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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: rmalik@angindustries.com

Website: www.angindustries.com

Corporate office

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

Manufacturing facilities

B-48, Phase-II, Noida

19-A, Udyog Vihar, Greater Noida,
District: Gautam Budh Nagar (U.P.)

Special Economic Zone, I-11 & 12, SEZ, Noida,
District Gautam Budh Nagar (U.P.)

14/6, Mathura Road, Faridabad (Haryana)

150A, SEZ, Noida, District Gautam Bud Nagar (U.P.)

A-197, SIDCUL Industrial Estate, Sitarganj, Uttaranchal

Registrar & Share Transfer Agents

Beetal Financial & Computer Services Pvt. Ltd

Beetal House, 3rd Floor, 99, Madangir Behind Local
Shopping Centre, New Delhi 110062

Management discussion and Analysis Report

Industry Structure and Developments

Economic Trends and Implications

The global economy continues to be challenging and global economic growth is projected to be lower than the previous year. Despite improved global financial conditions and reduced short-term risks, the world economy continues to expand at a subdued pace. After a marked downturn over the past two years, global economic activity is expected to slowly gain momentum in the second half of 2013 and 2014 on the back of accommodative monetary policies in developed economies. New medium term risk have emerged, including possible adverse effect of unconventional monetary measures in developed economies on global financial stability. These risk have the potential to once again derail the feeble recovery of the world economy. International policy coordination needs to be enhanced to mitigate negative policy spillover, promote cooperation in reforming the international financial system, and ensure sufficient resource flows to developing economies, and in particular the least developed countries.

Inflation too has started to moderate and is expected to be in the range of 6-6.5% thus allowing RBI to cut interest rates to boost industrial production. Given all of these factors most analysts predict that the economy has bottomed out and most sources predict that the GDP for FY 2013-14 is likely to be around 5%.

We, **ANG INDUSTRIES LTD**, are one of India's largest manufacturer of Heavy Fabrication Boiler Support Structures, Columns, Beams, Girders, General Fabrication, Trailers and Containers and Manufacturer & Exporter of Trailer components and Air Brake Components. We have state-of-the-art manufacturing units spread, in different parts of the country, fully equipped with the best in class machinery & successful display of optimal technology in use. Our strict commitment to quality has been recognized with the highest International quality standards of ISO 9001, QS 9000, ISO 14001 and TS 16949.

With its long expertise in several core areas of the automotive sector, ANG Industries is well positioned to strengthen its presence across a long value chain. Our primary focus is on building facilities and delivery capabilities for the following segments:

- Power plant structures
- Boiler support structures

We currently have a capacity to fabricate more than 700 MT. We have strong engineering and design capabilities, and can offer turnkey solutions in EPC services and composite fabrication assignments. Technical tie-ups and joint ventures are also being explored with specialized EPC players to bid for projects involving vertical high-rise structures and steel car parking structures.

Opportunities and Threats

Key Opportunities

Heavy Steel Fabrication:

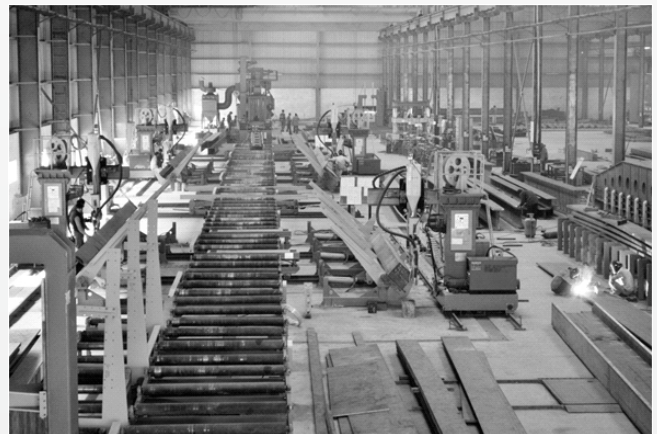
ANG Industries Ltd has a state of art manufacturing facility including

state of art technology and world class machinery which include Automatic Plasma Cutting, H Beam and I Beam machining to manufacture Heavy Steel Structure mainly for Boiler support structure, Bridges, steel buildings and more.

Commercial Vehicle Industry :

The M&HCV space has seen the entry of new player's thereby increasing competition and riding margin. In the current situation of a shrinking market, this has led to the phenomenon of discounting in the market which is causing some market share changes.

During the year we have seen some new product launches which



might change the dynamics within the M&HCV space. The share of 4 cylinder engines in the M&HCV space is expected to increase the growth of this sector.

Your Company is expected to maintain its strong position in the market with its portfolio of products. Your Company continues to invest in the future on products that would improve the market share in the longer term.

Exports:

Financial Year 2012-13 was also a poor year for Indian exports, with sale of commercial vehicle dropping drastically by 13% with key market like Europe. With last years' initiative to improve upon On-time Delivery and offer reduced lead times for our global customers, your Company was able to improve the confidence, which will enable the Company to garner goodwill in terms of new business opportunities its products as well as new products.

In the long run, the demand for export of the Company's product portfolio is expected to remain strong. The Company has identified significant new business opportunities for Heavy Steel Fabrication

Product-wise Performance

Automotive:

The financial crunch and slowdown of economy witnessed in global economic situation. To address the challenges faced in the domestic market, your Company laid considerable emphasis on product

development and marketing efforts, targeted at the fastest growing segment and regions which resulted in promising growth in the last quarter of the fiscal.

New Business Initiatives 2012-13

Heavy Steel Structure:

Your Company has received order for NTPC2 x 660 MW Stream Generator Project at Meja, Uttar Pradesh for Supply of boiler structure and air preheated structure from BGR.

The venture was valued at Rs. 21, 70, 50,000 for a quantity of 3,250 Metric Tonne.



Exports:

As part of the initiative to add new Products, your Company are entering into new products like Agriculture components, OFF Highways, Defence etc.

Risk Management

Your Company had foreseen the drop in the demand of Commercial Vehicles both in India as well as overseas and had mitigated the risk to an extent by enhancing network coverage. Your Company is also addressing this through a continued thrust on non-cyclical business such as spares. In case of surge in demand, your company has adequate installed capacity to manufacture the vehicles and parts required for business. Further, your company is reviewing the production plan at regular intervals and has the flexibility to add modules of capacity(if required) at short cycle time to meet the demand.

Your Company has an established Enterprise Risk Management function that engages with all the functions for risk assessment, ensures that the risk mitigation plans are in place and validates the risk mitigation status regularly. Action plans are incorporated into the corporate plans of your Company. The Audit committee reviews the Risk management processes and the actions to mitigate the key business risks are taken on quarterly basis.

Internal Control Systems and its Adequacy

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations. To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, Management maintains a system of accounting and controls, including an internal audit process. Internal controls are evaluated by the Internal Audit department and supported by Management reviews. All audit observations and follow up actions thereon are tracked for resolution by the Internal Audit and Business Control function and reported to the Finance and Audit Committee.

Discussion on Financial Performance with respect to Operational Performance

Financial Review:

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1956 (Revised Schedule VI) and Generally Accepted Accounting Principles (GAAP). There are no material departures in adoption of the prescribed accounting standards.

The estimates and judgments relating to the financial statements have been made on a reasonable basis, so that the financial statements reflect the form and substance of transactions in a true and fair manner, and reasonably represent the Company's state of affairs and loss for the year.

Income:

Your Company suffered a loss of Rs. 1270.41 Lacs . The Depreciation Charge increased from Rs. 624.10 Lacs during the previous year to Rs. 649.26 Lacs in the current year. Finance Cost increased from Rs. 2,259.47 Lacs as compared to Rs. 2,244.60 Lacs in the previous year.

Balance Sheet:

The Share Capital of the Company increased to Rs. 1531.50 Lacs from Rs. 1359 Lacs in the previous year as the company has issued Equity shares on preferential basis and Conversion of Warrants into Equity shares issued to Promoters and Promoter Group.

Cautionary Statement

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the government policies, etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially vary from those expressed or implied in the report.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 22nd Annual Report of your Company together with the Audited statement of accounts of the Company for the year ended 31st March, 2013.

Financial results

Particulars	2012-13	2011-12
Gross sales	14233.83	17210.55
Other income	32.64	32.12
Total income	14266.47	17242.67
Profit /Loss before tax and depreciation	(545.95)	919.55
(-) Depreciation	649.26	624.10
Profit /Loss before tax	(1191.63)	296.47
(-) Provisions of tax	75.20	20.26
Net Profit /Loss after tax	(1270.41)	276.21

Overview

During the financial year 2012-13 the commercial vehicle segment registered a decline in sales of 2.02 per cent over the previous fiscal year. The Medium and Heavy Commercial Vehicle (M&HCV), on the other hand, registered a drop in sales of 23.18 per cent during April-March 2013 over the same period in the previous fiscal year.

The Company's performance was affected by this decline in the industry. During the year under report, the Company has suffered a cash loss of Rs 357.47 lacs for the financial year 2012-13. This loss is mainly attributed due to various reasons like :-

- (i) Loss on Account of hedging of Foreign Exchange;
- (ii) Due to recession in the power sector and Coalgate, many of the orders of BHEL had been put on hold by their end customers and BHEL, which led to loss to the Company;
- (iii) Due to these problems, the turnover from the Boiler Support structure had dropped from Rs. 5071.83 lacs in 2011-12 to 2223.80 Lacs in 2012-13. In terms of weight, this reduction is from 7700.27 MT in 2011-12 to 3307 MT in 2012-13.

Consolidated Financial statements as per Section 212 of the Companies Act, 1956, the Company is required to attach the Director's Report, Balance Sheet and Profit and Loss account of the subsidiary companies to its Annual Report. The Ministry of Corporate Affairs (MCA) Government of India vide its Circular No.2/2011 dated February 8, 2011 has provided an exemption to the companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly the Annual Report 2012-13 does not contain the reports and other statements of the subsidiary companies. The annual audited accounts and related detailed information of the subsidiary companies will be available to the investors of the Company upon request. These documents will be available for inspection during business hours at the registered office of the Company.

Consolidated Financial statements as per Section 212 of the Companies Act, 1956, the Company is required to attach the Director's Report, Balance Sheet and Profit and Loss account of the subsidiary companies to its Annual Report. The Ministry of Corporate Affairs (MCA) Government of India vide its Circular No.2/2011 dated February 8, 2011 has provided an exemption to the companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly the Annual Report 2012-13 does not contain the reports and other statements of the subsidiary companies. The annual audited accounts and related detailed information of the subsidiary companies will be available to the investors of the Company upon request. These documents will be available for inspection during business hours at the registered office of the Company.

Preferential Shares

During the period under review, the Company issued 13,50,000 Equity Shares on Preferential basis to Strategic Investor / others, at Rs.10 each at a premium of Rs. 11 each. Also, Company issued 6,50,000 Warrants on Preferential basis to Promoters and Promoter group at Rs. 21 each. 375000 warrants issued to Promoters were converted into 375000 Equity shares on 21/03/2013 and 275000 Warrants were converted into 275000 Equity shares on 19/04/2013 respectively.

Statutory Auditors

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

Cost Auditor

The Government has stipulated Cost Audit of the Company's record

in respect of motor vehicle as well as engineering industries. The Board has appointed Mr. Lokesh Kumar, FCMA (Regn. No. 24632) as Cost Accountants for the financial year 2012-13.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operation of the Company, as required under the Listing agreement with the Stock Exchanges is provided in a separate section and forms a part of this report.

Dividend

Your Directors did not recommend any dividend for 2012-13.

Consolidated Financial Statements

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

Directorate

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

Corporate Governance

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

Director's Responsibility Statement

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

- (i) In the preparation of annual accounts for the Financial year ended 31st March, 2013, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Company's profit and loss for the year ending 31st March, 2013.
- (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.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo.

The particulars as prescribed 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 are set out in the Annexure to the Directors' Report.

Public Deposits

During 2012-13, your Company did not invite or accept any deposits within the meaning of Section 58A of the Companies act, 1956 and the rules made there under.

Personnel

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

The Management's relationship with employees was cordial during the year under review.

Transfer of unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Pursuant to the Provision of Section 205A(5) and 205C of the Companies Act, 1956, dividend which remained unpaid or unclaimed for a period of 7 years will be transfer by Company to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (IEPF) (uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012 the Company will upload the details of unpaid and unclaimed amount lying with the Company.

Acknowledgement

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

The Board also acknowledges the Company's suppliers, vendors, distributors, investors, clients and bankers for their continued support and services in times to come.

For and on behalf of the Board
ANG INDUSTRIES LTD

(Manoj Gupta)
Director

(Premjit Singh)
Managing Director

Place : New Delhi
Date : 2nd September 2013

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 2013.

A. Conservation of energy

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

- Technology upgradation
- Control on idle running of auxiliary equipment
- Providing limit switches
- Process optimisation to enhance production
- Training employees towards energy conservation

Particulars	2012-13	2011-12
Electricity units(MKWH)	33,62,886	34,28,455
Total amount	2,75,93,249	2,18,19,425
Average rate/ unit(Rs. KWH)	8.20	6.36
Own generation		
Through diesel generator		
Units (M.KWH)	11,46,469	13,43,022
Units per litre of diesel (KWH)	3.01	2.90
Average cost / unit (Rs. KWH)	16.39	14.20

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

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. The Company exported its product to the buyers based in the United States of America (USA) and Brazil, among others.

The export earnings of your Company for 2012-13 was USD 8381239.50 and Euro 370740 (Equivalent to Rs. 4931.96 Lacs) on account of exports, interests paid on fixed deposit in foreign exchange and services charges from subsidiary companies, and the foreign exchange outgo was USD 141132.55 on account of payment for import of raw material, USD 78500 (Equivalent to Rs. 42.15 Lacs) on account of payment of legal expenses and USD 10200 and GBP 5500 (Equivalent to Rs. 10.15 Lacs) for foreign tour and travelling.

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 (CFO) of ANG Industries Limited, both certify that we have reviewed the financial statement of the Company for the period ended 31st March, 2013.

1. The statements do not contain materially untrue and misleading statements; the statements present a true and fair view of the Company's affairs; 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 were monitored by the Company's 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 the 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 Limited**

Arun Jain
CFO

Premjit Singh
CEO

REPORT ON CORPORATE GOVERNANCE

1. The Company's philosophy on Code of Governance

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

2. Board of Directors

a. Composition of category of Directors: The Board was constituted in a way to reinforce understanding and competence to deal with emerging business issues and ensuring the Directors commitment to participate in the affairs of the Company. In accordance to corporate governance, all statutory and other significant material information was placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders the total strength of the Board is five at the close of complying with the requirements of the Listing Agreement.

Sl. No	Name of Directors	Category of directorship	Basic Salary	Sitting fee paid	Commission
1.	Mr. Premjit Singh	Promoter and M.D.	24,00,000	-	-
2.	Mr. Gurvinder Singh Jolly	Independent / Non-Executive Director	-	37,200	-
3.	Mr. Manoj Gupta	Independent / Non-Executive Director	-	37,200	-
4.	Mr. Sanjay Garg	Independent / Non-Executive Director	-	37,200	-
5.	Mr. O.P. Sharma	Executive Director	3,18,000	-	-

b. Number of Board meetings and dates: During the financial year 2012-13, 12 Board Meetings were held were as follows: 21st April, 2012, 29th May, 2012, 26th July, 2012, 14th August, 2012, 27th August, 2012, 12th October, 2012, 10th November, 2012, 27th December, 2012, 4th February, 2013, 12th March, 2013, 23rd March, 2013 and 28th March, 2013.

c. Code of Conduct: The Company has an approved Code of Conduct applicable to Directors and employees. A certificate of affirmation in this regard is appended.

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

Attendance of Directors at the Board meeting and last Annual General Meeting and number of other directorship and Committee membership as on 31st March, 2013.

Sl.No	Name of Director(s)	Category of directorship	Number of other directorship held	Number of Board meetings	Number of Board meetings attended	Attendance at the last AGM
1.	Mr. Premjit Singh	Promoter and M.D.	5	12	12	Yes
2.	Mr. Gurvinder Singh Jolly	Independent / Non-Executive Director	Nil	12	10	No
3.	Mr. Manoj Gupta	Independent / Non-Executive Director	2	12	12	Yes
4.	Mr. Sanjay Garg	Independent / Non-Executive Director	Nil	12	12	Yes
5.	Mr. O.P. Sharma	Executive Director	Nil	12	11	Yes

3. Audit Committee

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

The Committee reviews the financial statements with special emphasis on accounting policies and practices, compliance with the accounting standards and other legal requirements concerning the financial statements before they are submitted to the Board.

4. Remuneration Committee

The Remuneration committee has been constituted to recommend / review the remuneration of the Managing / Whole time Director(s) and recommending to the Board the quantum of annual increments based on their performance. The Committee also reviews the overall compensation policy, service agreements and other employment conditions of Managing / Wholetime Director(s).