

Annual Report 2016-17

ANG
INDUSTRIES

Corporate Information

Mr. Premjit Singh
Mr. Manoj Gupta*
Mr. A K Gupta
Mr. Om Prakash Sharma
Ms. Nidhi Singh
Ms. Seema Mathur
 *Resigned on 26.05.2017

Managing Director
 Independent Director
 Independent Director
 Whole Time Director
 Independent Director
 Company Secretary

Corporate Office:

101-106 Sharda Chamber-IV, Plot No. 42,
 3 Local Shopping Complex Kalkaji, New Delhi-110019
 Phone : 011-26221237
 Fax: 011-26221238
 Email: marketing@angindustries.com
 Website: www.angindustries.com

Auditors

M/S Sandeesh Jain & Co.
 Chartered Accountants

Internal Auditor

Suneel Siwal

Secretarial Auditor

R.P. Aggrwal & Associates

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-110001

Registered Office:

101-106 Sharda Chamber-IV, Plot No. 42,
 3 Local Shopping Complex Kalkaji,
 New Delhi-110019
 Phone : 011-26221237
 Fax: 011-26221238
 Email: marketing@angindustries.com
 Website: www.angindustries.com

Registrar & Share Transfer Agents:

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

Manufacturing Facilities:

19-A, Udyog Vihar, Greater Noida,
 District: Gautam Budh Nagar (U.P)
 #150A, SEZ, Noida, District Guatam Budh Nagar (U.P)
 # A-197, SIDCUL Industrial Estate, Sitarganj, Uttaranchal

Contents

Corporate Information	01
Notice	02
Management Discussion and Analysis	05
Directors' Report	06
Report on Corporate Governance	17
Financial Section	29



ANG INDUSTRIES LIMITED

Regd. office : 101-106 Sharda Chamber-IV, Plot No. 42,
3 Local Shopping Complex Kalkaji, New Delhi-110019.

CIN : L51909DL1991PLC045084, **Email :** marketing@angindustries.com

NOTICE is hereby given that the 26th Annual General Meeting of the Members of ANG Industries Ltd. will be held on Thursday the **6th July, 2017 at 10:00 A.M.** at **Gurudwara Hall, Sri Guru Singh Sabha, Raja Dhirsain Marg, Garhi, East of Kailash, New Delhi-110065** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.O.P Sharma (DIN - 01197344) at this meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT M/s Gupta Jallan&Associates (Registration Number 003721N with the Institute of Chartered Accountants of India) KD – 94, Vishakha Enclave, PitamPura, Delhi 110 034 be and is hereby appointed as Statutory Auditors of the Company to hold office from this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at a remuneration to be decided by the Audit/Risk and Compliance Committee of the Board of Directors in consultation with the Auditors.

**By Order of the Board of Director
FOR ANG INDUSTRIES LIMITED**

Regd. Off. : 101-106 Sharda Chamber-IV
Plot No. 42, 3 Local Shopping Complex
Kalkaji, New Delhi-110019.
Place : New Delhi
Date : 10th June, 2017

**Sd/-
COMPANY SECRETARY**

NOTES:

A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD HIM OR HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY IN NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

- (a) The Members/Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
- (b) The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of Special Businesses is annexed hereto.
- (c) Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- (d) The Register of Members and the Share Transfer books of the Company will remain closed from 30th June, 2017 to 6th July, 2017 (both days inclusive).
- (e) In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this notice and the Annual Report of the Company for the financial year 2016-17 are being sent by e-mail to those who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories.
The Company requested those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form
- (f) In terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member facility to exercise their right to vote by electronic means, as an alternative to vote physically at the Annual General Meeting (AGM) and the business may be transacted through e-Voting Services provide by Central Depository Services Limited. 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.
- (g) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their

Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the Registrar.

- (h) Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.angindustries.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at 101-106 Sharda Chamber-IV, Plot No. 42, 3 Local Shopping Complex, Kalkaji New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: marketing@angindustries.com
- (i) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 11.00 a.m to 1.00 p.m on any working till the date of the meeting.
- (j) The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners.
- (k) The Board of Directors has appointed Mr. Ajay K Kapoor, Practicing Chartered Accountants as the Scrutinizer for conducting this E-voting process in a fair and transparent manner. His address is **THE SCRUTINIZER, C/o ANG INDUSTRIES LIMITED, 101-106 Sharda Chamber –IV Plot No. 42, 3 Local Shopping Complex, Kalkaji, New Delhi-110019.**
- (l) **Voting through electronic means :**
 - (i) E-Voting : In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) the Company provide the Member the facilities to exercise their right to vote electronically. The business to be transacted at the AGM may be transacted through electronic voting services by Central Depository Services (India) Limited (CDSL).
 - (ii) E-voting period will commence from 3rd July, 2017 **AT 10 a.m.** and will end on **5th July, 2017 at 6.00 p.m.** **During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the record / cut-off dates of 29th June, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
 - (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue

PROCESS FOR E-VOTING:

The Company has signed an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Shareholders to cast their vote electronically.

- (a) Log on to the e-voting website www.evotingindia.com.
- (b) Click on "Shareholders" tab to cast your votes.
- (c) Now, select the Electronic Voting Sequence Number - "EVSN" along with "ANG INDUSTRIES LIMITED " from the drop down menu and click on "SUBMIT"
- (d) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (e) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. 	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the Number of shares held by you as on .

- (f) After entering these details appropriately, click on "SUBMIT" tab.
- (g) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (h) For members holding shares in Physical form the details can be used only for E- Voting on the resolution contained in the notice.

- (i) Click on the relevant EVSN on which you choose to vote.
- (j) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (k) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (l) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (m) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (n) You can also take out print out voting done by you by clicking on "click here to print" option on the voting page.
- (o) If Demat Account holder has forgotten the changed password then enter the user ID and Captcha code and click on forget password.
- (p) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store respectively on or after 29th June, 2016. Please follow the instruction as prompted by the mobile app while voting on your mobile.**
- (q) **Note for Non-Individual Shareholders and Custodians**
 - Non-Individual Shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- (r) In case you have any queries or issues regarding e-voting, please contact the Company or Registrar & Share Transfer Agent or send mail to helpdesk.evoting@cdslindia.com or marketing@angindustries.com
- g) Voting, can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person.
- h) A member need not use all his/her votes.
- i) The result of voting will be announced at 101-106, Sharda Chamber-IV, Plot No. 42, 3 Local Shopping Complex, Kalkaji New Delhi-110019 by the Chairman of the Meeting within 48 hours after AGM i.e. on 8th July, 2017. The result of the voting will be communicated to the stock exchanges and will also be posted on the website of the Company.

EXPLANATORY STATEMENT as per section 102 of Companies Act, 2013.

ITEM NO. 3

Appointment of Statutory Auditors: As per the provisions of the Companies Act, 2013, M/s Sandesh Jain & Co. Chartered Accountants, hold office as Statutory Auditors of your Company till the conclusion of the 26th Annual General Meeting. M/s. Sandesh Jain & Co., Chartered Accountants has shown its unwillingness for the reappointment as a Statutory Auditors of the Company. The Audit Committee and the Board of Directors in their respective meetings held on 10th June, 2017 have recommended for the appointment of M/s Gupta Jallan & Associates (Registration Number 003721N registered with the Institute of Chartered Accountants of India) KD – 94, Vishakha Enclave, Pitampura, Delhi 110 034 as Statutory Auditors of the Company in place of M/s Sandesh Jain & Co., Chartered Accountants retiring Auditors of the Company. M/s. Gupta Jallan & Associates, Chartered Accountants, Delhi, if appointed in the Annual General Meeting will be holding office of Statutory Auditors from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting. M/s. Gupta Jallan & Associates, Chartered Accountants, Delhi, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Act. Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members. None of the Directors, Key Managerial Persons of the Company or their relatives, is in any way, concerned or interested in the said resolution

**By Order of the Board of Director
FOR ANG INDUSTRIES LIMITED**

Regd. Off. : 101-106 Sharda Chamber-IV
Plot No. 42, 3 Local Shopping Complex
Kalkaji, New Delhi-110019.
Place : New Delhi
Date : 10th June, 2017

**Sd/-
COMPANY SECRETARY**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management discussion and analysis report set out developments in the business environment and the Company's performance since the last report. The analysis supplements the Directors' report, which forms part of this Annual Report.

Industry Structure and Developments

Economic Trends and Implications

Global Economy Recovery continues to be in recovery mode. However, American truck market has not grown during the year 2016-2017. Further, due to differences and disputes with the customers, on delivery, air freight and other charges, the company has lost all the major contracts during the year under review. Thus, the prospect of the Company have not been very encouraging. The company is trying to revive its business relations or have new orders.

Global outlook continue to be impacted by the slowdown and rebalancing of the Chinese economy, low commodity prices and the gradual tightening of monetary policy in the United States.

Impact BS III Vs BS IV on ANG

In view of implementation of Stage BS IV as per the order of Hon'ble Supreme Court of India, no BS III vehicles will be sold in India from 1 April, 2017 as the Hon'ble Supreme Court banning the sales and registration of BS III vehicles. The difference between BSIII emission norms and BSIV emission norms is almost double. Looking at it from a lay-man's point of view, the air pollution caused from BSIV compliant vehicles will be almost half of what BSIII compliant vehicles emit. This point is very important as the Supreme Court has underlined public health as its primary reason for not extending the deadline. So India is all set to move to a BS IV future and it seems that the auto manufacturers will have to pay the price, as there are over 8.2 lakh BS III vehicles still lying unsold in the country. It will be a big jolt to the automobile industry to have their entire inventory rendered useless from April 1, 2017. Manufacturers that have a presence in BSIII compliant export markets will still have the option to sell those vehicles abroad but all of it will cost them extra money.

This has an impact on the business of ANG, as the vehicle production at our customers end i.e. Ashok Leyland Limited has suffered a lot. This has been implemented on March 27, 2017, in view of vehicles produced in BS III compliance could not be rolled out. This has impacted us a huge as the 'tipper' bodies which were to be mounted on the vehicle during the month of March could not be mounted or sold and the turnover of ANG reduced in the last quarter of 2016-17.

Notwithstanding this, the resulting in huge vehicle inventories of BS III compliance vehicle manufactured by Ashok Leyland Limited to produce less vehicle in April 2017 and May 2017 and the vehicles of stock are to be retrofitted with BS IV compliant. This exercise will continue till July 2017 and which have impact of supply of tipper bodies by ANG. The sale / manufacturing of Tippers by ANG may have impact of 60-70% less of tipper due to the reasons mentioned above. It is expected that the exercise of retrofitted with BS IV Compliant with all the old BS –III compliance vehicle will be completed in August 2017.

BHEL: The company has also been repudiate due to non completion of order of BHEL and BHEL cancel the contract.

Emerging marketing and developing economies accounted for a major share of projected world growth in 2017 but prospects across countries remain uneven.

Indian Economy is experiencing a turnaround with economic growth projected at 7.6 per cent in 2016-17 in an environment of slow global economic recovery. Performance of the Company during the year was effected by subdued business environment. Company has mitigation strategies in place to address risk emanating from prevailing economic uncertainties and volatility in business environment.

In February, 2016 the Government has imposed the Minimum Import Price (MIP) condition on import of 173 steel items. Further, during April 2016, the Government of India has initiated Countervailing Duty/Anti-subsidy investigation on imports of certain "Hot Rolled and cold Rolled Stainless Flat Products" from China.

With the Government's focus on manufacturing and industry coupled with spending on infrastructure (roads, rail and ports, etc) the demand for steel is going to increase in the coming years.

Opportunities and Threats

Key Opportunities

Commercial Vehicle Industry :

The overall Commercial Vehicles segment registered a growth of 4.16 percent in April-March 2017 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 0.04 percent and Light Commercial Vehicles grew by 7.41 percent during April-March 2017 over the same period last year. Despite a subdued trend in the industrial activity, the pick-up in M&HCV sales was driven by replacement-led demand by large fleet operators, pre-buying ahead of the implementation of BS-IV emission norms and gradual improvement in the viability of fleet operators due to declining diesel prices. The year also witnessed the implementation of Anti-Locking Braking systems in M&HCVs and Uniform Bus Body code in buses. These initiatives generated some pre-buying during the year

Your Company is trying to revive its business.

Automotive Components:

The automotive industry is an engine of growth for the Indian economy. The auto component industry contributes 3.8% to National GDP, providing direct employment to 1.5 million people. The Government of India, too, was proactive and intervened positively on several counts for the Industry. However, there is a still a lag between policy announcement and actual transformation of conditions on the ground.

Over the years the component industry has adapted well to the changes in the policy & regulatory environment and the needs of its customers. To realize their ambition of graduating from being a build to print is art to part, the auto component manufacturers must focus on R&D to help generate IP in India and in the process, create greater returns than the cost of capital to make India an attractive destination for investments.

Over the last decade, the automotive components industry has scaled three times to US\$ 40 billion in 2015, while exports have grown even faster to US\$11 billion. Strong growth in the domestic market along with increasing globalization (including exports) of several Indian suppliers has accelerated this industry's position.

Risk Management

Risk is an integral factor in virtually all businesses. At ANG risks are adequately measured, estimated and controlled. Irrespectively of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same by identifying and measure risks, leverage an in depth-knowledge of the business and competitors and respond flexibility in our risk understanding and management.

Your Company operates both in the domestic market and overseas. Having its global presence with import and export trade, we are subject to currency rate fluctuation which may results into gain or losses.

Risks arising from delayed implementation of Government policies, exchange rate risks from a weaker rupees and global trends on oil prices can also have a significant impact on the short term profitability. Competition from unorganised players can also act as impediment to the business.

While risk is an inherent aspect of any business, the Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measures for its mitigation.

Internal Control Systems and its Adequacy

The Company implements a comprehensive internal control system, corresponding to its nature of business and size of its operation. Your Company has an established adequate internal control for ensuring optimal utilization of various resources. Investment decisions involving capital expenditures are taken up only after due appraisal and review and adequate policies have been laid down for approval and control of expenditure. Board of Directors has appointed Internal Auditor for the year 2016-17.

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.

DIRECTOR'S REPORT

To
The Members,
ANG Industries Limited

Your Directors are pleased to present the 26th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended 31st March, 2017. The summarized financial results for the year ended 31st March, 2017 are as under:

Financial Results

Particular	For the financial year ended 31st March, 2017 Amount in Rs.	For the financial year ended, 31st March, 2016 Amount in Rs.
Gross Sales	8931.43	16464.63
Other Income	283.79	54.40
Total Income	9215.22	16519.03
Profit / (Loss) Before Tax and depreciation	(10072.59)	(297.18)
(-) Depreciation	965.62	742.83
Provision for Tax	-	-
Deferred Income Tax	287.72	2.21
Profit / (Loss) after Tax	(10750.50)	(1037.80)

Review of Operation

The revenue of the current years has decreased from Rs. 16519.03 Lacs to Rs. 9215.22 Lacs due to cancellation of orders by overseas buyers and BHEL. The company had suffered huge losses in terms of inventories, which was made on specific orders for various customers. During the last year, the company could not deliver the supply of goods in time due to closure of factory by the order of Hon.ble National Green Tribunal (NGT) and in the year under report, the customers levied heavy penalty for air freight, line down charges and late delivery. Due to these reasons, the orders were cancelled by the Customers and the company suffered huge losses in the year under report.

Dividend

Company suffered loss due to which no dividend was declared by your Directors for the financial year 2016-17.

Directors

The Board of Directors consists of Executive and Non-Executive directors including Independent directors who have wide and varied experience in different disciplines of Corporate functioning.

Mr. O.P. Sharma, Whole Time Director is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Your Director recommend for his re-appointment.

Mr. Manoj Gupta has submitted his resignation due to his health and personal problems. The resignation was accepted by the Board of Directors of the Company in their meeting held on May 26, 2017. The independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Director fulfil all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Director.

Pursuant to the provision of section 203 of the Act, the key managerial personnel of the Company are Mr. Premjit Singh, Managing Director and chief Executive Officer, Mr. Naveen Gupta, Chief Financial Officer and Ms. Seema Mathur, Company Secretary of the Company.

Corporate Governance

Your Company has fully complied with the requirements and disclosures that have to be made under code of Corporate Governance as required under clause 49 of the Listing agreement entered into with the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

Being a listed Company necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report on Corporate Governance, along with a Certificate of Compliance from the Statutory Auditors, forms part of this.

Consolidated Financial Statements

In compliance with the applicable clauses of Listing Agreement with the stock Exchanges, the Company has prepared consolidated financial statements as per the Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors Report thereon have been annexed to this Annual Report.

Management Discussion and Analysis

The Management Discussion and Analysis is presented in a separate section, which forms part of the Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are 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 profit or loss of the company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors had prepared the Annual Accounts on a going concern basis.
5. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
6. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosures under Section 134(3)(L) of the Companies Act, 2013

Impact BS III Vs BS IV on ANG

In view of implementation of Stage BS IV as per the order of Hon.ble Supreme Court of India, no BS III vehicles will be sold in India from 1 April, 2017 as the Hon.ble Supreme Court banning the sales and registration of BS III vehicles. So India is all set to move to a BS IV future and it seems that the auto manufacturers will have to pay the price, as there are over 8.2 lakh BS III vehicles still lying unsold in the country.

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Transfer to Reserves in terms of Section 134(3)(j) of the Companies Act, 2013

For the financial year ended 31st March, 2017, the Company had not transferred any sum to its Reserves as it suffered loss during the year.

Transfer to the Investor Education and Protection Fund

In terms of Section 125 of the Companies Act, 2013, no unclaimed dividend in relation to any financial year is due for remittance to the Investor Education and Protection Fund established by the Central Government.

Particulars of Employees

There is no employee in the Company whose particulars are required to be given under the provisions of section 197(12) of the Companies Act, 2013 read with the (Particulars of Employees) Rules, 1975, as amended.

Statutory Auditors

Comments of the Auditors in their report and the notes forming part of the Accounts, are self explanatory and need no comments.

Appointment of Statutory Auditors : As per the provisions of the Companies Act, 2013, M/s Sandesh Jain & Co. Chartered Accountants, hold office as Statutory Auditors of your Company till the conclusion of the 26th Annual General Meeting. M/s. Sandesh Jain & Co. , Chartered Accountants has shown its unwillingness for the reappointment as a Statutory Auditors of the Company. The Audit

Committee and the Board of Directors in their respective meetings held on 10th June, 2017 have recommended for the appointment of M/s Gupta Jallan & Associates (Registration Number 003721N registered with the Institute of Chartered Accountants of India) KD – 94, Vishakha Enclave, Pitam Pura, Delhi 110 034 as Statutory Auditors of the Company in place of M/s Sandesh Jain & Co., Chartered Accountants retiring Auditors of the Company. M/s. Gupta Jallan & Associates, Chartered Accountants, Delhi, if appointed in the Annual General Meeting will be holding office of Statutory Auditors from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting. M/s. Gupta Jallan & Associates, Chartered Accountants, Delhi, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Act. You are requested to appoint them as Statutory Auditors from the conclusion of this Annual General Meeting upto the conclusion of 27th Annual General Meeting.

Auditors Report

The report of Statutory Auditors contains the following observation on the financial statement :

1. The financial results shows that the company had made the provisions of NIL in their books of account for payment of premium to LIC on account of group gratuity cash accumulation plan during the financial year 2016-17. As the company had not paid the premium even in this year to LIC. Further, the company has not obtained the actuary valuation from independent actuary for the current year.

Management View :

The Company has paid gratuity to the outgoing employees amounting to Rs. 40,25,165/- during the year due to paucity of fund and mismatch in cash flow and the requisite amount in LIC Fund could not be deposited and similarly the actuary valuation has also not done.

2. The Company has not provided interest amounting to Rs.678.22 Lacs accrued and payable by the company on the loans availed from State Bank of India and Bank of Baroda. All the said loans have been termed as NPA W.e.f. 30.06.2016 and the Banks have stopped charging interest in the regular accounts of the company. Profit has been understated to the extent interest not booked by the Company. Loan has been increased by the amount of export bills crystalized by the banks.

Management View :

The Company has not provided for the interest as the banks have stopped charging the interest in the regular account of the company in their books.

3. During the year major inventories items have been classified as obsolete and has been classified as scrap by the Company. Out of the same major portion has been sold out during the year. However, it is not possible to quantify the impact of losses due to this.

Management View :

The company has suffered losses due to reduction in the valuation and generation of excessive scrap due to cancellation of orders of various components like Diff. Spiders, Worm and Gear, Diff. Pins, Automatic Slack Adjusters, Log Splitter parts, etc. from various overseas customers and Heavy Steel Fabrication for Bharat Heavy Electrical Limited.

4. In our opinion, there are many operations which have been either closed down or production have been suspended. The

hundred percent of exports orders have been cancelled. The majority of the Banks have declared the company's account as NPA. The sources of additional funds coming to the company are unforeseeable. This is an audit requirement for a qualification as going concern concept.

Management View :

The company is making all efforts to revive its operations of the suspended production units for which it has already submitted a detailed restructure plan to the Joint Lender Forum of the Banks and which is under consideration.

Internal Auditors

The Company has a proper Internal Control system commensurate with the size, scale and complexity of its operation. To maintain the objectivity and independence, the internal audit team reports to the Chairman of the Audit Committee of the Board. Mr. Suneel Siwal having Membership Number 527218 has been appointed as the internal auditor of the Company w.e.f. 1st April, 2016.

Disclosure of Board Report as per Secretarial Standards

The Company has appointed M/s R P Agarwal & Associates (CP No.8668), , Practicing Company Secretaries, F-23,/56, Sector 3, Rohini, Delhi – 110 085 to hold the office of Secretarial Auditors and to conduct the Secretarial Audit and the Secretarial Audit Report for the Financial Year ended 31st March, 2017 is being attached with the Director's Report as Annexure-B which is self explanatory and needs no comments.

Extract of Annual Return Section 92(3) of Companies Act, 2013

The Extracts of the Annual Return for the year 2016-17 being attached with the Directors Report as Annexure –C.

Number of Board Meetings Section 173(1) of Companies Act, 2013:

During the financial year 2016-17, 14 Board Meetings were held. The date of Board Meeting were as follows:

18th April, 2016, 13th May, 2016, 27th May, 2016, 7th July, 2016, 12th August, 2016, 25th August 2016, 3rd October 2016, 1st December, 2016, 15th December, 2016, 16th January, 2017, 9th January, 2016, 14th February, 2017, 16th March, 2017, 21st March, 2017.

Declaration by Independent Director

The Independent directors have submitted their disclosure to the Board that they fulfil all the requirements to qualify for their appointment as an independent Director under the provisions of the Companies Act, 2013 as well as clause 49 of the Listing Agreement.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committee and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance of committee was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report attached to this report.

Related Party Transactions:

The company has not entered into transaction with a related party for availing job work services/ sales during the year under report. If Company do any transaction with them , the party is covered under the definition of related party as per Listing Agreement and required approval has been given by the Shareholders in the 25th Annual General Meeting of the Company. The transactions will be entered into with the related party at arm's Length basis and will in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under the provisions of Section 134 of the Companies Act, 2013 in respect of conservation of energy and technology absorption have been furnished considering the nature of activities undertaken by the company during the year under review.

Risk Management Policy

Pursuant to the provision of Section 134(3)(n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted a business risk management committee. To address these business 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.

Nomination/Remuneration Committee

The Nomination and Remuneration has been constituted with (Three) Non-Executive Directors. During the year one meeting has been held. The key area of Committee has been detailed in Corporate Governance Report.

Public Deposits

During 2016-17, your Company did not invite or accept any deposits within the meaning of Section 76 of the Companies Act, 2013 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 197 (12) of the Companies Act, 2013 is not enclosed.

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

Acknowledgements

Your Directors place on record their sincere gratitude for the continuing support of Shareholders, bankers and Business associates at all levels.

For and on behalf of the Board

Premjit Singh
(DIN No. 00332949)

Nidhi Singh

Date: 10th June, 2017

Place: New Delhi