ANG INDUSTRIES

Annual Report 2010-11

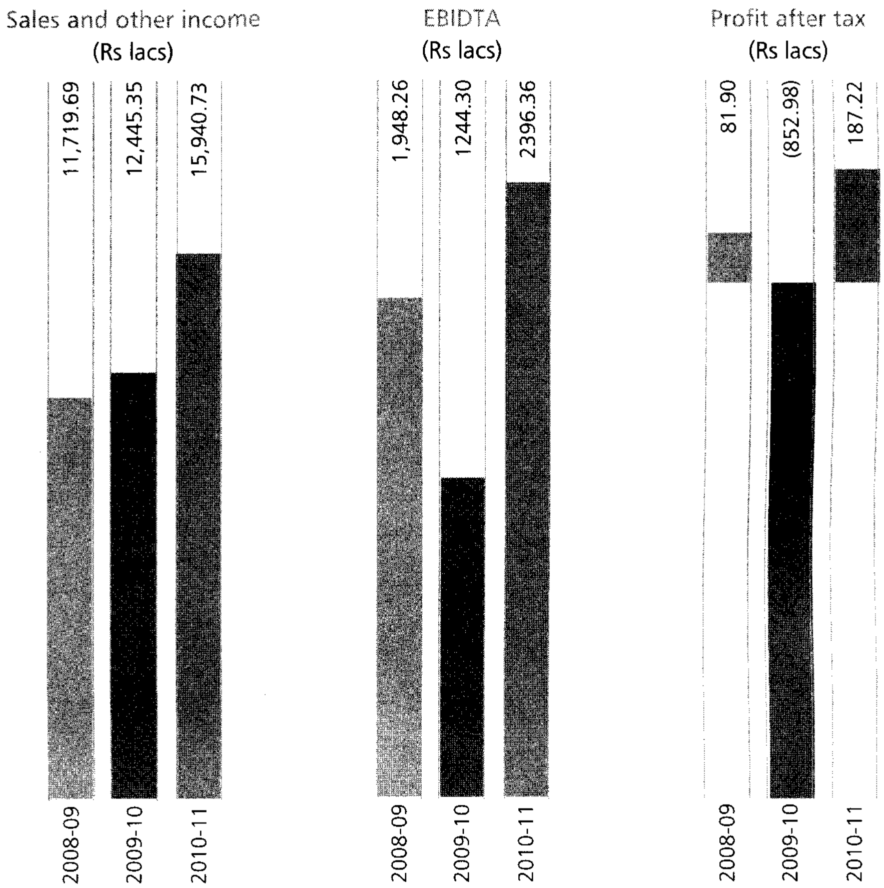
Contents

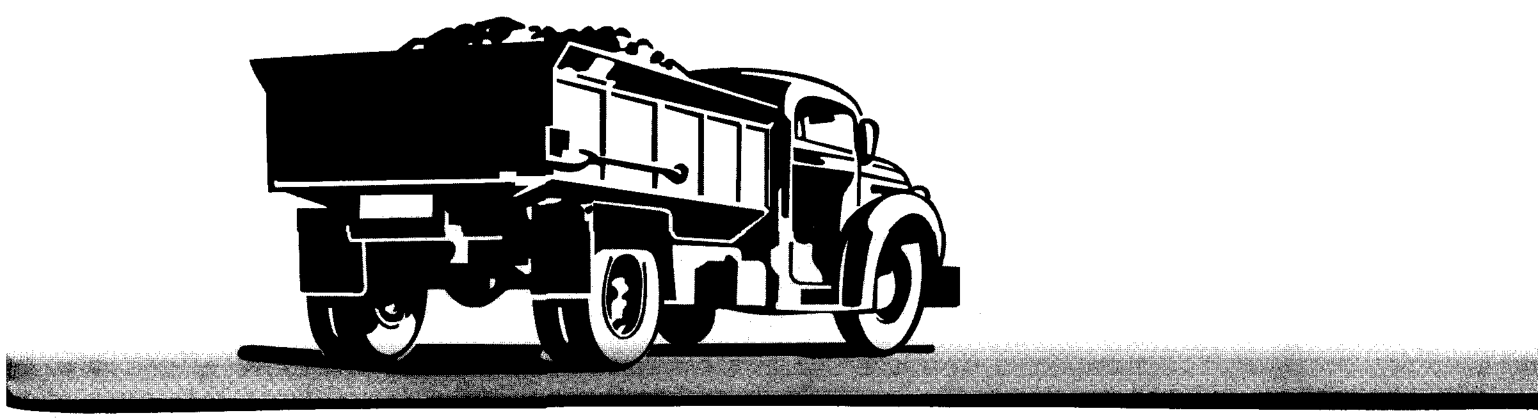
The corporate

ANG Industries provides specialised auto components for heavy commercial vehicles, trailers and trailer parts. The Company also fabricates boiler support structures. It is an approved vendor for BHEL and L&T-MHI Boilers (Pvt) Ltd. Headquartered in New Delhi, the Company has various manufacturing facilities in Noida, Noida SEZ, Faridabad, Greater Noida and Sitarganj.

Highlights, 2010-11

- Gross sales grew 28% from Rs 12,445.35 lacs in 2009-10 to Rs 15,940.73 lacs
- EBIDTA grew 92.58% from Rs 1,244.30 lacs in 2009-10 to Rs 2,396.36 lacs in 2010-11
- Profit after tax rebounded from Rs (852.98) in 2009-10 to Rs 187.22 lacs
- Production of auto-components and assemblies increased from 2,798,889 in 2009-10 to 3,254,159
- Heavy fabrication production increased three-fold from 1,554.56 MT in 2009-10 to 5,500.40 MT
- Issued 1,100,000 convertible warrants to promoters and others at Rs. 48 each on a preferential basis





Statement from the Managing Director

> "The new verticals will accelerate business and profitability growth, improving shareholder returns."

Dear Shareholders

At the start of 2010-11, we had our back against the wall for various reasons: we had sustained a net loss of Rs 852.98 lacs in 2009-10, our new business vertical was yet to establish and our conventional businesses ran into an unexpected plateau.

The big message that we wish to send out to our shareholders is this: we overcame these challenges in 2010-11. We grew our conventional businesses. We established a strong presence in new verticals. We rebounded to report a profit after tax of Rs 187.22 lacs.

The one reason why we turned around was our timely diversification into the heavy fabrication of boiler support structures (Rs 3,402.76 lacs revenues in 2010-11), a high growth profitable business.

New vertical

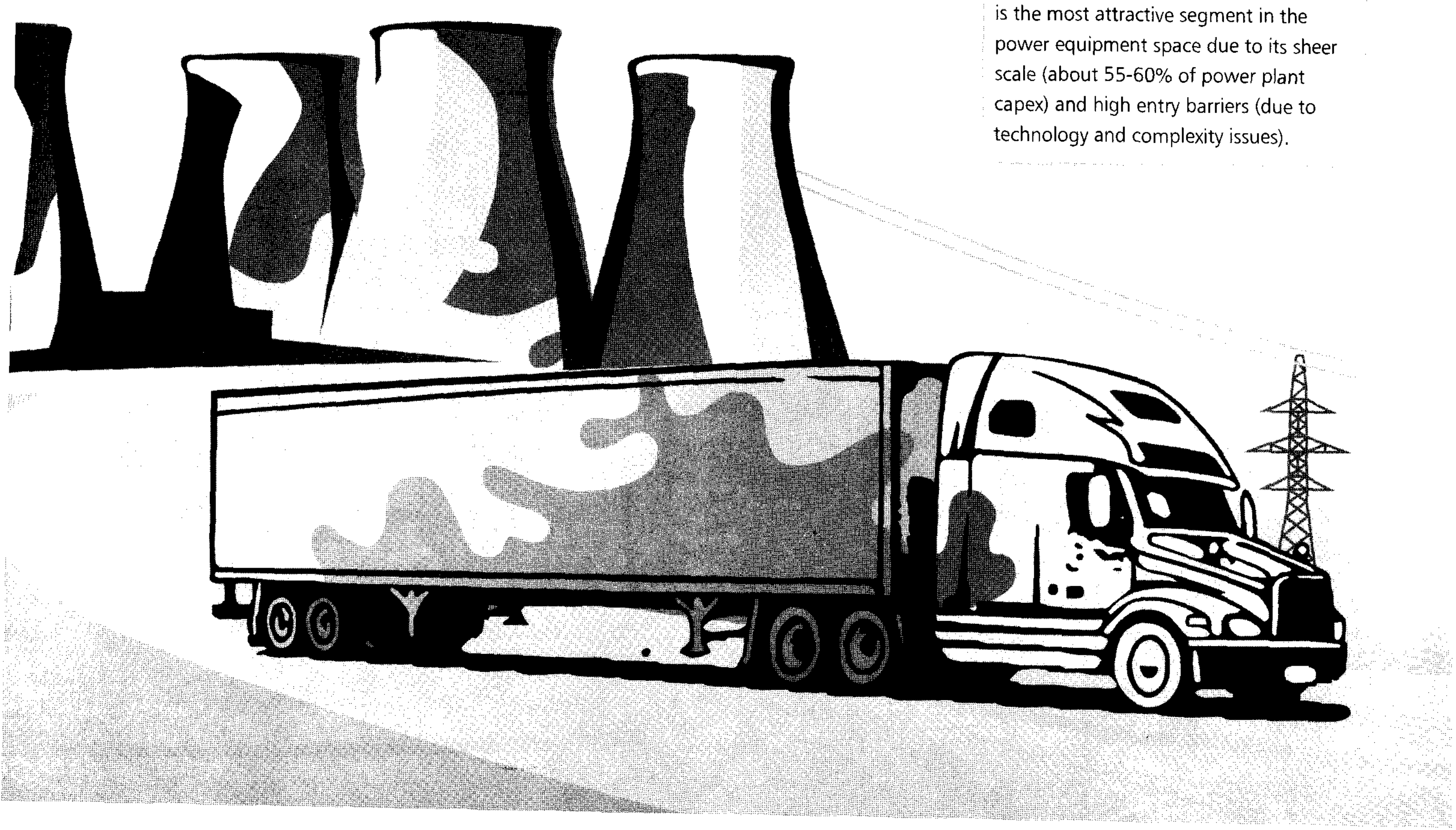
My optimism is based on the projected growth of the power sector in India

India is a power deficit country. During 2010-11, India suffered a peak power shortage of 10.3% and an energy deficit of 8.8%. The aggregate loss of state T&D utilities at 2008 tariff for 2010-11 was estimated at Rs. 686 billion and projected to increase to Rs 1,000 billion by 2013-14 *(Source: Indian Electricity Conference, 2010)*.

As the average Indian becomes more affluent (urban and rural), the country emerges as a global manufacturing hub and reinforces its position as the back-office to the world, energy needs will accelerate (comparison with China below).

Parameters	India	China
Population	1.1 billion	1.3 billion
Power generation capacity	169 GW	860 GW
Per capita consumption	700 kWh (2009-10)	2,500 kWh (2008)

The boiler-turbine-generator (BTG) market is the most attractive segment in the power equipment space due to its sheer scale (about 55-60% of power plant capex) and high entry barriers (due to technology and complexity issues).



Parameters	Eighth Plan	Ninth Plan	Tenth Plan	Eleventh Plan
Planned addition (GW)	31	40	41	79
Actual addition (GW)	16	19	21	55 (E)

India's electricity demand is expected to increase from 900 billion kWh to 1,400 billion kWh by March 2017, necessitating capacity addition of 100 GW during the Twelfth Plan. Despite favourable regulatory policies to attract large investments, India's power capacity accretion has been poor, which indicates that the industry growth will extend into the long-term.

Over the Eleventh and Twelfth plans (FY12-22), India targets to add 200 GW, creating huge investment opportunities across the power value chain. Assuming a rough capex of US$ 1.11 million per MW for generation, and a similar spend for T&D with a 1:1 ratio, India is likely to invest Rs 20 trillion over FY2012-22.

At ANG, we commissioned a state-of-the-art greenfield fabrication facility which is among the best in India. The Company received approvals from BHEL and L&T-MHI Boilers (Pvt) Ltd within six months of commissioning. In 2010-11, we trebled our heavy fabrication output over the previous year.

Conventional business

Auto-components: India is gaining recognition as the auto component hub of the global automobile industry.

According to the Investment Commission of India, India is among the world's most competitive auto component manufacturing and research hubs. Global brands like Daimler Chrysler, Bosch, Suzuki and Johnson Controls commissioned development centres in India while global auto component majors like Delphi, Visteon, Bosch and Meritor established Indian operations. The global auto ancillary industry is expected to grow to US$1.9 trillion by 2015, of which around 40% (US$700 billion) is expected to be sourced from low-cost countries like India.

The country's auto component sector is expected to capitalise on the following realities: robust industrial growth, the country's freight shift from rail to road, highways improving and an additional 1.8 million CVs expected to be operational by 2018. This will generate a significant increase in the demand for heavy duty auto components, especially single piece axles.

Trailers: I am optimistic of the growth of our trailer business for the following reasons:

- India plans to construct 35,000 km of highways by 2014 for an additional estimated US$ 67 billion.
- India plans to create additional capacity of 485 million tonnes in major ports and 345 million tonnes in non-major ports by 2012
- Fuel prices will stay strong as crude is expected to hover around US$100 per barrel by 2013
- Increasing containerisation will save costs and minimise logistics expenses.

Message to shareholders

We are excited about our prospects. Our mature businesses will capitalise on emerging opportunities while our new verticals will accelerate growth.

We expect to strengthen revenues with a corresponding increase in profitability, translating into enhanced value for our shareholders.

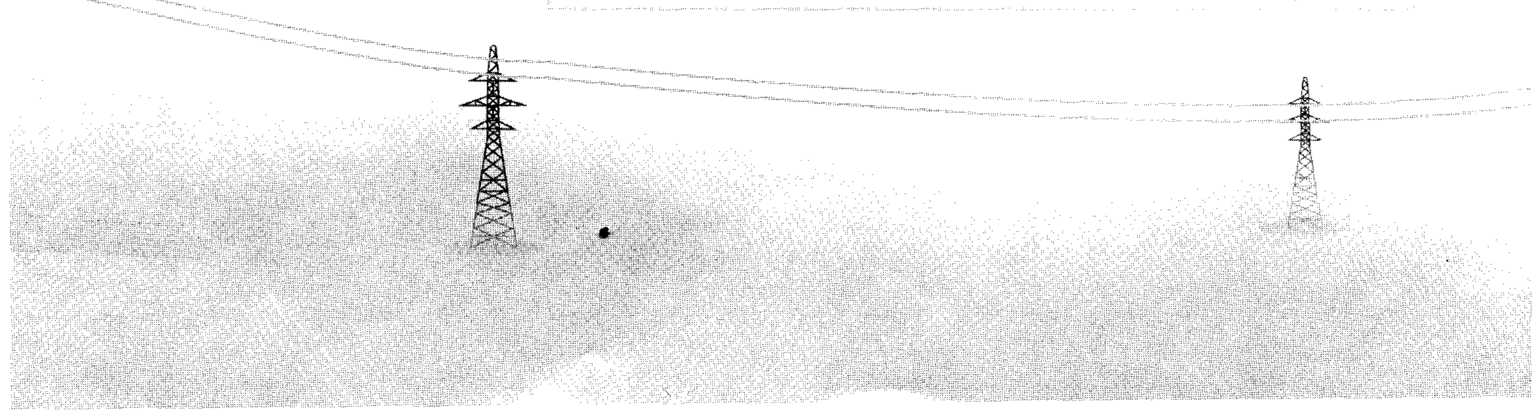
Warm regards

Premjit Singh

Power opportunity (Twelfth Plan capacity addition)

GDP growth	GDP/electricity elasticity	Electricity generation required (BU)	Peak demand (GW)	Capacity addition required during Twelfth Plan (GW)
8%	0.8	1,415	215.70	70.80
	0.9	1,470	224.60	82.20
9%	0.8	1,470	224.60	82.20
	0.9	1,532	233.30	94.30
10%	0.8	1,525	232.30	92.80
	0.9	1,597	244.00	107.50

[Source: Ministry of Power]



Management discussion and analysis

Economic overview

Global: The global economy grew at a robust 5.1% in 2010 against (0.5)% in 2009. Advanced and emerging economies contributed to this recovery. Advanced economies sustained their moderate growth, owing to stronger-than-expected private consumption. Growth in emerging and developing economies was fuelled by private demand, accommodative policy stances and resurgent capital inflows. Financial turbulence re-emerged in the periphery of the euro area in the last quarter of 2010. Natural global disasters posed a significant challenge for global economic growth, taking a massive toll on human life, resulting in wealth erosion. Going forward, global GDP is projected to grow about 4.3% in 2011, with developing economies expanding at an estimated 6.6%, about three times the 2.2% growth expected for advanced economies.

India: India's GDP grew 8.5% in 2010-11 (8.0% during 2009-10), primarily driven by significant agricultural sector growth. The industrial sector registered a robust performance in the first half of the 2010-11 but decelerated significantly in the second half of 2010-11. Significant volatility was evident not only in the numbers but also in sentiment, primarily driven by global cues and policy responses addressing inflation. Headline inflation witnessed a relentless rise during 2010-11 (it remained in double digits for almost five months in 2010). Despite these roadblocks, net capital inflows increased to US$ 52.7 billion (April-December, 2010) from US$ 37.6 billion in the previous year; India's foreign exchange reserves grew to US$305 billion as on March 31, 2011, compared with US$ 293 billion as on March 31, 2010.

Initial government estimates placed India's GDP growth at over 8.75% in 2011-12. But global economic factors (namely the US downgrade and the widespread impact of the euro zone crisis) are expected to impact India's growth. Additionally, the government's initiative to curb inflation will affect economic growth. In view of this, the International Monetary Fund scaled down India's growth projection for 2011 to 8.2%. The Indian government is hopeful of achieving a GDP growth between 8-8.2% in 2011-12.

Auto component sector

The Indian auto component sector is among the most competitive globally, with the domestic auto parts being preferred by global automobile majors. The original equipment (OE) market is predominantly catered to by the organised sector.

The auto component industry registered a 34% growth in 2010-11 to US$ 39.9 billion; exports grew at 54% to US$ 5.2 billion. The sector participants invested about US$ 2-2.5 billion on capacity addition and facility modernisation in 2010-11.

The first quarter of 2011-12 witnessed a marginal slowdown as vehicle offtake was impacted by climbing interest rates. Estimates suggest that the auto component sector should grow at about 12-15% in the current fiscal.

Long-term estimates: According to the Automotive Component Manufacturers' Association of India (ACMA) and Ernst & Young report, the domestic auto component industry is expected to achieve an annual turnover of US$110 billion by 2020; it will contribute about 3.6% of India's GDP from the current level of 2.1%.

Indian commercial vehicle sector

Commercial vehicles: India is the world's fourth-largest commercial vehicle manufacturer.

In India, truck demand is a function of incremental freight, dependent on economic/industrial growth. Domestic truck volumes grew at a CAGR of over 30% during 2008-09 and 2010-11(E) in line with the country's robust economic growth and a shift in freight movement from rail to road. Road freight increased an estimated 13% CAGR against 9% for railways between 2008-09 and 2010-11(E).

In 2010-11, commercial vehicle sales grew 27% to 6.8 lac units. Medium and heavy commercial vehicles (M & HCVs) grew faster at 32% while light commercial vehicle growth remained subdued at 23%, owing to improving highways making it cost-effective to use heavier vehicles.

India's industrial growth is expected to remain robust. With the country's freight continuing to shift from rail to road, improving state highway conditions and development of expressways, the Indian CV market will grow into a demand of more than 1.8 million CVs by 2018.

Trailers: Trailer use is still nascent in India. The government's thrust on improving road infrastructure, proper implementation of overload restriction of commercial vehicles and increasing global trade are expected to catalyse demand.

During 2010-11, 50 road projects of 5,060 km were awarded, while around 15,450 kms of national highways were completed under NHDP as on March 31, 2011. Additionally, the government plans on constructing 35,000 km of highways by 2014 at an estimated investment of over US$ 67 billion, increasing trailer viability.

Ports: The capacity of Indian ports crossed 1 billion tonnes per annum in 2010-11. India plans to create an additional capacity of 485 million tonnes in major ports and 345 million tonnes in non-major ports by 2012 which is expected to increase trailer demand.

Power sector

The country added more than 12,160 MW in power generation capacity in 2010-11, the highest addition to the country's power generation in a single fiscal since Independence. The addition was 27% higher than 2009-10 but fell short of the targeted 21,441 MW. India suffered a peak demand shortage of around 10.5% and energy deficit of *8.2% during the year under review.*

In March 2011, India's installed capacity (excluding captive plants) was 173,626 MW. Thermal sources continue to enjoy a dominant share of 64.98% (112,824 MW) followed by hydro (21.63%), renewable (10.62%) *and nuclear (2.75%).*

Importance: As the Indian economy continues to surge, its power sector has been expanding concurrently. Thermal power in India is responsible for more than two-thirds of the power generation in India which includes using gas, liquid fuel and coal. According to Government of India estimates, investments of more than US$ 100 billion will be required to be invested in power generation in ten years.

Thermal power, 2010-11: Thermal power improved 3.82% in 2010-11 against 5.52% in 2009-10. Thermal power generation was 665 BU in 2010-11 as against the target of 690.86 BU. Some thermal units had to be put under reserve shut down and scheduling of generation from costlier liquid fuel and gas-based plants were also affected. Delay in commissioning/stabilisation of some new thermal units, unscheduled/extended planned maintenance of some of the thermal units and a shortage of domestic/imported coal affected thermal generation.

Coal remained the mainstay of the country's electricity generation. Coal accounted for 85% (10,359.5 MW) of the total capacity addition and 92% of

India's power generation capacity (in MW)

Thermal	Nuclear	Hydro	RES*	Total
112,824.48	4,780.00	37,567.40	18,454.52	173,626.40

[Source: Indian Infrastructure, May 2011]

*Renewable energy sources (RES) includes small hydro projects, biomass gasifier, biomass power, urban and industrial power and wind power

the thermal capacity addition during 2010-11. Coal-based generation suffered a shortfall of 22,238 MU during 2010-11, mainly due to the materialisation of only 92.6% of coal requirements.

Planned addition

India's total installed capacity in 2011 is estimated to be around 1,76,990.40 mega watt (MW).

To fulfil the objectives of National Electricity Policy (NEP), a mid-term appraisal target capacity addition of 62,374 MW was revised for the Eleventh Plan out of which 27,711 MW (thermal) was commissioned (till January 31, 2011) and 23,564 MW of the same is under construction.

In recent years, there has been an uninterrupted policy focus resulting in the forward-looking India Electricity Act 2003, delicensing thermal power generation, restructuring of SEBs, proper market for power and setting up power exchanges, among others. Significant project opportunities are expected in the power generation sector where interest is high.

Road ahead

India's power demand is estimated to grow 7.8% between 2010 and 2015 on the back of GDP growth of 8% to 8.5% against which 95 GW is expected to be added (33 GW addition over the previous five years). The incremental capacity addition is expected to warrant an investment of Rs. 9.3 trillion *(Source: CRISIL)*.

The Ministry of Power and Central Electricity Authority (CEA) projected a US$ 4.30 billion power industry renovation and modernisation programme, which will extend the life span of old power plants during Eleventh and Twelfth Five Year Plans. Of this, US$ 1.50 billion is planned for the Eleventh Plan and US$ 3 billion for the Twelfth Plan (over the investment of US$ 213.70 billion proposed for the capacity addition of 78,700 MW in the Eleventh Plan and US$ 235.10 billion for 94,431 MW in the Twelfth Plan).

Human resource

The Company recognises that its personnel constitute an important pillar. A major exercise in employee training and development was undertaken. The Company emphasised the importance of human resource activities, which helped retain employees.

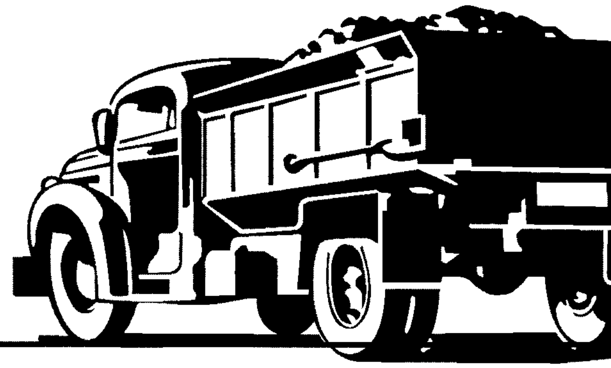
Internal control systems and adequacy

The Company has adequate internal control procedures commensurate with the size and nature of business. The Company deployed a strong system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and management policies. The Company also devised an extensive monitoring and review mechanism, whereby the management regularly reviews actual performance with reference to business plans --both financial and operational.

The functional heads are responsible for regular internal assurance reviews to ensure the adequacy of the internal controls systems and adherence to management policies and statutory requirements. The functional heads deploy an annual internal assurance plan based on an assessment of major risks in each of the businesses. Risk assessment helps identify and focus on all high–risk areas. The reviews cover business critical functions like revenue assurance, collection, credit and risk, MIS and information technology and network security, procurement and financial reporting.

The Audit Committee periodically reviews audit plans, observations of both internal and external audit teams, risk assessment and adequacy of internal controls.

Analysis of financial statements



The Company registered robust business growth of 25%+ in 2010-11 was matched by a turnaround in business profitability.

Profit and loss account

Revenue: Income from operations increased from Rs 12,445.35 lacs in 2009-10 to Rs 15,940.72 lacs in 2010-11, owing to a revenue increase from the heavy fabrication vertical. Income from the transportation business nearly doubled from Rs 315.78 lacs to Rs 603.35 lacs in 2010-11.

Cost: Total operating costs increased 28.79% from Rs 10,250.51 lacs in 2009-10 to Rs 13,202.34 lacs in 2010-11, owing to increased scale and inflation, which increased input costs – steel being the largest contributor to the cost increase. The Company charged a one-time Rs 126.08 lacs of claims from other parties, which were non-recoverable.

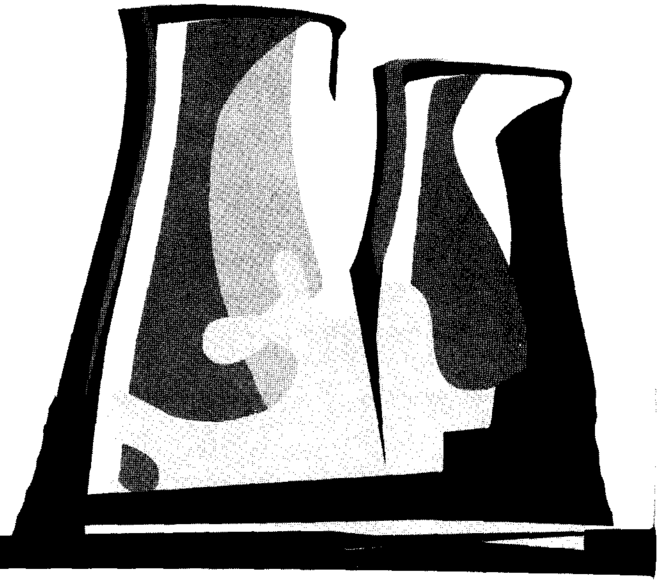
Profitability: The Company registered a significant improvement in profitability in absolute and percentage terms. EBIDTA grew 92.58% from Rs 1,244.30 lacs in 2009-10 to Rs 2,396.36 lacs in 2010-11; it registered a profit before and after tax of Rs 283.33 lacs and Rs 212.75 lacs respectively in 2010-11 against losses before and after tax of Rs 641.06 lacs and Rs 852.33 lacs respectively in 2009-10.

Balance sheet

The Company grew its reserves, repaid debt and added to its gross block, enabling it to capitalise on emerging opportunities.

Sources of funds: The capital employed in the business increased 10.52% from Rs 1,254 lacs in 2009-10 to Rs 1,386 lacs in 2010-11, owing to an increase in share capital (preferential issue to promoters during the year at Rs 48 per share), expanding reserves and surplus balance and increased external funds.

Application of funds: The additional funds deployed in the business during the year under review were utilised to expand the gross block and fund day-to-day operations. The addition to the gross block was primarily in machinery and tools, buildings and vehicles, strengthening the Company's competitive advantage. The increase in working capital requirement was to fund increased input costs (primarily steel) and to the extended debtors' cycle as the Company focused on the heavy fabrication business (a space characterised by a long receivables cycle). The interesting aspect in the net current assets is an increase in inventory was primarily due to work-in-progress, signifying a healthy order book which will cascade into revenue in the current year; raw material inventory declined while finished goods inventory remained at previous year levels



Minimising risks. Maximising returns.

Risk represents the face of business uncertainty, affecting corporate performance and prospects. At ANG Industries, the overarching objective is to reinforce a culture of responsible risk management. Thanks to its rich experience acquired over the years, the Company developed a risk management framework encompassing effective processes, catalysed by qualified professionals. As a result, business decisions balance risk and reward for profitable and sustainable growth.

Often the difference between a successful man and a failure is not one's better abilities or ideas, but the courage that one has to bet on his ideas, to take a calculated risk and to act. **Maxwell Maltz**

Slow Growth in the power sector could hamper prospects.

Mitigation: Energy is critical to progress. Despite India featuring among the top five fastest- growing nations and positioned as a global manufacturing and services hub, it is an energy- deficit nation. As a result, the power sector is high on the government's priority list. Favourable regulatory policies attracted large corporates to this space, highlighting a high growth path over the medium term. While certain road blocks could result in growth deviating from estimates, long-term prospect remain unaltered.

Slowdown in the auto-component business may adversely impact the Company's performance.

Mitigation: India is a global automotive hub with international players establishing manufacturing bases in India to leverage low-cost operations and high-quality products. Besides, India has a huge vehicle population (estimated at 94.7 million – Source: Hindustan Times, February 15, 2011) of which close to 35% are trucks and buses. They need to be serviced frequently. Additionally, the shift from logistical preference towards road over rail (owing to better roads, timely delivery and cost optimisation) is only expected to increase the heavy commercial vehicle and trailer population, translating into enhanced auto component offtake.

Lack of funds could impede the Company's ability to undertake growth initiatives.

Mitigation: The Company has a strong balance sheet. A low 1.32 debt-equity ratio (as on March 31, 2011), a healthy reserves and surplus balance at Rs 8,019.66 lacs and a strong cash and bank balance at Rs 895.40 lacs strengthened the Company's ability to finance growth initiatives. Besides, in 2009-10, it commissioned a state-of-the-art heavy fabrication unit for an investment of Rs 10,000 lacs which will strengthen profits.

Corporate information

Shri Premjit Singh	*Managing Director*
Shri Gurvinder Singh Jolly	*Director*
Shri Manoj Gupta	*Director*
Shri Sanjay Garg	*Director*
Shri Om Prakash Sharma	*Director*
Shri Rajiv Malik	*Company Secretary*

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 Bud 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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 20th Annual Report of your Company together with the Audited statement of accounts of the Company for the year ended 31st March, 2011.

Financial results

(Rs. lacs)

Particulars	2010-11	2009-10
Gross sales	15,940.73	12,445.35
Other income	-	2,193.50
Total income	15,940.73	12,664.70
Profit/Loss before tax and depreciation	903.56	(125.72)
(-) Depreciation	620.24	515.93
Profit/Loss before tax	283.32	(641.66)
(-) Provision for tax	96.10	211.21
Net profit/Loss after tax	187.22	(852.98)

Overview

The financial year 2010-2011 marked a resurgence in growth post the financial crisis. Higher investment spending, especially in the emerging markets is pushing growth in the global economy. As a result, several countries are gradually returning to normal macroeconomic policies. The forecast for the Indian economy is positive with growth expected to touch 8.5% in the current fiscal year. Yet constant inflation in the country is taking its toll, and rising global commodity prices is only compounding the problem.

The Company's performance for the year 2010-11 witnessed a healthy growth. The Company earned total revenues of Rs. 15,940.73 lacs. The revenue growth was 28% over the previous year. The operating profits for the year 2010-11 is Rs. 282.32 lacs. Net profit grew from a loss of Rs. 852.98 lacs to Rs. 187.22 lacs, a growth of over 22% over the previous year.

Issue of convertible warrants

During the period under review, the Company issued 11,00,000 convertible warrants to promoters and others at Rs. 48 each on a preferential basis. The nominal value of each warrant is Rs. 10 and issued at a premium of Rs. 38 each per warrant.

Dividend

Keeping in view the expansion plan and requirement of funds to continue plans to impinge on future diverse challenges successfully, your Directors did not recommend any dividend for 2010-11.

Consolidated Financial statements

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss account of the subsidiary companies to its Annual Report. The Ministry of Corporate Affair (MCA) Government of India vide its Circular No. 2/2011 dated February 8, 2011 has provided an exemption to the companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly the Annual Report 2010-2011 does not contain the reports and other statements of the subsidiary companies. The annual audited accounts and related detailed information of the subsidiary companies will be available to the investors of the Company upon request. These documents will be available for inspection during business hours at the registered office of the Company.

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 discussions and analysis report, report on Corporate Governance with Auditor's Certificate in compliance with conditions of Corporate Governance is provided in this annual report.

Director's responsibility statement

Pursuant to the requirements 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 year ended 31st March, 2011, if 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 for 2010-11

(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 2010-11, your Company did not invite or accept any deposits within the meeting of Section 58A of the Companies Act, 1956 and the rules made there under.

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.

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 effect that their reappointment, if made, will be within the limits as prescribed under the provisions thereof.

Directorate

Mr. Sanjay Garg and Mr. Gurvinder Singh Jolly, Director's of the Company, shall retire by rotation at the ensuing Annual General Meeting of Company and being eligible, offers themselves for reappointment.

Acknowledgement

The Board places on record its sincere appreciation towards the Company's valued customers in India and abroad for the support and trust reposed by them in the organisation and looks forward to the continuance of this mutually supportive relationship in future. Your Directors place on record their appreciation of the contributions made by the employees of ANG at all levels/banks, among others, enabling the Company to maintain high service levels.

The Board also acknowledges the Company's customer, distributors, investors, clients and bankers for their continued support and services.

For and on behalf of the Board
ANG INDUSTRIES LTD

Date : August 26, 2011
Place: New Delhi

Premjit Singh
Managing Director

Manoj Gupta
Director

ANNEXURE TO 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, 2011.

A. Conservation of energy

Energy conservation is an effective key value driver to reduce production costs.. Constant efforts are being made by your Company to reduce energy consumption, upgrade technology and 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 power generation increased. The comparative statement of energy generation, as compared with last year, is given hereunder:

Particulars	2010-11	2009-10
1. Electricity units (MKWH)	28,04,399	23,65,254
Total amount	2,31,97,244	167,09,493
Average rate / unit (Rs. KWH)	8.27	7.06
2. Own generation		
Through diesel generator		
Units (M.KWH)	17,37,313	11,00,732
Units per litre of diesel (KWH)	3.05	2.95
Average cost/unit (Rs. KWH)	13.26	12.76

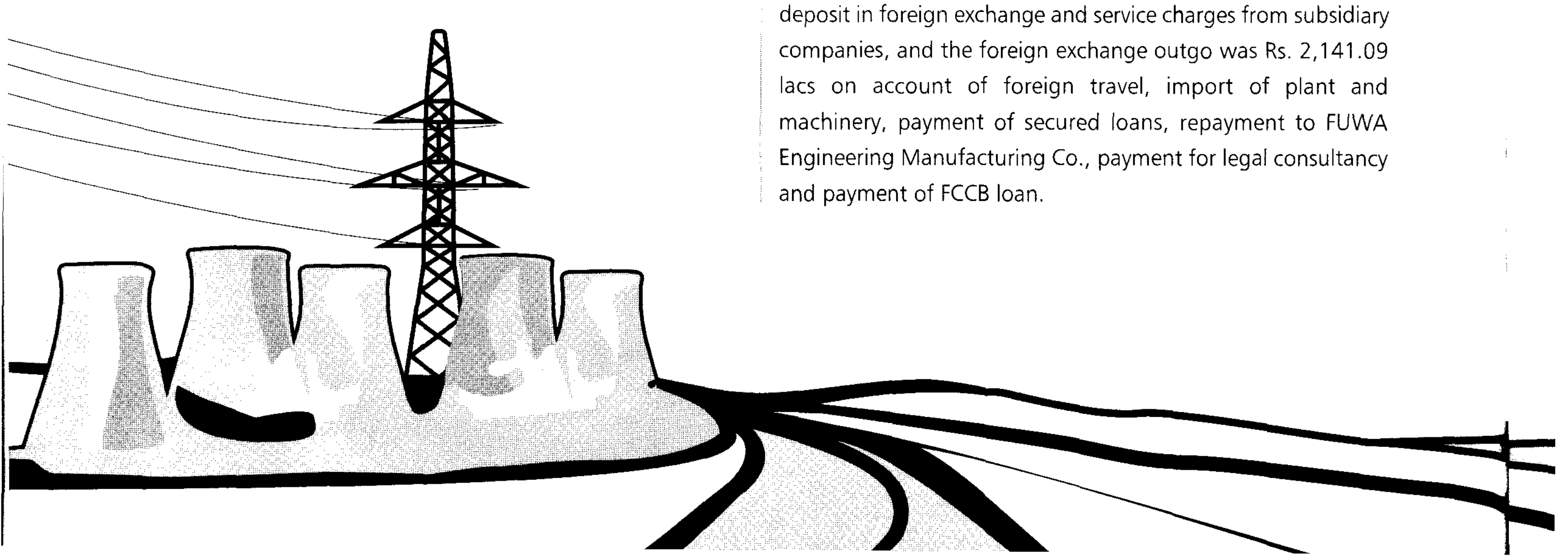
B. Technology absorption

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.

C. Foreign exchange earnings and outgo

Activities under this head include those relating to exports and initiative undertaken to increase exports; development of new export markets for products and services and export plans. The Company exported its product to the buyers based in the United States of America (USA) and Brazil, among others.

The export earnings of your Company for 2010-11 was Rs. 5,147.36 lacs, on account of exports, interest paid on fixed deposit in foreign exchange and service charges from subsidiary companies, and the foreign exchange outgo was Rs. 2,141.09 lacs on account of foreign travel, import of plant and machinery, payment of secured loans, repayment to FUWA Engineering Manufacturing Co., payment for legal consultancy and payment of FCCB loan.



Certification by CHIEF EXECUTIVE OFFICER (CEO)/ CHIEF FINANCIAL OFFICER (CFO)

To,
The Board of Directors,
ANG Industries Limited

We, Premjit Singh, Managing Director (CEO) and Arun Jain, Manager of Finance (CFO) of ANG Industries 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 2011.

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 and on behalf of the Board
ANG INDUSTRIES LTD

Date : August 26, 2011
Place: New Delhi

Premjit Singh
Managing Director

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 Industries Limited affirmed compliance with the Code of Conduct for the year ended 31st March 2011.

For and on behalf of the Board
ANG INDUSTRIES LTD

Date : August 26, 2011
Place: New Delhi

Premjit Singh
Managing Director

Report on CORPORATE GOVERNANCE

1. The Company's philosophy on Code of Governance

Good governance practices stem from the culture and mindset of the organisation. Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are managed in a way that ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectations. The demands of Corporate Governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

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 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 accordance with Corporate Governance, all statutory and other significant material information was placed before the Board of Director's to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The total strength of the Board was five at the close of 2010-11, which included one Director who is also the promoter, one Executive Director and three Independent Non-Executive Directors, complying with the requirements of the Listing Agreement.

Sl. No	Name of Director(s)	Category of directorship	Basic salary	Sitting fee paid	Commission
1.	Mr. Premjit Singh	Promoter and M.D.	30,00,000	-	-
2.	Mr. Gurvinder Singh Jolly	Independent Non-Executive Director	-	31,000	-
3.	Mr. Manoj Gupta	Independent Non-Executive Director	-	31,000	-
4,	Mr. Sanjay Garg	Independent Non-Executive Director	-	31,000	-
5.	Mr. O. P. Sharma	Executive Director	3,18,000	-	-

b. Number of Board meetings and dates: During the financial year 2010-11, fifteen Board meetings were held. The dates on which the said meetings were held were as follows: 15th April 2010, 28th April 2010, 29th May 2010, 1st July 2010, 6th August 2010, 7th September 2010, 9th September 2010, 4th October 2010, 5th October 2010, 13th November 2010, 18th November 2010, 8th December 2010, 19th January 2011, 14th February 2011 and 5th March 2011.

c. Code of Conduct: The Board of Directors adopted the Code of Conduct, which is applicable to all the Company's Directors. All Board members and senior management personnel of the Company affirmed compliance with the Code of Conduct.

d. Risk management: Your Company established a well-documented and robust risk management framework; these risks are identified across all business processes of the Company on an ongoing basis. Once identified, these risks are systematically categorised as strategic and business risks. 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 set in place procedures to periodically place before the Board the risk assessment and minimisation procedures followed by the Company.

Attendance of Directors at the Board meeting and the last Annual General Meeting, and the number of other directorship and Committee membership as on 31st March 2011.

Sl. No	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	8	15	15	Yes
2.	Mr. Gurvinder Singh Jolly	Independent Director	Nil	15	15	NO
3.	Mr. Manoj Gupta	Independent Director	2	15	15	Yes
4,	Mr. Sanjay Garg	Independent Director	Nil	15	15	Yes
5.	Mr. O. P. Sharma	Executive Director	Nil	15	13	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 Clause 49 of the Listing Agreement. The Committee acts as a link between the management, 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 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.

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 following were the members of the Shareholder's/Investor's Grievance Committee:

Mr. Premjit Singh, Managing Director

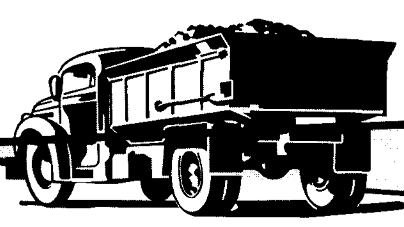
Mr. Manoj Gupta, Director

Mr. O. P. Sharma, Director, was designated as the Compliance Officer of the Company

6. General body meetings

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

Year	Location	Date	Time
2007-08	PHD Chamber of Commerce, Siri Fort Road, New Delhi	29th September, 2008	10.00 a.m
2008-09	PHD Chamber of Commerce, Siri Fort Road, New Delhi	23rd September, 2009	10.00 a.m
2009-10	PHD Chamber of Commerce, Siri Fort Road, New Delhi	28th September,2010	10.00 a.m



7. Disclosures

a. Disclosures: Related party transactions during the year are disclosed as a part of accounts as required 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.

(i) Disclosure of interest by a Director.

(ii) Interested Director not to participate or vote in Board's proceedings.

(iii) Register of contracts, companies and firms where Directors are interested.

(iv) Disclosure to Members of Directors interest in contract appointing manager, Managing Director.

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. In the current financial year, the shareholders in their Extraordinary General Meeting held on 10th July 2010 approved the issue of 11,00,000 warrants to be issued on a preferential basis. In another Extraordinary General Meeting held on 31st March, 2011, the Company approved its recasted Annual Accounts for the year ending 31st March, 2010. This is done in view of the fact that the profit on account of conversion of Foreign Currency Convertible Bond (FCCB) at below par value should be treated as capital receipt instead of revenue receipts.

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

f. During the year, Postal Ballot Notices were sent to the shareholders according to the provisions of Section 293(1) (a) for obtaining their votes in some matters. The provisions of Section 192A (2) and Section 173(2) were compiled with.

Share price movement

Script Code – Bombay Stock Exchange: 530721
National Stock Exchange: ANGIND
Stock prices at Bombay Stock Exchange
Script Code: 530721

Period (April 2010 to March 2011)

Month	High Price	Low Price	Close Price	No. of Shares
10-Apr	52.75	37.5	50.7	10,56,589
10-May	53.4	42.25	44.05	3,97,772
10-Jun	59.9	43.65	54.2	32,25,721
10-Jul	77.95	52.1	72.15	43,06,292
10-Aug	76.25	64.5	65.9	18,50,099
10-Sep	75	65.3	65.85	6,86,557
10-Oct	74.3	65	66.15	7,20,348
10-Nov	73.35	51.1	55.4	4,72,927
10-Dec	58.7	46.35	48.45	2,74,682
11-Jan	53	38.1	40.85	1,49,124
11-Feb	41.9	31.7	33.45	1,06,178
11-Mar	36	29.5	32.1	2,28,591

Stock prices at National Stock Exchange

Script Code: ANGIND

Period (April 2010 March 2011)

Month	High Price	Low Price	Close Price	No. of Shares
Apr 10	52.80	38.60	50.75	12,79,050
May 10	52.00	42.15	43.85	3,49,459
Jun 10	59.95	43.55	54.05	36,86,433
Jul 10	77.70	52.05	72.20	42,49,068
Aug 10	76.25	63.00	66.40	16,99,421
Sep 10	74.55	65.10	65.65	6,14,268
Oct 10	74.40	65.00	66.35	10,58,159
Nov 10	73.75	51.55	55.50	5,23,581
Dec 10	58.90	44.00	48.85	2,84,298
Jan 11	57.95	39.00	40.70	1,83,052
Feb 11	41.85	32.50	33.60	1,30,820
Mar 11	35.55	29.20	32.55	1,10457

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

The National Stock Exchange of India Ltd (NSE)
The Bombay Stock Exchange Ltd (BSE)
The Delhi Stock Exchange Association Ltd
The Ahmedabad Stock Exchange Ltd
The listing fee for 2011-12 was paid in time.

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.

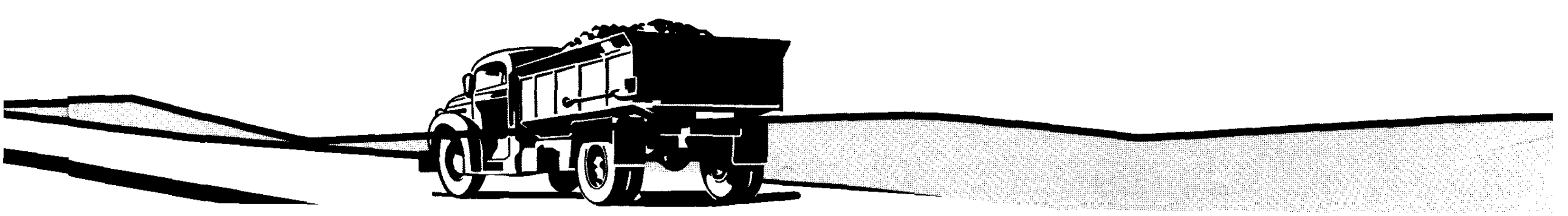
c. The Company's website, viz. www.anggroup.biz is regularly updated with financial results and other important events.

7. General shareholder's information

Annual General Meeting
Date: 26th September, 2011
Time: 10:00 am
Place: PHD Chamber of Commerce, New Delhi

Financial calendar: 2011-12

Annual General Meeting:	September, 2012
Result of quarter ended on 30th June, 2011:	Second week of August, 2011
Result of quarter ended on 30th September, 2011:	Second week of November, 2011
Result of quarter ended on 30th December, 2011:	Second week of February, 2012
Result of quarter ended on 30th March, 2011:	Second week of May, 2012
Book closure date:	24th September, 2011 to 26th September, 2011
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, Behind 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 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 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 notification issued by the Securities and Exchange Board of India.

Details of Share Capital of the Company as on 31st March, 2011

Serial Number	Particular	Number of shares	% of shares
1.	NSDL	75,40,717	60.13
2.	CDSL	40,79,294	32.53
3.	Physical	9,19,989	7.34
	Total	1,25,40,000	100

Shareholding pattern as on 31st March, 2011

Category	Number of shares held	% of paid-up capital
Promoter's holding		
Promoters		
Indian promoters	60,66,878	48.38
Foreign promoters		
Persons acting in concert		
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, government /		
Non-government institutions)	1,000	0.01
Foreign institutional investors	2,12,000	1.69
Sub-total	2,15,300	1.72
Others		
Private corporate bodies	11,11,102	8.69
Indian public	41,39,188	33.01
NRIs/OCBs	83,729	0.67
Foreign Corporate Bodies	5,75,350	4.59
Overseas Corporate Bodies	1,800	0.01
Trust		
Others(clearing members)	3,46,653	2.76
Sub-total	62,57,822	49.90
Grand total	1,25,40,000	100

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

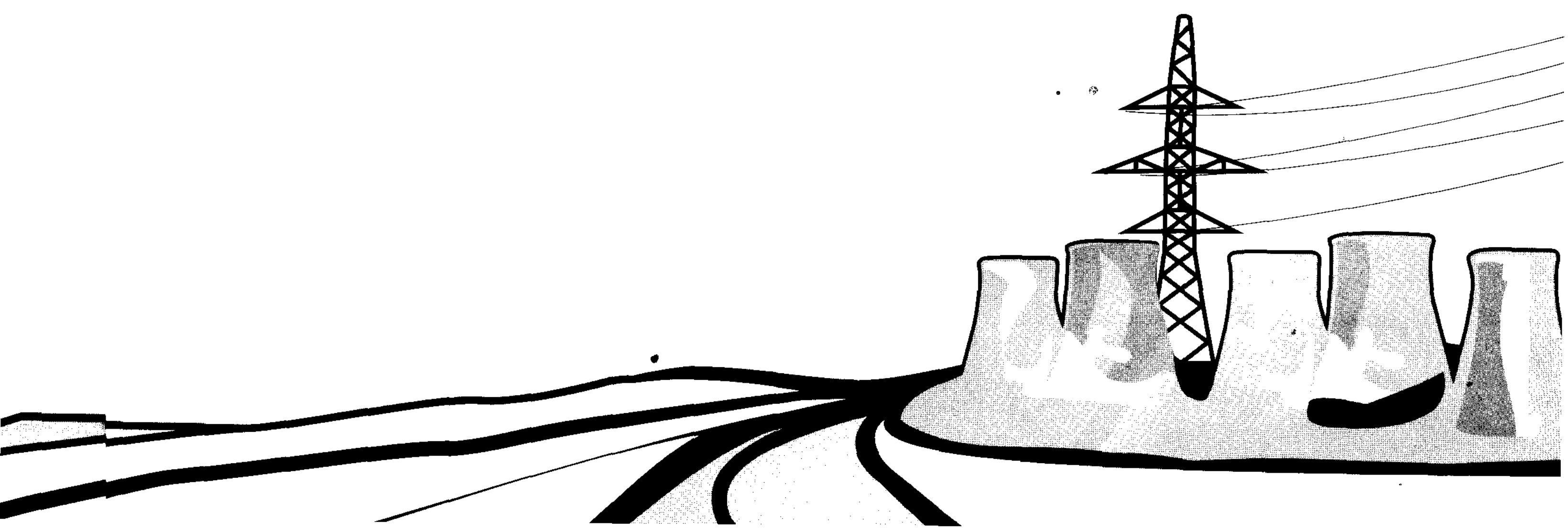
DISTRIBUTION SCHEDULE 31st March, 2011

Shareholding of nominal value of Rs 10 each	No. of shareholders	% to total no. of shareholders	No. of shares held	Amount in Rs	% to total paid-up capital
Upto 5000	6,980	84.62	9,95,694	99,56,940.00	7.9401
5001 to 10000	562	6.81	4,72,128	47,21,280.00	3.7650
10001 to 20000	309	3.75	4,84,727	48,47,270.00	3.8654
20001 to 30000	112	1.36	2,87,338	28,73,380.00	2.2914
30001 to 40000	59	0.72	2,08,652	20,86,520.00	1.6639
40001 to 50000	48	0.58	2,30,025	23,00,250.00	1.8343
50001 to 100000	89	1.08	6,66,304	66,63,040.00	5.3134
100001 and above	90	1.09	91,95,132	9,19,51,320.00	73.3264
TOTAL	8,249	100.00	1,25,40,000	12,54,00,000.00	100.0000

For any other query: Secretarial department, ANG Industries Limited, 1C/13, New Rohtak Road, Karol Bagh, New Delhi- 110005

Plant Location:

- B-48, Phase-II, Noida (U.P.)
- 19-A, Udyog Vihar, Distt Gautam Budh Nagar, Greater Noida
- I-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



Auditors' Report

The Members,
ANG INDUSTRIES LIMITED
(Formerly Known as ANG Auto Limited)

1. We have audited the attached Balance Sheet of ANG INDUSTRIES LIMITED (formerly known as ANG AUTO LIMITED) as at 31st March, 2011 and Profit & Loss Account and also the Cash Flow Statement of the Company 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 Companies (Auditors' Report) Order, 2003 ('the order') as amended by the Companies (Auditor's Report) (Amendment) Order 2004, 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 to the Company.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
   (i) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (ii) 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 the books;
   (iii) 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.
   (iv) 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;
   (v) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

5. 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, 2011; 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
Membership No. : 087316

Place : New Delhi
Date : 30.05.2011

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date on the accounts of ANG INDUSTRIES LIMITED (Formerly known as ANG Auto Limited) for the year ended 31st March, 2011

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.

      Though the Company has maintained records relating to fixed assets, the Company may need to comprehensively compile / complete the fixed asset register with particulars including quantitative details and situation of some of its fixed assets. Further, the Company would need to further strengthen its records so as to include adequate breakdown of asset group, description of assets, inter location movement etc. in view of increasing size of the Company.

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	951835 Dr.	0 0	 1595.22	950239.96 Dr.
ANG Logistic Pvt. Ltd.	403435 Dr.	0	0	403435 Dr.
ANG Automotive Component Pvt. Ltd.	0	5265236/-	9084347/-	3819111/- Cr.
ANG Auto (UK) Ltd.	56,80,161 Cr.	13,33,644	7013788	Nil
ANG Auto (HK) Ltd.	522,052 Dr.	548723	0	1070775 Dr.

   (b) No interest has been paid/ taken by the Company on the *unsecured loan given /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

Annexure to the Auditors' Report (Contd.)

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 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. However in view of the increasing size of the Company, it needs further strengthening.

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 irregular 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 .

   b) According to the information and explanation given to us there are no undisputed amounts payable in respect of income tax and sales tax that were outstanding, as on 31st March, 2011 for a period of more than six months from the date they became payable.

   c) According to the information and explanations given to us, details of dues of Income Tax, stamp duty and sales tax etc. which has not been deposited as on March 31st, 2011 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 (Appeals)	42.73
Stamp Duty	Financial year 2007-08	Revenue Board, Allahabad (U.P)	12.73
Entry Tax	Financial year 2005-06	Deputy Commissioner of Commercial tax, Jaipur	0.82
Sales Tax	Financial Year 2009-10	Joint Comm. of Commercial Tax , Khatima	5.43
Sales Tax	Financial year 2008-09	Commissioner VAT (Appeals), Kol	15.68
Sales Tax	Financial year 2009-10	Commissioner VAT (Appeals), Kol	0.53
Sales Tax	Financial year 2010-11	Commissioner VAT (Appeals), Kol	9.10
Entry Tax	Financial year 2009-10	Additional Commissioner (Appeals), Noida	1.05
Sales Tax	Financial Year 2009-10	Additional Commissioner (Appeals), Noida	10.82
Central Sale Tax	Financial Year 2010-11	Additional Commissioner (Appeals), Noida	12.73

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.

In the cases of Sales tax demand in Noida, Company has already deposited the full amount of demand and filed the appeal to Additional Commissioner for refund of that amount. Thus there is

Annexure to the Auditors' Report (Contd.)

no contingent liabilities involve in these demands against the Company.

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 some delayed 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 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 others 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, all long term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which these were obtained.

    During the year the Company has paid for the balance FCCB of USD 5 Million. The Company has reached full and final settlement at 85% of the Face Value and the same has been paid by 28th June, 2010.

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 .

18. During the year under consideration the Company has made an allotment of 1100000 (Eleven lacs) Covertible Warrants at Rs.48/- (Rupees Forty Eight Only) per warrant on Preferential basis to the Company and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The Company has called up 25% of the Issued price of Share Warrant i.e Rs. 12/- per warrants during the year .

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
Membership No. : 087316

Place : New Delhi
Date : 30.05.2011

Balance Sheet As at 31st March 2011

(Amount in Rs.)

	Schedules		As on 31.03.2011		As on 31.03.2010
SOURCES OF FUNDS					
Share Holder Fund					
Share Capital	A		138,600,000		125,400,000
Reserve & Surplus	B		801,966,174		797,187,428
Secured Loans	C		1,316,022,073		1,019,103,907
Unsecured Loans	D		24,283,349		204,550,000
Deferred Tax Liability			34,762,111		33,075,512
			2,315,633,707		**2,179,316,847**
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	1,302,640,287		1,180,128,396	
Less : Depreciation		234,599,375		173,986,637	
Net Fixed Assets			1,068,040,912		1,006,141,759
Capital Work in Progress			161,512,378		180,386,123
Investment	F		1,263,356		1,263,556
Current Assets, Loans & Advances					
Inventories	G	815,786,948		731,106,577	
Sundry Debtors	H	329,118,521		246,155,980	
Cash & Bank Balance	I	89,539,815		99,592,280	
Loans & Advances	J	204,923,318		165,603,722	
		1,439,368,602		**1,242,458,559**	
Less: Current Liabilities & Provisions	K	390,536,057		297,353,959	
Net Current Assets			**1,048,832,545**		**945,104,600**
Misc. Expenditure	L		35,984,516		46,420,809
(To the extent not written off or adjusted)					
Significant Accounting Policies					
Notes To Accounts					
			2,315,633,707		**2,179,316,847**

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

Premjit Singh
Managing Director

Arun Jain
CFO

Manoj Gupta
Director

Place: New Delhi
Dated: 30th May, 2011

Sanjay Garg
Director

G.S. Jolly
Director

Rajiv Malik
Company Secretary

Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

Particulars	Schedules	Year ended 31.03.2011	Year ended 31.03.2010
INCOME			
Sales & Other Operative Incomes	M	1,559,809,456	1,106,377,551
Exceptional Items & Other Non Operative Incomes	N	–	44,721,251
		1,559,809,456	**1,151,098,802**
EXPENDITURE			
Material consumed	O	966,199,900	641,327,640
Manufacturing Expenses	P	196,936,443	142,581,758
Selling & Distributive Expenses	Q	73,515,905	59,211,563
Administrative Expenses	R	51,159,875	46,055,177
Financial Expenses	S	147,954,067	136,601,744
Depreciation	E	62,016,823	51,593,556
Claim Written Back		12,608,737	–
Loss on Derivative a/c		–	91,665,645
Income Tax Demand AY.07-08		–	3,440,170
Misc. Expenses Written off	T	21,373,242	21,795,878
Significant Accounting Policies	U		
Notes To Accounts	V		
		1,531,764,992	**1,194,273,131**
Profit Before Taxes		28,044,464	(43,174,329)
Less : Provision for Income Tax		5,210,007	–
Less : Provision for Deferred Tax Liabilities		1,686,599	19,916,882
Less : Stock Reserve		2,481,226	–
		18,666,632	**(63,091,211)**
Balance Brought Forward From Last Year		341,238,746	404,293,762
Add: Short & Excess Provision of Tax & for Previous Year		–	36,186
Balance Carried to Balance Sheet		**359,905,378**	**341,238,737**
Earning Per Share (Face value of Rs10/- per equity share)			
Basic before deferred Tax		1.82	5.78
Diluted before deferred Tax		1.67	

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

For **Sandesh Jain & Co.**
Chartered Accountants

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Manoj Gupta**
Proprietor	*Managing Director*	*CFO*	*Director*
Membership No: 087316			
Place: New Delhi	**Sanjay Garg**	**G.S. Jolly**	**Rajiv Malik**
Dated: 30th May, 2011	*Director*	*Director*	*Company Secretary*

Schedules forming part of Balance Sheet As at 31st March 2011

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
A SHARE CAPITAL		
Authorised Share Capital		
22500000 Equity Shares of Rs. 10/- each	225,000,000	225,000,000
Issued & Subscribed and Paid up Capital		
12540000 Equity Shares of Rs. 10/- each	125,400,000	125,400,000
(Previous Year Rs 125400000)		
Convertible Share Warrant	13,200,000	–
(Issued during the year 11,00,000 (Eleven Lacs) optional Convertible Warrants at Rs. 48/- per warrant, including premium of Rs.38/- per warrant. Called up amount during the Year 25% of the value of the Share warrant)		
	138,600,000	**125,400,000**

Notes :

567500 Equity shares of Rs. 10/- each issued at premium of Rs. 65/- each on Conversion of Share Warrants.

1387500 Equity shares of Rs. 10 /- each were issue to the shareholders of ANG AutoTech Pvt. Ltd. In ratio of 74:100 pursuant of Scheme of Merger approved by Hon'ble Delhi High Court.

312500 Equity Shares of Rs. 10/- each issued to Shareholders of erstwhile share holders of ANG Auto pvt. Ltd. Pursuant to its merger with the Company.

In the Year 2008-09 the Company bought back and extinguished 7,50,000 Equity Shares.

		As on 31.03.2011		As on 31.03.2010
B RESERVE & SURPLUS				
(A) GENERAL RESERVE				
Balance as Per Last account	42,032,243		42,032,243	
Addition during the year	–	42,032,243	–	42,032,243
(B) Share Premium A/c				
on 4552500 Shares @ Rs. 65/- each		264,327,841		264,327,841
(Use Rs. 31584859 for By Back of Its Equity shares in previous years)				
(C) Capital Redemption Reserve Account		130,825,712		139,641,672
(D) PROFIT & LOSS A/C		359,905,378		341,238,737
(Balance as per Profit & Loss Account)				
(E) Revaluation Reserve		–		5,071,935
(F) Capital Reserve		4,875,000		4,875,000
		801,966,174		**797,187,428**

Schedules forming part of Balance Sheet As at 31st March 2011

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
C SECURED LOAN		
Foreign Bill Discounting	143,200,063	110,331,299
Packing Credit	110,502,856	70,301,918
Cash Credit limit	531,877,314	537,677,283
Term Loan	400,988,404	162,954,295
YES BANK DERIVATIVE PAYABLE	–	91,665,645
Domestic Bill Discounted	107,747,279	3,294,635
Vehicle Loan from Banks	20,340,543	34,939,355
Tooling Advance	–	6,573,863
Greater Noida Development Authority	1,365,614	1,365,614
	1,316,022,073	1,019,103,907

NOTES:

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

(a) **State Bank of India:**

- First pari-passu charge on company's fixed assets (including land & building) situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttrakhand.
- First charge on company's land & building situated at following locations
  - B – 48, Phase – II, Noida, U.P.
  - 19 – A, Udyog Vihar, Greater Noida, U.P.

(b) **Yes Bank Ltd. :**

- First pari-passu charge on company's fixed assets (including land & building) situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttrakhand.
- First charge on company's fixed assets (including land & building) situated at 150-A, SEZ, Noida, U.P.
- First charge on company's fixed assets situated at 19 – Udyog Vihar, Greater Noida, U.P.

(c) **Development Credit Bank Ltd. :**

- First pari-passu charge on company's fixed assets (including land & building) situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttrakhand.

(2) **Securities offered to Banks (viz. State Bank of India, Bank of Baroda, 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) **GNIDA** dues amount is for the deferred instalments on the land at 19-A, Udyog Vihar, Greater Noida, U.P.

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

Schedules forming part of Balance Sheet As at 31st March 2011

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
D UNSECURED LOAN		
- From Directors, Shareholders & Others (Interest Free)	24,283,349	–
- Yes Bank Derivative account	–	3,950,000
- Foreign Currency Convertible Bonds	–	200,600,000
	24,283,349	204,550,000

E FIXED ASSETS

			GROSS VALUE				DEPRECIATION				W D V	
S. No.	Name of Asset	Rate of Dep.	As on *01.04.2010*	Addition during the year	Sale during the year	Total value As on 31.03.2011	Balance As on 01.04.2010	Depreciation during	Depreciation Adjustment the period	Total As on 31.03.2011	As on *01.04.2010*	As on *01.04.2011*
1	Land	0.00%	84,408,920	–	–	84,408,920	–	–	–	–	84,408,920	84,408,920
2	Building	3.34%	225,832,938	15,013,886	–	240,846,824	18,288,994	7,672,673	–	25,961,668	207,543,944	214,885,157
3	Furniture	6.33%	9,186,792	354,278	–	9,541,070	2,136,627	579,064	–	2,715,691	7,050,165	6,825,382
4	Vehicle	9.50%	36,850,438	4,826,398	2,082,425	39,607,339	13,651,141	3,445,112	482,296	16,626,797	23,199,297	22,980,542
5	Commercial Vehicle	11.31%	51,937,530	–	–	51,937,530	10,231,320	5,874,134	–	16,105,455	41,706,210	35,832,078
6	Genset Canopy	16.21%	4,000,931	19,500	–	4,020,431	591,444	622,349	–	1,213,793	3,409,487	2,806,638
7	Electrical Equipments	7.42%	19,533,640	1,554,880	–	21,088,520	3,246,325	1,001,469	–	4,247,794	16,287,315	16,840,725
8	Etp Plant	4.75%	1,304,032	833,600	–	2,137,632	253,279	107,975	–	361,252	1,050,753	1,776,378
9	Machine & Tools	4.75%	725,403,165	125,849,762	26,578,920	824,674,007	116,420,415	40,051,745	(1)	156,472,160	608,982,751	668,201,844
10	Office Equipment	7.42%	5,840,517	355,906	–	6,196,423	1,534,952	409,909	–	1,944,861	4,305,565	4,251,561
11	Computer & Accessories	16.21%	13,676,579	2,874,228	934,628	15,616,179	6,703,991	2,013,028	934,628	7,782,391	6,972,589	7,833,788
12	Water Cooler	6.33%	99,571	34,900	–	134,471	21,447	8,661	–	30,108	78,124	104,363
13	Mobile	16.21%	1,534,804	288,655	–	1,823,459	595,580	179,362	–	774,943	939,223	1,048,516
14	Patent Right Exp		518,539	88,943	–	607,482	311,124	51,340	–	362,464	207,415	245,018
	Total :-		1,180,128,396	152,094,935	29,595,973	1,302,640,287	173,986,637	62,016,823	1,416,923	234,599,375	1,006,141,759	1,068,040,912
	Previous Year		1,180,128,396	303,487,116	6,640,262	1,180,128,396	123,422,598	51,954,480		173,986,637	759,858,948	1,006,141,759
	Depreciation During the year											62,016,823

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
F INVESTMENTS		
Investment in Subsidiary Company		
ANG Auto (U.K.) Ltd		
- Share Capital	-	200
ANG Auto (U.S.A)		
- Share Capital	11,922	11,922
ANG Auto (Hongkong) Ltd		
- Share Capital	51,434	51,434
Tower Worx India Pvt. Ltd (Share Capital)	1,200,000	1,200,000
	1,263,356	1,263,556

G INVENTORIES

(As taken valued and certified by management)				
Raw Material	328,225,075		408,491,419	
Work in Progress (Net of Stock Reserve)	410,111,164		248,017,494	
Finished Goods	77,450,709	815,786,948	74,597,664	731,106,577
		815,786,948		731,106,577

Schedules forming part of Balance Sheet As at 31st March 2011

(Amount in Rs.)

		As on 31.03.2011		As on 31.03.2010
H SUNDRY DEBTORS				
(Unsecured, considered good, unless stated otherwise)				
Over Six months	14,840,996		26,548,113	
Others	314,277,525	329,118,521	219,607,867	246,155,980
		329,118,521		**246,155,980**

	As on 31.03.2011	As on 31.03.2010
I CASH & BANK BALANCES		
Balances With Schedule Bank in Current Accounts	4,063,393	45,813,930
Yes Bank (Unpaid Dividend -I)	1,144,262	1,144,462
Yes Bank (Unpaid Dividend-II)	802,688	802,688
Balances With bank in Fixed Deposit Account	24,573,036	11,745,443
Cash In hand	58,956,436	40,085,757
	89,539,815	99,592,280

	As on 31.03.2011	As on 31.03.2010
J LOANS & ADVANCE, SECURITIES & DEPOSITS		
Security Deposits	16,631,092	15,888,308
Advance to Suppliers	14,004,283	18,860,393
Advance for land at Bhiwadi	16,538,882	16,538,882
Other Advances & Export Claims	111,560,019	63,968,087
Accrued Interest on Fixed Deposit	379,556	683,403
Advance Income Tax	300,000	–
Income Tax Refund (FY.2008-09)	–	3,565,086
Excise Duty & Service Tax Receivable	20,263,562	19,664,849
TDS Receivables	2,351,419	1,041,647
Export Incentives Receivable	18,175,790	21,208,970
Prepaid Expenses	4,477,829	2,222,771
Vat receivable	240,886	1,961,326
	204,923,318	**165,603,722**

	As on 31.03.2011	As on 31.03.2010
K CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
Creditors for Consumables	46,349,754	29,676,437
Creditors for Raw Material	232,135,943	151,375,222
Creditors for Capital Goods	11,331,226	11,667,677
Creditors For Expenses	48,336,363	32,049,263
Advance From Customer	11,300,642	41,347,159
Unpaid Dividend	1,946,950	1,947,150
Custom Duty/ Service Tax Payable	184,789	1,155,323
TDS Payable	1,241,661	1,110,713
Sales Tax Payable	11,448,035	7,845,609

Schedules forming part of Balance Sheet As at 31st March 2011

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
K CURRENT LIABILITIES & PROVISIONS (Contd.)		
PROVISIONS		
Salary & Wages Payable	6,036,925	6,356,286
Provision for leave Encashment	405,607	405,607
ESI Payable	176,453	103,043
EPF Payable	847,513	704,160
Expenses Payable	10,928,872	4,824,723
Gratuity Fund Payable	2,655,317	3,345,417
Income Tax Demand AY.2007-08	–	3,440,170
Provision for Income Tax	5,210,007	–
	390,536,057	297,353,959

L MISCELLANEOUS EXPENDITURES		
Pre Operative Expense	4,229,393	9,531,577
Preliminary Expenses	406,059	436,364
Issue Expenses	136,404	764,607
Research & Development	31,212,660	35,688,261
	35,984,516	46,420,809

Schedules forming part of Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

	Year ended 31.03.2011	Year ended 31.03.2010
M SALES & OTHER INCOME		
Exports Sale & Incentives	510,033,965	344,240,909
Domestic Sale	951,503,253	691,441,538
Income from Transportation Business	60,334,733	31,577,741
Interest received (TDS on interest received Rs.224865/-)	1,025,093	2,987,014
Diff. in Foreign Exchange Fluctuation	254,285	5,407,026
Miscellaneous Income	36,658,127	30,723,323
Total	1,559,809,456	1,106,377,551

N EXCEPTIONAL ITEMS & OTHER NON OPERATIVE INCOMES		
Profit on FCCB Written Off.	–	44,721,251
Total	–	44,721,251

Schedules forming part of Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

		Year ended 31.03.2011		Year ended 31.03.2010
O MATERIAL CONSUMED				
Raw Material				
Opening Stock	408,491,419		419,058,450	
Purchase of Raw Material	926,083,852		574,675,434	
Inter Unit Transfer	8,623,838		2,848,253	
	1,343,199,109		996,582,137	
Less: Closing Stock	328,225,075		408,491,419	
Material Consumed during the Year		1,014,974,034		588,090,718
Work-in Progress				
Opening Stock	248,017,494		214,143,191	
Less : Closing Stock	412,592,390		248,017,494	
Increase /Decrease in WIP		(164,574,896)		(33,874,303)
Finished Goods				
Opening Stock	74,597,664		95,037,303	
Less : Closing Stock	77,450,709		74,597,664	
Increase /Decrease in Finished Goods		(2,853,045)		20,439,639
Consumable Goods		118,653,807		66,671,586
		966,199,900		641,327,640

P MANUFACTURING EXPENSES		
Power & Electricity	48,534,019	30,579,886
Factory Rent	3,525,713	6,133,880
Salary & Labour Charges	84,062,072	64,104,234
Repair & Maintenance Machinery	4,688,707	3,269,963
Freight & Cartage	15,532,391	13,544,280
Processing & Job work charges	34,178,880	21,974,056
Water Charges	32,919	54,734
Vehicle Running & Maintenance (Commercial Vehicles)	2,807,458	1,239,988
Ware House Charges	–	211,937
Rent on Genset	3,574,284	1,468,800
	196,936,443	142,581,758

Q SELLING & DISTRIBUTIVE EXPENSES		
Freight Outward	39,361,508	19,306,648
Travelling Expenses		
- Domestic	4,026,805	3,532,766
- Foreign	2,825,222	791,850
Shipping & Forwarding	9,287,706	1,280,787
ECGC Premium	3,194,995	2,123,998
Bad Debts	1,424,758	19,243,978
Warranty Expenses	1,835,079	128,030
Business Promotion Expenses	1,297,525	1,308,526
Branch office & Godown Rent	1,983,197	1,682,824
Salary to sales Personnel & Other Expenses	4,828,459	3,402,872
Discount, Commission & Brokerage	2,549,652	3,091,305
Advertisement Expenses	900,999	782,465
Foreign Consultancy Charges	–	2,535,514
	73,515,905	59,211,563

Schedules forming part of Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

	Year ended 31.03.2011	Year ended 31.03.2010
R ADMINISTRATIVE EXPENSES		
Audit Fees	386,050	386,050
Conveyance	5,129,293	3,765,296
Donation	473,455	663,481
Gratuity & Compensation Paid	114,681	4,039,794
Membership Fees/subscription/registration	614,939	820,317
Prior Period Expenses	1,476,360	3,955,679
Miscellaneous Expenses	491,474	304,160
News Papers & Periodicals	107,048	25,059
Office Rent	193,790	6,800
Postage & Courier	550,796	508,564
Printing & Stationery	1,489,365	1,204,449
Service Tax on Freight	666,303	616,835
Remuneration to Director	1,800,000	1,800,000
Rates & Taxes	8,752,881	3,758,336
Loss on Investment in Subsidiary Co.	905,274	–
Repair & Maintenance		
- For Vehicles	1,999,918	2,724,181
- For computer	588,023	169,785
- For Office	2,371,884	2,294,711
Festival Exp	1,625,049	1,061,764
Insurance Charges	4,030,094	3,133,777
Medical Expenses	290,464	74,536
Legal, Professional & consultancy charges	4,122,041	2,835,164
Recruitment Exp	202,142	209,607
Security Charges	335,397	275,064
Short & Excess Charges	11,299	31,168
Staff Bus	1,119,705	746,034
Staff Welfare	3,627,301	2,579,483
Interest on Vehicle Loan	222,598	890,546
Interest on GNIDA	122,905	421,873
Guest House Expenses	1,937,905	1,323,720
Reverse Input VAT credit on Stock Transfer	725,495	711,742
Loss on Sale of Assets	984,149	1,310,011
Telephone Exp.	3,691,797	3,407,191
	51,159,875	**46,055,177**

S FINANCIAL EXPENSES		
Interest on Term Loan	28,555,104	26,841,406
Bank Charges	3,380,499	958,893
Other Interest Expenses	116,018,464	108,801,445
	147,954,067	**136,601,744**

Schedules forming part of Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

	Year ended 31.03.2011	Year ended 31.03.2010
T PRELIMINARY EXPENSES WRITTEN OFF		
Preliminary Expenses w/o	111,425	
Issue Expenses w/o	68,203	
Merger Exp Written Off	256,104	
FCCB Exp Written Off	–	280,000
Pre-operative Expenses w/o	4,229,469	4,999,623
Business promotion written off	481,276	492,251
Research & Development Cost written off	16,226,765	15,174,685
	21,373,242	**21,795,878**

U 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.

3. **Export Incentives**

   The same are booked as income on the basis of claim accrued in favor 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 XIV 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 for 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

U 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 and premium recalculated by LIC on the basis of Employees data provided to them .

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. To the extent, the Foreign bills got discounted with bank, AS-11 is not applicable and remaining foreign Bills are entered in books at the rate on the date of transaction. 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. Investments made in the foreign Subsidiaries Companies are calculated on the exchange rates at the date of transactions.

Further the corresponding figures of overseas subsidiary companies are converted in USD i.e 1USD =INR 45.29 being the foreign exchange rates prevailing at the end of last financial year.

Forward Contracts in the nature of derivatives are market to market, wherever required, as at the Balance sheet date and provision for losses, if any, is dealt with in the profit and Loss account. Unrealised gains, if any on such derivatives are not recognised in the Profit and Loss account.

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 extend 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. Further, no Deferred tax is being provided on the timing difference for the units availed exemption of Income Tax under section 80 IC etc.

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 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

a. **Contingencies and commitments**

i.	Bank Guarantees	Rs. 3,14,13,000/-
ii.	Letter of Credit	Rs. 1,12,53,730/-
iii.	Estimated amount of contract remaining to be executed on capital account and not provided (net of advances Rs. 3,24,76,803/-)	Rs. 50,41,560/-

iv. Sales tax Liability of Rs. 81,560/- under appeal with Deputy Commissioner of Commercial Tax, Jaipur

v DEPB Claim receivable on the bills against which ECGC claim has been received during the year due to non realisation of exports shipments amounts to Rs.39,59,692/-.

vi There is a demand raised by the Income Tax Department against Company for Rs. 42,72,701/- 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. 12,73,020/- 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 There is a case pending before additional session Judge , Punjab against the Company filed by M/s Kisco Casting for the total claims amounting to Rs. 11,39,458/- against the Debit notes raised by Company for supply of defective Raw material by the party .

ix. There is a case pending before Additional session court , TeesHazari, New Delhi against the Company filed by M/s Birla Software Ltd. for the total claims amounting to Rs. 10,00,000/- against the Debit note raised by the Company for fault in implementation of ERP software for the Company.

x. There is a Demand raised by Sales tax Department , Khatima (UttaraKhand) against the Company for Rs. 6,03,448/- on account of penalty for late payment of Sales tax in Fin year 2009-10. The Company goes for the Appeal against this demand to Joint Commissioner (Sales tax) , Khatima after paying 10% of penalty under protest . The company take the stay for the balance 90 % of the penalty amount .

xi. There are some cases pending before commissioner VAT (Appeal), Kolkata in which the WBVAT Department raised the following demands for assessment U/s 46(1) of the WBVAT act 2003.

Fin year	Amount
2008-09	15,67,708/-
2009-10	53,239/-
2010-11	9,09,803/-

The Company has filed an Appeal with Commissioner VAT (Appeals), Kolkata against these demands.

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 Year 2009-10 Company had repurchased and cancelled Foreign Currency Convertible Bonds of Face value of USD 7 Millions. During the year, the balance FCCB of USD 5 Million, has repaid as full and final settlement at 85% of the Face Value and the surplus amounting to Rs.3,00,90,000/- arise on redemption of FCCB bonds were transfer to "Capital Redemption Reserve". Bond holder of USD 5 Millions has also agreed to waive the Interest Payable on these bonds, therefore the Interest payable on these Bonds for earlier years amounting to Rs. 2,71,74,430/- has been written off in fin year 2009-10 and taken in books as profit under Exceptional items .

e. **Investment in the Subsidiary company in United States of America:**

During the year the Company has also received Management service charges amounting to USD 531871.76 Equivalent to INR 240.88 Lacs from the wholly owned overseas subsidiary.

Schedules forming part of the Accounts

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

f. During the Year the Company has closed its Subsidiary Company in United Kingdom i.e ANG Auto (UK) Ltd. and the Company was struck off from the Register of Companies on 16th November 2010.

g. During the year the Company has settled the legal Claim of USD 5,82,095.40 with M/s Guangdong FUWA Engineering Manufacturing Co. Ltd. China, and agreed to pay USD 4,07,466-78 as their Full payment . The Company has written back US$ 3,84,507.21 from its books in earlier years, the differential Balance of sundry Creditor amount of INR 1,26,08,737/- has been shown as Loss under the head "Claim written Back " in Profit and Loss account .

i. The stock has been taken as per inventories valued and certify by the Management of the Company. During the year the Company has create a stock reserve of Rs. 24,81,226/- on account of obsolete stock . The same is adjusted from the Profit / Loss account and net amount of inventories are shown in Schedule- G of Inventories.

j. The Company operates in three segments i.e Manufacturing of Auto Components and assemblies, Transportation and heavy Fabrication. Out of these, Transportation constitute less than 10% and hence as per the principle of AS-17, issued by The Chartered Accountants of India , segment reporting is not applicable for Transportation business. The operating segments reported below are the segments of the group for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by executive Management in deciding how to allocate resources and in assessing performance. Management evaluate performance based on consolidated revenues and net income.

(Amount in Rs.)

Particulars	Year ended 31.03.2011
1. Segment revenue	
a. Automotive components & parts	12,537.96
b. Heavy Steel Fabrication	3,402.76
Net income from sales/services	**15,940.72**
2. Segmental results	
a. Automotive components & parts	1,494.22
b. Heavy Steel Fabrication	346.69
Total	**1,840.91**
less: Interest & finance charges	1,479.56
Unallocable expenditure (net of unallocable income)	78.05
Profit/loss before tax	283.3
3. Capital employed (segment assets & segment liabilities)	
a. Automotive components & parts	11,334.02
b. Heavy Steel Fabrication	2,892.88
Add: Unallocable capital employed	673.25
Total	**14,900.15**

k. During the year the Company has allot 11,00,000 (Eleven Lacs) convertible Warrant at Rs. 48/- per Warrant , on a preferential basis to Promoters, with a right to subscribe to equal number of equity shares on conversion within a period of 18 months from the date of allotment of nominal value of Rs.10/- each fully paid up at a price of Rs. 48/- including premium of Rs. 38/-. An amount equivalent to at least 25% i.e. Rs. 12/- of the total consideration has been paid at time of allotment of warrants and shall pay the balance 75% i.e Rs. 36/- on or before the last date of conversion of warrants into Equity Shares.

Eleven lacs warrants being allotted to promoters shall be locked in for a period of 3 (three) years from the date of their allotment consistent with SEBI Regulation 2009.

l. The Company has revalued its assets during the financial year 2002-03 and created a revaluation reserves of Rs. 75,98,404 at the time of payment for machines on lease from UPSIC.As these Machines are older for more than 15 years, their estimated useful life is almost extinguished. IN some of the earlier years as Company does not adjust the depreciation on these machines from revaluation reserve in their books, these assets were overstated by that amount in their books. Therefore during the year the Company has adjusted the balance in Revaluation reserve amounted to Rs.50,71,935/- with the value of Fixed assets to bring them at par with actual book value.

Schedules forming part of the Accounts

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

m. 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.

n. **Transaction in Foreign Currency :**

1) **Expenses in foreign currency:**

   a. Foreign Tour & Travelling US$ 13800, Euro 1000 & GBP 12500 equivalent to INR 16,05,413/- (previous Year Rs. 662902/-)

   b. Payments for Import of Plant & Machinery US$ 345460 equivalent INR 1,57,20,076 /-

   c. Payment of legal Expenses payable USD 949 equivalent INR 52,202/-

   d. Repayment of Secured loan against SBLC from Amer Auto Corp.USA amounted to USD 150000 paid equivalent INR 66,71,250/-

   e. Repayment to Fuwa Engineering Manufacturing Co. against Full settlement of claim by the Party for USD 407637 equivalent INR 1,86,44,607

   f. Advance payment for Legal Consultancy amounted to USD 20000 equivalent INR 9,06,400/-.

   g. Repayment of balance payment of FCCB Loan amounted to USD 4250000 equivalent INR 17,05,10,000/-

2) **Earning in Foreign Currencies:**
   Exports : US$10286743.56 and Euro 201612.88 , equivalent INR 49,05,13,070/- (Previous Year 32,89,20,292/-)
   Interest on Fixed deposits In foreign Exchange : US$ 590.38 equivalent to INR26,567/- (previous Year INR 10,75,992/-)
   Service Charges From Subsidiary Company: US$ 531871.76 equivalent to INR 2,41,96,727/- (previous Year INR 1,66,75,582/-)

3) There was import of raw materials during the year amounting to USD 1536235.40, GBP 1146 and Euro 10697.95 equivalent to INR 7,15,61,098.48. (Previous Year Rs. 3,00,40,839/-)

V NOTES TO THE ACCOUNTS

O. **Payment to Auditors**

	Current Year	Previous Year
Statutory Audit & Tax audit Fees	Rs. 3,86,050/-	Rs.3,86,050/-
Certification charges / other fees	Rs. 22,500 /-	Rs. 5,515/-

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 Personnel have substantial Interest :
- ANG Automotive Industries (P) Ltd.
- ANG Structure & Energy Pvt. Ltd. (Formerly known as ANG Forgings (P) Ltd.)
- ANG Automotive Components (P) Ltd.
- ANG Logistics Pvt. Ltd.
- GIC Global International Business Inc.
- Krisp Auto & General credit Pvt. Ltd.
- PS Autotech International LLP

Wholly owned overseas Subsidiary Companies :
ANG Auto (U.K.) Ltd. (dissolved on 16th Nov. 2010)
ANG Auto (HongKong) Ltd.
ANG Auto (USA) Inc.

Joint Venture : Towerworx India Pvt.Ltd.

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

Schedules forming part of the Accounts

V 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 March 31st, 2011 and the aggregate of transactions for the period then ended are presented herein below :

Name of related Party	Relation	Transaction	Amount
ANG Automotive Industries Pvt. Ltd.	Company in which Key personnel have substantial Interest	Allotment money for Convertible Share warrants	Rs. 1,26,00,000/-
Ang Auto USA Inc.	Wholly owned Subsidiary Company	Exports of Auto Components	Rs. 32,50,75,446/-
Ang Auto USA Inc.	Wholly owned Subsidiary Company	Management Service Charges Recd.	Rs. 2,41,96,727/-
Sangita Gupta	Director's Wife	Allotment money for Convertible Share warrants	Rs. 6,00,000/-

Summary of Transaction in other accounts of Related parties :

	Opening Balance	Debit	Credit	Closing Balance
Premjit Singh	951835 Dr.	–	1595.22	950239.96 Dr.
Advance for purchase of property at Bhiwadi (ANG Forgings Pvt. Ltd.)	16538882 Dr.	–	–	16538882 Dr.
ANG Logistic Pvt. Ltd.	403435 Dr.	–	–	403435 Dr.
Advance for purchase of Property (ANG Automotive Component Pvt. Ltd.)	8,47,81,500/-	–	–	84781500/-
ANG Automotive Component Pvt. Ltd.	–	5265236/-	9084347/-	3819111/-
ANG Auto (UK) Ltd.	56,80,161 Cr.	13,33,644	7013788	Nil
ANG Auto (HK) Ltd.	522,052 Dr.	548723	–	1070775 Dr.

Managerial Remuneration

Mr. Premjit Singh	Rs. 18,00,000/-
Mr. O.P. Sharma	Rs. 3,18,000/-
Sitting Fees to Directors :	Rs. 1,12,500/-

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, 2010 with the Balance of Deferred Tax Liability (Net) accruing during the year aggregating to Rs.19916882 /- 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	3,64,21,403	4,11,03,092	–	4,681,689
Research & Development Exp Written off	1,21,85,164	1,07,25,276	14,59,888	–
Total Difference in Taxable Income / Loss				32,21,801
Deferred Tax Liabilities upto 31-03-2010				3,30,75,512
Deferred Tax Liabilities/ Assets during the year			–	16,86,599
Total Deferred Tax Liabilities/Assets upto 31-03-2011			–	**3,47,62,111**

Schedules forming part of the Accounts

V NOTES TO THE ACCOUNTS (Contd.)

S. Details of Capacity Utilisation

(Amount in Rs.)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Installed Capacity		
Auto Component and Assemblies :		
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.	5693600	5693600
Heavy steel Fabrication	12000MT	12000MT
ACTUAL PRODUCTION		
Auto Component and Assemblies:		
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	3254159	2798889
Heavy Steel Fabrication	5500.40 MT	1554.56 MT.
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)	57.15%	49.15%
Turnover & Stock (Rupees)		
Opening Stock	731106577	728238944
Sales	1521871951	1067260188
Closing Stock	815786948	731106577

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

Premjit Singh
Managing Director

Arun Jain
CFO

Manoj Gupta
Director

Place: New Delhi
Dated: 30th May, 2011

Sanjay Garg
Director

G.S. Jolly
Director

Rajiv Malik
Company Secretary

Cash Flow Statement For the year ended 31st March 2011

(Amount in Rs.)

		Year ended 31.03.2011		Year ended 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary item		28,044,464		(43,174,329)
Adjustments				
Depreciation Provision	62,016,823		51,593,556	
Profit on FCCB written off	–		(44,721,251)	
Claim Written Back	12,608,737		–	
Miscellaneous expenditure written off	21,373,242		21,795,878	
Loss on Investment in Subsidiary	905,274		–	
Provision for Loss on Derivative	–		91,665,645	
Income Tax Demand	–		3,440,170	
Loss on sale of assets	984,149		1,310,010	
Operating profit before working capital changes		**125,932,689**		**81,909,679**
Adjustment for working capital changes				
Decrease / (Increase) in Inventories	(87,161,597)		(2,867,633)	
Decrease / (Increase) in Debtors	(82,962,541)		76,339,582	
Decrease / (Increase) in Loans & Advances	(39,319,596)		195,049,747	
(Decrease) / Increase in Current Liabilities (net of Provisions of tax)	75363354		47,696,554	
Cash from Operations		**(8,147,691)**		398,127,929
Less: Income tax paid during the year		–		(5,066,149)
Net Cash from Operations Activities		**(8,147,691)**		393,061,780
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to fixed Assets	(130,580,060)		(300,771,701)	
Capital Work in Progress	18,873,745		71,946,542	
Misc. expenses Incl. Research & Development etc. incurred during the year	(10,936,949)		(4,189,101)	
Sale of Fixed Assets	608,000		1,224,500	
Purchase of Investments	(905,074)		(1,211,922)	
Share Premium Account	–		–	
Capital Redemption Reserve Account	(8,815,958)		139,641,672	
Net Cash from Investing Activities		**(131,756,296)**		(93,360,010)

Cash Flow Statement (Contd.) For the year ended 31st March 2011

(Amount in Rs.)

		Year ended 31.03.2011		Year ended 31.03.2010
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	296,918,166		(108,651,512)	
Proceeds from Share Capital	13,200,000		–	
Proceeds from Unsecured Loans	(180,266,651)		(280,873,769)	
Payment of Dividend including Dividend Tax	–		–	
Net Cash from Financing Activities		**129,851,515**		**(389,525,281)**
Total increase/(decrease) in Cash and cash equivalent				
Cash equivalents during the year (A+B+C)		(10,052,472)		(89,823,511)
Cash & Cash equivalents at the beginning of the year		99,592,280		189415791
Cash & Cash equivalents at the beginning of the year with				
Cash & Cash equivalents at the end of the year (31.03.2011)		89,539,808		99,592,280

This is the Cash Flow Statement referred to the report of our report of even date attached

For **Sandesh Jain & Co.**
Chartered Accountants

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Manoj Gupta**
Proprietor	*Managing Director*	*CFO*	*Director*
Membership No: 087316			
Place: New Delhi	**Sanjay Garg**	**G.S. Jolly**	**Rajiv Malik**
Dated: 30th May, 2011	*Director*	*Director*	*Company Secretary*

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

1. Registration Details

CIN No.	L51909DL1991PLC045084	State Code	55
Balance Sheet Date	31 03 2011		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Conversion of Convertible Share Warrants	13200		

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

Total Liabilities	2315699	Total Assets	2315699
Sources of Funds			
Paid-up Capital	125400	Reserves & Surplus	799880
Convertible Share Warrant	13200	Secured Loans	1316022
Unsecured Loans	25354	Deferred Tax Liabilities	34762
Application of Funds			
Net Fixed Assets	1068081	Capital Work in Progress	161843
Investments	11263	Net Current Assets	1049769
Misc. Expenditure	36694	Accumulated Losses	NIL

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

Turnover	1594072	Total Expenditure	1565740
+/- Profit/Loss Before Tax	28332	+/- Profit/Loss Before Tax	338977
Earning per share in Rs-Basic		Dividend Rate %	NIL

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

Product Description	**ITC Code**
Automotive Components	8708.00
Ferrous Waste & Scraps	7204.00
Finished/Semi Finished Steels	732690150

SECTION 212

(in INR)

Sr. No.	Name of the Subsidiary Company	Capital	Reserve	Total Assets	Total Liabilities	Turnover	Profit before taxation	Provision for taxation	profit after taxation	country
1	ANG Auto, USA	11368	4185017	108925029	–	357,525,351	1113004	232247	880757	USA
2	ANG Auto, Hongkong	58100	(1085177)	171545	1198622	–	(52473)	–	(524713)	Hongkong
3	TowerWorx India Pvt Ltd	2400000	(199774)	1898766	29400	–	(188509)	–	(188509)	India
4	ANG Auto U.K.	Closed during the year								

Auditors' Report on consolidated Financial statements

To the Board of Directors of,
ANG INDUSTRIES LIMITED

1. We have audited the attached consolidated Balance Sheet of ANG INDUSTRIES LIMITED and its subsidiaries as at 31st March, 2011 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(UK) Limited , ANG Auto (Hongkong) Limited , ANG Auto (USA) Inc. and Joint venture with Towerworxs (India) Pvt. Ltd. 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. 2,88,450 /-(before tax) for the year ending 31st March 2011.

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 of schedule-"U" 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 2011

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, 2011;

   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
Membership No. : 087316

Place : New Delhi
Date : 30.05.2011

Consolidated Balance Sheet As at 31st March 2011

(Amount in Rs.)

	Schedules		As on 31.03.2011		As on 31.03.2010
SOURCES OF FUNDS					
Share Holder Fund					
Share Capital	A		138,600,000		125,400,000
Reserve & Surplus	B		799,880,943		794,926,116
Secured Loans	C		1,316,022,073		1,019,103,906
Unsecured Loans	D		25,354,124		204,550,000
Deferred Tax Liability			34,762,111		33,075,512
Minority Interest			1,080,113		1,194,368
			2,315,699,364		**2,178,249,902**
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	1,302,681,093		1,180,128,399	
Less : Depreciation		234,599,375		173,986,637	
Net Fixed Assets			1,068,081,718		1,006,141,762
Capital Work in Progress			161,843,278		180,717,023
Foreign Currency Translation Reserve			(689,882)		3,046,135
Investment	F		–		–
Current Assets, Loans & Advances					
Inventories	G	864,954,825		776,900,694	
Sundry Debtors	H	277,214,198		200,957,726	
Cash & Bank Balance	I	93,876,187		106,719,953	
Loans & Advances	J	206,543,184		164,291,393	
		1,442,588,394		1,248,869,766	
Less: Current Liabilities		365,016,316		287,558,061	
Less: Provisions	K	27,802,185		20,567,903	
			1,049,769,893		940,743,802
Misc. Expenditure	L		36,694,357		47,601,180
(To the extent not written off or adjusted)					
Significant Accounting Policies					
Notes To Accounts					
			2,315,699,364		**2,178,249,902**

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

For **Sandesh Jain & Co.**
Chartered Accountants

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Manoj Gupta**
Proprietor	*Managing Director*	*CFO*	*Director*
Membership No: 087316			
Place: New Delhi	**Sanjay Garg**	**G.S. Jolly**	**Rajiv Malik**
Dated: 30th May, 2011	*Director*	*Director*	*Company Secretary*

Consolidated Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

Particulars	Schedules	Year ended 31.03.2011	Year ended 31.03.2010
INCOME			
Sales & Other Operative Incomes	M	1,594,072,971	1,244,534,979
Exceptional Items & Other Non Operative Incomes	N	–	21,934,501
		1,594,072,971	**1,266,469,480**
EXPENDITURE			
Material consumed	O	967,460,281	775,299,782
Manufacturing Expenses	P	198,886,561	142,581,758
Selling & Distributive Expenses	Q	101,918,422	60,288,954
Administrative Expenses	R	51,969,590	46,880,906
Financial Expenses	S	149,278,692	137,002,992
Depreciation	E	62,024,024	51,593,556
Claim Written Back		12,608,737	–
Loss on Derivative a/c		–	91,665,645
Income Tax Demand AY.07-08		–	3,440,170
Misc. Expenses Written off	T	21,593,750	21,881,848
Significant Accounting Policies	U		
Notes To Accounts	V		
		1,565,740,057	**1,330,635,611**
Profit Before Taxes		28,332,914	(64,166,131)
Less : Provision for Income Tax		5,442,254	1,210,055
Less: Fringe Benefit Tax		–	–
Less : Provision for Deferred Tax Liabilities		1,686,599	19,916,882
Less : Stock Reserve		2,481,226	–
Add: Short & Excess Provision of Tax		–	(5,632)
		18,722,835	**(85,298,700)**
Balance Brought Forward From Last Year		338,977,425	424,239,939
Add: Share of loss in Joint Venture Company		(119,887)	–
Add: Short & Excess Provision of Tax & for Previous year		–	36,186
Balance Carried to Balance Sheet		357,820,147	338,977,425
Earning Per Share (Face value of Rs10/- per equity share)			
Basic before deferred Tax		1.82	
Diluted before deferred Tax		1.68	

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

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 May, 2011

Sanjay Garg
Director

G.S. Jolly
Director

Rajiv Malik
Company Secretary

Schedules forming part of Consolidated Balance Sheet As at 31st March 2011

(Amount in Rs.)

		As on 31.03.2011	As on 31.03.2010
A SHARE CAPITAL			
Authorised Share Capital			
22500000	Equity Shares of Rs. 10/- each	225,000,000	225,000,000
Issued & Subscribed and Paid Up Capital			
12540000	Equity Shares of Rs. 10/- each	125,400,000	125,400,000
	(Previous Year Rs 125400000)		
	Convertible Share Warrant	13,200,000	–
		138,600,000	**125,400,000**
	(567500 equity shares of Rs. 10/- each issued at premium of Rs. 65/- each on conversion of Share Warrants)		
	(1387500 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)		
	(312500 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)		

B RESERVE & SURPLUS		
(A) GENERAL RESERVE		
Balance as Per Last account		
Addition during the year	42,032,243	42,032,243
(B) Share Premium A/c		
on 4552500 Shares @ Rs. 65/- each	264,327,841	264,327,841
(Use Rs. 31584859 for Buyback of Equity shares in previous year)		
(C) Capital Redemption Reserve Account	130,825,712	139,641,672
(D) PROFIT & LOSS A/C	357,820,147	338,977,425
(Balance as per Profit & Loss Account)		
(E) Revaluation Reserve	–	5,071,935
(F) Capital Reserve	4,875,000	4,875,000
	799,880,943	794,926,116

Schedules forming part of Consolidated Balance Sheet As at 31st March 2011

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
C SECURED LOAN		
Foreign Bill Discounting	143,200,063	110,331,299
Packing Credit	110,502,856	70,301,918
Cash Credit limit	531,877,314	537,677,283
Term Loan	400,988,404	162,954,295
YES Bank Derivative Payable	–	91,665,645
Domestic Bill Discounted	107,747,279	3,294,635
Vehicle Loan from Banks	20,340,543	34,939,354
Tooling Advance	–	6,573,863
Greater Noida Development Authority	1,365,614	1,365,614
	1,316,022,073	**1,019,103,906**

NOTES:

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

(a) **State Bank of India:**

- First pari-passu charge on company's fixed assets (including land & building) situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttrakhand.
- First charge on company's land & building situated at following locations
  - B – 48, Phase – II, Noida, U.P.
  - 19 – A, Udyog Vihar, Greater Noida, U.P.

(b) **Yes Bank Ltd. :**

- First pari-passu charge on company's fixed assets (including land & building) situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttrakhand.
- First charge on company's fixed assets (including land & building) situated at 150-A, SEZ, Noida, U.P.
- First charge on company's fixed assets situated at 19 – Udyog Vihar, Greater Noida, U.P.

(c) **Development Credit Bank Ltd. :**

- First pari-passu charge on company's fixed assets (including land & building) situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttrakhand.

(2) **Securities offered to Banks (viz. State Bank of India, Bank of Baroda, 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) **GNIDA** dues amount is for the deferred instalments on the land at 19-A, Udyog Vihar, Greater Noida, U.P.

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

Schedules forming part of Consolidated Balance Sheet As at 31st March 2011

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
D UNSECURED LOAN		
- From Directors, Shareholders & Others (Interest Free)	25,354,124	–
- Yes Bank Derivative account	–	3,950,000
- Foreign Currency Convertible Bonds	–	200,600,000
	25,354,124	204,550,000

E FIXED ASSETS

S. No.	Name of Asset	Rate of Dep.	GROSS VALUE As on 01.04.2010	GROSS VALUE Addition during the year	GROSS VALUE Sale during the year	GROSS VALUE Total value As on 31.03.2011	DEPRECIATION Balance As on 01.04.2010	DEPRECIATION Depreciation during	DEPRECIATION Depreciation Adjustment the period	DEPRECIATION Total As on 31.03.2011	W D V As on 01.04.2010	W D V As on 01.04.2011
1	Land	0.00%	84,408,920	–	–	84,408,920	–	–	–	–	84,408,920	84,408,920
2	Building	3.34%	225,832,938	15,013,886	–	240,846,824	18,288,994	7,672,673	–	25,961,668	207,543,944	214,885,157
3	Furniture	6.33%	9,186,792	354,278	–	9,541,070	2,136,627	579,064	–	2,715,691	7,050,165	6,825,382
4	Vehicle	9.50%	36,850,438	4,826,398	2,082,425	39,607,339	13,651,141	3,445,112	482,296	16,626,797	23,199,297	22,980,542
5	Commercial Vehicle	11.31%	51,937,530	–	–	51,937,530	10,231,320	5,874,134	–	16,105,455	41,706,210	35,832,078
6	Genset Canopy	16.21%	4,000,931	19,500	–	4,020,431	591,444	622,349	–	1,213,793	3,409,487	2,806,638
7	Electrical Equipments	7.42%	19,533,640	1,554,880	–	21,088,520	3,246,325	1,001,469	–	4,247,794	16,287,315	16,840,725
8	Etp Plant	4.75%	1,304,032	833,600	–	2,137,632	253,279	107,975	–	361,252	1,050,753	1,776,378
9	Machine & Tools	4.75%	725,403,165	125,849,762	26,578,920	824,674,007	116,420,415	40,051,745	(1)	156,472,160	608,982,751	668,201,844
10	Office Equipment	7.42%	5,840,517	355,906	–	6,196,423	1,534,952	409,909	–	1,944,861	4,305,565	4,251,561
11	Computer & Accessories	16.21%	13,676,579	2,922,235	934,628	15,616,179	6,703,991	2,020,229	934,628	7,789,592	6,972,589	7,874,594
12	Water Cooler	6.33%	99,571	34,900	–	134,471	21,447	8,661	–	30,108	78,124	104,363
13	Mobile	16.21%	1,534,804	288,655	–	1,823,459	595,580	179,362	–	774,943	939,223	1,048,516
14	Patent Right Exp		518,539	88,943	–	607,482	311,124	51,340	–	362,464	207,415	245,018
	Total :-		1,180,128,396	152,142,942	29,595,973	1,302,640,287	173,986,637	62,024,024	1,416,923	234,606,576	1,006,141,759	1,068,081,718
	Previous Year		1,180,128,396	303,487,116	6,640,262	1,180,128,396	123,422,598	51,954,480		173,986,637	759,858,948	1,006,141,759
	Depreciation During The Year											62,024,024
	Depreciation As Per Profit & Loss Account											62,024,024

(Amount in Rs.)

		As on 31.03.2011		As on 31.03.2010
G INVENTORIES				
(As taken valued and certified by management)				
Raw Material	377,392,952		408,491,419	
Work in Progress (Net of Stock Reserve)	410,111,164	-	248,017,494	
Finished Goods	77,450,709	864,954,825	120,391,781	776,900,694
		864,954,825		776,900,694

Schedules forming part of Consolidated Balance Sheet As at 31st March 2011

(Amount in Rs.)

		As on 31.03.2011		As on 31.03.2010
H SUNDRY DEBTORS				
(Unsecured, considered good, unless stated otherwise)				
Over Six months	69,921,575		26,548,113	
Others	207,292,623	277,214,198	174,409,613	200,957,726
		277,214,198		**200,957,726**

	As on 31.03.2011	As on 31.03.2010
I CASH & BANK BALANCES		
Balances With Schedule Bank in Current Accounts	7,314,862	51,868,062
Yes Bank (Unpaid Dividend -I)	1,144,262	1,144,462
Yes Bank (Unpaid Dividend-II)	802,688	802,688
Balances With bank in Fixed Deposit Account	24,573,036	11,745,443
Cash In hand	60,041,339	41,159,298
	93,876,187	**106,719,953**

	As on 31.03.2011	As on 31.03.2010
J LOANS & ADVANCE, SECURITIES & DEPOSITS		
Security Deposits	16,631,092	15,888,308
Advance to Suppliers	14,004,283	18,860,393
Advance for land at Bhiwadi	16,538,882	16,538,882
Other Advances & Export Claims	113,179,885	62,655,758
Accrued Interest on Fixed Deposit	379,556	683,403
Advance Income Tax	300,000	3,565,086
Excise Duty & Service Tax Receivable	20,263,562	19,664,849
TDS Receivables	2,351,419	1,041,647
Export Incentives Receivable	18,175,790	21,208,970
Prepaid Expenses	4,477,829	2,222,771
Vat receivable	240,886	1,961,326
	206,543,184	**164,291,393**

	As on 31.03.2011	As on 31.03.2010
K CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
Creditors for Consumables	46,349,754	29,676,437
Creditors for Raw Material	232,808,287	160,739,790
Creditors for Capital Goods	11,331,226	11,667,677
Creditors For Expenses	48,404,972	32,068,203
Advance From Customer	11,300,642	41,347,159
Unpaid Dividend	1,946,950	1,947,150
Custom Duty/ Service Tax Payable	184,789	1,155,323
TDS Payable	1,241,661	1,110,713
Sales Tax Payable	11,448,035	7,845,609
Total	**365,016,316**	**287,558,061**

Schedules forming part of Consolidated Balance Sheet As at 31st March 2011

(Amount in Rs.)

	As on 31.03.2011	As on 31.03.2010
K CURRENT LIABILITIES & PROVISIONS (Contd.)		
Provisions		
Salary & Wages Payable	6,036,925	6,356,286
Provision for leave Encashment	405,607	405,607
ESI Payable	176,453	103,043
EPF Payable	847,513	704,160
Expenses Payable	11,017,550	5,003,165
Gratuity Fund Payable	2,655,317	3,345,417
Income Tax Demand AY.2007-08	–	3,440,170
Provision for Income Tax	6,662,820	1,210,055
Total	27,802,185	20,567,903
	392,818,501	308,125,964

L MISCELLANEOUS EXPENDITURES		
Pre Operative Expense	4,842,514	10,340,641
Preliminary Expenses	502,779	807,671
Issue Expenses	136,404	764,607
Research & Development	31,212,660	35,688,261
	36,694,357	47,601,180

Schedules forming part of Consolidated Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

	Year ended 31.03.2011	Year ended 31.03.2010
M SALES & OTHER INCOME		
Exports Sale & Incentives	186,772,129	275,652,697
Domestic Sale	1,309,028,604	915,303,675
Income from Transportation Business	60,334,733	31,577,741
Interest received (TDS on interest received Rs.386840/-)	1,025,093	2,987,014
Diff. in Foreign Exchange Fluctuation	254,285	4,748,107
Miscellaneous Income	36,658,127	14,265,745
Total	**1,594,072,971**	**1,244,534,979**

N EXCEPTIONAL ITEMS & OTHER NON OPERATIVE INCOMES		
Profit on FCCB Written Off.	-	21,934,501
Total	-	**21,934,501**

Schedules forming part of Consolidated Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

		Year ended 31.03.2011		Year ended 31.03.2010
O MATERIAL CONSUMED				
Raw Material				
Opening Stock	456,064,262		419,058,450	
Purchase of Raw Material	928,939,267		577,523,687	
Inter Unit Transfer	8,623,838			
	1,393,627,367		996,582,137	
Less: Closing Stock	377,392,952		408,491,419	
Material Consumed during the Year		1,016,234,415		588,090,718
Work-in Progress				
Opening Stock	248,017,494		214,143,191	
Less : Closing Stock	412,592,390		248,017,494	
Increase /Decrease in WIP		(164,574,896)		(33,874,303)
Finished Goods				
Opening Stock	74,597,664		274,803,562	
Less : Closing Stock	77,450,709		120,391,781	
Increase /Decrease in Finished Goods		(2,853,045)		154,411,781
Consumable Goods		118,653,807		66,671,586
		967,460,281		**775,299,782**

P MANUFACTURING EXPENSES		
Power & Electricity	48,534,019	30,579,886
Factory Rent	3,525,713	6,133,880
Salary & Labour Charges	84,469,950	64,104,234
Repair & Maintenance Machinery	4,688,707	3,269,963
Freight & Cartage	15,733,230	13,544,280
Processing & Job work charges	34,178,880	21,974,056
Water Charges	32,919	54,734
Vehicle Running & Maintenance (Commercial Vehicles)	2,807,458	1,239,988
Ware House Charges	1,341,401	211,937
Rent on Genset	3,574,284	1,468,800
	198,886,561	**142,581,758**

Q SELLING & DISTRIBUTION EXPENSES		
Freight Outward	39,361,508	19,306,648
Travelling Expenses		
- Domestic	4,088,848	3,532,766
- Foreign	2,825,222	791,850
Shipping & Forwarding	10,524,697	1,513,919
ECGC Premium	3,194,995	2,123,998
Bad Debts	1,424,758	19,243,978
Warranty Expenses	1,835,079	128,030
Business Promotion Expenses	28,401,008	1,308,526
Branch office & Godown Rent	1,983,197	1,682,824
Salary to sales Personnel & Other Expenses	4,828,459	3,402,872
Discount, Commission & Brokerage	2,549,652	3,935,564
Advertisement Expenses	900,999	782,465
Foreign Consultancy Charges	–	2,535,514
	101,918,422	**60,288,954**

Schedules forming part of Consolidated Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

	Year ended 31.03.2011	Year ended 31.03.2010
R ADMINISTRATIVE EXPENSES		
Audit Fees	872,685	676,153
Conveyance	5,164,506	3,765,296
Donation	473,455	663,481
Gratuity & Compensation Paid	114,681	4,039,794
Membership Fees/subscription/registration	614,939	820,317
Prior Period Expenses	1,547,693	3,955,679
Miscellaneous Expenses	491,474	513,748
News Papers & Periodicals	107,048	25,059
Office Rent	193,790	6,800
Postage & Courier	550,796	508,564
Printing & Stationery	1,489,365	1,204,449
Service Tax on Freight	666,303	616,835
Remuneration to Director	1,800,000	1,800,000
Rates & Taxes	8,752,881	3,758,336
Loss on Investment in Subsidiary Company	905,274	–
Repair & Maintenance		
- For Vehicles	1,999,918	2,724,181
- For computer	588,023	169,785
- For Office	2,376,008	2,294,711
FESTIVAL EXP	1,625,049	1,061,764
Insurance Charges	4,030,094	3,133,777
Medical Expenses	290,464	74,536
Legal, Professional & consultancy charges	4,122,041	3,140,677
Recruitment Exp	202,142	209,607
Security Charges	335,397	275,064
Short & Excess Charges	11,289	31,168
STAFF BUS	1,119,705	746,034
Staff Welfare	3,627,301	2,579,483
Interest on Vehicle Loan	222,598	890,546
INTEREST ON GNIDA	122,905	421,873
Guest House Expenses	1,937,905	1,323,720
Reverse Input VAT credit on Stock Transfer	725,495	711,742
Loss on Sale of Assets	984,149	1,310,011
Telephone Exp.	3,904,217	3,427,716
	51,969,590	**46,880,906**

S FINANCIAL EXPENSES		
Interest on Term Loan	28,555,104	26,841,406
Bank Charges	3,380,499	1,360,141
Other Interest Expenses	117,343,089	108,801,445
	149,278,692	**137,002,992**

Schedules forming part of Consolidated Profit and Loss Account For the year ended 31st March 2011

(Amount in Rs.)

	Year ended 31.03.2011	Year ended 31.03.2010
T PRELIMINIARY EXPENSES WRITTEN OFF		
Preliminiary Expenses w/o	135,605	608,481
Issue Expenses w/o	68,203	68,203
Merger Exp Written Off	256,104	256,104
Fccb Exp Written Off	–	280,000
Pre-operative Expenses w/o	4,425,797	5,002,126
Business promotion written off	481,276	492,251
Research & Development Cost written off	16,226,765	15,174,683
	21,593,750	21,881,848

U SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES :

1. **Accounting Concepts**

   The Consolidated accounts of ANG INDUSTRIES 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.

3. **Principles of Consolidation**

   The consolidated financial statements include the financial statement of ANG INDUSTRIES 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 is 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 foreign Exchange transaction Reserve Account.

   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.

Schedules forming part of the Consolidated Accounts

U SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

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 XIV 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.
   - 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 2008 and premium recalculated by LIC on the basis of Employees data provided to them .

    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.

Schedules forming part of the Consolidated Accounts

U SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

13. Foreign Currency Transaction

Transaction in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. To the extent the Foreign bills got discounted with bank AS-11 is not applicable in case of the Company and remaining foreign Bills are entered in books at the rate on the date of transaction. 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. Investments made in the foreign Subsidiaries Companies are calculated on the exchange rates at the date of transactions.

In view of Amendment and Postponment 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 45.29 being the foreign exchange rates prevailing at the end of last financial year .

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 extend 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. Further no Deferred Tax is being provided on the timing difference for the units availed exemption of Income Tax under section 80 IC etc.

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.

V NOTES TO THE CONSOLIDATED ACCOUNTS

a. During the Year 2009-10 Company has repurchased and cancelled Foreign Currency Convertible Bonds of Face value of USD 7 Millions. During the year , the balance FCCB of USD 5 Million has repaid as full and final settlement at 85% of the Face Value and the surplus amounting to Rs. 3,00,90,000/- arise on redemption of FCCB bonds were transfer to " Capital Redemption Reserve ". Bond holder of USD 5 Millions has also agreed to waive the Interest Payable on these bonds, therefore the Interest payable on these Bonds for earlier years amounting to Rs. 2,71,74,430/- has been written off in Fin year 2009-10 and taken in books as profit under Exceptional items .

b. **Investment in the Subsidiary company in United States of America:**
During the year the Company has also received Management Services charges amounting to USD 531871.76 Equivalent to INR 240.88 Lacs from the wholly owned overseas subsidiary.

c. **Investment in Joint venture with Towerworx India Pvt. Ltd.**
The year the Company had invested in 120000 shares of Rs. 10/- each of Towerworx India Pvt. Ltd as 50: 50 Joint venture with Towerworxs Inc. USA

Schedules forming part of the Consolidated Accounts

V NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

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	: ANG Automotive Industries (P) Ltd.
Personnel have substantial Interest	: ANG Structure & Energy Pvt. Ltd. (formerly Known as ANG Forgings (P) Ltd.)
	: ANG Automotive Components (P) Ltd.
	: ANG Logistics Pvt. Ltd.
	: Angle Fashions Pvt. Ltd.
	: GIC Global International Business Inc.
	: Krisp Auto & Credit Pvt. Ltd.
	: PS Autotech International LLP
Wholly owned overseas Subsidiary Companies	:

ANG Auto (U.K.) Ltd. (dissolved on 16th Nov 2010) ANG Auto (HongKong) Ltd.

ANG Auto (USA) Inc.

Joint Venture	: Towerworx India Pvt.Ltd.
Individual having significant influence Over the Company	: Mr. Premjit Singh

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 March 31st, 2010 and the aggregate of transactions for the period then ended are presented herein below :

Name of related Party	Transaction	Amount
ANG Auto USA Inc.	Exports of Auto Components	32,50,75,446
ANG Auto USA Inc.	Management Service Charges	2,41,96,727/-
ANG Auto (UK) Ltd.	Refund of Unsecured Loan & settlement at Dissolution of Subsidiary Company	

Managerial Remuneration

Mr. Premjit Singh	Rs. 18,00,000/-
Mr. O.P. Sharma	Rs. 3,18,000/-

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	**Premjit Singh** *Managing Director*	**Arun Jain** *CFO*	**Manoj Gupta** *Director*
Place: New Delhi Dated: 30th May, 2011	**Sanjay Garg** *Director*	**G.S. Jolly** *Director*	**Rajiv Malik** *Company Secretary*

Consolidated Cash Flow Statement For the year ended 31st March 2011

(Amount in Rs.)

		Year ended 31.03.2011		Year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary item		28,332,914		(64,166,131)
Adjustments				
Depreciation Provision	62,024,024		51,593,556	
Profit on FCCB written off	–		(21,934,501)	
Claim Written Back	12,608,737		–	
Miscellaneous expenditure written off	21,593,750		21,881,848	
Loss on Investment in Subsidiary	905,274		–	
Share of Profit/ Loss in Joint Venture	119,887		(11,264)	
Provision for Loss on Derivative	–		91,665,645	
Income Tax Demand	–		3,440,170	
Loss on sale of assets	984,149		1,310,010	
Operating profit before working capital changes		**126,568,735**		**83,779,333**
Adjustment for working capital changes				
Decrease / (Increase) in Inventories	(90,535,357)		(48,661,750)	
Decrease / (Increase) in Debtors	(76,256,472)		121,537,836	
Decrease / (Increase) in Loans & Advances	(42,251,791)		55,126,742	
(Decrease) / Increase in Current Liabilities (net of Provisions of tax)	66641546		54,030,269	
Cash from Operations		**(15,833,339)**		**265,812,430**
Less: Income tax paid during the year				(5,066,149)
Net Cash from Operations Activities		**(15,833,339)**		**260,746,281**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to fixed Assets	(130,628,064)		(300,771,701)	
Capital Work in Progress	18,873,745		71,615,636	
Foreign Currency Translation Reserve	3,736,017			
Misc. expenses Incl. Research & Development etc. incurred during the year	(10,686,927)		(5,157,112)	
Sale of Fixed Assets	608,000		1,224,500	
Issue of share Capital in Joint Venture			1,200,000	
Purchase of Investments	(905,274)		138,152,231	
Capital Redemption Reserve Account	(8,815,958)		139,641,672	
Net Cash from Investing Activities		**(127,818,461)**		**45,905,226**

Consolidated Cash Flow Statement (Contd.) For the year ended 31st March 2011

(Amount in Rs.)

		Year ended 31.03.2011		Year ended 31.03.2010
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	296,918,167		(108,651,512)	
Minority Interest	(114,255)			
Proceeds from Share Warrants	13,200,000			
Proceeds from Unsecured Loans	(179,195,876)		(280,873,769)	
Net Cash from Financing Activities		**130,808,036**		**(389,525,281)**
Total increase/(decrease) in Cash and cash equivalent				
Cash equivalents during the year (A+B+C)		(12,843,764)		(82,873,774)
Cash & Cash equivalents at the beginning of the year		106,719,953		189593727
Cash & Cash equivalents at the end of the year (31.03.2011)		**93,876,189**		**106,719,953**

This is the Cash Flow Statement referred to the report of our report of even date attached

For **Sandesh Jain & Co.**
Chartered Accountants

Sandesh Jain
Proprietor
Membership No: 087316

Place: New Delhi
Dated: 30th May, 2011

Premjit Singh
Managing Director

Arun Jain
CFO

Manoj Gupta
Director

Sanjay Garg
Director

G.S. Jolly
Director

Rajiv Malik
Company Secretary

Auditors' Certificate

To
The Board of Directors
ANG Industries 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 Industries Limited and its subsidiaries for the period ended 31st March, 2011. 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

Sandesh Jain
Proprietor
Membership No: 087316

Place: New Delhi
Dated: 30th May, 2011

"The strongest principle of growth lies in the human choice."

George Eliot

Disclaimer

In this annual report the forward-looking information if any, is for enabling 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 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccuracies in our 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.

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

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