ANG Industries Limited.

Pioneering Indian auto-component manufacturer extending into trailer manufacture

Manufacturer of specialised auto components for heavy commercial vehicles, trailers and trailer parts

Pioneering customer service facility (ASP-ANG Service Point) in the auto component industry

Fabrication of boiler support structures used in thermal power plants

Headquartered in New Delhi. Six manufacturing facilities (Noida, Noida SEZ, Faridabad, Greater Noida, Nalagarh and Sitarganj) Shares traded on the National Stock Exchange of India, Bombay Stock Exchange, Delhi Stock Exchange and Ahmedabad Stock Exchange

Team size
8,702 members
31st March 2010

Enterprise value
Rs. **8,894.11** lac
31st March 2010

Market capitalisation
Rs. **4,915.68** lac
31st March 2010

Promoter holding
48.38%
31st March 2010

Foreign holding
5.7%
31st March 2010

We are happy to have reported a bottoming-out and recovery in 2009-10

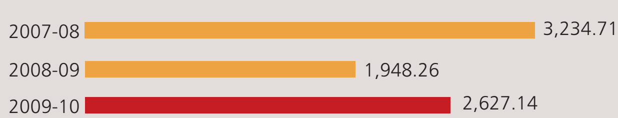
- Total income stood at Rs. 14,061.11 lac against Rs. 11,607.96 lac in 2008-09
- EBIDTA stood at Rs. 2,627.14 lac against Rs. 1,948.26 lac in 2008-09
- EPS stood at Rs. 4.03 against Rs. 0.10 in 2008-09
- Trailer production was 728 vehicles against 445 vehicles in 2008-09
- Commenced a steel fabrication unit for manufacturing boiler structures for thermal power plants
- Entered into a joint venture with TowerWorx USA to manufacture and market mobile tower solutions in India; the Indian operations will be managed by TowerWorx India (P) Ltd
- Commenced the fabrication of specialised containers

Post-balance sheet developments (First quarter, 2009-10)

- Total income stood at Rs. 4,022.49 lac in Q1/2010-11 against Rs. 1,612.96 lac in Q1/2009-10
- EBIDTA stood at Rs. 873.62 lac in Q1/2010-11 against Rs. 160.23 lac in Q1/2009-10
- Profit after tax stood at Rs. 352.88 lac in Q1/2010-11 against Rs. (198.52) lac in Q1/2009-10

Income from operation (Rs. lac)

EBIDTA (Rs. lac)



Dear Shareholders,

It gives me quiet satisfaction to report an improved 2009-10 for our Company following the impact of the economic and sectoral slowdowns. This indicates that the worst is over and the Company is poised to report a vigorous rebound.

Our revenues grew 21.13%, EBIDTA improved 34.85% and profit after tax increased 516%, vindicating our commitment to enhance value for all those who own shares in our Company.

A development of positive importance transpired during the course of the year that could have a sustainable impact on our fortunes: in October 2009 and January 2010, we commissioned the boiler support structure and container businesses, which reported an attractive order book of Rs. 3,337 lac (as on 30th June 2010) within a few months of the launch. The result is that we are now a company with businesses covering auto-components, boilers, structurals and containers.

There was an important reason for the addition of the new business. Our trailer unit (designed for heavy steel fabrication) remained largely unutilised during the meltdown, prompting us to seek alternative applications. The result was that we entered a rapidly growing sector (power) and selected to focus on the boiler support structures segment requiring heavy fabrication. To reinforce our positioning, we invested in a new facility (capable of delivering a peak Rs. 10,000 lac in topline) and received approvals from BHEL and L&T-MHI Boilers (Pvt) Ltd within six months of commissioning. This business generated sizeable revenue during the year under review with an unexecuted order book of Rs. 5,000 lac as on March 31, 2010 that is only expected to grow during the current financial year.

Our presence in the container business also represented a value-addition over our existing line of trailers. Our products found acceptance

"ANG's future holds considerable promise with growing contributions from multiple business verticals."

Mr. Premjit Singh, Managing Director, discusses the Company's performance in 2009-10 and growth drivers among demanding private sector customers, a testimony of our product quality. With an annual fabrication capacity of 600-800 containers, we expect this business to generate about 10-15% of our annual turnover, going ahead.

Our existing businesses (auto-components and trailers) grew reasonably following growing domestic prospects, while exports also revived.

Moving ahead

I am excited about our prospects for the following reasons:

Power: Our products cater to thermal power plants, which comprise more than 70% of India's power generating capacity. Private players (Adani Power, JSW Energy and Reliance Energy) are creating sizeable thermal power generating capacities, which is expected to accelerate our momentum. Besides, the imposition of customs duty following the import of power generating equipment augurs well for the growth of domestic players like us.

Logistics: Growing exports and dispersed manufacturing facilities are necessitating the movement of large volumes, which is enhancing port handling capacity from 599 million TPA (March 31, 2010) to 860 million TPA by the end of the Eleventh Plan. About 25 projects are expected to be initiated in 2010-11 and large private sector conglomerates are creating captive logistics facilities across India. This, in turn, is creating a sizeable demand for customised containers.

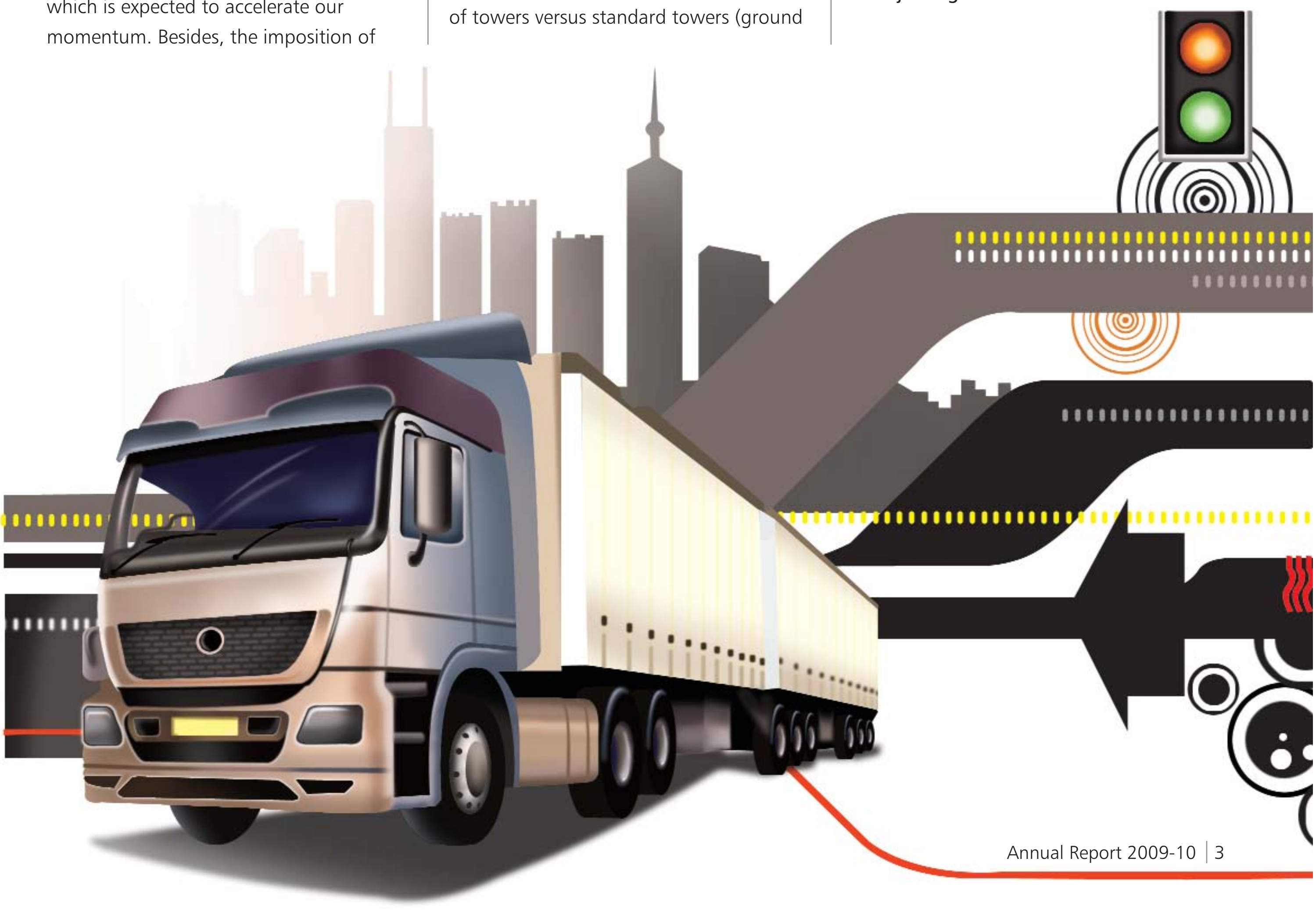
Mobile towers: We expect this venture to offer mobile, superior passive infrastructure (towers) to telecom operators in terms of multiple carrier capability and rapid deployment capability of towers versus standard towers (ground and roof) being erected in India and likely to generate sizeable revenues from 2010-11. These towers are ideal for occasions that attract large crowds, require quick service rollout (temporary measure until a permanent tower is commissioned) and serve as a backup option in case of tower collapse. We expect a decent contribution from this vertical during the current year.

Message to shareholders

The current year holds significant promise and we expect to strengthen revenues with a corresponding increase in profitability, translating into enhanced shareholder value.

Regards

Premjit Singh



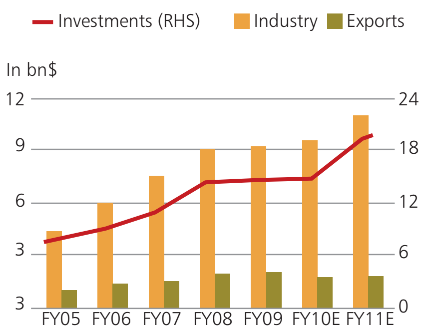
Management discussion and analysis

India grew 7.4% to around

US$1,250 bn.

China retained its position as the world's fastest-growing economy in 2009,

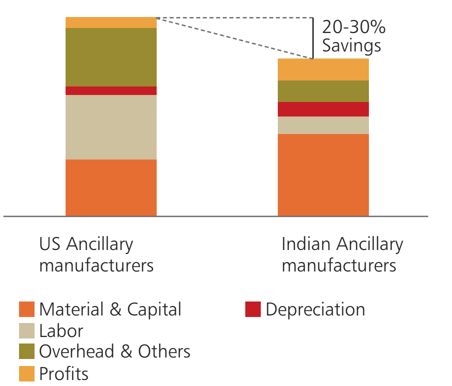
In revival mode



E: Estimates

Source: ACMA

Indian ancillary manufacturers enjoy a 20-30% cost advantage over US counterparts



Global economic overview

The aftermath of an unprecedented global economic turmoil stalled global economic growth in 2009. As per IMF estimates (January, 2010), global economic growth declined to 0.8%, with advanced economies contracting 3.2% and emerging economy growth declining 400 bps to 1.7% in 2009 (2.1% in 2008).

But for China and India, the meltdown could have been harsher. Consider this: the global economy, as per IMF estimates, contracted to US$3.7 trillion while the Chinese economy expanded by 8.7% to US$4,920 bn and India grew 7.4% to around US$1,250 bn. China retained its position as the world's fastest-growing economy in 2009, driven by a massive fiscal stimulus equal to 13% of its GDP.

The IMF revised its growth forecast for the United States to 2.7% in 2010 from 1.5%. Reflecting stronger productivity, the GDP of developing countries expected to grow by 6.2%, 6% and 6% respectively in 2010, 2011 and 2012.

Global auto component sector

Global OEMs are increasingly sourcing components from quality-respecting and cost-effective manufacturing destinations like India, where component manufacturers offer a superior cost-quality proposition. According to the Investment Commission of India, the country is among the world's most competitive auto components manufacturing and R&D hubs. Global brands like Daimler Chrysler, Bosch, Suzuki and Johnson Controls created development centres in India while global auto-component majors including Delphi, Visteon, Bosch and Meritor established Indian operations. Auto manufacturers like GM, Ford and Toyota, among others, as well as auto component manufacturers established international purchasing offices to source global operations. The global auto ancillary industry is expected to reach US$1.9 trillion by 2015, of which around 40% (US$700 billion) is expected to be sourced from low-cost countries like India.

Indian economic overview

India registered a strong recovery in 2009-10 even as major economies were still destabilised. India recorded a GDP growth of 7.4% in 2009-10 against 6.7% in 2008-09, largely due to a timely economic stimulus. The key drivers of India's economic growth in 2009-10 were its manufacturing and mining sectors.

The manufacturing sector emerged as the best performer, growing 10.8% in 2009-10 as against 8.9% in 2008-09, outpacing the previously fastest growing services sector. The financial year 2009-10 was affected by the worst drought in three decades, followed by floods in some areas.

India emerged among the world's top

ten countries in industrial production as per UNIDO's report titled 'Yearbook of Industrial Statistics 2010'. India's position improved from 12th in 2008 to 9th, owing to superior performance in its finished steel, crude petroleum and petroleum refinery sectors.

The Indian economy's turnaround was reflected in a rise of 82.25% in the BSE index and 75.19% in the NSE index in 2009-10. Total foreign investments were US$66.5 billion in 2009-10 compared with US$21.3 billion in 2008-09. Going ahead, government estimates suggest that the Indian economy will grow 8.5% in 2010-11, driven by better farm output and global recovery.

Indian auto component sector

Overview: The Indian auto component industry is a key supplier in Asia and a significant player in the global automotive supply chain. A graduation towards stringent Euro emission norms prompted auto component manufacturers to re-strategise. The auto component industry is dominated by engine parts, which account for 31% of the sector followed by drive transmission and steering parts (19%), suspension and braking parts (12%), body and chassis parts (12%), equipment (10%) and electrical (9%). Further, the auto component sector created a niche by diversifying its portfolio into the aerospace, power and prosthetic segments, derisking its prospects.

Performance: The auto component industry registered a turnover of about US$19.2 billion in 2009-10. Exports, estimated at US$3.2 billion in 2009-10, were to Europe (40.4%), Asia (23.8%) and North America (22.6%). The industry witnessed a shift in the exports clients; the OEM/Tier-I segment accounted for 80% of exports, the balance went to the aftermarket segment. Investments in the auto component industry are estimated at US$7.4 billion in 2009-10, according to ACMA.

Indian commercial vehicle sector

Commercial vehicles: India is the world's fifth largest commercial vehicle manufacturer. The pan-India cargo throughput and consequent demand for commercial vehicles is dependant on national economic growth. In recent years, India witnessed substantial demand for trucks, buses and other commercial vehicles which was suddenly stemmed by the global crisis. Although regulatory policies facilitated an excise duty cut, interest rate reduction and greater liquidity, which reduced asset acquisition cost, a stricter appraisal for truck loans hit vehicle financing in the first half of 2009. Commercial vehicle offtake registered a robust comeback in the second half of 2009-10, facilitated by strong industrial activity and investment in infrastructure creation. Consequently, commercial vehicle sales grew 38.3% to 531,395 units in 2009-10 compared with 384,194 units in 2008-09 where the medium and heavy segment registered the highest growth, (79.3%).

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

Roads: With India's GDP growing at over 8% and the manufacturing sector reporting double digit growth, the Indian freight industry is expected to grow 10% between 2009 and 2014. India invests 15-20% of its GDP on transport and logistics, compared with an average of 8-10% in developing countries. A rationalisation will only be possible following an increasing deployment of cost-effective trailers. Besides, with growing focus on widening highways and creation of global standard road-networks across the country, the under-penetration of trailers in the road freight industry is expected to correct faster than before.

Ports: Ports are traditional economic growth engines. They account for 95% of India's trade by volume and 70% by value. In line with India's economic growth, traffic at the Indian ports grew at a 9.95% CAGR over the five year period up to 2009-10; it grew 15% over the previous year. Container traffic accounts for about 18% of the commodity composition at the ports. While India added only 20 MT of port capacity in 2009-10, about 25 major expansion projects are to be launched in

2010-11, increasing the cargo handling capacity by 231 MT, of which about 87 MT is in the form of container terminals, creating a sizeable opportunity for increasing trailer demand.

Room for optimism

The management is optimistic owing to the following reasons:

Passenger cars: The Indian automobile industry is geared to invest up to Rs. 80,000 crore in fresh capacity in four years; passenger car output capacity is expected to touch 57 lac units by 2015. Ford Motors plans to launch eight models in India by 2015; Renault will be working on five car models by 2013, which will grow the demand for auto components.

Commercial vehicles: The CV industry is expected to grow at 14% CAGR over three years and 17% in 2010-11, reflecting a pent-up demand for sophisticated commercial vehicles with higher tonnage capacity that did not transpire over the last two years.

Auto components: Global MNC brands are setting up shop in India, which is expected to grow auto components offtake. For instance, the Volvo Group decided to develop India as a hub for manufacturing medium-duty engines for trucks and buses.

Thermal power: Twelfth Plan power projects aggregating 58,683 MW are under construction (about 51,536 MW thermal)

Mobile towers: The demand for mobile towers is expected to grow significantly due to a growing subscriber base, accelerated service rollout in rural India, technological upgradation (3G and WiMax) and increasing road network. Credible sources suggest an increase in towers from around 240,000 (September 2009) to 450,000 by 2014.

In the fast lane

The Ministry of Heavy Industries and Public Enterprises envisaged the Automotive Mission Plan 2006-2016 to promote growth in the sector. It targets to:

- Increase turnover to US$122-159 billion by 2016 from US$34 billion in 2006
- Increase export revenue to US$35 billion by 2016
- Increase the automotive sector's contribution to India's GDP to 10% by 2016

Analysis of our financial statements

(On standalone financial statements)

Profit and Loss Account review

ANG Industries reported improved performance during 2009-10.

Revenue: Income from operations increased marginally from Rs. 11,719.69 lac in 2008-09 to Rs. 14,061.11 lac in 2009-10 following a significant decline in exports and interest received on bank investments. However, this was compensated by a robust increase in domestic offtake and income from new verticals (boiler structures and customised containers).

Cost: Total operating cost declined 5% despite the commissioning of new units for the fabrication of boiler structures and containers. This was largely due to a decline in material purchases in line with a lower offtake of auto-components, inventory liquidation and process optimisation. The Company charged a one-time Rs. 951.06 lac to its financials, largely pertaining to loss on account of derivatives.

Margins: EBIDTA increased 44% from Rs. 1,948.26 lac in 2008-09 to Rs. 2,627.14 lac in 2009-10; EBIDTA margin expanded 500 bps from 17% in 2008-09 to 22% in 2009-10.

Balance Sheet analysis

The Company strengthened its Balance Sheet as capital employed declined 9% on account of debt repayment; return on capital employed strengthened.

Sources of funds: Unsecured loans declined a whopping 58% while secured loans reduced 2%. This resulted in an 11% reduction in interest outflow in 2009-10, and debt-equity ratio strengthened from 1.87 as on March 31, 2009 to 1.37 as on March 31, 2010.

Shareholders' funds increased about 10%, largely due to the ploughback of the operational surplus. Free reserves increased 10% and accounted for 99% of the reserve and surplus balance as on March 31, 2010. The book value per share stood at Rs. 71 as on March 31, 2010. Equity capital remained unchanged. Promoters' holding was 48.38% of the equity as on March 31, 2010 while foreign holding was 5.7%.

Application of funds: Net block increased 32% due to the commissioning of the boiler structures unit. Consequently, depreciation increased 21%. Investments increased largely due to investments by the parent in the mobile tower business which is expected to deliver returns in the current year. All the investments comprised investment in subsidiaries.

Net current assets declined 29% despite increased verticals and volumes following stringent inventory and debtor management practices. The result was that inventory remained at previous year's levels and debtors (equivalent to days of turnover) declined from 101days in 2008-09 to 59 days in 2009-10 despite business growth. Loans and advances declined 54% following the liquidation of export claims, other advances and an advance for land (Greater Noida). Current liabilities increased 6%. As a result, funds locked in working capital reduced.

Internal control

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

Derisking the business

Every business is susceptible to risks. As a responsible corporate, the Company relentlessly endeavours to minimise risks and maximise returns from different business situations through a comprehensive and integrated risk mitigation framework, encompassing prudent norms, structured reporting and control. This ensures that the risk management discipline effectively percolates across the organisational hierarchy, enabling intelligent decision-making which balance risk and reward, translating into parity between revenue-generating initiatives and the risks taken.

Inability to diversify might affect the Company's prospects

- The Company is present in high-growth segments in the auto component sector.
- The Company established a presence in manufacturing boiler structures for thermal power plants, a high priority area as more than 80% of the addition to India's power generating capacity is through the thermal power route
- The Company's joint venture for manufacturing mobile tower solutions is expected to contribute sizeably to its growth and profitability as India adds more than 15 million subscribers to its burgeoning subscriber base each month.

Lack of experience in the new-businesses could dampen the Company's returns

- The skills required for the auto components business are largely similar to that required for the boiler support structures business.
- The Company's mobile tower venture will be managed by TowerWorx India (P) Ltd, the Indian arm of the US company who are experts in this field.

Paucity of funds could hinder the implementation of the Company's growth blueprint

- The Company's sizeable Rs. 7,908.78 lac reserves and surplus balance as on March 31, 2010 could be deployed for capital investments.
- The Company enjoys a debt-equity ratio of 1.37 as on March 31, 2010 which enables it to leverage its financial statements for adequate low-cost funds for seamless implementation of its growth plans.

Inadequate liquidity could hamper the Company's day-to-day business operations

- The Company enjoys working capital lines from five banks.
- The Company's robust current and quick ratios suggest adequate liquidity in meeting its routine cash requirement; it also had a cash and cash equivalent of Rs. 1,06,719 lac as on 31st March 2010.

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 (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

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

Dear members

Your Directors are presenting the 19th re-casted Annual Report of your Company together with the re-casted audited statement of accounts of the Company for the year ended on 31st March 2010 together with Auditors' report thereon.

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 receipt. This is further so because as per the terms of the issue of Bonds, the aggregate net proceeds received by the company from the offer had to be used towards capital expenditure including expansion of the company's projects, direct investments in overseas, joint ventures or subsidiaries related thereto and any other use, as may be permitted under applicable law or regulation from time to time.

Consequent of the mistake, there was an excess provision of Income Tax amounting Rs. 163.89 lacs which has now been reversed.

Financial results

(Rs. lacs)

Particulars	2009-10	2008-09
Gross sales	12,425.64	11,923.30
Other income	219.34	(-) 203.61
Total income	12,644.98	11,719.69
Profit / Loss before tax and depreciation	(145.43)	639.88
(-) Depreciation	515.93	427.58
Profit/ Loss before tax	(661.36)	212.30
(-) Provision for tax	211.33	130.40
Net Profit / Loss after tax	(872.69)	81.90

Overview

The financial year 2009-2010 was a blockbuster year for auto companies with the entire sector posting a sales growth of 26 per cent over the year before. The auto industry has ended the financial year on a positive note with almost all segments witnessing double digit growth; the commercial vehicle segment grew by 38.31 per cent on the domestic front. It couldn't step up in terms of exports, registering a growth of only 5.59 per cent.

"The numbers are good but this growth is because of the low base which was left by Financial Year 2008-09.

But the growth story may not be as spectacular this fiscal, as increasing inflation, rising commodity and fuel prices and high interest rates are expected to have a dampening effect on demand.

"The industry is expected to grow around 10-15 per cent in Financial Year 2011."

The performance of your Company for the year 2009-10 was in line with the trend in global market. During 2008-09, the heavy commercial sector was severely hit globally by economic slowdown resulting into falling demand of product manufactured by the Company in India and abroad. Accordingly, exports of the Company suffered tremendously due to slowdown of American and European economies. But, in the year 2009-10 the demand of the company's products increased. The revenue for the year increased by 104 % as compared with the previous year.

Dividend

Keeping in view the expansion plan and requirement of funds for continuing plans to impinge on future diverse challenges successfully, your Directors did not recommend any dividend for 2009-10.

Corporate Governance

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

Subsidiary

During the year, the Company incorporated a new subsidiary in Delhi.

Joint venture

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

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

Towerworx India Private Limited : Company has entered into Joint Venture with Towerworx, USA with equity participation at 50:50

Towerworx India Private Limited: The Company has entered a joint venture with Towerworx, USA with equity participation at 50:50

Repayment of Foreign Currency Convertible Bonds (FCCBs)

During the year under report, the company repurchased and cancelled Foreign Currency Convertible Bonds with USD 7 Millions. The remaining 5 Millions have also been paid by the Company in two instalments and the last instalment of FCCB was paid by Company on June 28, 2010. Now, there is no outstanding liability of FCCB after June 28, 2010.

As per the terms of the issue of Bonds, the aggregate net proceeds received by the company from the offer had to be used towards capital expenditure including expansion of the company's projects, direct investments in overseas, joint ventures or subsidiaries related thereto and any other use, a may be permitted under applicable law or regulation from time to time."

Director’s responsibility statement

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

(i) In the preparation of re-casted annual accounts for the financial year ended 31st March 2010, applicable accounting standards were followed.

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Company’s profit and loss of the Company for 2009-10.

(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 2009-10, your Company did not invite or accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

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

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

Personnel

None of the employees of the Company were in receipt of the prescribed remuneration and as such, the list of employees as required under Section 217 (2A) of the Companies Act, 1956, is not enclosed.

The management’s relationship with employees was cordial during the year under review.

Industrial relations

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

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

Statutory auditor

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

Directorate

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

Change of name

The name of the company has been changed from ANG Auto Limited to ANG Industries Limited vide fresh certificate of incorporation issued by the Registrar of Companies, NCT of Delhi dated 22.4.2010.

Acknowledgement

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

For and on behalf of the Board
ANG INDUSTRIES LTD

(Premjit Singh)
Managing Director

(Manoj Gupta)
Director

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the re-casted Director's Report for the year ended 31st March 2010.

A. Conservation of energy

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

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

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

Particulars	2009-10	2008-09
1. Electricity units (MKWH)	23,65,254	29,35,440
Total amount	167,09,493	1,87,24,862
Average rate / unit (Rs. KWH)	7.06	7.56
2. Own generation		
Through diesel generator		
Units (M.KWH)	11,00,732	17,58,826
Units per litre of diesel (KWH)	2.95	3.08
Average cost / unit (Rs. KWH)	12.76	10.38

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

The export turnover of your Company for 2009-10 was Rs3442.41 lacs; net foreign exchange earning was Rs. 3466.72 lacs and the foreign exchange outgo was Rs 1092.47 lacs on account of consultancy, foreign travel, import of capital goods and raw material.

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, Chief Financial Officer (CFO) of ANG Industries Limited(Formerly known as ANG Auto Ltd.,), both certify to the Board that we have reviewed the re-casted financial statement and the cash flow statement of the Company for the period ended 31st March 2010.

1. The statements do not contain materially untrue and misleading statements; the statements present a true and fair view of the Company's affair; they were made in accordance with the accounting standards and applicable laws and regulations.
2. There were no fraudulent or illegal transactions.
3. For the purpose of financial reporting, we accept the responsibility for establishing and maintaining internal controls which was monitored by the Company's internal audit team and was evaluated based on feedbacks received from the internal audit team and the effectiveness of the internal controls. We reported to the auditors and the Audit Committee about the deficiencies, if any, in the internal controls.
4. We have indicated to the auditors and Audit Committee, significant changes in the internal controls and accounting policies. There were no instances of fraud, of which we were aware, during the period.

For ANG INDUSTRIES LTD.

Arun Jain
CFO

Premjit Singh
CEO

DECLARATION UNDER CLAUSE 49 (I) (D) OF THE LISTING AGREEMENT

Pursuant to Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and senior management personnel of ANG Industries Limited affirmed compliance with the Code of Conduct for the year ended 31st March 2010.

For ANG Industries Limited
(formerly known as ANG Auto Ltd)

Managing Director

Place: New Delhi
Date: 5th March, 2011

Financial section

Auditors' Report (Revised)

The Members,
ANG INDUSTRIES LIMITED
(FORMERLY KNOWN AS ANG AUTO LIMITED)

1. We have been asked to re- audit the accounts vide Board of Director meeting dated 24th February 2011 subject to the written opinion of the Legal opinion. In view of written Legal opinion obtained by the Company on treatment of Profit generated on account of redemption of Foreign Currency Convertible Bonds at below par value, the accounts have been revised and restated as per request of the Board of Directors of the Company .

   Further, to our Auditor's Report dated 29th May 2010, we stated that:

2. We have audited the attached Balance Sheet (Revised) of ANG INDUSTRIES LIMITED (formerly known as ANG AUTO LIMITED) as at 31st March, 2010 and Profit & Loss Account (Revised) and also the Cash Flow Statement (Revised) 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.

3. 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.

4. 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.

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
   (a) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books;
   (c) The Balance Sheet (Revised), Profit and Loss Account (Revised) and Cash Flow Statement (Revised) dealt with by this report are in agreement with the books of account maintained at head office and with the Books of Accounts maintained at all the units and sales Depots.
   (d) In our opinion, the Balance Sheet (Revised), Profit and Loss Account (Revised) and Cash Flow Statement (Revised) dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   (e) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

6. In our opinion and to the best of our information and according to the explanations given to us, ***subject to Note No. F in Schedule V (Notes to Accounts) w.r.t Rs. 139,641,672/- transferred to Capital Redemption Reserve account*** 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 (Revised), of the state of affairs of the Company as at 31st March, 2010; and
   b. In the case of Profit and Loss Account (Revised), of the Profit of the Company for the year ended on that date; and
   c. In the case of Cash Flow Statement (Revised), of the Cash Flows for the year ended on that date.

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain
Proprietor
Membership No.: 087316

Place : New Delhi
Date : 5th March, 2011

Annexure to the Auditors' Report (Revised)

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, 2010

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 the 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	33,768.82 (Cr.)	985,604	0	951,835 Dr.
ANG Logistic Pvt. Ltd.	168,435 Dr.	235,000	0	403,435 Dr.
ANG Auto Ltd. Hongkong	466,475 Dr.	55,577	0	522,052 Dr.
ANG Auto (UK) Ltd.	145,125,890 Dr.	1,767,886	141,226,255	5,667,521 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 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.

8. The Company's management has informed us that the Central

Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any product of the Company.

9. According to the records of the Company and the information and explanations given to us in respect of statutory and other dues:

   a) The Company was generally regular in depositing statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess etc. with the appropriate authorities except for slight delay in few cases of Provident Fund, Employee's State Insurance, Sales tax and Tax Deduction at source.

   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, 2010 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 which has not been deposited as on 31st March 2010 on account of any dispute is given below :

Particulars	Period in which Amount relates	Forum where matter is pending	Amount Rs. in lac
Income Tax	Assessment Year 2000-2001	CIT (Appeal)	42.73
Stamp Duty	Fin. Year 2007-08	Revenue Board, Allahabad (U.P.)	12.73
Entry Tax	Fin Year 2005-06	Deputy Commissioner of Commercial Tax, Jaipur	0.82

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

10. The Company does not have any accumulated losses at the end of the financial year. However, the Company has suffered loss of Rs. 9,16,65,645 on account of derivative taken by the Company for hedging of FCCB from Yes Bank. This loss was crystalised on 27th April 2010.

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, term loans and foreign Currency Convertible Bonds availed by the Company were, prima facie, applied by the Company during the year for the purpose for which these were obtained.

    During the Year Company has repurchased and cancelled Foreign Currency Convertible Bonds of Face value of US$ 7 Millions for the final settlement of US$ 3.52 Million . Bond holders had waived all the interest payable on these bonds which amounts to Rs. 3,80,44,202.

    Further, for the balance FCCB of US$ 5 million, the Company has reached full and final settlement at 85% of the Face Value to be paid upto 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 not made any allotment on Preferential basis to the Company and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. According to the information and explanations given to us and the records examined by us, the Company has not issued any debentures during the year.

20. The Company has not raised any money by way of public issue during the year.

21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain
Proprietor
Membership No.: 087316

Place : New Delhi
Date : 5th March, 2011

Balance Sheet (Revised) As at 31st March 2010

(Amount in Rs.)

	Schedules		As at 31.03.2010		As at 31.03.2009
SOURCES OF FUNDS					
Share Capital	A		125,400,000		125,400,000
Reserve & Surplus	B		797,187,428		720,961,703
Secured Loans	C		1,019,103,907		1,036,089,774
Unsecured Loans	D		204,550,000		485,423,769
Deferred Tax Liability			33,075,512		13,158,630
			2,179,316,847		**2,381,033,876**
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	1,180,128,396		883,281,544	
Less : Depreciation		173,986,637		123,422,598	
Net Fixed Assets			1,006,141,759		759,858,946
Capital work in progress			180,386,123		252,332,765
Investment	F		1,263,556		51,634
Current Assets, Loans & Advances					
Inventories	G	731,106,577		728,238,944	
Sundry Debtors	H	246,155,980		322,495,562	
Cash & Bank Balance	I	99,592,280		189,415,791	
Loans & Advances	J	165,603,722		360,653,469	
		1,242,458,559		1,600,803,766	
Less: Current Liabilities & Provisions	K	297,353,959		296,040,821	
Net Current Assets			945,104,600		1,304,762,945
Misc. Expenditure	L		46,420,809		64,027,586
(To the extent not written off or adjusted)					
Significant Accounting Policies	U				
Notes To Accounts	V				
			2,179,316,847		**2,381,033,876**

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

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Rajiv Malik**
Proprietor	*Managing Director*	*CFO*	*Company Secretary*
Membership No: 087316			
Place: New Delhi	Manoj Gupta	**Sanjay Garg**	**O P Sharma**
Dated: 5th March 2011	*Director*	*Director*	*Ex. Director*

Profit and Loss Account (Revised) For the year ended 31st March 2010

(Amount in Rs.)

	Schedules	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Sales & Other Operative Incomes	M	1,106,377,551	1,160,796,252
Exceptional Items & Other Non Operative Incomes	N	44,721,251	–
		1,151,098,802	1,160,796,252
EXPENDITURE			
Material consumed	O	641,327,640	648,220,571
Manufacturing Expenses	P	142,581,758	187,029,924
Selling & Distributive Expenses	Q	59,211,563	58,654,022
Administrative Expenses	R	47,014,070	47,024,652
Financial Expenses	S	135,642,851	152,918,661
Depreciation	E	51,593,556	42,757,816
Loss on Derivative a/c		91,665,645	–
Income Tax Demand AY.07-08		3,440,170	–
Misc. Expenses Written off	T	21,795,878	22,905,715
		1,194,273,131	1,159,511,361
Profit / Loss before Taxes		(43,174,329)	1,284,891
Less : Provision for Income Tax		–	195,139
Less: Fringe Benefit Tax		–	1,767,026
Less : Provision for Deferred Tax Liabilities		19,916,882	11,078,038
Add : Provision for Deferred Tax Asset (MAT paid)		–	
Loss/ Profit after Tax		**(63,091,211)**	**(11,755,312)**
Balance Brought Forward From Last Year		404,293,762	419,511,809
Add: Short & Excess Provision of Tax & for Previous Year		36,186	(3,462,737)
Balance Carried to Balance Sheet		**341,238,737**	**404,293,760**
Earning Per Share (Face value of Rs10 per equity share)			
Basic/diluted before extra ordinary items for the period		–	–
Basic/diluted after extra ordinary items for the period		5.78	–
Significant Accounting Policies	U		
Notes To Accounts	V		

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

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Rajiv Malik**
Proprietor	*Managing Director*	*CFO*	*Company Secretary*
Membership No: 087316			
Place: New Delhi	Manoj Gupta	**Sanjay Garg**	**O P Sharma**
Dated: 5th March 2011	*Director*	*Director*	*Ex. Director*

ANG
INDUSTRIES

Cash Flow Statement (Revised) For the year ended 31st March 2010

(Amount in Rs.)

		Year ended 31.03.2010		Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary item but after FBT		(43,174,329)		1,284,892
Adjustments				
Depreciation provision	51,593,556		42,757,816	
Profit on FCCB written off	(44,721,251)		–	
Miscellaneous expenditure written off	21,795,878		22,905,715	
Provision for Loss on Derivative	91,665,645		–	
Income Tax Demand	3,440,170		–	
Loss on sale of assets	1,310,010		9,000	
Operating profit before working capital changes		81,909,679		66,957,423
Adjustment for working capital changes				
Decrease / (Increase) in Inventories	(2,867,633)		(107,623,077)	
Decrease / (Increase) in Debtors	76,339,582		120,506,413	
Decrease / (Increase) in Loans & Advances	195,049,747		11,491,360	
(Decrease) / Increase in Current Liabilities (net of provisions of tax, proposed dividend, provision for dividend tax	47,696,554		(25,340,125)	
Cash from Operations		398,127,929		65,991,994
Less: Income tax, Fringe benefit tax paid during the year		(5,066,149)		(8,059,398)
Net Cash from Operations Activities		393,061,780		57,932,596
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets	(300,771,701)		(109,362,012)	
Capital Work in Progress	71,946,542		(63,863,429)	
Misc. expenses including research and development etc. incurred during the year	(4,189,101)		(26,430,680)	
Sale of Fixed Assets	1,224,500		832,600	
Purchase of Investments	(1,211,922)		(145,643,999)	
Capital Redemption Reserve Account	139,641,672		–	
Share Premium Account	–		(31,584,659)	
Refund of Share application Money	–		(7,500,000)	
Net Cash from Investing Activities		(93,360,010)		(383,552,179)

Cash Flow Statement (Contd.) For the year ended 31st March 2010

(Amount in Rs.)

		Year ended 31.03.2010		Year ended 31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	(108,651,512)		37,565,321	
Proceeds from Unsecured Loans	(280,873,769)		(6,554,688)	
Payment of Dividend including Dividend Tax	–		–	
Net Cash from Financing Activities		**(389,525,281)**		**31,010,633**
Total increase / (decrease) in Cash and cash equivalent				
Cash equivalents during the year (A+B+C)		(89,823,511)		(294,608,950)
Cash & Cash equivalents at the beginning of the year		189,415,791		484,024,741
Cash & Cash equivalents at the beginning of the year with				
Cash & Cash equivalents at the end of the year (31.03.2010)		**99,592,280**		**189,415,791**

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Rajiv Malik**
Proprietor	*Managing Director*	*CFO*	*Company Secretary*
Membership No: 087316			
Place: New Delhi	Manoj Gupta	**Sanjay Garg**	**O P Sharma**
Dated: 5th March 2011	*Director*	*Director*	*Ex. Director*

Auditors' Certificate (Revised)

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

Further to our Auditors' Certificate dated 29th May, 2010, we state that :

"We have examined the attached Cash Flow Statement (Revised) of M/s ANG Industries Limited for the period ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreement signed with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account (Revised) and Balance sheet (Revised) 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: 5th March, 2011

Schedules forming part of the Balance Sheet (Revised)

(Amount in Rs.)

		As at 31.03.2010		As at 31.03.2009
Schedule A SHARE CAPITAL				
Authorised Share Capital				
22,500,000 Equity Shares of Rs. 10 each		225,000,000		225,000,000
Issued & Subscribed and Paid up Capital				
12,540,000 Equity Shares of Rs. 10 each		125,400,000		125,400,000
		125,400,000		**125,400,000**

Notes :

5,67,500 equity shares of Rs. 10 each issued at premium of Rs 65 each on conversion of Share Warrants

13,87,500 shares Rs. 10 each were issued to Share Holders of ANG Autotech Pvt. Limited in the ratio of 74:100 in pursuant of Scheme of Merger approved by Hon,ble Delhi high Court

3,12,500 Equity Shares of Rs. 10 each issued to Share holders of erstwhile Share holders of ANG Auto Pvt Ltd. Pursuant of its merger with the Company

In the year 2008 -09 the Company bought back and extinguished 7,50,000 equity shares

Schedule 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 45,52,500 Shares @ Rs. 65 each		264,327,841		264,327,841
(Use Rs. 3,15,84,859 for Buy Back of Its Equity shares in previous years)				
(C) Profit & Loss A/C (Balance as per Profit & Loss Account)		341,238,737		404,293,760
(D) Revaluation Reserve A/c		5,071,935		5,432,859
(E) Capital Redemption Reserve A/c		139,641,672		–
(F) Capital Reserve Account		4,875,000		4,875,000
		797,187,428		**720,961,703**

Schedule C SECURED LOAN				
Foreign Bill Discounting		110,331,299		252,078,845
Packing Credit		70,301,918		80,750,420
Cash Credit limit		537,677,283		278,163,630
Bank Over Draft		–		180,934,822
Term Loan (Repayable within one year Rs.4,90,00,000)		162,954,295		205,418,979
Yes Bank Derivative Payable		91,665,645		–
Domestic Bill Discounted		3,294,635		–
Vehicle Loan from Banks		34,939,355		29,825,474
Tooling Advance		6,573,863		6,573,863
Greater Noida Development Authority		1,365,614		2,343,741
		1,019,103,907		**1,036,089,774**

Notes :

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

(a) State Bank of India:

– First charge on fixed assets of company's plant situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttarakhand.

– First charge on company's land & building situated at following locations

- A – 197 Eldeco SIDCUL Industrial Park, Sitarganj, Uttarakhand.
- B – 48, Phase – II, Noida, U.P.
- 19 – A, Udyog Vihar, Greater Noida, U.P.

(b) Yes Bank Ltd. :

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

(2) Securities offered to Banks (viz. 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:-

Schedules forming part of the Balance Sheet (Revised)

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

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

(Amount in Rs.)

		As at 31.03.2010		As at 31.03.2009
Schedule D UNSECURED LOAN				
From Directors, Shareholders & Others (Interest Free)				33,769
Yes Bank Derivative account		3,950,000		3,950,000
Foreign Currency Convertible Bonds		200,600,000		481,440,000
		204,550,000		**485,423,769**

Schedule E FIXED ASSETS *(Amount in Rs.)*

			GROSS VALUE				DEPRECIATION				W D V	
S. No.	Name of Asset	Rate of Dep.	As on 01.04.2009	Addition during the year	Sale during the year	Total value As on 31.03.2010	Balance As on 01.04.2010	Depreciation during the period	Depreciation Adjustment	Total As on 31.03.2010	As on 01.04.2009	As on 01.04.2010
1	Land	0.00%	59,184,846	25,224,074	–	84,408,920	–	–	–	–	59,184,846	84,408,920
2	Building	3.34%	131,051,281	94,902,174	34,689	225,918,766	12,310,096	5,978,898	3,460	18,285,535	118,737,726	207,633,232
3	Furniture	6.33%	8,986,290	200,502	–	9,186,792	1,563,385	573,242	–	2,136,627	7,422,905	7,050,164
4	Vehicle	9.50%	36,913,386	3,915,937	3,965,957	36,863,366	11,528,084	3,520,984	1,473,450	13,575,619	25,276,296	23,287,747
5	Commercial Vehicle	11.31%	32,759,429	19,178,101	–	51,937,530	5,946,115	4,285,205	–	10,231,320	26,813,315	41,706,210
6	Genset Canopy	16.21%	1,313,875	–	–	1,313,875	290,472	185,260		475,732	957,020	838,143
7	Electrical Equipments	7.42%	18,537,149	996,491	–	19,533,640	2,327,963	918,362	–	3,246,324	16,126,250	16,287,316
8	ETP Plant	7.42%	1,304,032	–	–	1,304,032	158,522	94,757	–	253,278	1,167,392	1,050,754
9	Machine & Tools	7.42%	573,942,402	156,740,766	2,613,756	728,069,412	82,710,662	33,821,124	(86,468)	116,618,253	491,471,211	611,451,159
10	Office Equipment	7.42%	5,621,585	182,632	–	5,804,217	1,143,054	391,108	–	1,534,162	4,478,533	4,270,055
11	Computer & Accessories	16.21%	11,852,232	1,808,560	25,860	13,634,932	4,830,181	1,871,453	–	6,701,634	7,022,484	6,933,298
12	Water Cooler	6.33%	99,571	–	–	99,571	15,497	5,951	–	21,448	84,074	78,123
13	Mobile	16.21%	1,196,925	337,879	–	1,534,804	391,153	204,427	–	595,580	805,772	939,224
14	Patent Right Exp	20.00%	518,539	–	–	518,539	207,416	103,708	–	311,124	311,123	207,415
	Total		**883,281,542**	**303,487,116**	**6,640,262**	**1,180,128,396**	**123,422,598**	**51,954,480**	**1,390,441**	**173,986,637**	**759,858,948**	**1,006,141,759**
	Previous Year		774,761,136	109,362,009	841,600	883,281,544	80,303,857	43,118,740		123,422,598	694,457,279	759,858,946
	Depreciation During the year											51,954,480
	Adjustment for the Depreciation on Revalued Assets											360,924
	Depreciation as Per Profit & Loss Account											51,593,556

		As at 31.03.2010		As at 31.03.2009
Schedule F INVESTMENTS				
Investment In Subsidiary Company				
Ang Auto (U.K.) Ltd				
– Share Capital		200		200
Ang Auto (U.S.A)				
– Share Capital		11,922		–
Ang Auto (Hongkong) Ltd				
– Share Capital		51,434		51,434
Tower Worx India Pvt. Ltd (Share Capital)		1,200,000		–
		1,263,556		**51,634**
Schedule G INVENTORIES				
(As taken valued and certified by management)				
Raw Material	408,491,419		419,058,450	
Work in Progress	248,017,494		214,143,191	
Finished Goods	74,597,664	731,106,577	95,037,303	728,238,944
		731,106,577		**728,238,944**

Schedules forming part of the Balance Sheet (Revised)

(Amount in Rs.)

		As at 31.03.2010		As at 31.03.2009
Schedule H SUNDRY DEBTORS				
(Unsecured, considered good, unless stated otherwise)				
Over Six months	26,548,113		85,066,228	
Others	219,607,867	246,155,980	237,429,334	322,495,562
		246,155,980		**322,495,562**
Schedule I CASH & BANK BALANCES				
Balances With Schedule Bank in Current Accounts		45,813,930		99,974,562
Yes Bank (Unpaid Dividend -I)		1,144,462		1,144,462
Yes Bank (Unpaid Dividend-II)		802,688		802,688
Balances with bank in Fixed Deposit Account		11,745,443		39,997,644
Cash in hand		40,085,757		47,496,435
		99,592,280		**189,415,791**
Schedule J LOANS & ADVANCE, SECURITIES & DEPOSITS				
Security Deposits		15,888,308		10,255,770
Advance to Suppliers		18,860,393		17,954,169
Advance to Directors		–		500,000
Gratuity Fund		–		1,926,649
Advance for land at Bhiwadi		16,538,882		16,538,882
Other Advances & Export Claims		63,968,087		189,053,484
Advance for Land at Greater Noida		–		80,636,813
Accrued Interest on Fixed Deposit		683,403		2,537,985
Advance Income Tax		–		2,500,000
Income Tax Refund (FY.2008-09)		3,565,086		–
Excise Duty & Service Tax Receivable		19,664,849		14,868,630
TDS Receivables		1,041,647		1,513,719
Export Incentives Receivable		21,208,970		16,237,154
Prepaid Expenses		2,222,771		3,448,454
VAT receivable		1,961,326		2,681,760
		165,603,722		**360,653,469**
Schedule K CURRENT LIABILITIES & PROVISIONS				
Current Liabilities				
Sundry Creditors				
Creditors for Consumables		29,676,437		24,723,267
Creditors for Raw Material		151,375,222		108,062,309
Creditors for Capital Goods		11,667,677		8,703,971
Creditors For Expenses		32,049,263		28,588,134
Advance From Customer		41,347,159		33,489,132
Unpaid Dividend		1,947,150		1,947,150
Custom Duty/ Service Tax Payable		1,155,323		157,121
Provisions				
Salary & Wages Payable		6,356,286		4,948,271
Provision for leave Encashment		405,607		405,607
ESI Payable		103,043		103,323
EPF Payable		704,160		518,259
Expenses Payable		4,824,723		4,748,910
Gratuity Fund Payable		3,345,417		–
TDS Payable		1,110,713		375,070
Sales Tax Payable		7,845,609		5,695,485
Income Tax Demand AY.2007-08		3,440,170		3,240,960
Provision for Loss on forward Contract		–		3,453,055
Provision for Income Tax		–		195,139
Interest on FCCB payable		–		65,218,632
Fringe Benefit Tax payable		–		1,467,026
		297,353,959		**296,040,821**

Schedules forming part of the Profit and Loss Account (Revised)

(Amount in Rs.)

		Year ended 31.03.2010		Year ended 31.03.2009
Schedule L MISCELLANEOUS EXPENDITURE				
Pre-operative Expense		9,531,577		14,379,521
Preliminary Expenses		436,364		501,058
FCCB Issue Expenses		–		12,318,024
Issue Expenses		764,607		720,674
Research & Development		35,688,261		36,108,309
		46,420,809		**64,027,586**
Schedule M SALES & OTHER INCOME				
Exports Sale & Incentives		344,240,909		605,083,031
Domestic Sale		691,441,538		536,762,722
Income from Transportation Business		31,577,741		12,493,039
Interest received (TDS on interest received Rs.354367.55)		2,987,014		17,379,760
Diff. in Foreign Exchange fluctuation		5,407,026		(11,172,842)
Miscellaneous Income		30,723,323		250,542
		1,106,377,551		1,160,796,252
Schedule N EXCEPTIONAL ITEMS & OTHER NON-OPERATIVE INCOMES				
Profit on FCCB written off		44,721,251		–
		44,721,251		–
Schedule O MATERIAL CONSUMED				
Raw Material				
Opening Stock	419,058,450		259,910,314	
Purchase of Raw Material	574,675,434		702,294,225	
Inter Unit Transfer	2,848,253			
	996,582,137		962,204,539	
Less: Closing Stock	408,491,419		419,058,450	
Material Consumed during the year		588,090,718		543,146,089
Work-in Progress				
Opening Stock	214,143,191		203,682,240	
Less : Closing Stock	248,017,494		214,143,191	
Increase /Decrease in WIP		(33,874,303)		(10,460,951)
Finished Goods				
Opening Stock	95,037,303		157,023,313	
Less : Closing Stock	74,597,664		95,037,303	
Increase /Decrease in Finished Goods		20,439,639		61,986,010
Consumable Goods		66,671,586		53,549,423
		641,327,640		**648,220,571**
Schedule P MANUFACTURING EXPENSES				
Power & Electricity		30,579,886		39,302,473
Factory Rent		6,133,880		5,753,673
Salary & Labour Charges		64,104,234		72,745,539
Repair & Maintenance Machinery		3,269,963		6,013,019
Freight & Cartage		13,544,280		18,556,908
Processing & Job work charges		21,974,056		37,607,743
Water Charges		54,734		2,550
Vehicle Running & Maintenance (Commercial Vehicles)		1,239,988		3,230,598
Ware House Charges		211,937		507,221
Rent on Genset		1,468,800		3,310,200
		142,581,758		**187,029,924**

Schedules forming part of the Profit and Loss Account (Revised)

(Amount in Rs.)

	Year ended 31.03.2010	Year ended 31.03.2009
Schedule Q SELLING & DISTRIBUTION EXPENSES		
Freight Outward	19,306,648	28,291,975
Travelling Expenses		
– Domestic	3,532,766	4,748,935
– Foreign	791,850	1,480,421
Shipping & Forwarding	1,280,787	1,508,417
ECGC Premium	2,123,998	2,809,556
Bad Debts	19,243,978	–
Warranty Expenses	128,030	–
Business Promotion Expenses	1,308,526	2,052,533
Branch office & Godown Rent	1,682,824	3,520,433
Salary to sales Personnel & Other Expenses	3,402,872	8,574,657
Discount, Commission & Brokerage	3,091,305	2,668,067
Advertisement Expenses	782,465	1,134,345
Foreign Consultancy Charges	2,535,514	1,864,683
	59,211,563	**58,654,022**

	Year ended 31.03.2010	Year ended 31.03.2009
Schedule R ADMINISTRATIVE EXPENSES		
Audit Fees	386,050	393,260
Conveyance	3,765,296	4,388,807
Donation	663,481	1,099,801
Gratuity and Compensation Paid	4,039,794	46,987
Membership Fees/subscription/registration	820,317	712,316
Prior period expenses	3,955,679	1,881,577
Miscellaneous expenses	304,160	2,452,621
News Papers and periodicals	25,059	59,847
Office Rent	6,800	274,000
Postage & Courier	508,564	470,628
Printing & Stationery	1,204,449	1,472,282
Bank Commission & Expenses	958,893	5,169,257
Service Tax on Freight	616,835	845,161
Remuneration to Director	1,800,000	1,200,000
Rates & Taxes	3,758,336	3,550,421
Shares buyback expenses	–	68,203
Repair and maintenance:		
– For vehicles	2,724,181	3,582,829
– For computer	169,785	226,943
– For office	2,294,711	139,320
Festival expenses	1,061,764	1,164,299
Insurance Charges	3,133,777	3,576,388
Medical Expenses	74,536	164,544
Legal, Professional & consultancy charges	2,835,164	2,598,972
Recruitment expenses	209,607	229,158
Security Charges	275,064	342,048
Short & Excess Charges	31,168	62,491
Staff Bus	746,034	1,096,942
Staff Welfare	2,579,483	2,333,459
Interest on Vehicles Loan	890,546	1,612,340
Interest on Gnida	421,873	365,044
Guest House Expenses	1,323,720	710,037
Reverse Input VAT credit on Stock Transfer	711,742	594,940
Loss on Sale of Assets	1,310,011	9,000
Telephone expenses	3,407,191	4,130,730
	47,014,070	**47,024,652**

Schedules forming part of the Profit and Loss Account (Revised)

(Amount in Rs.)

	Year ended 31.03.2010	Year ended 31.03.2009
Schedule S FINANCIAL EXPENSES		
Interest on Term Loan	26,841,406	16,951,934
Interest On FCCB	–	28,488,895
Interest & Other Interest Expenses	108,801,445	107,477,832
	135,642,851	**152,918,661**
Schedule T PRELIMINARY EXPENSES WRITTEN OFF		
Preliminary Expenses w/o	525,012	327,499
Issue Expenses w/o	68,203	359,449
Merger Expenses w/o	256,104	256,104
FCCB Expenses w/o	280,000	4,196,271
Pre-operative Expenses w/o	4,999,623	5,074,140
Business promotion written off	492,251	481,276
Research & Development Cost written off	15,174,685	12,210,976
	21,795,878	**22,905,715**

Schedule 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.

   – The dividend income is accounted for as and when received.

3. **Export Incentives**

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

4. **Fixed Assets**

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

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

5. **Depreciation**

   Depreciation has been provided on straight line method basis as per the rates specified in schedule 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 by decline in value, other than temporary, is made on the basis of market quotations whenever available.

8. **Valuation of Inventories**

   – Raw Materials, Stores and Packaging Materials are valued at lower of cost or net realisable value.

   – Work in Progress has been valued at Cost of Raw Materials plus 50% of cost of Production.

   – Finished Goods are valued at sale price less selling and distribution expenses & profits.

   – Excise duty on finished goods lying in factory is accounted for on removal of goods since such liability arises only if they are sold in Domestic Tariff Area.

Schedules forming part of the Accounts (Revised)

Schedule 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 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 Postponement of Accounting Standard -11,the Company has not given the effect of foreign exchange fluctuation on the foreign currency loans taken and utilised by them for capital assets or their other long term liabilities and Assets in foreign currency.

Further the corresponding figures of overseas subsidiary companies are converted in US$ i.e 1 US$=INR 44.90 being the foreign exchange rates prevailing at the end of last financial year.

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

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.

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.

Schedule V NOTES TO ACCOUNT

a. **Contingencies and commitments**

i.	Bank Guarantee	Rs. 2,05,54,000
ii.	Letter of Credit	Rs. 4,65,65,635

iii. Claim against the Company not acknowledged:
Sales tax Liability of Rs. 81,560 under appeal with Deputy Commissioner of Commercial Tax, Jaipur

iv. Estimated amount of contract remaining to be executed on capital account and not provided (net of advances Rs.1,40,45,718) Rs 1,89,24,559

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 The Company has written back US$ 3,84,507.21 equivalent to INR. 1,90,33,107 on account of claim receivable from Guandong Fuwa Engineering Manufacturing Co. Ltd.

ix 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.

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. The name of the Company has been changed from M/s ANG Auto Limited to M/s ANG Industries Ltd. To this effect fresh certificate of Incorporation dated 22nd April 2010 has been issued by the Registrar of Companies NCT, Delhi & Haryana, New Delhi.

d. 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.

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

During the Year Company has repurchased and cancelled Foreign Currency Convertible Bonds of Face value of US$ 7 Millions. Further, for the balance FCCB of US$ 5 Million, the Company has reached full and final settlement at 85% of the Face Value to be paid upto 28th June, 2010. Bond holder of US$ 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 and taken in books as profit under Exceptional items.

f. The Company has recast its account based on written legal Opinion taken from senior advocate vide Legal opinion dated 28-02-2011. The Company has reversed the profit on account of early redemption of FCC Bonds of USD 7 millions. (As per the terms of the issue of Bonds, the aggregate net proceeds received by the Company from the offer had to be used toward capital expenditure including expansion of the Company's projects, direct investments in overseas joint ventures or subsidiaries related thereto and any other use, as may be permitted under applicable law or regulations, from time to time.)

Due to the reversal of this transaction, the head "profit on FCCB written off" in Profit & Loss Account has been reduced by Rs. 13,96,41,672/-. The Company has transferred this amount to a new account "Capital Redemption Reserve Account" in schedule: B of Reserve and Surplus as this is a Capital receipt generated from the reduction of Loan liability of the Company. However the profit on account of waive off Interest on FCC Bonds payable on redemption / conversion of Bonds is still treated as "Profit on FCCB written off" and shown in schedule: N of "Exceptional items & other NON Operative Income" in Profit & Loss Account.

Further based on the opinion there is no Income Tax payable by the Company under sec 115JB (Minimum Alternative Tax) of Income tax Act, 1961, as profit of the Company shall decrease by Rs. 13,96,41,672/-, resulting in Net loss for the Year of Rs. 4,31,74,329/-. This recasting of Financial Statements has been done in terms of circular dated 13.01.2003 issued by the Department of Company Affairs, wherein it has been stated as under;

1. In partial modification of earlier view on re-opening/revision of annual accounts, thistheir adoption in the annual general meeting

Schedules forming part of the Accounts (Revised)

in order to comply with technical requirements of taxation laws and further adopt the revised annual accounts in the subsequent annual general meeting and file with the Registrar of Companies.

2. Recently it has come to notice of the department that insurance companies, pursuant to directions for revision of accounts by Insurance Regulatory and Development Authority (IRDA) are required to reopen their accounts.
3. It is hereby clarified that a company could reopen and revise its accounts even after their adoption in the annual general meeting and filing with the Registrar of Companies in order to comply with technical requirements of any other law to achieve the object of exhibiting true and fair view. The revised annual accounts would be required to be adopted either in the extraordinary general meeting or in the subsequent annual general meeting and filed with the Registrar of Companies.

The earlier Audit report has amended to give the effect of the above entries.

g. The Company has taken a Derivative agreement keeping FCCB as the underline from YES Bank Ltd. As per the term sheet dated 25th October 2007 ANG has received an amount of Rs. 39,50,000 due to happening of Trigger event A i.e US$/JPY trades at either 113.50 or 114.50. This was an European Knock out and European option where in Trigger event B happens i.e US$/ JPY trades at or above 116, then the structure get knocked out without any obligation on the part of ANG. However, if JPY trades at the date of maturity i.e 27th April 2010 above 97, there is no out flow on the part of ANG. The derivative had a further term that if spot rate of Yen on the date of maturity is 97 or below, then ANG will buy 10 Million US$ at the fixed rate of JPY 114.

In this Derivative transaction the Company has suffered a loss of Rs. 9,16,65,645 on 27th April 2010, and the provision for the same has been made in the books of account.

h. Investment in the Subsidiary Company in United States of America :
The Company has invested US$ 251 which is equivalent to INR 11,922.50 as equity Share Capital of a wholly owned overseas subsidiary i.e ANG Auto USA Inc.

During the year the Company has also received service charges amounting to US$ 3,70,468.48 Equivalent to INR 1,66,75,581.60 from the wholly owned overseas subsidiary.

i. Investment in Joint venture with Towerworx India Pvt. Ltd.
During the year the Company has invested in 1,20,000 shares of Rs. 10 each of Towerworx India Pvt. Ltd as 50: 50 Joint venture with TowerWorxs Inc. USA

j. The stock has been taken as per inventories valued and certified by the Management of the Company.

k. The Company operates in three segments i.e Manufacturing of Auto Components and assemblies, Transportation and heavy Fabrication. Out of these, Transportation and Heavy Fabrication constitute less than 10% each and hence as per the principle of AS-17, issued by The Institute of Chartered Accountants of India, segment reporting is not applicable.

l. During the year, the Company has ventured into a new line of business i.e fabrication of Heavy steel structures mainly for Power Plants.

m. The Company has revalued its assets during the financial year 2002-03 and created a revaluation reserves of Rs. 75,98,404. The Depreciation on these assets comes to Rs. 3,60,924 p.a. and the same is being adjusted from revaluation reserve fund .

n. 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.

o. **Transaction in Foreign Currency :**

1) **Expenses in foreign currency:**
   a. Foreign Consultancy (Including paid for Development of new Business) US$ 54,294.75 equivalent INR Rs. 26,03,554 (Previous year Rs. 41,57,709)
   b. Foreign Tour & Travelling US$ 12,799 & GBP 1000 equivalent to INR 6,62,902 (previous Year 18,10,520)
   c. Bank Charges on Bank account maintain in Foreign Currency amounted to US$ 1064 and GBP 40 equivalent INR 44,298 (previous Year Rs. 9,920.72)
   d. During the year funds amounted to US$ 8,90,000 equivalent to INR 4,20,22,017 transfer from FCCB account to India and utilised for purchase of Capital goods & Expansion of Business .
   e. Investment in Share Capital of Subsidiary Companies US$ 251 equivalent INR 11,992.
   f. Payments for Import of Plant & Machinery US$ 7,03,829.50 equivalent INR 3,39,18,007
   g. Unsecured Loans to Subsidiary Companies US$ 2,39,597 equivalent INR 96,12,636 and loan returned by subsidiary companies US$ 2,00,000 equivalent INR 80,24,000.

Schedule V NOTES TO ACCOUNT *(Contd.)*

2) **Earning in Foreign Currencies:**

Exports : US$68,75,532 and Euro 82,904, equivalent INR 32,89,20,292 (Previous Year 60,50,83,031)

Interest on Fixed deposits In foreign Exchange : US$ 26,818 equivalent to INR10,75,992 (previous Year 1,37,37,825)

Service Charges From Subsidiary Company : US$ 3,70,568 equivalent to INR 1,66,75,582

3) There was import of raw materials during the year amounting to US$ 6,34,500 equivalent to INR 3,00,40,839.

p.

Payment to Auditors	Current Year	Previous Year
Statutory Audit & Tax audit Fees	Rs. 3,86,050	Rs.393,260
Certification charges / other fees	Rs. 5,515	Rs. 30,010

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

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

Enterprises in which Key Personnel have substantial Interest	:	ANG Automotive Industries (P) Ltd.
	:	ANG Forgings (P) Ltd.
	:	ANG Automotive Components (P) Ltd.
	:	ANG Logistics Pvt. Ltd.
	:	Angle Fashions Pvt. Ltd.
	:	GIC Global International Business Inc.
	:	Krisp Auto & General credit Pvt. Ltd.
Wholly owned overseas Subsidiary Companies	:	ANG Auto (U.K.) Ltd.
	:	ANG Auto (Hongkong) Ltd.
	:	ANG Auto (USA) Inc.
Joint Venture	:	Towerworx India Pvt.Ltd.
Individual having significant influence over the Company	:	Mr. Premjit Singh

r. **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 :

(Amount in Rs.)

Name of related Party	Transaction	Amount
ANG Auto (U.K.) Ltd.	Unsecured Loan to Subsidiary Company	1,164,544
ANG Auto (UK) Ltd	Written off of FCCB Bonds hold by Subsidiary Company	139,227,464
ANG Auto USA Inc.	Investment in Share Capital of Wholly owned overseas Subsidiary Company	11,922
ANG Auto USA Inc.	Exports of Auto Components	68,588,212
ANG Auto USA Inc.	Service Charges received.	16,675,581
TowerWorx India Pvt. Ltd.	Investment in Share Capital of Joint Venture Company	1,200,000
ANG AUTO USA Inc.	Unsecured Loan (net)	401,200
ANG Auto (UK) Ltd.	Unsecured Loan	1,187,436

Summary of Transaction in other accounts of Related parties :

	Opening Balance	Debit	Credit	Closing Balance
Premjit Singh	33,769 cr	985,604	0	951,835
Advance for purchase of property at Bhiwadi (ANG Forgings Pvt. Ltd.)	16,538,882	0	0	16,538,882
ANG Logistic Pvt. Ltd.	168,435	235,000	0	403,435
Advance for purchase of Property (ANG Automotive Component Pvt. Ltd.)	84,781,500	0	0	84,781,500

Managerial Remuneration

Mr. Premjit Singh	Rs. 1800,000
Mr. O.P.Sharma	Rs. 313,250
Sitting Fees to Directors :	Rs. 90,000

s. 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.

Schedules forming part of the Accounts (Revised)

Schedule V NOTES TO ACCOUNT *(Contd.)*

Major components of Deferred Tax Assets and Liabilities arising on account of timing difference are : *(Amount in Rs.)*

Item	Amount as per Books of Accounts	Amount allowable as per Income Tax	Difference	
			Deferred Tax Assets	Deferred Tax Liabilities
Depreciation	52,043,098	110,988,801		58,945,703
Research & Development Exp. Written off	15,174,683	14,825,278	349,405	
Total Difference in Taxable Income / Loss				58,596,298
Deferred Tax Liabilities upto 31-03-2009				13,158,630
Deferred Tax Liabilities/ Assets during the year			–	19,916,882
Total Deferred Tax Liabilities/ Assets upto 31-03-2010			–	33,075,512
Net Deferred Liabilities as on 31st March 2010				33,075,512

t.

Details of Capacity Utilisation Particulars	Year ended 31.03.2010	Year ended 31.03.2009
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.	56,93,600	5,093,600
Heavy steel Fabrication	**12,000MT**	–
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	2,798,889	2837579
Heavy Steel Fabrication	1,554.56MT	–
Capacity Utilisation (on annualised basis)		
Spindles, Gears, Slack Adjusters, Brake Assemblies, Non-Alloy, Steel Forging (Machined)-Drop Forged Stub Axle Forging (Machined) (Semi-Finished),	49.15%	49.84%
Alloy Steel Forging (Machined) - Drop Forged,		
Stub Axle Forging (Machined)		
Turnover & Stock (Rupees)		
Opening Stock	728,238,944	620,615,867
Sales	1,067,260,188	1,113,690,117
Closing Stock	731,106,577	728,238,944

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

Signatories to Schedules "A" to "V"

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Rajiv Malik**
Proprietor	*Managing Director*	*CFO*	*Company Secretary*
Membership No: 087316			
Place: New Delhi	Manoj Gupta	**Sanjay Garg**	**O P Sharma**
Dated: 5th March 2011	*Director*	*Director*	*Ex. Director*

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 2010		

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	NIL		

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

Total Liabilities	2179317	Total Assets	2179317

Sources of Funds

Paid-up Capital	125400	Reserves & Surplus	797187
Convertible Share Warrant	NIL	Secured Loans	1019104
Unsecured Loans	204550	Deferred Tax Liabilities	33075

Application of Funds

Net Fixed Assets	1006142	Capital Work in Progress	180386
Investments	1263	Net Current Assets	945104
Misc. Expenditure	46421	Accumulated Losses	NIL

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

Turnover	1151098	Total Expenditure	1194273
+/- Profit/Loss Before Tax	(43174)	+/- Profit/Loss After Tax	(63091)
Earning per share in Rs-Basic	5.78	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

Statement Pursuant to Section 212 of Companies Act, 1956

1.	Name of the Subsidiary Company	ANG AUTO (U.K.) LIMITED	ANG AUTO (HONGKONG) LIMITED	ANG AUTO USA INC.	Towerworx (India) Pvt. Ltd.
2.	Financial Year of the Subsidiary Company ended on	31st March 2010	31st March 2010 2010	31st March 2010	31st March
3.	Numbers of shares in the subsidiary company held by ANG INDUSTRIES Ltd. at above date	2 shares of 1 GBP only	10,000 Shares of HKD 1 Each	251 shares of US$1 each	120000 shares of Rs. 10 each
	Extent of the holdings	100%	100%	100%	50%
4.	Net aggregate amount of profits/ (losses) of subsidiary' company so far it concerns the members of ANG INDUSTRIES Limited				
	a) Not dealt with in the accounts of ANG INDUSTRIES Limited	N.A	N.A.	N.A.	N.A.
	i) For the subsidiary's financial year ended 31st March 2010	NIL	N.A	N.A.	N.A.
	ii) For the previous financial year of subsidiary since it became subsidiary of ANG INDUSTRIES Limited	NIL	NIL	NIL	NIL
	b) Dealt with in the accounts of ANG INDUSTRIES Limited				
	i) For the subsidiary's financial year ended 31st March 2010	Loss Rs.23,345,738	Loss Rs.1,03,938	Profit Rs. 32,75,769	Loss Rs. 11,265
	ii) For the previous financial years of subsidiary since it became subsidiary of ANG INDUSTRIES Limited	Rs. 2,27,03,281	Loss Rs. 3,40 ,137	N.A.	N.A.
	ANG INDUSTRIES Limited Acquires shares in Subsidiaries Co. during the financial year	2008-09	2008-09	2009-10	2009-10
	Change in the interest of ANG INDUSTRIES Limited between the end of the subsidiary's Financial year ended on 31st March 2010	Nil	Nil	Nil	Nil
	Nos. of Shares acquired	Nil	Nil	Nil	Nil
	Material changes between the end of the subsidiary's financial year ended on 31st March 2010	Since the closing date of Parent Co. and Subsidiary Co. are same, the same is not applicable	Since the closing date of Parent Co. and Subsidiary Co. are same, the same is not applicable	Since the closing date of Parent Co. and Subsidiary Co. are same, the same is not applicable	Since the closing date of Parent Co. and Subsidiary Co. are same, the same is not applicable
	i) Fixed Asset	Nil	Nil	Nil	Rs. 3,30,900
	ii) Investments	Nil	Nil	Nil	Nil
	iii) Moneys lent by the subsidiary	Nil	Nil	Nil	Nil
	iv) Moneys borrowed by the subsidiary company other then for meeting current liabilities	Nil	Nil	Nil	Nil

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: 5th March 2011	*Director*	*Director*	*Company Secretary*

Auditors' Report (Revised) on consolidated Financial statements

To

The Board of Directors of

ANG INDUSTRIES LIMITED

1. We have been asked to re- audit the accounts vide Board of Director meeting dated 24th February 2011 subject to the written opinion of the Legal opinion. In view of written Legal opinion obtained by the Company on treatment of Profit generated on account of redemption of Foreign Currency Convertible Bonds at below par value, the accounts have been revised and restated as per request of the Board of Directors of the Company.

   Further, to our Auditor's Report dated 29th May 2010, we stated that:

2. We have audited the attached consolidated Balance Sheet (Revised) of ANG INDUSTRIES LIMITED and its subsidiaries as at 31st March, 2010 and also the consolidated Profit & Loss Account (Revised) and the consolidated Cash Flow Statement (Revised) 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.

3. 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.

4. 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 loss of such subsidiaries of Rs. 2,09,89,299 (before tax) for the year ending 31st March 2010.

5. 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.

6. Without qualifying our opinion ,we draw attention to Note 13 of Schedule-"U" to the Financial statements regarding converting the values of Financial Statements of subsidiaries Company In US$ and evaluating the value of US$ at the rates prevailing as on 31st March 2010

7. 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:

   subject to Note No. B in Schedule V (Notes to Accounts) w.r.t Rs. 139,641,672/- transferred to Capital Redemption Reserve account , the said accounts give.....

   a. In the case of Consolidated Balance Sheet (Revised), of the Consolidated state of affairs of the ANG Group as at 31st March, 2010

   b. In the case of consolidated Profit and Loss Account (Revised), of the Loss of the ANG group for the year ended on that date; and

   c. In the case of Consolidated Cash Flow Statement (Revised), of the Consolidated Cash Flows for the year ended on that date.

For **Sandesh Jain & Co.**

Chartered Accountants

Registration No. 87316

Sandesh Jain

Proprietor

Membership No.: 087316

Place : New Delhi

Date : 5th March, 2011

Consolidated Balance Sheet (Revised) As at 31st March 2010

(Amount in Rs.)

	Schedules		As at 31.03.2010		As at 31.03.2009
SOURCES OF FUNDS					
Share Capital	A		125,400,000		125,400,000
Reserve & Surplus	B		794,926,116		740,907,883
Secured Loans	C		1,019,103,906		1,036,089,774
Unsecured Loans	D		204,550,000		485,423,769
Deferred Tax Liability			33,075,512		13,158,630
Minority Interest			1,194,368		–
			2,178,249,902		**2,400,980,056**
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	1,180,128,399		883,281,544	
Less : Depreciation		173,986,637		123,422,598	
Net Fixed Assets			**1,006,141,762**		**759,858,946**
Capital Work in Progress			180,717,023		252,332,765
Foreign Currency Translation Reserve			3,046,135		38
Investment	F		–		141,198,328
Current Assets, Loans & Advances					
Inventories	G	776,900,694		728,238,944	
Sundry Debtors	H	200,957,726		322,495,562	
Cash & Bank Balance	I	106,719,953		189,593,727	
Loans & Advances	J	164,291,393		219,418,135	
		1,248,869,766		1,459,746,368	
Less: Current Liabilities & Provisions	K	308,125,964		276,482,306	
Net Current Assets			**940,743,802**		**1,183,264,062**
Misc. Expenditure	L		47,601,180		64,325,916
(To the extent not written off or adjusted)					
Significant Accounting Policies	S				
Notes To Accounts	T				
			2,178,249,902		**2,400,980,056**

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

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain
Proprietor
Membership No: 087316

Premjit Singh
Managing Director

Arun Jain
CFO

Rajiv Malik
Company Secretary

Place: New Delhi
Dated: 5th March 2011

Manoj Gupta
Director

Sanjay Garg
Director

O P Sharma
Ex. Director

Consolidated Profit and Loss Account (Revised) For the year ended 31st March 2010

(Amount in Rs.)

	Schedules	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Sales & Other Operative Incomes	M	1,244,534,979	1,160,796,252
Exceptional Items & Other Non Operative Incomes	N	21,934,501	–
		1,266,469,480	**1,160,796,252**
EXPENDITURE			
Material consumed	O	775,299,782	648,220,572
Manufacturing Expenses	P	142,581,758	186,858,717
Selling & Distributive Expenses	Q	60,288,954	58,654,022
Administrative Expenses	R	48,241,047	49,256,515
Financial Expenses	S	135,642,851	130,837,242
Depreciation	E	51,593,556	42,757,816
Loss on Derivative a/c		91,665,645	–
Income Tax Demand AY.07-08		3,440,170	–
Misc. Expenses Written off	T	21,881,848	22,980,298
		1,330,635,611	**1,139,565,182**
Loss/ Profit before Taxes		**(64,166,131)**	**21,231,070**
Less : Provision for Income Tax		1,210,055	195,139
Less: Fringe Benefit Tax		–	1,767,026
Less : Provision for Deferred Tax Liabilities		19,916,882	11,078,038
Add : Provision for Deferred Tax Asset (MAT)		–	–
Add : Share of Profit or Loss in Joint Venture (Tower Worx)		(5,632)	–
Loss / Profit after Taxes		**(85,298,700)**	**8,190,867**
Balance Brought Forward From Last Year		424,239,939	419,511,809
Add: Short & Excess Provision of Tax & for Previous Year		36,186	(3,462,737)
Balance Carried to Balance Sheet		**338,977,425**	**424,239,939**
Significant Accounting Policies	S		
Notes To Accounts	T		

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

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Rajiv Malik**
Proprietor	*Managing Director*	*CFO*	*Company Secretary*
Membership No: 087316			
Place: New Delhi	Manoj Gupta	**Sanjay Garg**	**O P Sharma**
Dated: 5th March 2011	*Director*	*Director*	*Ex. Director*

ANG INDUSTRIES

Consolidated Cash Flow Statement (Revised) For the year ended 31st March 2010

(Amount in Rs.)

		Year ended 31.03.2010		Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary item		**(64,166,131)**		**21,231,072**
Adjustments				
Depreciation Provision	51,593,556		42,757,816	
Profit on FCCB written off	(21,934,501)		–	
Miscellaneous expenditure written off	21,881,848		22,980,298	
Share of Profit/Loss in Joint Venture	(11,264)		–	
Provision for Loss on Derivative	91,665,645		–	
Income Tax Demand	3,440,170		–	
Loss on sale of assets	1,310,011		9,000	
Operating profit before working capital changes		**83,779,334**		**86,978,186**
Adjustment for working capital changes				
Decrease / (Increase) in Inventories	(48,661,750)		(107,623,077)	
Decrease / (Increase) in Debtors	121,537,836		120,506,413	
Decrease / (Increase) in Loans & Advances	55,126,742		7,134,328	
(Decrease) / Increase in Current Liabilities (net of provisions of tax, proposed dividend, provision for dividend tax	54,030,269		(44,898,676)	
Cash from Operations		**265,812,431**		**62,097,174**
Less: Income tax, Fringe benefit tax paid during the year		(5,066,149)		(8,059,398)
Net Cash from Operations Activities		**260,746,282**		**54,037,776**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets	(300,771,701)		(109,362,012)	
Capital Work in Progress	71,615,636		(63,863,429)	
Misc. expenses Incl. Research & Development etc. incurred during the year	(5,157,112)		(26,803,595)	
Sale of Fixed Assets	1,224,500		832,600	
Purchase of Investments	138,152,231		(141,198,328)	
Issue of share Capital in Joint venture	1,200,000		–	
Capital Redemption Reserve Account	139,641,672		–	
Share Premium Account	–		(31,584,659)	
Refund of Share Application Money	–		(7,500,000)	
Net Cash from Investing Activities		**45,905,226**		**(379,479,423)**

Consolidated Cash Flow Statement (Contd.) For the year ended 31st March 2010

(Amount in Rs.)

	Year ended 31.03.2010		Year ended 31.03.2009	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	(108,651,513)		37,565,321	
Proceeds from Unsecured Loans	(280,873,769)		(6,554,688)	
Net Cash from Financing Activities		(389,525,282)		31,010,633
Total increase / (decrease) in Cash and cash equivalent				
Cash equivalents during the year (A+B+C)		(82,873,774)		(294,431,014)
Cash & Cash equivalents at the beginning of the year		189,593,727		484024741
Cash & Cash equivalents at the end of the year (31.03.2010)		**106,719,953**		**189,593,727**

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

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain
Proprietor
Membership No: 087316

Premjit Singh
Managing Director

Arun Jain
CFO

Rajiv Malik
Company Secretary

Place: New Delhi
Dated: 5th March 2011

Manoj Gupta
Director

Sanjay Garg
Director

O P Sharma
Ex. Director

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 (revised) of M/s. ANG Industries Limited and its Subsidiaries for the period ended 31st March 2010. 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
Registration No. 87316

Sandesh Jain
Proprietor
Membership No: 087316

Place: New Delhi
Dated: 5th March, 2011

Schedules forming part of the Consolidated Balance Sheet (Revised)

(Amount in Rs.)

		As at 31.03.2010		As at 31.03.2009
Schedule A SHARE CAPITAL				
Authorised Share Capital				
2,25,00,000 Equity Shares of Rs. 10 each		225,000,000		225,000,000
Issued & Subscribed and Paid up Capital				
1,25,40,000 Equity Shares of Rs. 10 each		125,400,000		125,400,000
		125,400,000		**125,400,000**

Notes :

5,67,500 equity shares of Rs. 10 each issued at premium of Rs 65 each on conversion of Share Warrants

13,87,500 shares Rs. 10 each were issued to Share Holders of ANG Autotech Pvt. Limited in the ratio of 74:100 in pursuant of Scheme of Merger approved by Hon,ble Delhi high Court

3,12,500 Equity Shares of Rs. 10 each issued to Share holders of erstwhile Share holders of ANG Auto Pvt Ltd. Pursuant of its merger with the Company

In the year 2008-09 the Company bought back and extinguished 7,50,000 equity shares

Schedule 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 45,52,500 Shares @ Rs. 65 each		264,327,841		264,327,841
(Out of total Share Premium, Rs. 3,15,84,659 had been used for paying premium on buyback of 7,50,000 equity shares)				
(C) Profit & Loss A/C (Balance as per Profit & Loss Account)		338,977,425		424,239,940
(D) Revaluation Reserve Account		5,071,935		5,432,859
(E) Capital Redemption Reserve Account		139,641,672		–
(F) Capital Reserve Account		4,875,000		4,875,000
		794,926,116		**740,907,883**

Schedule C SECURED LOAN				
Foreign Bill Discounting		110,331,299		252,078,845
Packing Credit		70,301,918		80,750,420
Cash Credit limit		537,677,283		278,163,630
Bank Over Draft		–		180,934,822
Term Loan (Repayable within One year Rs. 4,90,00,000)		162,954,295		205,418,979
Yes Bank Derivative Payable		91,665,645		–
Domestic Bill Discounted		3,294,635		–
Vehicle Loan from Banks		34,939,354		29,825,474
Tooling Advance		6,573,863		6,573,863
Greater Noida Development Authority		1,365,614		2,343,741
		1,019,103,906		**1,036,089,774**

Notes :

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

(a) State Bank of India:

– First charge on fixed assets of company's plant situated at A-197, Eldeco SIDCUL Industrial Park, Sitarganj, Uttarakhand.

– First charge on company's land & building situated at following locations

- A – 197 Eldeco SIDCUL Industrial Park, Sitarganj, Uttarakhand.
- B – 48, Phase – II, Noida, U.P.
- 19 – A, Udyog Vihar, Greater Noida, U.P.

(b) Yes Bank Ltd. :

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

(2) Securities offered to Banks (viz. 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) Amer Auto Corp (USA) Inc. (Tooling Advance) is secured by the Stand-by Letter of Credit (SBLC) issued by Bank of Baroda.

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

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule D UNSECURED LOAN		
From Directors, Shareholders & Others (Interest Free)	–	33,769
Yes Bank Derivative account	3,950,000	3,950,000
Foreign Currency Convertible Bonds	200,600,000	481,440,000
	204,550,000	**485,423,769**

Schedule E FIXED ASSETS

			GROSS VALUE				DEPRECIATION				W D V	
S. No.	Name of Asset	Rate of Dep.	As on 01.04.2009	Addition during the year	Sale during the year	Total value As on 31.03.2010	Balance As on 01.04.2010	Depreciation during the period	Depreciation Adjustment	Total As on 31.03.2010	As on 01.04.2009	As on 01.04.2010
1	Land	0.00%	59,184,846	25,224,074	–	84,408,920	–	–	–	–	59,184,846	84,408,920
2	Building	3.34%	131,051,281	94,902,174	34,689	225,918,766	12,310,096	5,978,898	3,460	18,285,535	118,737,726	207,633,232
3	Furniture	6.33%	8,986,290	200,502	–	9,186,792	1,563,385	573,242	–	2,136,627	7,422,905	7,050,164
4	Vehicle	9.50%	36,913,386	3,915,937	3,965,957	36,863,366	11,528,084	3,520,984	1,473,450	13,575,619	25,276,296	23,287,747
5	Commercial Vehicle	11.31%	32,759,429	19,178,101	–	51,937,530	5,946,115	4,285,205	–	10,231,320	26,813,315	41,706,210
6	Genset Canopy	16.21%	1,313,875	–	–	1,313,875	290,472	185,260	–	475,732	957,020	838,143
7	Electrical Equipments	7.42%	18,537,149	996,491	–	19,533,640	2,327,963	918,362	–	3,246,324	16,126,250	16,287,316
8	ETP Plant	7.42%	1,304,032	–	–	1,304,032	158,522	94,757	–	253,278	1,167,392	1,050,754
9	Machine & Tools	7.42%	573,942,402	156,740,766	2,613,756	728,069,412	82,710,662	33,821,124	(86,468)	116,618,253	491,471,211	611,451,159
10	Office Equipment	7.42%	5,621,585	182,632	–	5,804,217	1,143,054	391,108	–	1,534,162	4,478,533	4,270,055
11	Computer & Accessories	16.21%	11,852,232	1,808,560	25,860	13,634,932	4,830,181	1,871,453	–	6,701,634	7,022,484	6,933,298
12	Water Cooler	6.33%	99,571	–	–	99,571	15,497	5,951	–	21,448	84,074	78,123
13	Mobile	16.21%	1,196,925	337,879	–	1,534,804	391,153	204,427	–	595,580	805,772	939,224
14	Patent Right Exp	20.00%	518,539	–	–	518,539	207,416	103,708	–	311,124	311,123	207,415
	Total		**883,281,542**	**303,487,116**	**6,640,262**	**1,180,128,396**	**123,422,598**	**51,954,480**	**1,390,441**	**173,986,637**	**759,858,948**	**1,006,141,759**
	Previous Year		774,761,136	109,362,009	841,600	883,281,544	80,303,857	43,118,740		123,422,598	694,457,279	759,858,946
	Depreciation During The Year											51,954,480
	Adjustment for the Depreciation on Revalued Assets											360,924
	Depreciation as Per Profit & Loss Account											51,593,556

Schedules forming part of the Consolidated Balance Sheet (Revised)

(Amount in Rs.)

		As at 31.03.2010		As at 31.03.2009
Schedule F INVESTMENTS				
ANG Auto Ltd. 0% CNV Bonds		–		141,198,328
		–		**141,198,328**

		As at 31.03.2010		As at 31.03.2009
Schedule G INVENTORIES				
(As taken valued and certified by management)				
Raw Material	408,491,419		419,058,450	
Work in Progress	248,017,494		214,143,191	
Finished Goods	120,391,781	776,900,694	95,037,303	728,238,944
		776,900,694		**728,238,944**

		As at 31.03.2010		As at 31.03.2009
Schedule H SUNDRY DEBTORS				
(Unsecured, considered good, unless stated otherwise)				
Over Six months	26,548,113		85,066,228	
Others	174,409,613	200,957,726	237,429,334	322,495,562
		200,957,726		**322,495,562**

		As at 31.03.2010		As at 31.03.2009
Schedule I CASH & BANK BALANCES				
Balances With Schedule Bank in Current Accounts		51,868,062		99,974,562
Yes Bank (Unpaid Dividend -I)		1,144,462		1,144,462
Yes Bank (Unpaid Dividend-II)		802,688		802,688
Bank of Baroda		–		177,775
Balances With bank in Fixed Deposit Account		11,745,443		39,997,644
Cash In hand		41,159,298		47,496,596
		106,719,953		**189,593,727**

		As at 31.03.2010		As at 31.03.2009
Schedule J LOANS & ADVANCE, SECURITIES & DEPOSITS				
Security Deposits		15,888,308		10,255,770
Advance to Suppliers		18,860,393		17,954,169
Advance to Directors		–		500,000
Gratuity Fund		–		1,926,649
Advance for land at Bhiwadi		16,538,882		16,538,882
Other Advances & Export Claims		62,655,758		47,818,150
Advance for Land at Greater Noida		–		80,636,813
Accrued Interest on Fixed Deposit		683,403		2,537,985
Advance Income Tax		3,565,086		2,500,000
Excise Duty & Service Tax Receivable		19,664,849		14,868,630
TDS Receivables		1,041,647		1,513,719
Export Incentives Receivable		21,208,970		16,237,154
Prepaid Expenses		2,222,771		3,448,454
VAT receivable		1,961,326		2,681,760
		164,291,393		**219,418,135**

Schedules forming part of the Consolidated Balance Sheet (Revised)

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule K CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Creditors for Consumables	29,676,437	24,723,267
Creditors for Raw Material	160,739,790	108,062,309
Creditors for Capital Goods	11,667,677	8,703,971
Creditors For Expenses	32,068,203	29,390,534
Advance from Customer	41,347,159	33,489,132
Unpaid Dividend	1,947,150	1,947,150
Custom Duty/ Service Tax Payable	1,155,323	157,121
Provisions		
Salary & Wages Payable	6,356,286	4,948,271
Provision for leave Encashment	405,607	405,607
ESI Payable	103,043	103,323
EPF Payable	704,160	518,259
Expenses Payable	5,003,165	4,748,910
Gratuity Fund Payable	3,345,417	–
TDS Payable	1,110,713	375,070
Sales Tax Payable	7,845,609	5,695,485
Income Tax Demand AY.2007-08	3,440,170	3,240,960
Provision for Loss on forward contract	–	3,453,055
Provision for Income Tax	1,210,055	195,139
Interest on FCCB Payable	–	44,857,717
Fringe Benefit Tax Payable	–	1,467,026
	308125964	**276,482,306**

	As at 31.03.2010	As at 31.03.2009
Schedule L MISCELLANEOUS EXPENDITURE		
Pre Operative Expense	10,340,641	14,379,521
Preliminary Expenses	807,671	799,390
FCCB Issue Expenses	–	12,318,024
Issue Expenses	764,607	720,674
Research & Development	35,688,261	36,108,309
	47,601,180	**64,325,918**

Schedules forming part of the Profit and Loss Account (Revised)

(Amount in Rs.)

		Year ended 31.03.2010		Year ended 31.03.2009
Schedule M SALES & OTHER INCOME				
Exports Sale & Incentives		275,652,697		605,083,031
Domestic Sale		915,303,675		536,762,722
Income from Transportation Business		31,577,741		12,493,039
Interest received (TDS on interest received Rs. 354,367.55)		2,987,014		17,379,760
Diff. in Foreign Exchange Fluctuation		4,748,107		(11,172,842)
Miscellaneous Income		14,265,745		250,542
		1,244,534,979		**1,160,796,252**

Schedule N EXCEPTIONAL ITEMS & OTHER NON OPERATIVE INCOMES				
Profit on FCCB written off		21,934,501		–
Total		**21,934,501**		–

Schedule O MATERIAL CONSUMED				
Raw Material				
Opening Stock	419,058,450		259,910,314	
Purchase of Raw Material	577,523,687		702,294,225	
	996,582,137		962,204,539	
Less: Closing Stock	408,491,419		419,058,450	
Material Consumed during the Year		588,090,718		543,146,089
Work-in Progress				
Opening Stock	214,143,191		203,682,240	
Less : Closing Stock	248,017,494		214,143,191	
Increase /Decreases in WIP		(33,874,303)		(10,460,951)
Finished Goods				
Opening Stock	274,803,562		157,023,313	
Less : Closing Stock	120,391,781		95,037,303	
Increase /Decreases in Finished Goods		154,411,781		61,986,010
Consumable Goods		66,671,586		53,549,423
		775,299,782		**648,220,572**

Schedule P MANUFACTURING EXPENSES				
Power & Electricity		30,579,886		39,302,473
Factory Rent		6,133,880		5,753,673
Salary & Labour Charges		64,104,234		72,745,539
Repair & Maintenance Machinery		3,269,963		6,013,019
Freight & Cartage		13,544,280		18,556,908
Processing & Job work charges		21,974,056		37,607,743
Water Charges		54,734		2,550
Vehicle Running & Maintenance (Occanic)		1,239,988		3,059,391
Ware House Charges		211,937		507,221
Rent on Genset		1,468,800		3,310,200
		142,581,758		**186,858,717**

Schedules forming part of the Profit and Loss Account (Revised)

(Amount in Rs.)

	Year ended 31.03.2010	Year ended 31.03.2009
Schedule Q SELLING & DISTRIBUTION EXPENSES		
Freight Outward	19,306,648	28,291,975
Travelling Expenses		
– Domestic	3,532,766	4,748,935
– Foreign	791,850	1,480,421
Shipping & Forwarding	1,513,919	1,508,417
ECGC Premium	2,123,998	2,809,556
Bad Debts	19,243,978	–
Warranty Exp.	128,030	–
Business Promotion Expenses	1,308,526	2,052,533
Branch office & Godown Rent	1,682,824	3,520,433
Salary to sales Personnel & Other Expenses	3,402,872	8,574,657
Discount, Commission & Brokerage	3,935,564	2,668,067
Advertisement Expenses	782,465	1,134,345
Foreign Consultancy Charges	2,535,514	1,864,683
	60,288,954	**58,654,022**
Schedule R ADMINISTRATIVE EXPENSES		
Audit Fees	676,153	393,260
Conveyance	3,765,296	4,388,807
Donation	663,481	1,099,801
Gratuity & Compensation Paid	4,039,794	46,987
Membership Fees/subscription/registration	820,317	712,316
Prior Period Expenses	3,955,679	1,881,577
Miscellaneous Expenses	513,748	2,452,621
News Papers & Periodicals	25,059	59,847
Office Rent	6,800	274,000
Postage & Courier	508,564	470,628
Printing & Stationery	1,204,449	1,472,282
Bank Commission & Expenses	1,360,141	5,169,257
Service Tax on Freight	616,835	845,161
Remuneration to Director	1,800,000	1,200,000
Rates & Taxes	3,758,336	3,550,421
Shares Buy back Expenses	–	68,203
Repair & Maintenance		
– For Vehicles	2,724,181	3,582,829
– For computer	169,785	226,943
– For Office	2,294,711	139,320
Festival Expenses	1,061,764	1,164,299
Insurance Charges	3,133,777	3,576,388
Medical Expenses	74,536	164,544
Legal, Professional & consultancy charges	3,140,677	2,934,094
Recruitment Expenses	209,607	229,158
Security Charges	275,064	342,048
Short & Excess Charges	31,168	62,491
Staff Bus	746,034	1,096,942
Staff Welfare	2,579,483	2,333,459
Interest on Vehicles Loan	890,546	1,612,340
Interest on Commercial Vehicles loan(Running on Hire)	–	1,725,534
Expenses for running of Transportation business	–	171,207
Interest On Gnida	421,873	365,044
Guest House Expenses	1,323,720	710,037
Reverse Input credit on Stock Transfer	711,742	594,940
Loss on Sale of Assets	1,310,011	9,000
Telephone Expenses	3,427,716	4,130,730
	48,241,047	**49,256,515**

Schedules forming part of the Profit and Loss Account (Revised)

(Amount in Rs.)

	Year ended 31.03.2010	Year ended 31.03.2009
Schedule S FINANCIAL EXPENSES		
Interest on Term Loan	26,841,406	16,951,934
Interest On FCCB	–	8,127,995
Interest & Other Interest Expenses	108,801,445	105,757,313
	135,642,851	130,837,242
Schedule T PRELIMINARY EXPENSES WRITTEN OFF		
Preliminary Expenses w/o	608,481	402,082
Issue Expenses w/o	68,203	359,449
Merger Expenses w/o	256,104	256,104
Fccb Expenses w/o	280,000	4,196,271
Pre-operative Expenses w/o	5,002,126	5,074,140
Business promotion written off	492,251	481,276
Research & Development Cost written off	15,174,683	12,210,976
	21,881,848	22,980,298

Schedule U SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON 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 recognized 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 unrealized 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 realized 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 recognized 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.

4. **Export Incentives**

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

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

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 capitalized as part of the cost of that asset. Borrowing cost, Interest on Term Loan, which are not related to fixed assets, are recognized 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 realizable 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 recognized 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 recognized 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.

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 recognized 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 utilized 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 44.90 being the foreign exchange rates prevailing at the end of last financial year.

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

14. **Tax on Income**
    a. Current tax is the amount of tax payable on taxable income for the year determined in accordance with the provisions of Income Tax Act, 1961.

Schedules forming part of the Accounts (Revised)

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

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 recognized only to the extend there is a reasonable certainty that the asset can be realized 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 realized.

15.Contingencies

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

Schedule **V** NOTES TO THE ACCOUNTS

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

During the Year Company has repurchased and cancelled Foreign Currency Convertible Bonds of Face value of USD 7 Millions. Further, for the balance FCCB of USD 5 Million, the Company has reached full and final settlement at 85% of the Face Value to be paid upto 28th June, 2010. 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 and taken in books as profit under Exceptional items.

b. The Company has recast its account based on written legal Opinion taken by them from senior advocate vide Legal opinion dated 28-02-2011. The Company has reversed the profit on account of early redemption of FCC Bonds of USD 7 millions. (As per the terms of the issue of Bonds, the aggregate net proceeds received by the Company from the offer had to be used toward capital expenditure including expansion of the Company's projects, direct investments in overseas joint ventures or subsidiaries related thereto and any other use, as may be permitted under applicable law or regulations, from time to time.)

Due to the reversal of this transaction, the head "profit on FCCB written off" in Profit & Loss Account has been reduced by Rs. 13,96,41,672/-. The Company has transferred this amount to a new account "Capital Redemption Reserve Account" in schedule: B of Reserve and Surplus as this is a Capital receipt generated from the reduction of Loan liability of the Company. However the profit on account of waive off Interest on FCC Bonds payable on redemption / conversion of Bonds is still treated as "Profit on FCCB written off" and shown in schedule: N of "Exceptional items & other NON Operative Income" in Profit & Loss Account.

Further based on the opinion there is no Income Tax payable by the Company under sec 115JB (Minimum Alternative Tax) of Income tax Act, 1961, as profit of the Company shall decrease by Rs. 13,96,41,672/-, resulting in Net loss for the Year of Rs. 4,31,74,329/-. This recasting of Financial Statements has been done in terms of circular dated 13.01.2003 issued by the Department of Company Affairs, wherein it has been stated as under;

1. In partial modification of earlier view on re-opening/revision of annual accounts, thistheir adoption in the annual general meeting in order to comply with technical requirements of taxation laws and further adopt the revised annual accounts in the subsequent annual general meeting and file with the Registrar of Companies.
2. Recently it has come to notice of the department that insurance companies, pursuant to directions for revision of accounts by Insurance Regulatory and Development Authority (IRDA) are required to reopen their accounts.
3. It is hereby clarified that a company could reopen and revise its accounts even after their adoption in the annual general meeting and filing with the Registrar of Companies in order to comply with technical requirements of any other law to achieve the object of exhibiting true and fair view. The revised annual accounts would be required to be adopted either in the extraordinary general meeting or in the subsequent annual general meeting and filed with the Registrar of Companies.

The earlier Audit report has amended to give the effect of the above entries.

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

The company has invested US$ 251 which is equivalent to INR 11922.50/- as equity Share Capital of a wholly owned overseas subsidiary i.e ANG Auto USA Inc.

During the year the Company has also received service charges amounting to USD 370468.48 Equivalent to INR 1,66,75,581.60 from the wholly owned overseas subsidiary.

Schedule **V** NOTES TO THE ACCOUNTS *(Contd.)*

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

e. **List of related parties (As certified by the management)**
Investing party in respect of which the reporting enterprises is an associate.

Enterprises in which Key Personnel have substantial Interest	: ANG Automotive Industries (P) Ltd.
	: ANG Forgings (P) Ltd.
	: ANG Automotive Components (P) Ltd.
	: ANG Logistics Pvt. Ltd.
	: Angle Fashions Pvt. Ltd.
	: GIC Global International Business Inc.
	: Krisp Auto & General credit Pvt. Ltd.
Wholly owned overseas Subsidiary Companies	: ANG Auto (U.K.) Ltd.
	: ANG Auto (Hongkong) Ltd.
	: ANG Auto (USA) Inc.
Joint Venture	: Towerworx India Pvt.Ltd.
Individual having significant influence over the Company	: Mr. Premjit Singh

f. **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 (U.K.) Ltd.	Unsecured Loan to Subsidiary Company	1,164,544
ANG Auto (UK) Ltd	Written off of FCCB Bonds hold by Subsidiary Company	139,227,464
Ang AutoUSA Inc.	Investment in Share Capital of Wholly owned overseas Subsidiary Company	11,922
Ang AutoUSA Inc.	Exports of Auto Components	68,588,212
Ang AutoUSA Inc.	Service Charges received.	16,675,581
TowerWorx India Pvt. Ltd.	Investment in Share Capital of Joint Venture Company	1,200,000
ANG AUTO USA Inc.	Unsecured Loan (net)	401,200
ANG Auto (UK) Ltd.	Unsecured Loan	1,187,436

Managerial Remuneration

Mr. Premjit Singh	Rs. 18,00,000
Mr.O.P.Sharma	Rs. 3,13,250

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

Signatories to Schedules "A" to "V"

For **Sandesh Jain & Co.**
Chartered Accountants
Registration No. 87316

Sandesh Jain	**Premjit Singh**	**Arun Jain**	**Rajiv Malik**
Proprietor	*Managing Director*	*CFO*	*Company Secretary*
Membership No: 087316			
Place: New Delhi	Manoj Gupta	**Sanjay Garg**	**O P Sharma**
Dated: 5th March 2011	*Director*	*Director*	*Ex. Director*

Balance Sheet As at 31st March 2010

(Value in INR)

	Schedules	2009-10	2008-09
A. SOURCES OF FUNDS			
Share Holder Fund			
a) Share Capital Accounts	A	180	160
b) Reserve & Surplus	B	(642,457)	20,286,317
Unsecured Loans			
From Parent Company (ANG Industries Ltd. India)		5,667,521	145,125,875
Current Liabilities			
Audit Fee Payable		101,483	802,400
		5,126,727	**166,214,753**
B. APPLICATION OF FUNDS			
INVESTMENT		–	161,559,228
Current Assets, Loans & Advances	C	4,876,320	4,357,192
Preliminary Expenses	D	250,407	298,332
Significant Accounting Policies and Notes to Accounts	G		
		5,126,727	**166,214,753**

For **JSP Accounts Limited**
Registered Auditors and Chartered Accountants

Premjit Singh *Managing Director*	**Arun Jain** *CFO*	**Rajiv Malik** *Company Secretary*
Manoj Gupta *Director*	**Sanjay Garg** *Director*	**O P Sharma** *Ex. Director*

Place: 10 College Road, Harrow Middlesex,
HA1 1BE-UK

Profit and Loss Account For the year ended 31st March 2010

(Value in INR)

	Schedules	2009-10	2008-09
INCOME			
Indirect Income	E	–	20,360,900
		–	**20,360,900**
EXPENDITURE			
Accrued Interest on Bonds Written Off	F	22,786,750	–
Audit Fee		213,145	–
FCCB Consultancy Charges		262,374	–
Misc. Expenses Written off		83,469	74,583
		23,345,738	**74,583**
Profit Before Taxes			
Balance Carried to Balance Sheet		**(23,345,738)**	**20,286,317**
Significant Accounting Policies and Notes to Accounts	G		

For **JSP Accounts Limited**
Registered Auditors and Chartered Accountants

Premjit Singh *Managing Director*	**Arun Jain** *CFO*	**Rajiv Malik** *Company Secretary*
Manoj Gupta *Director*	**Sanjay Garg** *Director*	**O P Sharma** *Ex. Director*

Place: 10 College Road, Harrow Middlesex,
HA1 1BE-UK

Schedules forming part of Balance Sheet As at 31st March 2010

(Value in INR)

	2009-10	2008-09
Schedule A SHARE CAPITAL		
Authorised Capital		
(1000 GBP, equivalent to US$ 2000)	89,800	82,240
Paid up Share Capital		
Share Capital (2 GBP equivalent to US$ 4)	180	160
	180	**160**

	2009-10	2008-09
Schedule B RESERVE & SURPLUS		
Profit & Loss Account Brought Forward from Last year	22,703,281	–
(Balance as per Profit & Loss Account)	(23,345,738)	20,286,317
	(642,457)	**20,286,317**

	2009-10	2008-09
Schedule C CURRENT ASSETS		
1) Loans & Advances		
Merrill lynch investment	4,876,140	4,357,032
2) Cash in hand	180	160
	4,876,320	**4,357,192**

	2009-10	2008-09
Schedule D PRELIMINARY EXPENSE NOT WRITTEN OFF		
	250,407	298,332
	250,407	**298,332**

Schedules forming part of Profit and Loss Account

(Value in INR)

	2009-10	2008-09
Schedule E INDIRECT INCOME		
Interest on Bonds		20,360,900
	–	**20,360,900**

	2009-10	2008-09
Schedule F PRELIMINARY EXPENSE NOT WRITTEN OFF		
Accrued Interest written Off	22,786,750	0
Audit Fee	213,145	0
FCCB Consultancy Charges	262,374	0
Preliminary Expenses written off	83,469	74,583
	23,345,738	**74,583**

Schedules forming part of Accounts

Schedule G SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. **Accounting Concepts**

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

2. **Revenue Recognition**

   – For Income on Investments , the Company follows the accrual basis of accounting.

   – The dividend income is accounted for as and when received.

3. **Fixed Assets**

   Fixed assets are stated at historical cost of acquisition or construction and include all other incidental expenses related to acquisition and any attributable cost of bringing the asset to its working conditions for its intended use.
   There are no fixed assets in the Company as on the date of Financial Statements.

4. **Depreciation**

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

5. **Borrowing Costs**

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

6. **Investments**

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

7. **Preliminary & Pre operative Expenses**

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

8. As the parent Company has not given the effect of foreign exchange fluctuation on the foreign currency loans taken and utilise by them for capital assets or their long term liabilities and assets in foreign currency, due to Amendment and postponement of Accounting Standard-11. Therefore for the purpose of similarity in the the financial statements all the figures of the concerned Company are converted in US$ and valued on the basis of 1 US$ = INR 44.90 being the foreign exchange rates prevailing at the end of last Financial Year.

Balance Sheet As at 31st March 2010

(Value in INR)

	Schedules	2009-10	2008-09
SOURCES OF FUNDS			
Share Holder Fund			
a) Share Capital Accounts	A	57,561.80	51,433.84
b) Reserve & Surplus	B	(484,595.82)	(340,137.36)
Unsecured Loans			
From Parent company (ANG Industries Ltd. India)		522,052.30	466,478.85
Current Liabilities			
Imprest	C	76,958.60	–
		171,976.88	**177,775.33**
APPLICATION OF FUNDS			
Current Assets, Loans & Advances			
Cash & Bank Balance	D	171,976.88	177,775.33
Significant Accounting Policies and Notes to Account	G		
		171,976.88	**177,775.33**

For **AKIN CPA LIMITED**
Certified Public Accountants
LO Chi Man, Daniel
Practicing Certificate No: P01745
HONG KONG

Premjit Singh *Managing Director*	**Arun Jain** *CFO*	**Rajiv Malik** *Company Secretary*
Manoj Gupta *Director*	**Sanjay Garg** *Director*	**O P Sharma** *Ex. Director*

Profit and Loss Account For the year ended 31st March 2010

(Value in INR)

	Schedules	2009-10	2008-09
INCOME			
		0.00	0.00
Sales & Other Incomes			
		0.00	0.00
EXPENDITURE			
Administrative Expenses	E	103,933.62	335,122.36
Financial Expenses	F	4.04	5,015.00
		103,937.66	340,137.36
Profit Before Taxes		(103,937.66)	(340,137.36)
Balance Carried to Balance Sheet		(103,937.66)	(340,137.36)
Significant Accounting Policies and Notes to Account	G		

For **AKIN CPA LIMITED**
Certified Public Accountants
LO Chi Man, Daniel
Practicing Certificate No: P01745
HONG KONG

Premjit Singh *Managing Director*	**Arun Jain** *CFO*	**Rajiv Malik** *Company Secretary*
Manoj Gupta *Director*	**Sanjay Garg** *Director*	**O P Sharma** *Ex. Director*

Schedules forming part of Balance Sheet As at 31st March 2010

(Value in INR)

	2009-10	2008-09
Schedule **A** SHARE CAPITAL		
Authorised Capital		
(10000 shares of HKD 1 each)	57,561.80	51,433.84
Issued and Paid up share Capital		
(10000 shares of HKD 1 each)	**57,561.80**	**51,433.84**

Schedule **B** RESERVE & SURPLUS		
Profit & Loss Account Brought Forward from Last year	(380,658.16)	–
(Balance as per Profit & Loss Account)	(103,937.66)	(340,137.36)
	(484,595.82)	**(340,137.36)**

Schedule **C** CURRENT LIABILITIES		
Audit Fee Payable	76,958.60	–
	76,958.60	**–**

Schedule **D** CASH & BANK BALANCES		
Balance with Bank of Baroda (HK)	171,976.88	177,775.33
	171,976.88	**177,775.33**

Schedules forming part of Profit and Loss Account

(Value in INR)

	2009-10	2008-09
Schedule **E** ADMINISTRATIVE EXPENSES		
Audit Fee	76,958.60	–
Legal, Professional & consultancy charges	26,975.02	355,122.36
	103,933.62	**355,122.36**

Schedule **F** FINANCIAL EXPENSES		
Bank Charges	4.04	5015.00
	4.04	**5015.00**

Schedules forming part of Accounts

Schedule G SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concepts

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

2. Revenue Recognition

   – For Income on Investments, the Company follows the accrual basis of accounting.

   – The dividend income is accounted for as and when received.

3. Fixed Assets

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

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

4. Depreciation

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

5. Borrowing Costs

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

6. Investments

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

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

7. As the parent Company has not given the effect of foreign exchange fluctuation on the foreign currency loans taken and utilise by them for capital assets or their long term liabilities and assets in foreign currency, due to Amendment and postponement of Accounting Standard-11. Therefore for the purpose of similarity in the the financial statements all the figures of the concerned Company are converted in US$ and valued on the basis of 1 US$ = INR 44.90 being the foreign exchange rates prevailing at the end of last Financial Year.

Balance Sheet As at 31st March 2010

(Value in INR)

	Schedules	2009-10
SOURCES OF FUNDS		
Share Holder Fund		
a) Share Capital Accounts	A	11,270
b) Reserve & Surplus	B	3,275,769
Current Liabilities		
Sundry Creditor	C	81,963,828
		85,250,867
APPLICATION OF FUNDS		
Current Assets, Loans & Advances		
Cash & Bank Balance	D	5,767,405
Sundry Debtors		32,277,892
Closing Stock		47,163,185
Misc. Expenses (Assets)		
Pre-Operative Expenses	E	42,386
Significant Accounting Policies and Notes to Accounts	I	
		85,250,867

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

For **Gould Killian CPA Group, P.A.**
Certified Public Accountants

Asheville, North Carolina

Premjit Singh
Managing Director

Profit and Loss Account For the year ended 31st March 2010

(Value in INR)

	Schedules	2009-10
SOURCES OF FUNDS		
Sales & Other Incomes		223,862,151
Misc. Income		176,457
		224,038,608
EXPENDITURE		
Material Consumed	F	201,191,288
Administrative Expenses	G	17,115,970
Financial Expenses	H	1,245,526
		219,552,783
Profit Before Taxes		4,485,824
Provision for Income Tax		1,210,055
Balance Carried to Balance Sheet		**3,275,769**

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

For **Gould Killian CPA Group, P.A.**
Certified Public Accountants

Asheville, North Carolina

Premjit Singh
Managing Director

Schedules forming part of Balance Sheet As at 31st March 2010

(Value in INR)

	2009-10
Schedule **A** SHARE CAPITAL	
Authorised Capital	
Issued and Paid up share Capital	11,270
	11,270
Schedule **B** RESERVE & SURPLUS	
Profit & Loss A/c	
(Balance as per Profit & Loss Account)	3,275,769
	3,275,769
Schedule **C** CURRENT LIABILITIES	
Sundry Creditors	80,753,773
Provision for Income Tax	1,210,055
	81963828
Schedule **D** CURRENT ASSETS	
Closing Stock	47,163,185
Sundry Debtors	32,277,892
Cash-In-Hand	11,270
Bank Account	5,756,135
	85208481
Schedule **E** MISC. EXPENSES (ASSETS)	
Pre-Operative Expenses	42386
	42386

Profit and Loss Account For the year ended 31st March 2010

(Value in INR)

	2009-10
Schedule **F** MATERIAL CONSUME	
Opening Stock	0
Add : Purchase	248354472
Less : Closing Stock	47163185
	201191288
Schedule **G** ADMINISTRATIVE EXPENSES	
Clearing & Handling Charges	183551
Consulting Charges	16164
Misc.. Expenses	209593
Service Charges	16634013
Telephone & Internet	20519
Warehouse Charges	49570
Pre- Operative Expenses w/o	2559
	17115970
Schedule **H** FINANCIAL EXPENSES	
Bank Charges	401271
Commission Charges	844255
	1245526

There is no man living who isn't capable of doing more than he thinks he can do.

- Henry Ford