deferred Tax Liabilities | | 11,078,038 | 8,319,768 |
| Add : Provision for Deferred Tax Asset (Mat paid) | | - | 15,958,866 |
| | | (11,755,311) | 170,425,097 |
| Balance Brought Forward from Last Year | | 419,511,809 | 249,196,451 |
| Add: Short & Excess Provision of Tax & for Previous Year | | (3,462,737) | (109,742) |
| Balance carried to Balance Sheet | | 404,293,760 | 419,511,806 |
| Earning Per Share (Face value of Rs. 10/- per equity share) | | | |
| Basic before deferred Tax | | 0.10 | 13.96 |
| After deferred Tax | | | 12.82 |

This is the Profit and Loss Account referred to report in our even date attached

For Sandesh Jain & Co.

Chartered Accountants

Sandesh Jain

Proprietor

Membership No: 087316

Place: New Delhi

Dated: 30th June 2009

Premjit Singh

Managing Director

Sanjay Garg

Director

Arun Jain

CFO

G.S. Jolly

Director

Manoj Gupta

Director

Rajiv Malik

Company Secretary

Schedules forming part of the Balance Sheet

(Amount in Rs.)

| | | As at 31.03.2009 | As at 31.03.2008 |
|--|--|---------------------|---------------------|
| A | SHARE CAPITAL | | |
| Authorised Share Capital | | | |
| 22,500,000 | Equity Shares of Rs. 10/- each | 225,000,000 | 225,000,000 |
| Issued & Subscribed and Paid Up Capital | | | |
| 12,540,000 | Equity Shares of Rs. 10/- each | 125,400,000 | 132,900,000 |
| | (Previous Year Rs. 13,290,000) | | |
| | (During the year 750,000 equity share @ 10/- each has been | | |
| | Purchased by company in the scheme of buyback at the total premium of Rs. 31,584,659) | | |
| | (567,500 equity shares of Rs. 10/- each issued at premium of Rs. 65/- each on conversion of Share Warrants) | | |
| | (1,387,500 shares Rs. 10/- each were issued to the Share Holders of ANG Autotech Pvt.Ltd in ratio 74:100 in pursuant of Scheme of Merger approved by Hon'ble Delhi High Court) | | |
| | (312,500 Equity Shares of Rs. 10/- each issued to Share holders of erstwhile Share holders of ANG Auto Pvt. Ltd. Pursuant to its merger with the Company) | | |
| | | 125,400,000 | 132,900,000 |

| | | | |
|----------------------------------|---|-------------|-------------|
| B | RESERVE & SURPLUS | | |
| (A) General Reserve | | | |
| | Balance as Per Last account | 42,032,243 | 42,032,243 |
| | Addition during the year | - | 42,032,243 |
| (B) Share Premium A/c | | | |
| | on 4,552,500 Shares @ Rs. 65/- each | 264,327,841 | 295,912,500 |
| | (During the year Rs. 31,584,659 have been used for paying premium on buyback of 750,000 equity shares from market as per approval taken from ROC) | | |
| (C) Profit & Loss A/c | | | |
| | (Balance as per Profit & Loss Account) | 404,293,760 | 419,511,806 |
| (D) Revaluation Reserve | | | |
| | | 5,432,859 | 5,793,783 |
| (E) Capital Reserve | | | |
| | | 4,875,000 | 4,875,000 |
| | | 720,961,703 | 768,125,332 |

Schedules forming part of the Balance Sheet

(Amount in Rs.)

| | As at 31.03.2009 | As at 31.03.2008 |
|--|----------------------|---------------------|
| C SECURED LOAN | | |
| 1) Foreign Bill Discounting | 252,078,845 | 263,572,552 |
| 2) Packing Credit | 80,750,420 | 100,852,767 |
| 3) Cash Credit limit | 278,163,630 | 385,482,868 |
| 4) Short Terms Loan | - | 20,000,000 |
| 5) Bank Over Draft | 180,934,822 | 6,036,316 |
| 6) Term Loan (Repayable within one year Rs. 48,500,000) | 205,418,979 | 163,678,965 |
| 7) Domestic Bill Discounted | - | 16,666,310 |
| 8) Vehicle Loan from Banks | 29,825,474 | 30,365,619 |
| 9) Amer Auto Corp. (U.S.A) Tooling Advance | 6,573,863 | 9,890,359 |
| 10) Greater Noida Development Authority | 2,343,741 | 1,978,697 |
| | 1,036,089,774 | 998,524,453 |

NOTES:

(1) Securities offered to Banks to secure Term Loan:-

(a) Bank of Baroda :

- First charge on fixed assets of the Company financed by the Bank
- First charge on company's land & building situated at B-48, Noida, Phase-II, U.P.
- Second charge on the land & building situated at 19-A Udyog Vihar, Greater Noida, U.P. (First charge of which is with Greater Noida Industrial Development Authority for deferred installments on the land).

(b) State Bank of India:

- First charge on fixed assets of the Company financed by the Bank
- First charge on company's land & building situated at A – 197 Eldeco SIDCUL Industrial Park, Sitarganj, Uttrakhand. .

(c) Yes Bank Ltd. :

- First charge on fixed assets of the Company financed by the bank, including first charge on building of the Company situated at 150-A, SEZ, Noida, U.P.

(2) Securities offered to Banks (viz. Bank of Baroda, State Bank of India, Development Credit Bank Ltd., Yes Bank Ltd. and Citibank N. A.) to secure working capital facilities under multiple banking arrangement, on pari-passu basis:-

- (a) Hypothecation of inventories viz raw material, stock in process, finished goods, stores and spares etc. including the stock in transit, stocks lying with processors & in third party godown consisting of automotive components, trailers, trailer components, receivables and other current assets, both present and future, except vehicles exclusively hypothecated to banks.
- (b) Second charge on gross block (including Land & Building) of the Company on pari-passu basis.
- (c) Personal Guarantee of Promoters.

(3) Barclays Bank short term loan is secured by residual charge on Current Assets of the Company.

(4) GNIDA dues amount is for the deferred installments on the land at 19-A, Udyog Vihar, Greater Noida, U.P.

(5) Amer Auto Corp (USA) Inc. (Tooling Advance) is secured by the Stand-by Letter of Credit (SBLC) issued by Bank of Baroda.

(6) All Vehicle Loans are secured by Hypothecation of vehicles financed.

Schedules forming part of the Balance Sheet

(Amount in Rs.)

| | As at 31.03.2009 | As at 31.03.2008 |
|---|---------------------|---------------------|
| D UNSECURED LOAN | | |
| - From Directors, Shareholders & Others (Interest Free) | 33,769 | 6,588,457 |
| - Yes Bank Derivative account | 3,950,000 | 3,950,000 |
| - Foreign Currency Convertible Bonds | 481,440,000 | 481,440,000 |
| | 485,423,769 | 491,978,457 |

| E FIXED ASSETS | | | | | | | | | | | |
|-----------------------|--|--------------|--------------------|--------------------------|----------------------|------------------------------|--------------------------|--------------------------------|------------------------|--------------------|--------------------|
| S. No. | Name of Asset | Rate of Dep. | GROSS VALUE | | | | DEPRECIATION | | | W D V | |
| | | | As on 01.04.2008 | Addition during the year | Sale during the year | Total value As on 31.03.2009 | Balance As on 01.04.2008 | Depreciation during the period | Total As on 31.03.2009 | As on 01.04.2008 | As on 01.04.2009 |
| 1 | Land | 0.00% | 59,184,846 | - | - | 59,184,846 | - | - | - | 59,184,846 | 59,184,846 |
| 2 | Building | 3.34% | 122,284,474 | 8,766,807 | - | 131,051,281 | 7,994,939 | 4,318,617 | 12,313,556 | 114,289,536 | 118,737,726 |
| 3 | Furniture | 6.33% | 7,819,599 | 1,166,691 | - | 8,986,290 | 1,012,526 | 550,859 | 1,563,384 | 6,807,073 | 7,422,905 |
| 4 | Vehicle | 9.50% | 35,031,206 | 1,852,077 | - | 36,883,283 | 8,158,571 | 3,448,415 | 11,606,986 | 26,872,635 | 25,276,296 |
| 5 | Commercial Vehicle | 11.31% | 22,800,086 | 9,959,343 | - | 32,759,429 | 2,212,515 | 3,733,600 | 5,946,115 | 20,587,572 | 26,813,315 |
| 6 | Genset Canopy | 16.21% | 1,138,810 | 108,682 | - | 1,247,492 | 169,588 | 120,884 | 290,472 | 969,222 | 957,020 |
| 7 | Electrical Equipment | 7.42% | 18,018,401 | 435,811 | - | 18,454,212 | 1,118,468 | 1,209,494 | 2,327,962 | 16,899,933 | 16,126,250 |
| 8 | ETP Plant | 7.42% | 847,200 | 478,714 | - | 1,325,914 | 79,781 | 78,741 | 158,522 | 767,419 | 1,167,392 |
| 9 | Machine & Tools | 7.42% | 491,865,216 | 83,057,330 | 822,600 | 574,099,946 | 55,375,544 | 27,253,191 | 82,628,735 | 436,489,671 | 491,471,211 |
| 10 | Office Equipment | 7.42% | 4,343,252 | 1,297,333 | 19,000 | 5,621,585 | 803,000 | 340,052 | 1,143,052 | 3,540,252 | 4,478,533 |
| 11 | Computer & Accessories | 16.21% | 9,904,472 | 1,947,760 | - | 11,852,232 | 3,029,352 | 1,800,396 | 4,829,748 | 6,875,120 | 7,022,484 |
| 12 | Water Cooler | 6.33% | 99,571 | - | - | 99,571 | 10,075 | 5,422 | 15,497 | 89,496 | 84,074 |
| 13 | Mobile | 16.21% | 905,464 | 291,461 | - | 1,196,925 | 235,792 | 155,361 | 391,152 | 669,672 | 805,772 |
| 14 | Patent Right Exp | 20.00% | 518,539 | - | - | 518,539 | 103,708 | 103,708 | 207,416 | 414,831 | 311,123 |
| | Total :- | | 774,761,136 | 109,362,009 | 841,600 | 883,281,544 | 80,303,857 | 43,118,740 | 123,422,598 | 694,457,279 | 759,858,946 |
| | Previous Year | | 310,522,898 | 488,737,817 | 24,499,580 | 774,761,135 | 44,439,013 | 35,864,840 | 80,303,853 | 266,083,884 | 694,457,282 |
| | Depreciation During the year | | | | | | | | | | 43,118,740 |
| | Adjustment for the Depreciation on Revalued Assets | | | | | | | | | | 360,924 |
| | Depreciation as Per Profit & Loss Account | | | | | | | | | | 42,757,816 |

(Amount in Rs.)

| | As at 31.03.2009 | As at 31.03.2008 |
|---|---------------------|---------------------|
| F INVESTMENTS | | |
| (Wholly Owned Overseas) | | |
| Investment in Non Trade and Un Quoted Shares | | |
| Investment in Wholly Owned Subsidiary Companies | | |
| ANG Auto (U.K.) Ltd | | |
| - Share Capital | 200 | - |
| - Other Advances | 145,125,890 | - |
| ANG Auto (Hongkong) Ltd | | |
| - Share Capital | 51,434 | - |
| - Other Advances | 466,476 | - |
| | 145,644,000 | - |

| G INVENTORIES | | | |
|---|--------------------|--------------------|-------------|
| (As taken valued and certified by management) | | | |
| Raw Material | 419,058,450 | 259,910,314 | |
| Work in Progress | 214,143,191 | 203,682,240 | |
| Finished Goods | 95,037,303 | 157,023,313 | 620,615,867 |
| | 728,238,944 | 620,615,867 | |

Schedules forming part of the Balance Sheet

(Amount in Rs.)

| | As at 31.03.2009 | | As at 31.03.2008 | |
|---|---------------------|-------------|---------------------|-------------|
| H SUNDRY DEBTORS | | | | |
| (Unsecured, considered good, unless stated otherwise) | | | | |
| Over Six months | 85,066,228 | | 77,853,677 | |
| Others | 237,429,334 | 322,495,562 | 348,481,987 | 426,335,665 |
| Domestic Bills Receivables | | - | | 16,666,310 |
| | | 322,495,562 | | 443,001,975 |

| | | | | |
|---|--|-------------|--|-------------|
| I CASH & BANK BALANCES | | | | |
| Balances With Schedule Bank in Current Accounts | | 99,974,562 | | 23,712,373 |
| Yes Bank (Unpaid Dividend -I) | | 1,144,462 | | 2,200 |
| Yes Bank (Unpaid Dividend-II) | | 802,688 | | 1,347,732 |
| Balances With bank in Fixed Deposit Account | | 39,997,644 | | 435,573,620 |
| Cash In hand | | 47,496,435 | | 23,388,816 |
| | | 189,415,791 | | 484,024,741 |

| | | | | |
|---|--|-------------|--|-------------|
| J LOANS & ADVANCE, SECURITIES & DEPOSITS | | | | |
| Security Deposits | | 10,255,770 | | 10,660,478 |
| Advance to Suppliers | | 17,954,169 | | 17,631,816 |
| Advances & Loans to Staff | | 5,564,193 | | 32,080,401 |
| Advance to Directors | | 500,000 | | - |
| Gratuity Fund | | 1,926,649 | | 1,123,797 |
| Advance for land at Bhiwadi | | 16,538,882 | | 16,538,882 |
| Other Advances & Export Claims | | 37,896,925 | | 50,055,278 |
| Advance for Land at Greater Noida | | 80,636,813 | | - |
| Accrued Interest on Fixed Deposit | | 2,537,985 | | 4,986,024 |
| Advance Income Tax | | 2,500,000 | | 12,500,000 |
| Excise Duty & Service Tax Receivable | | 14,868,630 | | 42,311,011 |
| TDS Receivables | | 1,513,719 | | 1,655,943 |
| Export Incentives Receivable | | 16,237,154 | | 32,501,186 |
| Prepaid Expenses | | 3,448,454 | | 2,263,859 |
| Vat receivable | | 2,681,760 | | 2,243,788 |
| | | 215,061,103 | | 226,552,463 |

| | | | | |
|---|--|-------------|--|-------------|
| K CURRENT LIABILITIES & PROVISIONS | | | | |
| CURRENT LIABILITIES | | | | |
| Sundry Creditors | | | | |
| Creditors for Consumables | | 24,723,267 | | 31,005,752 |
| Creditors for Raw Material | | 108,062,309 | | 170,014,196 |
| Creditors for Capital Goods | | 8,703,971 | | 4,607,335 |
| Creditors For Expenses | | 28,588,134 | | 44,548,306 |
| Advance from Customer | | | | |
| Advance From Customers | | 33,489,132 | | 4,682,867 |
| Unpaid Dividend | | 1,947,150 | | 1,349,932 |
| Custom Duty/ Service Tax Payable | | 157,121 | | 1,530,000 |

Schedules forming part of the Balance Sheet

(Amount in Rs.)

| | As at 31.03.2009 | As at 31.03.2008 |
|--|---------------------|---------------------|
| K CURRENT LIABILITIES & PROVISIONS (Contd.) | | |
| PROVISIONS | | |
| Salary & Wages Payable | 4,948,271 | 4,436,043 |
| Provision for leave Encashment | 405,607 | 405,607 |
| ESI Payable | 103,323 | 107,680 |
| EPF Payable | 518,259 | 431,662 |
| Expenses Payable | 4,748,910 | 3,107,038 |
| TDS Payable | 375,070 | 912,001 |
| Sales Tax Payable | 5,695,485 | 4,609,522 |
| Income Tax payable (Demand) | 3,240,960 | |
| Provision for Loss on forward Contract | 3,453,055 | |
| Provision for Income Tax | 195,139 | 21,021,599 |
| Interest on FCCB Payable | 65,218,632 | 30,314,232 |
| Fringe Benefit Tax Payable | 1,467,026 | 931,668 |
| | 296,040,821 | 324,015,441 |

| | | |
|------------------------------------|-------------------|-------------------|
| L MISCELLANEOUS EXPENDITURE | | |
| Pre Operative Expense | 14,379,521 | 18,077,757 |
| Preliminary Expenses | 501,058 | 1,220,454 |
| FCCB Issue Expenses | 12,318,024 | 16,785,085 |
| Issue Expenses | 720,674 | 956,661 |
| Research & Development | 36,108,309 | 23,462,664 |
| | 64,027,586 | 60,502,621 |

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

| | Year ended 31.03.2009 | Year ended 31.03.2008 |
|--|--------------------------|--------------------------|
| M SALES & OTHER INCOME | | |
| Exports Sale & Incentives | 605,083,031 | 608,690,145 |
| Domestic Sale | 536,762,722 | 822,314,088 |
| Income from Transportation Business | 12,493,039 | - |
| Interest received (TDS on interest received Rs. 1,224,039) | 17,379,760 | 7,162,915 |
| Miscellaneous Income | 250,542 | 302,976 |
| Net Sales & Other Incomes | 1,171,969,094 | 1,438,470,124 |

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

| | Year ended 31.03.2009 | | Year ended 31.03.2008 | |
|--------------------------------------|--------------------------|--------------|--------------------------|--------------|
| N MATERIAL CONSUMED | | | | |
| Raw Material | | | | |
| Opening Stock | 259,910,314 | | 145,595,491 | |
| Purchase of Raw Material | 702,294,225 | | 985,496,706 | |
| | 962,204,539 | | 1,131,092,197 | |
| Less: Closing Stock | 419,058,450 | | 259,910,314 | |
| Material Consumed during the Year | | 543,146,089 | | 871,181,883 |
| Work-in Progress | | | | |
| Opening Stock | 203,682,240 | | 147,997,622 | |
| Less : Closing Stock | 214,143,191 | | 203,682,240 | |
| Increase /Decrease in WIP | | (10,460,951) | | (55,684,618) |
| Finished Goods | | | | |
| Opening Stock | 157,023,313 | | 57,561,740 | |
| Less : Closing Stock | 95,037,303 | | 157,023,313 | |
| Increase /Decrease in Finished Goods | | 61,986,010 | | (99,461,573) |
| Consumable Goods | | 53,549,423 | | 90,198,201 |
| | | 648,220,571 | | 806,233,893 |

| | | | | |
|---|--|-------------|--|-------------|
| O MANUFACTURING EXPENSES | | | | |
| Power & Electricity | | 39,302,473 | | 43,040,092 |
| Factory Rent | | 5,753,673 | | 6,876,574 |
| Salary & Labour Charges | | 72,745,539 | | 63,762,657 |
| leave Encashment Charges | | - | | 405,607 |
| Repair & Maintenance Machinery | | 6,013,019 | | 3,245,127 |
| Freight & Cartage | | 18,556,908 | | 41,118,029 |
| Processing & Job work charges | | 37,607,743 | | 41,740,094 |
| Water Charges | | 2,550 | | - |
| Vehicle Running & Maintenance (Occanic) | | 3,059,391 | | |
| Ware House Charges | | 507,221 | | |
| Rent on Genset | | 3,310,200 | | 2,936,600 |
| | | 186,858,717 | | 203,124,780 |

| | | | | |
|--|--|------------|--|------------|
| P SELLING & DISTRIBUTIVE EXPENSES | | | | |
| Freight Outward | | 28,291,975 | | 41,670,234 |
| Travelling Expenses | | | | |
| - Domestic | | 4,748,935 | | 3,443,961 |
| - Foreign | | 1,480,421 | | 2,489,119 |
| Shipping & Forwarding | | 1,508,417 | | 1,757,647 |
| ECCG Premium | | 2,809,556 | | 3,170,646 |
| Warranty Expenses | | - | | 292,317 |
| Business Promotion Expenses | | 2,052,533 | | 2,238,398 |
| Branch office & Godown Rent | | 3,520,433 | | 2,489,152 |
| Salary to sales Personnel & Other Expenses | | 8,574,657 | | |
| Discount, Commission & Brokerage | | 2,668,067 | | 960,819 |
| Advertisement Expenses | | 1,134,345 | | 703,990 |
| Foreign Consultancy Charges | | 1,864,683 | | 4,159,282 |
| | | 58,654,022 | | 63,375,565 |

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

| | Year ended 31.03.2009 | Year ended 31.03.2008 |
|--|--------------------------|--------------------------|
| Q ADMINISTRATIVE EXPENSES | | |
| Audit Fees | 393,260 | 393,260 |
| Conveyance | 4,388,807 | 5,163,346 |
| Donation | 1,099,801 | 194,139 |
| Gratuity & Compensation Paid | 46,987 | 59,631 |
| Listing / Filing Fees | - | 282,855 |
| Membership Fees/subscription/registration | 712,316 | 571,301 |
| Prior Period Expenses | 1,881,577 | 1,138,208 |
| Miscellaneous Expenses | 2,452,621 | 1,774,717 |
| News Papers & Periodicals | 59,847 | 122,882 |
| Office Rent | 274,000 | 1,110,227 |
| Postage & Courier | 470,628 | 721,013 |
| Printing & Stationery | 1,472,282 | 2,307,008 |
| Bank Commission & Expenses | 5,169,257 | 5,638,617 |
| Service Tax on Freight | 845,161 | 975,064 |
| Remuneration to Director | 1,200,000 | 1,200,000 |
| Rates & Taxes | 3,550,421 | 2,382,851 |
| Shares Buy back Expenses | 68,203 | - |
| Repair & Maintenance | | |
| - For Vehicles | 3,582,829 | 2,134,071 |
| - For computer | 226,943 | - |
| - For Commercial Vehicles | 139,320 | - |
| Festival Exp | 1,164,299 | 1,169,245 |
| Insurance Charges | 3,576,388 | 3,386,390 |
| Medical Expenses | 164,544 | 285,493 |
| Legal, Professional & consultancy charges | 2,598,972 | 2,535,859 |
| Recruitment Exp | 229,158 | 118,995 |
| Security Charges | 342,048 | 281,992 |
| Short & Excess Charges | 62,491 | 183,890 |
| Staff Bus | 1,096,942 | 1,001,122 |
| Staff Welfare | 2,333,459 | 3,291,828 |
| Interest on Vehicles Loan | 1,612,340 | 1,358,171 |
| Interest on Commercial Vehicles loan (Running on Hire) | 1,725,534 | - |
| Expenses for running of Transportation business | 171,207 | - |
| Guest House Expenses | 710,037 | - |
| Reverse Input credit on Stock Transfer | 594,940 | - |
| Difference in Foreign Exchange | 11,172,842 | (18,150,143) |
| Loss on Sale of Machinery | 9,000 | - |
| Telephone Exp. | 4,130,730 | 4,379,383 |
| | 59,729,191 | 26,011,416 |
| R FINANCIAL EXPENSES | | |
| Interest on Term Loan | 16,951,934 | 22,317,896 |
| Interest on FCCB | 28,488,895 | 10,989,555 |
| Interest on GNIDA | 365,044 | - |
| Interest on FBD, Packing Credit & Others | 105,752,298 | 67,762,561 |
| | 151,558,171 | 101,070,012 |

Schedules forming part of the Profit and Loss Account

(Amount in Rs.)

| | Year ended 31.03.2009 | Year ended 31.03.2008 |
|---|--------------------------|--------------------------|
| S PRELIMINARY EXPENSES WRITTEN OFF | | |
| Preliminary Expenses written off | 327,499 | 292,309 |
| Issue Expenses written off | 359,449 | 359,442 |
| Merger Expenses written off | 256,104 | 255,985 |
| FCCB Expenses written off | 4,196,271 | 4,196,271 |
| Pre-operative Expenses written off | 5,074,140 | 5,102,746 |
| Business promotion written off | 481,276 | 492,252 |
| Research & Development Cost written off | 12,210,976 | 6,912,268 |
| | 22,905,715 | 17,611,273 |

T SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concepts

The accounts are prepared under historical cost convention, on accrual basis of accounting, in accordance with generally accepted accounting principles in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Revenue Recognition

- Sales are recognised upon dispatch of goods from factory against firm orders.
- For other incomes, the Company follows the accrual basis of accounting.
- The dividend income is accounted for as and when received.

3. Export Incentives

The same are booked as income on the basis of claim accrued in favour of the Company.

4. Fixed Assets

Fixed assets are stated at historical cost of acquisition or construction and include all other incidental expenses related to acquisition and any attributable cost of bringing the asset to its working conditions for its intended use.

Advances paid toward acquisition of fixed assets and the cost of assets not ready to be put to use before the year end are disclosed under Capital Work in progress.

5. Depreciation

Depreciation has been provided on straight line method basis as per the rates specified in Schedule VI of the Companies Act, 1956.

6. Borrowing Costs

Borrowing cost attributable to the acquisition, construction or production of an assets are capitalised as part of the cost of that asset. Borrowing cost, Interest on Term Loan, which are not related to fixed assets, are recognised as an expense in the period in which they are incurred.

7. Investments

Investments in the nature of long-term are stated at cost of acquisition. Provision by decline in value, other than temporary, is made on the basis of market quotations whenever available.

8. Valuation of Inventories

- Raw Materials, Stores and Packaging Materials are valued at lower of cost or net realisable value.
- Work in Progress has been valued at Cost of Raw Materials plus 50% of cost of Production.
- Finished Goods are valued at sale price less selling and distribution expenses & profits.
- Excise duty on finished goods lying in factory is accounted for on removal of goods since such liability arises only if they are sold in Domestic Tariff Area.

Schedules forming part of the Accounts

T SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

9. Preliminary & Pre operative Expenses

Preliminary & Preoperative Expenses of period prior to year 2005-06 is written off over a period of ten years. Preliminary Expenses and Preoperative Expenses incurred during the year 2005-06 and later on are being amortised over a period of five years.

10. Research and Development

Revenue expenditure incurred on Research & Development is charged to Profit & Loss Account of the year in which it is incurred, except for development costs which relate to the design and testing of new or improved materials, products or processes which are recognised as an asset to the extent that it is expected that such assets will generate future economic benefits. The expenses incurred prior to year 2005-06 is written off over a period of ten years and the expenses incurred during the year 2005-06 and later on are amortised over a period of five years.

11. Employee Benefits

All short term employee benefit plan such as salaries, wages, bonus, special award and medical benefits which fall due within 12 months of the period in which the employee render the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to profit and loss account .

The Company has established retirement benefits in the form of Gratuity fund with the Life Insurance of India whose premium is calculated on the basis of actuarial valuation, carried out by an independent actuary as at the balance sheet for the year ended 31st March 2008.

Contribution to the provident funds are made monthly at a predetermined rate to the Regional Provident fund Commissioner and debited to profit and loss account on an accrual basis.

12. Foreign Currency Transaction

Transaction in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. As the Foreign bills got discounted with bank AS-11 is not applicable in case of the Company. Foreign currency assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognised in the Profit & Loss Account, except those relating to acquisition of Fixed assets which are not put to use till year end as the same are adjusted in the cost of fixed assets.

In view of Amendment and Postponement of Accounting Standard -11, the Company has not given the effect of foreign exchange fluctuation on the foreign currency loans taken and utilised by them for capital assets or their other long term liabilities and Assets in foreign currency. Further the corresponding figures of overseas subsidiary companies are converted in USD i.e 1USD =INR 40.12 being the foreign exchange rates prevailing at the end of last financial year.

As this amendment to AS-11 is applicable retrospectively from December-2006 and is to be implemented from March 2009 Quarter, the adjustment for the back dated effect or retrospective effect of the transaction difference on their foreign currency borrowing for the previous accounting years is pending for adjustment for transfer to general Reserve

13. Tax on Income

- a. Current tax is the amount of tax payable on taxable income for the year determined in accordance with the provisions of Income Tax Act, 1961.
- b. Deferred tax is provided on timing difference between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rate for continuing operations. Adjustment of deferred tax liability attributable to change in tax rate is shown in the profit and loss account as a part of the deferred tax adjustments for the period. Deferred tax assets are recognised only to the extent there is a reasonable certainty that the asset can be realised in future. Deferred tax assets such as MAT paid under section 115JB of Income tax act are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably /virtually certain (as the case may be) to be realised.
- c. Company provide for and discloses the FBT in accordance with the provision of the Income Tax Act, 1961.

14. Contingencies

Contingencies loss arising from claims, litigation, assessments, fines, penalties etc. are provided for when it is probable that a liability may be incurred, and the amount can be reasonably estimated and are disclosed by the way of notes to accounts in the basis of available information.

Schedules forming part of the Accounts

U NOTES TO THE ACCOUNTS

a. Contingencies and commitments

- | | |
|--|-----------------|
| i. Bank Guarantee is | Rs. 7,615,000/- |
| ii. Estimated amount of contract remaining to be executed on capital account and not provided (net of advances for capital goods Rs. 30,848,531) | Rs. 282,248,095 |
- iii. Difference of Mark to Market on Derivative Contracts pending as on 31st March 2009 amounts to Rs. 150.79 Lacs.
- iv. Company has deposited Work Contract Tax under composition scheme on account of payments made to their contractor B & B Growing which is still to be acknowledge by Sales tax department. In other case the additional liability of Rs. 2,378,155 comes to the Company.
- v. Claim against the Company not acknowledged:
Sales tax Liability of Rs. 81,560/- under appeal with Deputy Commissioner of Commercial Tax, Jaipur
- vi. There is a demand raised by the Income Tax Department against Company for Rs. 4,272,701/- under section 143(3) for the assessment year 2000-01. This demand is pending in an appeal in court of Hon'ble Delhi High Court.
- vii. There is a Demand of Rs. 1273020/- On account of Stamp duty payable for their premises at 19, Udyog Vihar, Greater Noida. The appeal for the same is pending before Revenue Board, Allahabad (U.P.)
- viii. The Company has written off USD 384,507.21 equivalent to INR 19,033,107/- on account of claim receivable from Guandong Fuwa Engineering Manufacturing Co. Ltd.
- ix. The Company has taken a Derivative agreement Keeping FCCB as the underline from Yes Bank Ltd. As per the term sheet dated 25th October 2007 ANG has received an amount of Rs. 3,950,000 due to happening of Trigger event A i.e USD/ JPY at either 113.50 or 114.50. This is an European knock out and European option where in Trigger event B happens i.e USD/ JPY trades at or above 116, then the structure get knocked out without any obligation on the part of ANG. However , if JPY trades I the date of Maturity i.e 27th April 2010 above 97, there is no outflow on the part of ANG. The derivative has a further term that if spot rate of Yen on the date of Maturity is 97 or below, then ANG will buy 10 million USD at the fixed rate of JPY 114.The JPY as on the date of Balance sheet is 98.43 and Contingent liability on USD /JPY derivative as on 31st March 2009 comes to Rs. 76,119,089.90
- b. Debit and Credit Balances appearing under the head current liabilities, sundry debtors and loans and advances are subjected to confirmation / reconciliation. The Company does not have intimation/information on creditors with respect to their SSI registration; hence requisite figures are not given.
- c. In the opinion of the Management, the value on realisation of current assets, loan and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
- d. During the month of May 2007, the Company has issued the Foreign Currency convertible bonds amounting to USD 12 Million. The offer is FCCB with Zero Coupon rate bonds shall be redeemed on maturity date at the redemption amount being equal to 123.36% of the principal of the principal amount giving a yield to maturity of 7.25% per annum compounded annually. The bonds are fully convertible within three years from the date of issue and the minimum rate for conversion will be Rs. 302/- per share. However, the bonds which are not converted within the same period shall be redeemed at Maturity.
- During the year the Company has made an advance to its fully owned subsidiary Company i.e ANG Auto (U.K.) Limited for purchase of FCCB from the investors. The U.K. subsidiary is holding 700 Bonds of face value USD 10,000 each, out of the total FCCB of 1,200 bonds issued by the Company. These bonds are due to be cancelled for which necessary formalities are to be undertaken.
- e. During the Year under review , the Company purchased / buy-back its 750000 Equity shares of face value of Rs. 10 each from the existing shareholders, at an average price Rs.52.23 per equity shares which was for an amount not exceeding 25% of the equity capital and free reserves of the Company as on 31st March 2007. The total funds utilised for this purpose was Rs. 39,174,024.76 (including Brokerage expenses) financed out of the free reserves and / or share premium account of the Company. The Company has written off Rs.31,584,859.03 out of its share premium account on account of Share Premium paid for buy back of shares.
- f. Investment in the Subsidiary company in United Kingdom :
The Company has invested USD 3,617,295 which is equivalent to INR 145,125,890/- to a wholly owned overseas subsidiary i.e ANG Auto (U.K.) Limited.

Schedules forming part of the Accounts

U NOTES TO THE ACCOUNTS (Contd.)

- g. Investment in the Subsidiary company in Hongkong :
The Company has invested USD 12909 which is equivalent to INR Rs. 517,909/- to a wholly owned overseas subsidiary i.e ANG Auto (Hongkong) Limited. The Company has invested HKD 10000, which is equivalent to USD 1,282 for purchase of Shares and invest USD 11,627 equivalent to INR 4,66,475/- as Loans and advances to fully owned subsidiary company.
- h. The stock has been taken as per inventories valued and certified by the Management of the Company.
- i. The Company is manufacturing Engineering goods for Automobiles. This constitutes as one segment, based on the guiding principles given in Accounting Standard AS-17 issued by The Institute of Chartered Accountants of India. The component of other segment constitute to less than 10% hence, segment reporting is not applicable.
- j. The Company has revalued its assets during the financial year 2002-03 and create a revaluation reserves of Rs. 7,598,404. The Depreciation on these assets comes to Rs. 360,924/- p.a. and the same is being adjusted from revaluation reserve fund .
- k. The Company has taken key-man insurance policies to insure the loss of profit on non-availability of Managing Director's services to the Company.
- l. **Transaction in Foreign Currency :**
- Foreign Consultancy (Including paid for Development of new Business) USD 88,533.07 equivalent INR Rs. 4,157,709 (Previous year Rs. 41,59,282/-)
 - Foreign Tour & Travelling GBP 12,200, Euro 2000 & USD 15,650 equivalent to INR 1,810, 520 (previous Year 1,578,444/-)
 - Bank Charges on Bank account maintain in Foreign Currency amounted to USD 83.95, Euro 53.95 and GBP 35.25 equivalent INR 9920.72 (previous Year Rs. 20644/-)
 - During the year funds amounted to Euro 1,891,467.84, USD 500,000 equivalent to INR 141,719,767/- transfer from FCCB account to India and utilised for purchase of Capital goods.
 - Investment in Subsidiary Companies USD 3,630,204 equivalent INR 145,643,799/-.
- m. Earning in Foreign Currency: USD 10,764,455, GBP 1,107,107 and Euro 274,686, equivalent INR 605,083,031 (Previous Year 594,768,015/-)
Interest on Fixed deposits In foreign Exchange : USD 8030.99, Euro 211544.20 equivalent to INR 1,37,37,825.46
- n. There was import of raw materials during the year amounting to USD 2524257.30 equivalent to INR 10,71,52,672/-.

| o. Payment to Auditors | Current Year | Previous Year |
|------------------------------------|---------------|---------------|
| Statutory Audit & Tax audit Fees | Rs. 393,260/- | Rs.393,260/- |
| Certification charges / other fees | Rs. 30,010/- | Rs.12,359/- |

p. **List of related parties (As certified by the management)**

Investing party in respect of which the reporting enterprises is an associate.

- Enterprises in which Key : ANG Automotive Industries (P) Ltd.
Personnel have substantial Interest : ANG Forgings (P) Ltd.
: ANG Automotive Components (P) Ltd.
: ANG Logistics Pvt. Ltd.
: Angle Fashions Pvt. Ltd.
: GJC Global International Business Inc.
: Krisp Auto & General credit Pvt. Ltd.

- Wholly owned overseas Subsidiary Companies : ANG Auto (U.K.) Ltd.
: ANG Auto (Hongkong) Ltd.

- Individual having significant influence : Mr. Premjit Singh
Over the Company : Mr. Manoj Gupta

Schedules forming part of the Accounts

U NOTES TO THE ACCOUNTS (Contd.)

q. Related Party Transaction :

During the period, the Company has entered into transaction with following related parties. The balances of these related parties as at 31st March 2009 and the aggregate of transactions for the period then ended are presented herein below :

| Name of related Party | Transaction | Amount |
|--|---|-------------------|
| ANG Automotive Component Industries (P) Ltd. | Advance paid for purchase of Property | Rs. 84,781,500/- |
| ANG Auto (U.K.) Ltd. | Unsecured Loan to Subsidiary Company | Rs. 145,125,890/- |
| ANG Auto (Hongkong) Limited | Unsecured Loan to Subsidiary Company | Rs. 466,475/- |
| ANG Auto (Hongkong) Ltd. | Investment in Share Capital of Subsidiary Company | 51,434/- |

Summary of Transaction in other accounts of Related parties :

| | Opening Balance | Debit | Credit | Closing Balance |
|--|-----------------|-----------|---------|-----------------|
| Premjit singh Chadha | 367,143 Cr. | 1,232,575 | 899,200 | 33,768.82 Cr. |
| Advance for purchase of property at Bhiwadi (ANG Forgings Pvt. Ltd.) | 16,538,882 Dr. | - | - | 16,538,882 Dr. |
| ANG Logistic Pvt. Ltd. | - | 948,435 | 780,000 | 168,435 Cr. |

Managerial Remuneration

| | |
|-------------------|-----------------|
| Mr. Premjit Singh | Rs. 1,200,000/- |
| Mr.O.P.Sharma | Rs. 294,400/- |

- r. In Compliance with Accounting Standard-22 relating to "Accounting for taxes on Income" issued by The Institute of Chartered Accountants of India, the Company has adjusted the deferred tax liability (net) arising out of timing difference for the period upto 31st March 2009 with the Balance of Deferred Tax Liability (Net) accruing during the year aggregating to Rs. 11,078,038/- has been recognised in the Profit and Loss Account.

Major components of Deferred Tax Assets and Liabilities arising on account of timing difference are :

| Item | Amount as per Books of Accounts | Amount allowable as per Income Tax | Difference | |
|--|---------------------------------|------------------------------------|---------------------|--------------------------|
| | | | Deferred Tax Assets | Deferred Tax Liabilities |
| Depreciation | 26,928,373 | 48,842,342 | - | 21,913,969 |
| Research & Development Exp Written off | 7,529,103 | 18,022,273 | - | 10,493,170 |
| Interest Payable on Loan from GNIDA | 365,044 | - | - | 365,044 |
| Total Difference in Taxable Income / Loss | | | | 32,772,183 |
| Deferred Tax Liabilities upto 31-03-2008 | | | | 2,080,592 |
| Deferred Tax Liabilities during the year | | | | 11,078,038 |
| Total Deferred Tax Liabilities upto 31-03-2009 | | | | 13,158,630 |

Schedules forming part of the Accounts

U NOTES TO THE ACCOUNTS (Contd.)

(Amount in Rs.)

| s. Details of Capacity Utilisation Particulars | Year ended 31.03.2009 | Year ended 31.03.2008 |
|---|--------------------------|--------------------------|
| Installed Capacity | | |
| Spindles, Gears, Slack Adjusters, Brake Assemblies, Drop Forged Stub Axle Forging (Machined) (Semi-Finished), Alloy Steel Forging (Machined)- Drop Forged, Stub Axle Forging (Machined), Differential Spider, Dummy Trailer, Axles, Automatic Slack Adjuster. | 5,693,600 | 5,693,600 |
| Actual Production | | |
| Spindles, Gears, Slack Adjusters, Brake Assemblies, Drop Forged Stub Axle Forging (Machined) (Semi-Finished), Alloy Steel Forging (Machined)- Drop Forged, Stub Axle Forging (Machined), Differential Spider, Dummy Trailer, Axles, Automatic Slack Adjuster | 2,837,579 | 3,542,966 |
| Capacity Utilisation (on annualised basis) | | |
| Spindles, Gears, Slack Adjusters, Brake Assemblies, Non-Alloy, Steel Forging (Machined)-Drop Forged Stub Axle Forging (Machined) (Semi-Finished), Alloy Steel Forging (Machined)-Drop Forged, Stub Axle Forging (Machined) | 49.84% | 62.22% |
| Turnover & Stock (Rupees) | | |
| Opening Stock | 620,615,867 | 351,154,852 |
| Sales | 1,113,690,117 | 1,262,397,272 |
| Closing Stock | 728,238,944 | 622,695,987 |

t. Previous year figures have been regrouped and rearranged wherever considered necessary

This is the Balance Sheet referred to report in our even date attached

For Sandesh Jain & Co.

Chartered Accountants

Sandesh Jain

Proprietor

Membership No: 087316

Place: New Delhi

Dated: 30th June 2009

Premjit Singh

Managing Director

Sanjay Garg

Director

Arun Jain

CFO

G.S. Jolly

Director

Manoj Gupta

Director

Rajiv Malik

Company Secretary

Cash Flow Statement

For the year ended 31st March 2009

(Amount in Rs.)

| | Year ended 31.03.2009 | | Year ended 31.03.2008 | |
|---|--------------------------|----------------------|--------------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax and extraordinary item but after FBT | | 1,284,892 | | 185,539,266 |
| Adjustments | | | | |
| Depreciation Provision | 42,757,816 | | 35,503,910 | |
| Miscellaneous expenditure written off | 22,905,715 | | 17,611,273 | |
| Leave Encashment Expense | - | | 405,607 | |
| Loss on sale of assets | 9,000 | | - | |
| Operating profit before working capital changes | | 66,957,423 | | 239,060,056 |
| Adjustment for working capital changes | | | | |
| Decrease / (Increase) in Inventories | (107,623,077) | | (269,461,015) | |
| Decrease / (Increase) in Debtors | 120,506,413 | | (56,836,695) | |
| Decrease / (Increase) in Loans & Advances | 11,491,360 | | 33,188,057 | |
| (Decrease) / Increase in Current Liabilities (net of Provisions of tax, Proposes dividend, Provision for dividend Tax | (25,340,125) | | 68,278,587 | |
| Cash from Operations | | 65,991,994 | | 14,228,990 |
| Less: Income tax, Fringe benefit tax paid during the year | | (8,059,398) | | (25,200,475) |
| Net Cash from Operations Activities | | 57,932,596 | | (10,971,485) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Addition to fixed Assets | (109,362,012) | | (228,597,515) | |
| Capital Work in Progress | (63,863,429) | | (104,339,455) | |
| Misc. expenses incl. Research & Development etc. incurred during the year | (26,430,680) | | (35,872,007) | |
| Sale of Fixed Assets | 832,600 | | - | |
| Purchase of Investments | (145,643,999) | | - | |
| receipts from share warrants | | 1,418,750 | | |
| Share Premium Account | (31,584,659) | | 36,887,500 | |
| Refund of Share application Money | (7,500,000) | | - | |
| Net Cash from Investing Activities | | (383,552,179) | | (330,502,727) |

Cash Flow Statement (Contd.) For the year ended 31st March 2009

(Amount in Rs.)

| | Year ended 31.03.2009 | | Year ended 31.03.2008 | |
|---|--------------------------|--------------------|--------------------------|--------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from borrowing | 37,565,321 | | 344,837,945 | |
| Proceeds from Unsecured Loans | (6,554,688) | | 407,316,673 | |
| Payment of Dividend including Dividend Tax | - | | (27,895,175) | |
| Net Cash from Financing Activities | | 31,010,633 | | 724,259,443 |
| Total increase / (decrease) in Cash and cash equivalent | | | | |
| Cash equivalents during the year (A+B+C) | | (294,608,950) | | 382,785,231 |
| Cash & Cash equivalents at the beginning of the year | | 484,024,741 | | 93,681,629 |
| Cash & Cash equivalents at the beginning of the year with ANG Autotech (P) Limited now merged with ANG Auto Limited | | - | | 7,297,881 |
| Margin Money for LC as on 31.03.2007 is regrouped | | - | | 260,000 |
| Cash & Cash equivalents at the end of the year (31.03.2009) | | 189,415,791 | | 484,024,741 |

For Sandesh Jain & Co.
Chartered Accountants

Sandesh Jain
Proprietor
Membership No: 087316

Premjit Singh
Managing Director

Arun Jain
CFO

Manoj Gupta
Director

Place: New Delhi
Dated: 30th June 2009

Sanjay Garg
Director

G.S. Jolly
Director

Rajiv Malik
Company Secretary

Auditors' Certificate

To
The Board of Directors
ANG Auto Limited
1C/13, New Rohtak Road
Karol Bagh,
New Delhi - 110 005

We have examined the attached Cash Flow Statement of M/s ANG Auto Limited for the period ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement signed with the Stock Exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date to the members of the Company.

For Sandesh Jain & Co.
Chartered Accountants

Place: New Delhi
Dated: 30th June 2009

Sandesh Jain
Proprietor
Membership No: 087316

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

1. Registration Details

CIN No. L51909DL1991PLC045084 State Code 5 5
 Balance Sheet Date 3 1 0 3 2 0 0 9

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue N I L Rights Issue N I L
 Bonus Issue N I L Private Placement N I L
 Conversion of Convertible Share Warrants N I L

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 2 3 8 1 0 3 4 Total Assets 2 3 8 1 0 3 4

Sources of Funds

Paid-up Capital 1 2 5 4 0 0 Reserves & Surplus 7 2 0 9 6 2
 Convertible Share Warrant N I L Secured Loans 1 0 3 6 0 9 0
 Unsecured Loans 4 8 5 4 2 4 Deferred Tax Liabilities 1 3 1 5 8

Application of Funds

Net Fixed Assets 7 5 9 8 5 9 Capital Work in Progress 2 5 2 3 3 3
 Investments 1 4 5 6 4 4 Net Current Assets 1 1 5 9 1 7 0
 Misc. Expenditure 6 4 0 2 7 Accumulated Losses N I L

4. Performance of the Company (Amount in Rs. Thousands)

Turnover 1 1 7 1 9 6 9 Total Expenditure 1 1 7 0 6 8 4
 +/- Profit/Loss Before Tax + 1 2 8 5 +/- Profit/Loss Before Tax + 1 0 8 9
 Earning per share in Rs-Basic Dividend Rate % N I L

5. General Name of Three Principal Product/Services of the Company (As per Monetary terms)

| Product Description | ITC Code |
|-------------------------------|-------------------|
| Automotive Components | 8 7 0 8 . 0 0 |
| Ferrous Waste & Scraps | 7 2 0 4 . 0 0 |
| Finished/Semi Finished Steels | 7 3 2 6 9 0 1 5 0 |

Section 212

Statement Pursuant to Section 212 of Companies Act, 1956

| | | |
|--|--|--|
| 1. Name of the Subsidiary Company | ANG AUTO (U.K.) LIMITED | ANG AUTO (HONGKONG) LIMITED |
| 2. Financial Year of the Subsidiary Company ended on | 31st March 2009 | 31st March 2009 |
| 3. Numbers of shares in the subsidiary company held by ANG Auto Ltd. at above date | Two | 10,000 Shares of HKD 1/- Each |
| Extent of the holdings | 100% | 100% |
| 4. Net aggregate amount of profits/(losses) of subsidiary's company so far it concerns the members of ANG Auto Limited | | |
| a) Not dealt with in the accounts of ANG Auto Limited | | N.A. |
| i) For the subsidiary's financial year ended 31st March 2009 | | |
| ii) For the previous financial years of subsidiary since it became subsidiary of ANG Auto Limited | Nil | |
| b) Dealt with in the accounts of ANG Auto Limited | | |
| i) For the subsidiary's financial year ended 31st March 2009 | Rs. 505,641/- | Loss Rs. 340,137/- |
| ii) For the previous financial years of subsidiary since it became subsidiary of ANG Auto Limited | ANG Auto Ltd. Acquires shares in Subsidiaries Co. during the financial Year 2008-09 only | ANG Auto Ltd. Acquires shares in Subsidiaries Co. during the financial Year 2008-09 only |
| ANG Auto Ltd. Acquires shares in Subsidiaries Co. during the financial Year 2008-09 only. | | |
| Change in the interest of ANG Auto Limited between the end of the subsidiary's Financial Year ended on 31st March 2009 | Nil | Nil |
| Nos. of Shares acquired | Nil | Nil |
| Material changes between the end of the subsidiary's financial year ended on 31st March 2009 | Since the closing date of Parent Co. and Subsidiary Co. are same, the same is not applicable | Since the closing date of Parent Co. and Subsidiary Co. are same, the same is not applicable |
| i) Fixed Asset | Nil | Nil |
| ii) Investments | Nil | Nil |
| iii) Moneys lent by the subsidiary | Nil | Nil |
| iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities | Nil | Nil |

For Sandesh Jain & Co.
Chartered Accountants

Sandesh Jain
Proprietor
Membership No: 087316

Place: New Delhi
Dated: 30th June 2009

Premjit Singh
Managing Director

Sanjay Garg
Director

Arun Jain
CFO

G.S. Jolly
Director

Manoj Gupta
Director

Rajiv Malik
Company Secretary

Balance Sheet As at 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| Schedules | | Value in INR INR |
|---|---|-----------------------|
| A SOURCES OF FUNDS | | |
| Share Holder Fund | | |
| a) Share Capital Accounts | A | 160.48 |
| b) Reserve & Surplus | B | 20,286,316.92 |
| Unsecured Loans | | |
| From Parent Company (ANG Auto Ltd. India) | | 145,125,875.40 |
| Sundry Creditors | | |
| Elara Capital PLC | | 802,400.00 |
| | | 166,214,752.80 |
| B APPLICATION OF FUNDS | | |
| Investment | C | 161,559,228.00 |
| Current Assets, Loans & Advances | D | 4,357,192.48 |
| Preliminary Expenses | E | 298,332.32 |
| | | 166,214,752.80 |

Profit and Loss Account For the year ended 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| Schedules | | Value in INR INR |
|----------------------------------|---|----------------------|
| INCOME | | |
| Incomes | F | 20,360,900.00 |
| | | 20,360,900.00 |
| EXPENDITURE | | |
| Misc. Expenses Written off | G | 74,583.08 |
| | | 74,583.08 |
| Profit Before Taxes | | 20,286,316.92 |
| Balance carried to Balance Sheet | | 20,286,316.92 |

Schedules forming part of Balance Sheet As at 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| | Value in INR INR |
|---|---------------------|
| A SHARE CAPITAL | |
| Authorised Capital (1,000 GBP, equivalent to USD 2,000) | 80,240.00 |
| Paid up Share Capital Share Capital (2 GBP equivalent to USD 4) | 160.48 |
| | 160.48 |
| B RESERVE & SURPLUS | |
| Profit & Loss Account (Balance as per Profit & Loss Account) | 20,286,316.92 |
| | 20,286,316.92 |
| C INVESTMENT | |
| ANG Auto Ltd 0% CNV BDS (700 Bonds of \$10,000 each) | 141,198,328.00 |
| Accrued Interest on Investment in Bonds | 20,360,900.00 |
| | 161,559,228 |
| D CURRENT ASSETS | |
| 1) Loans & Advances Merrill Lynch investment | 4,357,032.00 |
| 2) Cash in hand | 160.48 |
| | 4,357,192 |
| E PRELIMINARY EXPENSE NOT WRITTEN OFF | |
| Preliminary expense not written off | 298,332.32 |
| | 298,332 |

Schedules forming part of Profit and Loss Account

For the year ended 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| | Value in INR INR |
|---|---------------------|
| F INDIRECT INCOME | |
| Interest on Bond | 20,360,900.00 |
| | 20,360,900.00 |
| G Preliminary EXPENSES WRITTEN OFF | |
| Preliminary Expenses written off | 74,583.08 |
| | 74,583.08 |

Schedules forming part of the Accounts

H SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concepts

The accounts are prepared under historical cost convention, on accrual basis of accounting, in accordance with generally accepted accounting principles.

2. Revenue Recognition

- For Income on Investments, the Company follows the accrual basis of accounting.
- The dividend income is accounted for as and when received.

3. Fixed Assets

Fixed assets are stated at historical cost of acquisition or construction and include all other incidental expenses related to acquisition and any attributable cost of bringing the asset to its working conditions for its intended use.

There are no fixed assets in the Company as on the date of Financial Statements.

4. Depreciation

Since the Company does not have any Fixed assets as on the date of Financial statement, the same is not applicable in case of the Company.

5. Borrowing Costs

Borrowing cost attributable to the acquisition, construction or production of an assets are capitalised as part of the cost of that asset. Borrowing cost, Interest on Term Loan, which are not related to fixed assets, are recognised as an expense in the period in which they are incurred.

6. Investments

Investments in the nature of long-term are stated at cost of acquisition. Provision by decline in value, other than temporary, is made on the basis of market quotations whenever available.

7. Preliminary & Pre operative Expenses

Preliminary & Preoperative are being amortised over a period of five years.

8. As the parent Company has not given the effect of foreign exchange fluctuation on the foreign currency loans taken and utilise by them for capital assets or their long term liabilities and assets in foreign currency, due to Amendment and postponement of Accounting Standard-11. Therefore for the purpose of similarity in the financial statements all the figures of the concerned Company are converted in USD and valued on the basis of 1USD = INR 40.12 being the foreign exchange rates prevailing at the end of last Financial Year.

9. During the year the Company has made an investment of USD 3,519,400/- (Face value USD 7,000,000/-) for bought of 0% Convertible Bonds issued by Parent Company from the investors. These bonds are due to be cancelled for which necessary formalities are to be undertaken.

These funds have been provided by parent company and no interest has been provided on this amount during the period.

Balance Sheet As at 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| | | Schedules | Value in INR INR |
|----------------------------------|---|-----------|---------------------|
| A SOURCES OF FUNDS | | | |
| Share Holder Fund | | | |
| a) | Share Capital Accounts | A | 51,433.84 |
| b) | Reserve & Surplus | B | (340,137.36) |
| Unsecured Loans | | | |
| | From Parent company (ANG Auto Ltd. India) | | 466,478.85 |
| | | | 177,775.33 |
| B APPLICATION OF FUNDS | | | |
| Current Assets, Loans & Advances | | | |
| | Cash & Bank Balance | C | 177,775.33 |
| | | | 177,775.33 |

Profit and Loss Account For the year ended 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| | | Schedules | Value in INR INR |
|----------------------------------|-------------------------|-----------|---------------------|
| INCOME | | | |
| Sales & Other Incomes | | | |
| | | | — |
| EXPENDITURE | | | |
| | Administrative Expenses | D | 335,122.36 |
| | Financial Expenses | E | 5,015.00 |
| | | | 340,137.36 |
| Profit Before Taxes | | | (340,137.36) |
| Balance carried to Balance Sheet | | | (340,137.36) |

Schedules forming part of Balance Sheet As at 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| | | Value in INR INR |
|--|--|---------------------|
| A SHARE CAPITAL | | |
| Authorised Capital (10000 shares of HKD 1 Each) | | |
| Issued and Paid up share Capital (10000 shares of HKD 1 Each) | | 51,433.84 |
| | | 51,433.84 |
| B RESERVE & SURPLUS | | |
| Profit & Loss A/C (Balance as per Profit & Loss Account) | | (340,137.36) |
| | | (340,137.36) |
| C CASH & BANK BALANCES | | |
| Balance with Bank of Baroda (HK) | | 177,775.33 |
| | | 177,775.33 |

Schedules forming part of Profit and Loss Account For the year ended 31st March 2009

(All amounts are in Indian Rupees except share data or as stated)

| | | Value in INR |
|----------|---|--------------|
| | | INR |
| D | ADMINISTRATIVE EXPENSES | |
| | Legal, Professional & consultancy charges | 335,122.36 |
| | | 335,122.36 |
| E | FINANCIAL EXPENSES | |
| | Bank Charges FCCB | 5,015.00 |
| | | 5,015.00 |

Schedules forming part of the Accounts

F SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concepts

The accounts are prepared under historical cost convention, on accrual basis of accounting, in accordance with generally accepted accounting principles.

2. Revenue Recognition

- For Income on Investments, the Company follows the accrual basis of accounting.
- The dividend income is accounted for as and when received.

3. Fixed Assets

Fixed assets are stated at historical cost of acquisition or construction and include all other incidental expenses related to acquisition and any attributable cost of bringing the asset to its working conditions for its intended use.

There are no fixed assets in the Company as on the date of Financial Statements.

4. Depreciation

Since the Company does not have any Fixed assets as on the date of Financial statement, the same is not applicable in case of the Company.

5. Borrowing Costs

Borrowing cost attributable to the acquisition, construction or production of an assets are capitalised as part of the cost of that asset. Borrowing cost, Interest on Term Loan, which are not related to fixed assets, are recognised as an expense in the period in which they are incurred.

6. Investments

Investments in the nature of long-term are stated at cost of acquisition. Provision by decline in value, other than temporary, is made on the basis of market quotations whenever available.

However, there are no investment made by the Company as on date of Financial statements.

- ##### 7. As the parent Company has not given the effect of foreign exchange fluctuation on the foreign currency loans taken and utilise by them for capital assets or their long term liabilities and assets in foreign currency, due to Amendment and postponement of Accounting Standard-11. Therefore for the purpose of similarity in the financial statements all the figures of the concerned Company are converted in USD and valued on the basis of 1USD = INR 40.12 being the foreign exchange rates prevailing at the end of last Financial Year.

Auditors' Report on consolidated Financial statements

To

The Board of Directors of

ANG AUTO LIMITED

1. We have audited the attached consolidated Balance Sheet of ANG AUTO LIMITED and its subsidiaries as at 31st March 2009 and also the consolidated Profit & Loss Account and the consolidated Cash Flow Statement of the Company for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements and other financial information of the subsidiaries ANG Auto (U.K.) Limited and ANG Auto (Hongkong) Limited which has been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditor. The attached consolidated financial statements include share of profit of such subsidiaries of Rs. 1,99,46,180/- For the year ending 31st March 2009.
4. The consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 – Consolidate Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules 2006.
5. Without qualifying our opinion, we draw attention to note 13 of schedule-S to the Financial statements regarding converting the values of Financial Statements of subsidiaries Company In USD and evaluating the value of USD at the rates prevailing as on 31st March 2009 to nullifying the effect of foreign exchange fluctuation in view of amendment and postponement of Accounting standard – 11.
6. In our opinion and to the best of our information and according to the explanations given to us, the consolidated Financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of Consolidated Balance Sheet, of the Consolidated state of affairs of the ANG Group as at 31st March 2009;
 - b. In the case of consolidated Profit and Loss Account, of the Profit of the ANG group for the year ended on that date; and
 - c. In the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flows for the year ended on that date.

For Sandesh Jain & Co.
Chartered Accountants

Sandesh Jain
Proprietor

Place : New Delhi

Date :

Membership No. : 087316

Consolidated Balance Sheet As at 31st March 2009

(Amount in Rs.)

| | Schedules | As at | |
|--|-----------|----------------------|----------------------|
| | | 31.03.2009 | 31.03.2008 |
| SOURCES OF FUNDS | | | |
| Share Holder Fund | | | |
| Share Capital | A | 125,400,000 | 132,900,000 |
| Reserve & Surplus | B | 740,907,883 | 768,125,332 |
| Secured Loans | C | 1,036,089,774 | 998,524,453 |
| Unsecured Loans | D | 485,423,769 | 491,978,457 |
| Deferred Tax Liability | | 13,158,630 | 2,080,592 |
| | | 2,400,980,056 | 2,393,608,835 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | E | 883,281,544 | 774,761,127 |
| Less : Depreciation | | 123,422,598 | 80,303,853 |
| Net Fixed Assets | | 759,858,946 | 694,457,274 |
| Capital Work in Progress | | 252,332,765 | 188,469,336 |
| Goodwill arising on account of consolidation | | 38 | |
| Investment | F | 141,198,328 | - |
| Current Assets, Loans & Advances | | | |
| Inventories | G | 728,238,944 | 620,615,867 |
| Sundry Debtors | H | 322,495,562 | 443,001,975 |
| Cash & Bank Balance | I | 189,593,727 | 484,024,741 |
| Loans & Advances | J | 219,418,135 | 226,552,463 |
| | | 1,459,746,367 | 1,774,195,046 |
| Less: Current Liabilities & Provisions | K | 276,482,306 | 324,015,441 |
| | | 1,183,264,061 | 1,450,179,605 |
| Misc. Expenditure | L | 64,325,916 | 60,502,621 |
| (To the extent not written off or adjusted) | | | |
| Significant Accounting Policies | S' | | |
| Notes to Accounts | T | | |
| | | 2,400,980,056 | 2,393,608,835 |

The schedules referred to above and there on form an integral part of the consolidated financial statements.

As per our report attached

For Sandesh Jain & Co.

Chartered Accountants

Sandesh Jain

Proprietor

Membership No: 087316

Place: New Delhi

Dated: 30th June 2009

Premjit Singh

Managing Director

Sanjay Garg

Director

Arun Jain

CFO

G.S. Jolly

Director

Manoj Gupta

Director

Rajiv Malik

Company Secretary

Consolidated Profit and Loss Account For the year ended 31st March 2009

(Amount in Rs.)

| Particulars | Schedules | Year ended 31.03.2009 | Year ended 31.03.2008 |
|--|-----------|--------------------------|--------------------------|
| INCOME | | | |
| Sales & Other Incomes | M | 1,192,329,994 | 1,438,470,124 |
| Less: Adjustment arising on consolidation in respect of unrealised interest income on investments | | (20,360,900) | |
| | | 1,171,969,094 | 1,438,470,124 |
| EXPENDITURE | | | |
| Material consumed | N | 648,220,572 | 806,233,893 |
| Manufacturing Expenses | O | 186,858,717 | 203,124,780 |
| Selling & Distributive Expenses | P | 58,654,022 | 63,375,565 |
| Administrative Expenses | Q | 60,064,313 | 26,011,416 |
| Financial Expenses | R | 131,202,285 | 101,070,012 |
| Depreciation | E | 42,757,816 | 35,503,919 |
| Misc. Expenses Written off | | 22,980,298 | 17,611,273 |
| Significant Accounting Policies | S | | |
| Notes to Accounts | T | | |
| | | 1,150,738,022 | 1,252,930,858 |
| Profit Before Taxes | | 21,231,072 | 185,539,266 |
| Less : Provision for Income Tax | | 195,139 | 21,021,599 |
| Less : Fringe Benefit Tax | | 1,767,026 | 1,731,668 |
| Less : Provision for Deferred Tax Liabilities | | 11,078,038 | 8,319,768 |
| Add : Provision for Deferred Tax Asset (Mat paid) | | | 15,958,866 |
| | | 8,190,869 | 170,425,097 |
| Balance Brought Forward From Last Year | | 419,511,809 | 249,196,451 |
| Add: Short & Excess Provision of Tax & for Previous Year | | (3,462,737) | (109,742) |
| Balance carried to Balance Sheet | | 424,239,940 | 419,511,806 |
| Earning Per Share (Face value of Rs. 10/- per equity share) | | | |
| Basic before deferred Tax | | - | 13.96 |
| After deferred Tax | | | 12.82 |

The schedules referred to above and there on form an integral part of the consolidated financial statements.

As per our report attached

For Sandesh Jain & Co.

Chartered Accountants

Sandesh Jain

Proprietor

Membership No: 087316

Place: New Delhi

Dated: 30th June 2009

Premjit Singh

Managing Director

Sanjay Garg

Director

Arun Jain

CFO

G.S. Jolly

Director

Manoj Gupta

Director

Rajiv Malik

Company Secretary

Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

| | | As at 31.03.2009 | As at 31.03.2008 |
|--|--|---------------------|---------------------|
| A | SHARE CAPITAL | | |
| Authorised Share Capital | | | |
| 22,500,000 | Equity Shares of Rs. 10/- each | 225,080,240 | 225,000,000 |
| Issued & Subscribed and Paid Up Capital | | | |
| 12,540,000 | Equity Shares of Rs. 10/- each (Previous Year Rs. 13,290,000) | 125,400,000 | 132,900,000 |
| | (During the year 750,000 equity share @ 10/- each has been Purchased by company in the scheme of buyback at the total premium of Rs. 31,584,659) | | |
| | (567,500 equity shares of Rs. 10/- each issued at premium of Rs. 65/- each on conversion of Share Warrants) | | |
| | (1,387,500 shares Rs. 10/- each were issued to the Share Holders of ANG Autotech Pvt. Ltd. in ratio 74:100 in pursuant of Scheme of Merger approved by Hon'ble Delhi High Court) | | |
| | (312,500 Equity Shares of Rs. 10/- each issued to Share holders of erstwhile Share holders of ANG Auto Pvt. Ltd. Pursuant to its merger with the Company) | | |
| | | 125,400,000 | 132,900,000 |

| | | | |
|----------------------------------|---|-------------|-------------|
| B | RESERVE & SURPLUS | | |
| (A) General Reserve | | | |
| | Balance as Per Last account | 42,032,243 | 42,032,243 |
| | Addition during the year | - | 42,032,243 |
| (B) Share Premium A/c | | | |
| | on 4,552,500 Shares @ Rs. 65/- each (During the year Rs. 31,584,659 have been used for paying premium on buyback of 750,000 equity shares) | 264,327,841 | 295,912,500 |
| (C) Profit & Loss A/c | | | |
| | (Balance as per Profit & Loss Account) | 424,239,940 | 419,511,806 |
| (D) Revaluation Reserve | | | |
| | | 5,432,859 | 5,793,783 |
| (E) Capital Reserve | | | |
| | | 4,875,000 | 4,875,000 |
| | | 740,907,883 | 768,125,332 |

Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

| | | As at 31.03.2009 | As at 31.03.2008 |
|----------|---|----------------------|---------------------|
| C | SECURED LOAN | | |
| 1) | Foreign Bill Discounting | 252,078,845 | 263,572,552 |
| 2) | Packing Credit | 80,750,420 | 100,852,767 |
| 3) | Cash Credit limit | 278,163,630 | 385,482,868 |
| 4) | Short Terms Loan | - | 20,000,000 |
| 5) | Bank Over Draft | 180,934,822 | 6,036,316 |
| 6) | Term Loan (Repayable within one year Rs. 48,500,000) | 205,418,979 | 163,678,965 |
| 7) | Domestic Bill Discounted | - | 16,666,310 |
| 8) | Vehicle Loan from Banks | 29,825,474 | 30,365,619 |
| 9) | Amer Auto Corp. (U.S.A) Tooling Advance | 6,573,863 | 9,890,359 |
| 10) | Greater Noida Development Authority | 2,343,741 | 1,978,697 |
| | | 1,036,089,774 | 998,524,453 |

| | | | |
|--|---|--------------------|--------------------|
| D | UNSECURED LOAN | | |
| - | From Directors, Shareholders & Others (Interest Free) | 33,769 | 6,588,457 |
| - | Yes Bank Derivative account | 3,950,000 | 3,950,000 |
| Loans in books of Subsidiary Companies | | | |
| From parent Company ANG Auto Ltd. (India) | | | |
| | | 145,592,368 | |
| Less- Adjustments arising on consolidation | | | |
| | | (145,592,368) | |
| - | Foreign Currency Convertible Bonds | 481,440,000 | 481,440,000 |
| | | 485,423,769 | 491,978,457 |

| E | FIXED ASSETS | GROSS VALUE | | | | | DEPRECIATION | | | W D V | |
|--|------------------------|--------------|---------------------|--------------------------------|-------------------------|------------------------------------|--------------------------------|--------------------------------------|------------------------------|---------------------|---------------------|
| S. No. | Name of Asset | Rate of Dep. | As on 01.04.2008 | Addition during the year | Sale during the year | Total value As on 31.03.2009 | Balance As on 01.04.2008 | Depreciation during the period | Total As on 31.03.2009 | As on 01.04.2008 | As on 01.04.2009 |
| 1 | Land | 0.00% | 59,184,846 | - | - | 59,184,846 | - | - | - | 59,184,846 | 59,184,846 |
| 2 | Building | 3.34% | 122,284,474 | 8,766,807 | - | 131,051,281 | 7,994,939 | 4,318,617 | 12,313,556 | 114,289,536 | 118,737,726 |
| 3 | Furniture | 6.33% | 7,819,599 | 1,166,691 | - | 8,986,290 | 1,012,526 | 550,859 | 1,563,384 | 6,807,073 | 7,422,905 |
| 4 | Vehicle | 9.50% | 35,031,206 | 1,852,077 | - | 36,883,283 | 8,158,571 | 3,448,415 | 11,606,986 | 26,872,635 | 25,276,296 |
| 5 | Commercial Vehicle | 11.31% | 22,800,086 | 9,959,343 | - | 32,759,429 | 2,212,515 | 3,733,600 | 5,946,115 | 20,587,572 | 26,813,315 |
| 6 | Genset Canopy | 16.21% | 1,138,810 | 108,682 | - | 1,247,492 | 169,588 | 120,884 | 290,472 | 969,222 | 957,020 |
| 7 | Electrical Equipment | 7.42% | 18,018,401 | 435,811 | - | 18,454,212 | 1,118,468 | 1,209,494 | 2,327,962 | 16,899,933 | 16,126,250 |
| 8 | ETP Plant | 7.42% | 847,200 | 478,714 | - | 1,325,914 | 79,781 | 78,741 | 158,522 | 767,419 | 1,167,392 |
| 9 | Machine & Tools | 7.42% | 491,865,216 | 83,057,330 | 822,600 | 574,099,946 | 55,375,544 | 27,253,191 | 82,628,735 | 436,489,671 | 491,471,211 |
| 10 | Office Equipment | 7.42% | 4,343,252 | 1,297,333 | 19,000 | 5,621,585 | 803,000 | 340,052 | 1,143,052 | 3,540,252 | 4,478,533 |
| 11 | Computer & Accessories | 16.21% | 9,904,472 | 1,947,760 | - | 11,852,232 | 3,029,352 | 1,800,396 | 4,829,748 | 6,875,120 | 7,022,484 |
| 12 | Water Cooler | 6.33% | 99,571 | - | - | 99,571 | 10,075 | 5,422 | 15,497 | 89,496 | 84,074 |
| 13 | Mobile | 16.21% | 905,464 | 291,461 | - | 1,196,925 | 235,792 | 155,361 | 391,152 | 669,672 | 805,772 |
| 14 | Patent Right Exp | 20.00% | 518,539 | - | - | 518,539 | 103,708 | 103,708 | 207,416 | 414,831 | 311,123 |
| Total | | | 774,761,136 | 109,362,009 | 841,600 | 883,281,544 | 80,303,857 | 43,118,740 | 123,422,598 | 694,457,279 | 759,858,946 |
| Previous Year | | | 310,522,898 | 488,737,817 | 24,499,580 | 774,761,135 | 44,439,013 | 35,864,840 | 80,303,853 | 266,083,884 | 694,457,282 |
| Depreciation During the year | | | | | | | | | | | 43,118,740 |
| Adjustment for the Depreciation on Revalued Assets | | | | | | | | | | | 360,924 |
| Depreciation as Per Profit & Loss Account | | | | | | | | | | | 42,757,816 |

Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

| | As at | | As at | |
|---|------------|---------------|------------|---|
| | 31.03.2009 | | 31.03.2008 | |
| F INVESTMENTS | | | | |
| (Wholly Owned Overseas) | | | | |
| Investment in Non Trade and Un Quoted Shares | | | | |
| Investment in Wholly Owned Subsidiary Companies | | | | |
| ANG Auto (U.K.) Ltd | | | | |
| - SHARE CAPITAL | | 200 | | - |
| - Other Advances | | 145,125,890 | | - |
| Less- Adjustments arising on consolidation | | (145,126,090) | | |
| ANG Auto (Hongkong) Ltd | | | | |
| - SHARE CAPITAL | | 51,434 | | - |
| - Other Advances | | 466,475 | | - |
| Less- Adjustments arising on consolidation | | (517,909) | | |
| ANG Auto Ltd 0% cnv bonds (700 Bonds of \$10,000 Each) | | 141,198,328 | | |
| Accrued Interest on Investment in Bonds | | 20,360,915 | | |
| Less- Adjustments arising on consolidation | | (20,360,915) | | |
| | | 141,198,328 | | - |

Notes:

During the year the parent company invested in shares of ANG AUTO (U.K.) LTD. Amounted to GBP 2 which in equivalent to U\$D 4

During the year the parent company invested in shares of ANG AUTO (Hongkong) LTD. Amounted to HKD 10000 which in equivalent to U\$D 1282

| G INVENTORIES | | | | |
|---|-------------|-------------|-------------|-------------|
| (As taken valued and certified by management) | | | | |
| Raw Material | 419,058,450 | - | 259,910,314 | |
| Work in Progress | 214,143,191 | - | 203,682,240 | |
| Finished Goods | 95,037,303 | 728,238,944 | 157,023,313 | 620,615,867 |
| | | 728,238,944 | | 620,615,867 |

| H SUNDRY DEBTORS | | | | |
|---|-------------|-------------|-------------|-------------|
| (Unsecured, considered good, unless stated otherwise) | | | | |
| Over Six months | 85,066,228 | | 77,853,677 | |
| Others | 237,429,334 | 322,495,562 | 348,481,987 | 426,335,665 |
| Domestic Bills Receivables | | | | 16,666,310 |
| | | 322,495,562 | | 443,001,975 |

| I CASH & BANK BALANCES | | | | |
|---|--|-------------|--|-------------|
| Balances With Schedule Bank in Current Accounts | | 99,974,562 | | 23,712,373 |
| Yes Bank (Unpaid Dividend -I) | | 1,144,462 | | 2,200 |
| Yes Bank (Unpaid Dividend-II) | | 802,688 | | 1,347,732 |
| Bank of Baroda (U.K.) | | 177,775 | | |
| Balances With bank in Fixed Deposit Account | | 39,997,644 | | 435,573,620 |
| Cash In hand | | 47,496,596 | | 23,388,816 |
| | | 189,593,727 | | 484,024,741 |

Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

| | As at 31.03.2009 | As at 31.03.2008 |
|---|---------------------|---------------------|
| J LOANS & ADVANCE, SECURITIES & DEPOSITS | | |
| Security Deposits | 10,255,770 | 10,660,478 |
| Advance to Suppliers | 17,954,169 | 17,631,816 |
| Advances & Loans to Staff | 5,564,193 | 32,080,401 |
| Advance to Directors | 500,000 | - |
| Gratuity Fund | 1,926,649 | 1,123,797 |
| Advance for land at Bhiwadi | 16,538,882 | 16,538,882 |
| Other Advances & Export Claims | 42,253,957 | 50,055,278 |
| Advance for Land at Greater Noida | 80,636,813 | - |
| Accrued Interest on Fixed Deposit | 2,537,985 | 4,986,024 |
| Advance Income Tax | 2,500,000 | 12,500,000 |
| Excise Duty & Service Tax Receivable | 14,868,630 | 42,311,011 |
| TDS Receivables | 1,513,719 | 1,655,943 |
| Export Incentives Receivable | 16,237,154 | 32,501,186 |
| Prepaid Expenses | 3,448,454 | 2,263,859 |
| Vat receivable | 2,681,760 | 2,243,788 |
| | 219,418,135 | 226,552,463 |

| | | |
|---|--------------------|--------------------|
| K CURRENT LIABILITIES & PROVISIONS | | |
| CURRENT LIABILITIES | | |
| Sundry Creditors | | |
| Creditors for Consumables | 24,723,267 | 31,005,752 |
| Creditors for Raw Material | 108,062,309 | 170,014,196 |
| Creditors for Capital Goods | 8,703,971 | 4,607,335 |
| Creditors for Expenses | 29,390,534 | 44,548,306 |
| Advance from Customer | | |
| Advance From Customers | 33,489,132 | 4,682,867 |
| Unpaid Dividend | 1,947,150 | 1,349,932 |
| Custom Duty/ Service Tax Payable | 157,121 | 1,530,000 |
| PROVISIONS | | |
| Salary & Wages Payable | 4,948,271 | 4,436,043 |
| Provision for leave Encashment | 405,607 | 405,607 |
| ESI Payable | 103,323 | 107,680 |
| EPF Payable | 518,259 | 431,662 |
| Expenses Payable | 4,748,910 | 3,107,038 |
| TDS Payable | 375,070 | 912,001 |
| Sales Tax Payable | 5,695,485 | 4,609,522 |
| Income Tax payable (Demand) | 3,240,960 | |
| Provision for Loss on forward Contract | 3,453,055 | |
| Provision for Income Tax | 195,139 | 21,021,599 |
| Interest on FCCB Payable | 65,218,632 | 30,314,232 |
| Less: Adjustment arising on consolidation in respect of bonds hold by subsidiary company | (20,360,915) | |
| Fringe Benefit Tax Payable | 1,467,026 | 931,668 |
| | 276,482,306 | 324,015,441 |

Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

| | | As at 31.03.2009 | As at 31.03.2008 |
|----------|----------------------------------|---------------------|---------------------|
| L | MISCELLANEOUS EXPENDITURE | | |
| | Pre Operative Expense | 14,379,521 | 18,077,757 |
| | Preliminary Expenses | 799,390 | 1,220,454 |
| | FCCB Issue Expenses | 12,318,024 | 16,785,085 |
| | Issue Expenses | 720,674 | 956,661 |
| | Research & Development | 36,108,307 | 23,462,664 |
| | | 64,325,916 | 60,502,621 |

Schedules forming part of the Consolidated Profit and Loss Account

(Amount in Rs.)

| | | Year ended 31.03.2009 | Year ended 31.03.2008 |
|----------|--|--------------------------|--------------------------|
| M | SALES & OTHER INCOME | | |
| | Exports Sale & Incentives | 605,083,031 | 608,690,145 |
| | Domestic Sale | 536,762,722 | 822,314,088 |
| | Income from Transportation Business | 12,493,039 | - |
| | Interest received (TDS on interest received Rs. 1,224,039) | 17,379,760 | 7,162,915 |
| | Miscellaneous Income | 250,542 | 302,976 |
| | Interest on Bonds | 20,360,900 | |
| | Net Sales & Other Incomes | 1,192,329,994 | 1,438,470,124 |

| | | | |
|----------|---|---------------------|---------------------|
| N | MATERIAL CONSUMED | | |
| | Raw Material | | |
| | Opening Stock | 259,910,314 | 145,595,491 |
| | Purchase of Raw Material | 702,294,225 | 985,496,706 |
| | | 962,204,539 | 1,131,092,197 |
| | Less: Closing Stock | 419,058,450 | 259,910,314 |
| | Material Consumed during the Year | 543,146,089 | 871,181,883 |
| | Work-in Progress | | |
| | Opening Stock | 203,682,240 | 147,997,622 |
| | Less : Closing Stock | 214,143,191 | 203,682,240 |
| | Increase /Decrease in WIP | (10,460,951) | (55,684,618) |
| | Finished Goods | | |
| | Opening Stock | 157,023,313 | 57,561,740 |
| | Less : Closing Stock | 95,037,303 | 157,023,313 |
| | Increase /Decrease in Finished Goods | 61,986,010 | (99,461,573) |
| | Consumable Goods | 53,549,423 | 90,198,201 |
| | | 648,220,572 | 806,233,893 |

Schedules forming part of the Consolidated Profit and Loss Account

(Amount in Rs.)

| | Year ended 31.03.2009 | Year ended 31.03.2008 |
|---|--------------------------|--------------------------|
| O MANUFACTURING EXPENSES | | |
| Power & Electricity | 39,302,473 | 43,040,092 |
| Factory Rent | 5,753,673 | 6,876,574 |
| Salary & Labour Charges | 72,745,539 | 63,762,657 |
| leave Encashment Charges | - | 405,607 |
| Repair & Maintenance Machinery | 6,013,019 | 3,245,127 |
| Freight & Cartage | 18,556,908 | 41,118,029 |
| Processing & Job work charges | 37,607,743 | 41,740,094 |
| Water Charges | 2,550 | - |
| Vehicle Running & Maintenance (Occanic) | 3,059,391 | |
| Ware House Charges | 507,221 | |
| Rent on Genset | 3,310,200 | 2,936,600 |
| | 186,858,717 | 203,124,780 |

| | | |
|---|-------------------|-------------------|
| P SELLING & DISTRIBUTIVE EXPENSES | | |
| Freight Outward | 28,291,975 | 41,670,234 |
| Travelling Expenses | | |
| - Domestic | 4,748,935 | 3,443,961 |
| - Foreign | 1,480,421 | 2,489,119 |
| Shipping & Forwarding | 1,508,417 | 1,757,647 |
| ECGC Premium | 2,809,556 | 3,170,646 |
| Warranty Expenses | - | 292,317 |
| Business Promotion Expenses | 2,052,533 | 2,238,398 |
| Branch office & Godown Rent | 3,520,433 | 2,489,152 |
| Salary to sales Personnel & Other Expenses | 8,574,657 | |
| Discount, Commission & Brokerage | 2,668,067 | 960,819 |
| Advertisement Expenses | 1,134,345 | 703,990 |
| Foreign Consultancy Charges | 1,864,683 | 4,159,282 |
| | 58,654,022 | 63,375,565 |

| | | |
|---|-----------|-----------|
| Q ADMINISTRATIVE EXPENSES | | |
| Audit Fees | 393,260 | 393,260 |
| Conveyance | 4,388,807 | 5,163,346 |
| Donation | 1,099,801 | 194,139 |
| Gratuity & Compensation Paid | 46,987 | 59,631 |
| Listing / Filing Fees | - | 282,855 |
| Membership Fees/subscription/registration | 712,316 | 571,301 |
| Prior Period Expenses | 1,881,577 | 1,138,208 |
| Miscellaneous Expenses | 2,452,621 | 1,774,717 |
| News Papers & Periodicals | 59,847 | 122,882 |
| Office Rent | 274,000 | 1,110,227 |
| Postage & Courier | 470,628 | 721,013 |
| Printing & Stationery | 1,472,282 | 2,307,008 |
| Bank Commission & Expenses | 5,169,257 | 5,638,617 |
| Service Tax on Freight | 845,161 | 975,064 |

Schedules forming part of the Consolidated Profit and Loss Account

(Amount in Rs.)

| | Year ended 31.03.2009 | Year ended 31.03.2008 |
|--|--------------------------|--------------------------|
| Q ADMINISTRATIVE EXPENSES (Contd.) | | |
| Remuneration to Director | 1,200,000 | 1,200,000 |
| Rates & Taxes | 3,550,421 | 2,382,851 |
| Shares Buy back Expenses | 68,203 | - |
| Repair & Maintenance | | |
| - For Vehicles | 3,582,829 | 2,134,071 |
| - For computer | 226,943 | - |
| - For Commercial Vehicles | 139,320 | - |
| Festival Exp. | 1,164,299 | 1,169,245 |
| Insurance Charges | 3,576,388 | 3,386,390 |
| Medical Expenses | 164,544 | 285,493 |
| Legal, Professional & consultancy charges | 2,934,094 | 2,535,859 |
| Recruitment Exp | 229,158 | 118,995 |
| Security Charges | 342,048 | 281,992 |
| Short & Excess Charges | 62,491 | 183,890 |
| Staff Bus | 1,096,942 | 1,001,122 |
| Staff Welfare | 2,333,459 | 3,291,828 |
| Interest on Vehicles Loan | 1,612,340 | 1,358,171 |
| Interest on Commercial Vehicles loan (Running on Hire) | 1,725,534 | - |
| Expenses for running of Transportation business | 171,207 | - |
| Guest House Expenses | 710,037 | - |
| Reverse Input credit on Stock Transfer | 594,940 | - |
| Difference. in Foreign Exchange | 11,172,842 | (18,150,143) |
| Loss on Sale of Machinery | 9,000 | - |
| Telephone Exp. | 4,130,730 | 4,379,383 |
| | 60,064,313 | 26,011,416 |

| | | |
|--|--------------------|--------------------|
| R FINANCIAL EXPENSES | | |
| Interest on Term Loan | 16,951,934 | 22,317,896 |
| Interest on FCCB | 28,488,895 | 10,989,555 |
| Interest on GNIDA | 365,044 | - |
| Interest on FBD, Packing Credit & Others | 105,757,313 | 67,762,561 |
| Less: Adjustment arising on consolidation in respect of interest related to subsidiary company | (20,360,900) | - |
| | 131,202,285 | 101,070,012 |

| | | |
|---|-------------------|-------------------|
| S PRELIMINARY EXPENSES WRITTEN OFF | | |
| Preliminary Expenses written off | 402,082 | 292,309 |
| Issue Expenses written off | 359,449 | 359,442 |
| Merger Expenses written off | 256,104 | 255,985 |
| Fccb Expenses written off | 4,196,271 | 4,196,271 |
| Pre-operative Expenses written off | 5,074,140 | 5,102,746 |
| Business promotion written off | 481,276 | 492,252 |
| Research & Development Cost written off | 12,210,976 | 6,912,268 |
| | 22,980,298 | 17,611,273 |

Schedules forming part of the Consolidated Accounts

T SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concepts

The Consolidated accounts of ANG AUTO LTD. And its subsidiaries are prepared under historical cost convention, on accrual basis of accounting, in accordance with generally accepted accounting principles in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Revenue Recognition

- Sales are recognised upon dispatch of goods from factory against firm orders.
- For other incomes, the Company follows the accrual basis of accounting.
- The dividend income is accounted for as and when received.
- Interest income from FCCB bonds is accounted on in accrual basis as on date of financial statements

3. Principles of Consolidation

The consolidated financial statements include the financial statement of ANG AUTO LTD, the parent company and all its subsidiaries (collectively referred to as " the Group" or ANG GROUP") In accordance with AS-21 " consolidated financial statements,

The consolidated financial statements have been prepared on the following basis:

The financial statement of the parent company and the subsidiaries have been combined on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra- group balances transactions and resulting unrealised profits in full. Unrealised losses resulting from intra- group transactions have also been eliminated except to the extent that recoverable values of related assets is lower than their cost to the group. The amount shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

The Group accounts for investment has been adjusted and inter company profits and losses have been proportionately eliminated until realised by the investor of investee.

The excess/ deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entries were made is recognised in the financial statements as goodwill/ capital reserve.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements. The consolidated financial statements are prepared using uniform accounting policies for like transactions and over events in similar circumstances.

4. Export Incentives

The same are booked as income on the basis of claim accrued in favour of the Company.

5. Fixed Assets

Fixed assets are stated at historical cost of acquisition or construction and include all other incidental expenses related to acquisition and any attributable cost of bringing the asset to its working conditions for its intended use.

Advances paid toward acquisition of fixed assets and the cost of assets not ready to be put to use before the year end are disclosed under Capital Work in progress.

6. Depreciation

Depreciation has been provided on straight line method basis as per the rates specified in schedule XI of the Companies Act, 1956.

7. Borrowing Costs

Borrowing cost attributable to the acquisition, construction or production of an assets are capitalised as part of the cost of that asset. Borrowing cost, Interest on Term Loan, which are not related to fixed assets, are recognised as an expense in the period in which they are incurred.

8. Investments

Investments in the nature of long-term are stated at cost of acquisition. Provision by decline in value, other than temporary, is made on the basis of market quotations whenever available.

9. Valuation of Inventories

- Raw Materials, Stores and Packaging Materials are valued at lower of cost or net realisable value.
- Work in Progress has been valued at Cost of Raw Materials plus 50% of cost of Production.

Schedules forming part of the Consolidated Accounts

T SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

- Finished Goods are valued at sale price less selling and distribution expenses & profits.
- Excise duty on finished goods lying in factory is accounted for on removal of goods since such liability arises only if they are sold in Domestic Tariff Area.

10. Preliminary & Pre operative Expenses

Preliminary & Preoperative Expenses of period prior to year 2005-06 is written off over a period of ten years. Preliminary Expenses and Preoperative Expenses incurred during the year 2005-06 and later on are being amortised over a period of five years.

11. Research and Development

Revenue expenditure incurred on Research & Development is charged to Profit & Loss Account of the year in which it is incurred, except for development costs which relate to the design and testing of new or improved materials, products or processes which are recognised as an asset to the extent that it is expected that such assets will generate future economic benefits. The expenses incurred prior to year 2005-06 is written off over a period of ten years and the expenses incurred during the year 2005-06 and later on are amortised over a period of five years.

12. Employee Benefits

All short term employee benefit plan such as salaries, wages, bonus, special award and medical benefits which fall due within 12 months of the period in which the employee render the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to profit and loss account .

The Company has established retirement benefits in the form of Gratuity fund with the Life Insurance of India whose premium is calculated on the basis of actuarial valuation, carried out by an independent actuary as at the balance sheet for the year ended 31st March 2009.

Contribution to the provident funds are made monthly at a predetermined rate to the Regional Provident fund Commissioner and debited to profit and loss account on an accrual basis.

13. Foreign Currency Transaction

Transaction in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. As the Foreign bills got discounted with bank AS-11 is not applicable in case of the Company. Foreign currency assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognised in the Profit & Loss Account, except those relating to acquisition of Fixed assets which are not put to use till year end as the same are adjusted in the cost of fixed assets.

In view of Amendment and Postponement of Accounting Standard -11, the Company has not given the effect of foreign exchange fluctuation on the foreign currency loans taken and utilised by them for capital assets or their other long term liabilities and Assets in foreign currency. Further the corresponding figures of overseas subsidiary companies are converted in USD i.e 1USD =INR 40.12 being the foreign exchange rates prevailing at the end of last financial year .

As this amendment to AS-11 is applicable retrospectively from December-2006 and is to be implemented from March 2009 Quarter ,the adjustment for the back dated effect or retrospective effect of the transaction difference on their foreign currency borrowings for the previous accounting years is pending for adjustment for transfer to general Reserve

14. Tax on Income

- a. Current tax is the amount of tax payable on taxable income for the year determined in accordance with the provisions of Income Tax Act, 1961.
- b. Deferred tax is provided on timing difference between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rate for continuing operations. Adjustment of deferred tax liability attributable to change in tax rate is shown in the profit and loss account as a part of the deferred tax adjustments for the period. Deferred tax assets are recognised only to the extent there is a reasonable certainty that the asset can be realised in future. Deferred tax assets such as MAT paid under section 115JB of Income tax act are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably /virtually certain (as the case may be) to be realised.
- c. Company provide for and discloses the FBT in accordance with the provision of the Income Tax Act , 1961 .

15. Contingencies

Contingencies loss arising from claims, litigation, assessments, fines, penalties etc. are provided for when it is probable that a liability may be incurred, and the amount can be reasonably estimated and are disclosed by the way of notes to accounts in the basis of available information.

Schedules forming part of the Consolidated Accounts

NOTES TO THE ACCOUNTS

- a. During the month of May 2007, the Company has issued the Foreign Currency convertible bonds amounting to USD 12 Million. The offer is FCCB with Zero Coupon rate bonds shall be redeemed on maturity date at the redemption amount being equal to 123.36% of the principal of the principal amount giving a yield to maturity of 7.25% per annum compounded annually. The bonds are fully convertible within three years from the date of issue and the minimum rate for conversion will be Rs. 302/- per share. However, the bonds which are not converted within the same period shall be redeemed at Maturity .

During the year the Company has made an advance to its fully owned subsidiary Company i.e ANG Auto (U.K.) Limited for buy back of FCCB from the investors. The U.K. subsidiary is holding 700 Bonds of face value USD 10,000 each , out of the total FCCB of 1,200 bonds issued by the Company. These bonds are due to be cancelled for which necessary formalities are to be undertaken.

- b. Investment in the Subsidiary company in United Kingdom :
The Company has invested USD 3,617,295 which is equivalent to INR 145,125,890/- to a wholly owned overseas subsidiary i.e ANG Auto (U.K.) Limited.

- c. Investment in the Subsidiary company in Hongkong :
The Company has invested USD 12,909 which is equivalent to INR Rs. 517,909/- to a wholly owned overseas subsidiary i.e ANG Auto (Hongkong) Limited. The Company has invested 10,000 Hongkong which is equivalent to USD 1282 for purchase of Shares and invest USD 11,627 equivalent to INR 466,475/- as Loans and advances to fully owned subsidiary company.

- d. List of related parties (As certified by the management)

Investing party in respect of which the reporting enterprises is an associate.

| | |
|--|--|
| Enterprises in which Key Personnel have substantial Interest | : ANG Automotive Industries (P) Ltd. |
| | : ANG Forgings (P) Ltd. |
| | : ANG Automotive Components (P) Ltd. |
| | : ANG Logistics Pvt. Ltd. |
| | : Angle Fashions Pvt. Ltd. |
| | : GJC Global International Business Inc. |
| | : Krisp Auto & Credit Pvt. Ltd. |
| Wholly owned overseas Subsidiary Companies | : ANG Auto (U.K.) Ltd. |
| | : ANG Auto (Hongkong) Ltd. |
| Individual having significant influence Over the Company | : Mr. Premjit Singh |
| | Mr. Manoj Gupta |

- e. Related Party Transaction :

During the period, the Company has entered into transaction with following related parties. The balances of these related parties as at 31st March 2009 and the aggregate of transactions for the period then ended are presented herein below :

| Name of related Party | Transaction | Amount |
|-----------------------------|---|-------------------|
| ANG Auto (U.K.) Ltd. | Unsecured Loan to Subsidiary Company | Rs. 145,125,890/- |
| ANG Auto (Hongkong) Limited | Unsecured Loan to Subsidiary Company | Rs. 466,475/- |
| ANG Auto (Hongkong) Ltd. | Investment in Share Capital of Subsidiary Company | 51,434/- |

Managerial Remuneration

| | |
|-------------------|-----------------|
| Mr. Premjit Singh | Rs. 1,200,000/- |
| Mr.O.P. Sharma | Rs. 294,400/- |

- f. Previous year figures have been regrouped and rearranged wherever considered necessary

This is the Balance Sheet referred to report in our even date attached

For Sandesh Jain & Co.
Chartered Accountants

Sandesh Jain
Proprietor
Membership No: 087316
Place: New Delhi
Dated: 30th June 2009

Premjit Singh
Managing Director

Sanjay Garg
Director

Arun Jain
CFO

G.S. Jolly
Director

Manoj Gupta
Director

Rajiv Malik
Company Secretary

Consolidated Cash Flow Statement For the year ended 31st March 2009

(Amount in Rs.)

| | Year ended 31.03.2009 | | Year ended 31.03.2008 |
|--|--------------------------|----------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax and extraordinary item but after FBT | | 21,231,072 | 185,539,266 |
| Adjustments | | | |
| Depreciation Provision | 42,757,816 | | 35,503,910 |
| Miscellaneous expenditure written off | 22,980,298 | | 17,611,273 |
| Leave Encashment Expense | - | | 405,607 |
| Loss on sale of Assets | 9,000 | | - |
| Operating profit before working capital changes | | 86,978,186 | 239,060,056 |
| Adjustment for working capital changes | | | |
| Decrease / (Increase) in Inventories | (107,623,077) | | (269,461,015) |
| Decrease / (Increase) in Debtors | 120,506,413 | | (56,836,695) |
| Decrease / (Increase) in Loans & Advances | 7,134,328 | | 33,188,057 |
| (Decrease) / Increase in Current Liabilities (net of Provisions of tax, Proposed dividend, Provision For dividend Tax, | (44,898,676) | | 68,278,587 |
| Cash from Operations | | 62,097,174 | 14,228,990 |
| Less: Income tax, Fringe benefit tax paid during the year | | (8,059,398) | (25,200,475) |
| Net Cash from Operations Activities | | 54,037,776 | (10,971,485) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Addition to fixed Assets | (109,362,012) | | (228,597,515) |
| Capital Work in Progress | (63,863,429) | | (104,339,455) |
| Misc. expenses incl. Research & Development etc. incurred during the year | (26,803,595) | | (35,872,007) |
| Sale of Assets | 832,600 | | - |
| Purchase of Investments | (141,198,328) | | - |
| receipts from share warrants | | | 1,418,750 |
| Share Premium Account | (31,584,659) | | 36,887,500 |
| Refund of Share application Money | (7,500,000) | | - |
| Net Cash from Investing Activities | | (379,479,423) | (330,502,727) |

Cash Flow Statement (contd.) For the year ended 31st March 2009

(Amount in Rs.)

| | Year ended 31.03.2009 | | Year ended 31.03.2008 | |
|---|--------------------------|--------------------|--------------------------|--------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Borrowings | 37,565,321 | | 344,837,945 | |
| Proceeds from Unsecured Loans | (6,554,688) | | 407,316,673 | |
| Payment of Dividend including Dividend Tax | - | | (27,895,175) | |
| Net Cash from Financing Activities | | 31,010,633 | | 724,259,443 |
| Total increase / (decrease) in Cash and cash equivalent | | | | |
| Cash equivalents during the year (A+B+C) | | (294,431,014) | | 382,785,231 |
| Cash & Cash equivalents at the beginning of the year | | 484,024,741 | | 93,681,629 |
| Cash & Cash equivalents at the beginning of the year with ANG Autotech (P) Limited now merged with ANG Auto Limited | | - | | 7,297,881 |
| Margin Money for LC as on 31.03.2007 is regrouped | | - | | 260,000 |
| Cash & Cash equivalents at the end of the year (31.03.2009) | | 189,593,727 | | 484,024,741 |

For Sandesh Jain & Co.
Chartered Accountants

Sandesh Jain
Proprietor
Membership No: 087316

Place: New Delhi
Dated: 30th June 2009

Premjit Singh
Managing Director

Sanjay Garg
Director

Arun Jain
CFO

G.S. Jolly
Director

Manoj Gupta
Director

Rajiv Malik
Company Secretary

Auditors' Certificate

To
The Board of Directors
ANG Auto Limited
1C/13, New Rohtak Road
Karol Bagh,
New Delhi - 110 005

We have examined the attached Consolidated Cash Flow Statement of M/s ANG Auto Limited and its Subsidiaries for the period ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement signed with the Stock Exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date to the members of the Company.

For Sandesh Jain & Co.
Chartered Accountants

Place: New Delhi
Dated: 30th June 2009

Sandesh Jain
Proprietor
Membership No: 087316

Corporate Information

| | |
|----------------------------|--------------------------|
| Shri Premjit Singh | <i>Managing Director</i> |
| Shri Gurvinder Singh Jolly | <i>Director</i> |
| Shri Manoj Gupta | <i>Director</i> |
| Shri Sanjay Garg | <i>Director</i> |
| Shri Om Prakash Sharma | <i>Director</i> |
| Shri Rajiv Malik | <i>Company Secretary</i> |

Auditors

M/S Sandesh Jain & Co.
Chartered Accountants

Bankers

Bank of Baroda
International Business Branch, Parliament Street, New Delhi.

Development Credit Bank
Hansalya Building, Barakhamba Road, New Delhi.

Yes Bank
48, Nyaya Marg, Chankaya Puri, New Delhi.

State Bank of India
Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-11001

Registered Office

1C/13, New Rohtak road
Karol Bagh, New Delhi-110005
Phone : 011-28716329, telefax :011-28716329
Email: marketing@anggroup.biz
Website: www.anggroup.biz / www.angauto.com /
www.angtrailers.com

Corporate Office

90, Okhla Industrial Estate, Phase-III
New Delhi-110020

Manufacturing Facilities

- # B-48, Phase-II, Noida
- # 19-A, Udyog Vihar, Greater Noida,
District: Gautam Budh Nagar (U.P.)
- # Special Economic Zone,
I-11 & 12, SEZ, Noida,
District Gautam Budh Nagar (U.P.)
- # 14/6, Mathura Road, Faridabad, (Haryana)
- # 150A, SEZ, Noida, District Gautam Budh Nagar (U.P.)
- # 19, Udyog Vihar, Greater Noida,
District Gautam Budh Nagar, (U.P.)
- # A-197, SIDCUL Industrial Estate,
Sitarganj, Uttaranchal

Registrar & Share Transfer Agents

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor, 99, Madangir
Behind Local Shopping Centre,
New Delhi 110062

