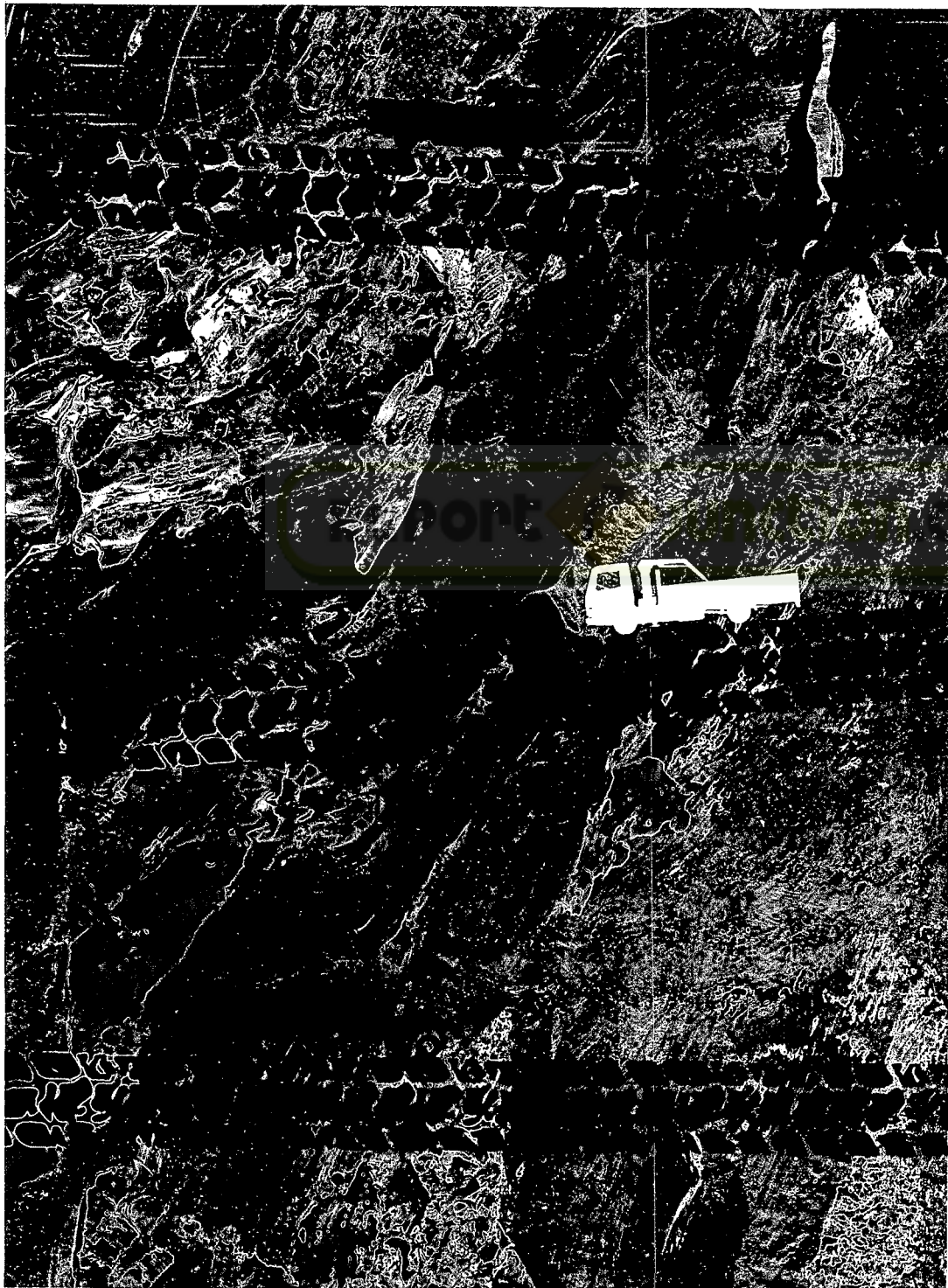
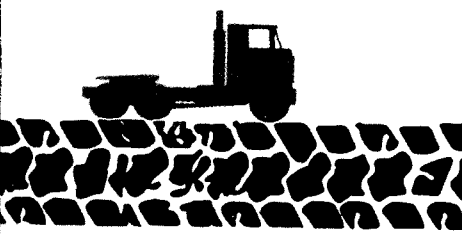


**ANG**  
A U T O

ANG Auto Limited  
Annual Report 2008-09



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## Forward looking statement

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

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

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



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# ANG AUTO

## ANG AUTO LIMITED

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

### NOTICE

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

#### Ordinary Business

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

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

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

Sd/-

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

**Rajiv Malik**  
Company Secretary

#### NOTES:

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

attending the meeting.

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

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

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



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

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

Sd/-  
**Rajiv Malik**  
Company Secretary



**ANG AUTO LIMITED**

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

**ATTENDANCE SLIP**

DP Id*	
Client Id*	

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

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

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009



**ANG AUTO LIMITED**

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

**PROXY FORM**

DP Id*	
Client Id*	

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

Name and address of shareholder \_\_\_\_\_

No. of share(s) Held \_\_\_\_\_

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

Signature of The Shareholders Proxy \_\_\_\_\_

\*Applicable for investors holding shares in electronic form

Please Affix  
30 Paise  
Revenue  
Stamp

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

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

# Highlights, 2008-09

## In numbers

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

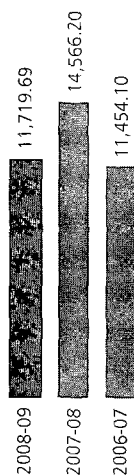
## In the board room

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

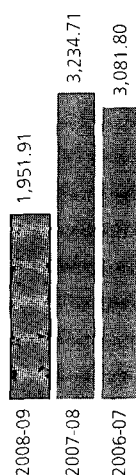
## Post-balance sheet development

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

Income from operation (Rs. lacs)



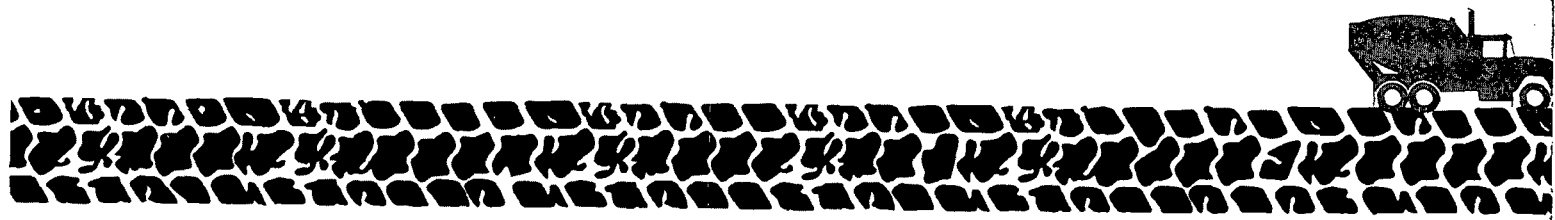
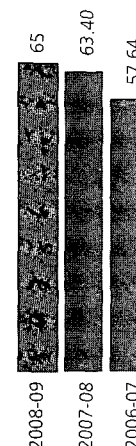
EBIDTA (Rs. lacs)



Capital employed (Rs. lacs)



Book value per share (Rs.)





**Economy and the industry**  
**Global economic review**

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

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

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

**Global auto component industry**

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

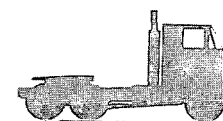
India enjoys a cost advantage with respect to castings and forgings as manufacturing costs in India are 25-30% lower than the West. Considering

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

**Indian economic overview**

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

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



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

### Indian auto component industry

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

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

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

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

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

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

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

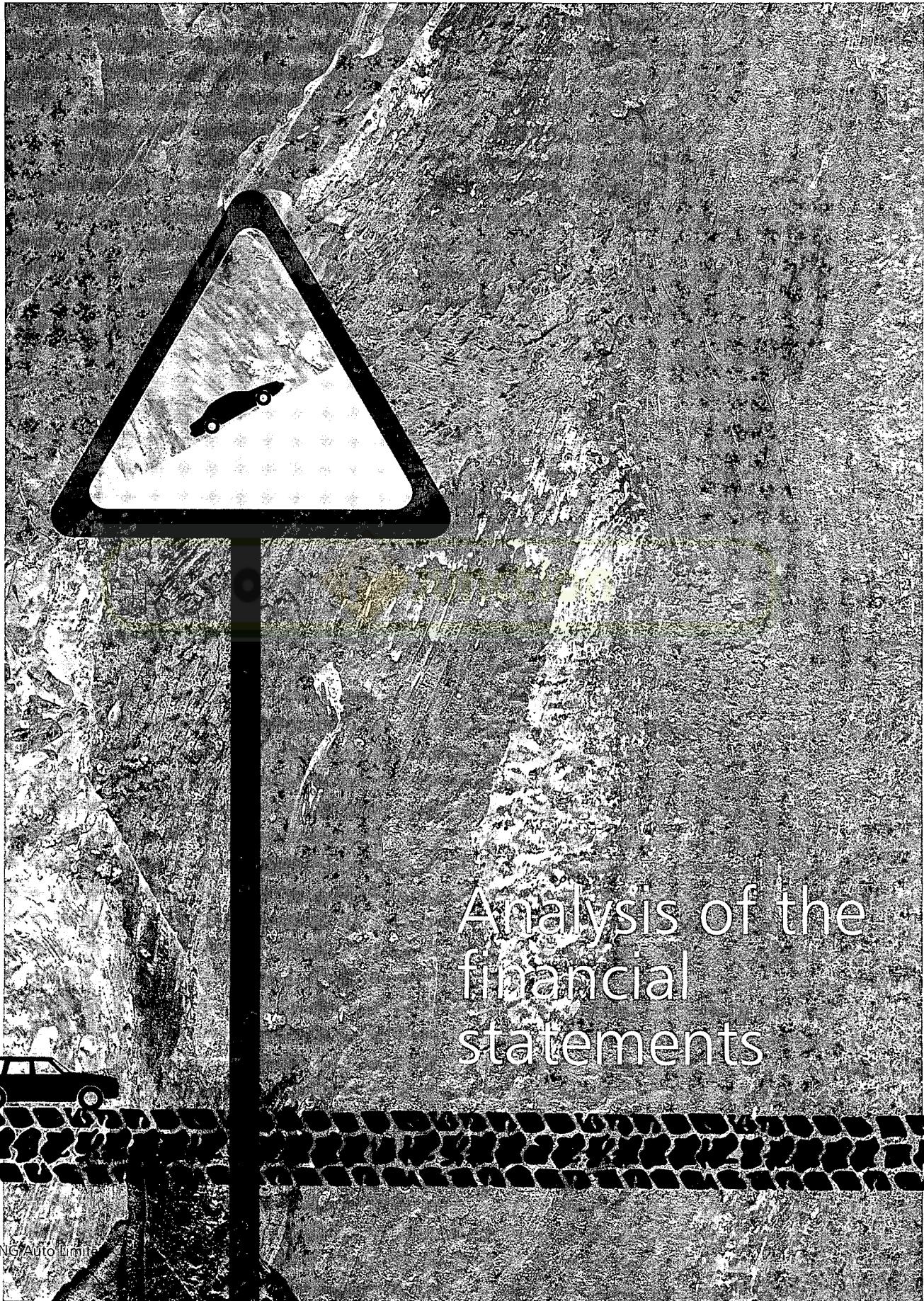
### Outlook

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

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







Analysis of the  
financial  
statements

Snapshot

(Rs. lacs)

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

Analysis of the profit and loss account

- The Company's revenue declined from Rs. 14,310.04 lacs in 2007-08 to Rs. 11,261.83 lacs in 2008-09 owing to the slowdown in the user industries in both domestic and international markets. Global markets accounted for 53.73% of the topline, but degrew 0.59% over 2007-08.
- Other income increased 765.98% from Rs. 74.66 lacs in 2007-08 to Rs. 661.47 lacs in 2008-09 owing to increase in interest received and other miscellaneous incomes. Other income comprised 5.55% of the total income in 2008-09 against 0.52% in 2007-08; other income, as a proportion of EBIDTA, stood at 33.89% in 2008-09 against 2.31% in 2007-08.
- Total operating cost declined 12.5% from Rs. 11,163.56 lacs in 2007-08 to Rs. 9,767.78 lacs in 2008-09 largely owing to a decline in production.
- Manufacturing cost formed 15.94% of the total income in 2008-09 (14.12% in 2007-08), declining 8.01% from Rs. 2,031.25 lacs in 2007-08 to Rs. 1,868.59 lacs in 2008-09 owing to reduced operations.
- The Company's power and fuel cost declined 8.68% from Rs. 430.40 lacs in

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

- Employee cost increased 25.25% from Rs. 641.67 lacs in 2007-08 to Rs. 813.19 lacs in 2008-09 owing to new recruitments and increase in compensation paid to employees.
- The Company's corporate tax outlay declined 13.73% from Rs. 151.15 lacs in 2007-08 to Rs. 130.40 lacs in 2008-09. The Company continues to enjoy a tax holiday for its unit at SEZ Nalagarh and Sitarganj.
- The Company's total imports stood at Rs. 1,071.52 lacs in 2008-09 against Rs. 2,449.28 lacs in 2007-08. Export earning stood at Rs. 6,050.83 lacs in 2008-09, compared with Rs. 6,086.90 lacs in 2007-08.

Analysis of the balance sheet

- The Company's capital employed

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

- Net worth declined 6.92% from Rs. 8,405.23 lacs as on 31st March 2008 to Rs. 78,823.35 lacs as on 31st March 2009 largely owing to a decline in the share capital due to shares buyback.
- The equity share capital comprised 1,25,40,000 shares of Rs. 10 each. Share capital declined 5.64% from Rs. 1,329 lacs as on 31st March 2008 to Rs. 1,254 lacs as on 31st March 2009 as the Company bought back 7,50,000 shares. The promoters' holding as on 31st March 2009 stood at 45.65%.
- Reserves and surplus declined 6.14% from Rs. 7,681.25 lacs as on 31st March 2008 to Rs. 7,209.62 lacs as on 31st March owing to the utilisation of share premium reserves for paying premium for buyback.
- Total debt portfolio increased 2.08% from Rs. 14,905.20 lacs as on 31st March 2008 to Rs. 15,215.13 lacs as on

