

| 22nd Annual Report
| 2006-07



Asahi India Glass Ltd.



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 "anticipate", "estimate", "expect", "project", "intend", "plan", "believe" and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, 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.

Contents

Performance at a glance	03
Chairman's Letter to Stakeholders	04
Vision & Mission	06
AIS Story : Foreseeing Opportunity, Creating Value	07
Ten Years' Financial Snapshot	13
AIS Today	14
Corporate Information	17
SBU Review	22
Management Discussion & Analysis	27
Corporate Social Responsibility	32
Report of the Directors	35
Report on Corporate Governance	41
Auditors' Certificate on Corporate Governance	53
Auditors' Report	54
AIS - Financials	58
Statement relating to AIS Glass Solutions Ltd.	80
Auditors' Report (Consolidated)	81
AIS - Financials (Consolidated)	82
AIS Glass Solutions Ltd. - Report of the Directors	98
AIS Glass Solutions Ltd. - Auditors' Report	100
AIS Glass Solutions Ltd. - Financials	103



Asahi India Glass Ltd. (AIS) is India's largest integrated glass company.

The Company commenced operations in 1987 as an automotive glass manufacturer and has since grown to its dominant market position across the entire glass value chain with a diversified product portfolio.

The transition from an auto glass manufacturer having a single customer to the country's largest integrated glass company has been a result of AIS's innovative initiatives taken in every single year of its operations.

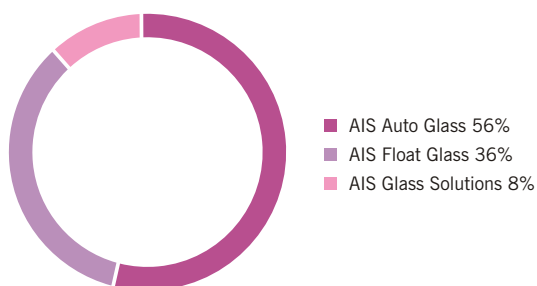
AIS's growth has come through its consistent endeavour to improve its competitive position, lower its risk profile, strengthen its business model and invest in profitable growth opportunities in the field of glass and its applications.

AIS firmly believes in the paramountcy of shareholder wealth creation. AIS remains committed to pursue profitable growth to enhance shareholder value on a sustainable basis.

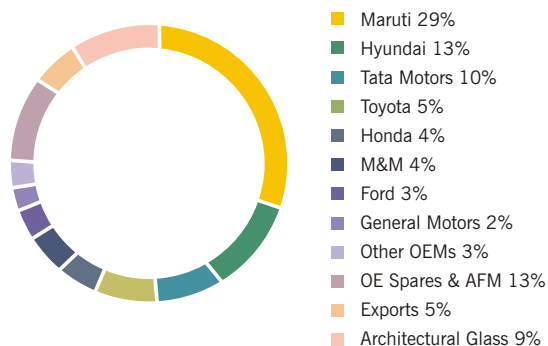
Performance at a glance

Financial Year : 2006-07

AIS (Consolidated) : Sales Distribution



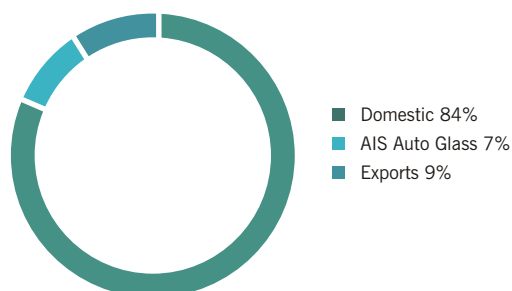
AIS Auto Glass : Sales Distribution



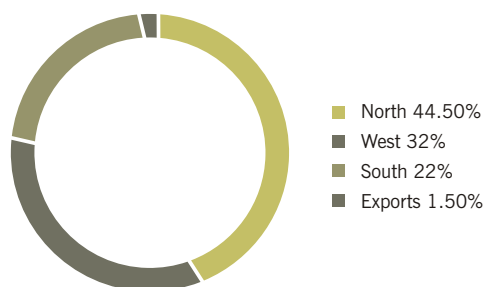
Financial Highlights (Consolidated)

	(Rs. Lakhs)	
	2006-07	2005-06
Gross Sales	91,897	71,517
Net Sales	76,656	59,123
Operating Profit	16,630	12,052
Gross Profit	13,083	10,962
Net Profit	4,332	8,630
Net Worth	28,434	25,243
Capital Employed	1,32,791	63,968
Ratios (%)		
Operating Profit Margin	21.7	20.4
Gross Profit Margin	17.1	18.5
ROANW	16.1	40.3
PBDIT / Average Capital Employed	16.9	21.1
Per Share (Rs.) (Face Value of Re. 1/-)		
Cash Earning Per Share	7.8	6.4
Earning Per Share	2.7	6.2
Dividend Per Share	0.65	0.60

AIS Float Glass : Sales Distribution



AIS Glass Solutions : Sales Distribution



Chairman's Letter to Stakeholders



Dear Stakeholders,

The year 2006-07 was excellent for the Indian economy. Beating its own forecast, it recorded its fastest growth in the past 18 years and became a trillion dollar economy, making India only the 12th nation to cross this milestone. The domestic economy grew 9.4 percent in 2006-07. Manufacturing sector grew 12.3 percent, while the service sector grew 11 percent. This was to me the crowning year of an up cycle, which will go a long way in redefining India.

The year 2006-07 was a breakthrough year for AIS also. It marked the commissioning of the second float glass plant of AIS at Roorkee on the 1st of January, 2007.

The float plant, with a capacity of 700 tons per day, forms part of the largest Integrated Glass Plant in the country set up by your Company at Roorkee in the State of Uttarakhand. The Integrated Glass Plant has the state-of-the-art manufacturing facilities for float glass, reflective glass, mirror, automotive safety glass and architectural processed glass. With its auto glass and architectural glass processing facility getting commissioned soon, the benefits of this Plant will start showing in the near future. This Plant is a critical fit to our strategy of building value chain and scales with forward and backward linkages, which will significantly help AIS in realizing operational synergies and reducing costs.

During the year 2006-07, AIS's consolidated gross sales and operating profit grew 28 percent and 38 percent to Rs. 91,897 lakhs and Rs. 16,630 lakhs respectively. Profit after tax at Rs. 4,208 lakhs was impacted primarily due to higher incidence of deferred tax provision, depreciation and interest. The architectural glass processing business performed very well. The gross sales in the business increased 251 percent to Rs. 5,500 lakhs. It made a maiden operating profit of Rs. 419 lakhs.

The interim dividend of Re. 0.65 per equity share has been recommended as final dividend for the year 2006-07.

AIS continued to maintain its leadership position in the auto glass and architectural glass processing businesses. The excellent performance of your Company is reflected in the commendations received from its customers - Maruti Udyog, Hyundai Motors, Toyota Kirloskar, Mahindra & Mahindra and Ford India. AIS was rated as the "Best Indian Company in Glass and Ceramics Category" by Dun & Bradstreet. Our corporate brand - AIS was chosen as a "Superbrand" during the year.

The Mid Term Plan (MTP) of AIS, spanning through the five year period from 2006-07 to 2010-2011, targets a top line growth at a CAGR of over 20 percent and an operating profit growth at a CAGR of over 25 percent. This Plan will give us Scale, Decommoditization, Customer Intimacy and Operational Excellence. Essentially, it will result in an orbital change for us wherein we will transform ourselves into a multi location, totally integrated value added glass company with leadership in technology and product range at the lowest cost.

We have redefined our Vision and Mission for this MTP.

Our Vision is to "SEE MORE" - captures AIS culture.

Our Mission is "EXECUTION FOR EXCELLENCE".

The year 2007-08 is the 20th year of our operations. This year will witness the completion of all our ongoing expansions, enabling AIS to offer "technologically demanding" higher value-added products, and improve its position of being among the lowest cost, high quality, full solutions provider to its customers.

By focusing on accomplishing these goals, there is no limit to the value that we can create today, tomorrow and in the years to come. I am convinced there is no better company, no better team and no better time to address the significant opportunities ahead. We recognize the faith you have in us and feel a deep obligation to return that honour with stronger and more sustainable performance in the years ahead.

AIS is ready to play its role in the growth story of the country. As in 1987, 1996 and 2001, it is again a defining time for AIS to surge ahead with breakthroughs and create value for its shareholders.

As I conclude, I would like to express my sincere thanks to all our business partners for their continued belief in AIS's abilities and potential. I would also like to complement the entire AIS team for their relentless participation in the AIS growth story.

B.M. Labroo

Chairman

VISION

AIS's Vision is to "SEE MORE"

This byline captures AIS's culture :

- It describes AIS's products & services which delight its customers by helping them see more in comfort, safety & security.
- It expresses AIS's corporate culture of merit and transparency.
- It defines the qualities of AIS's people to want to see, learn, and do more, in depth and detail. To transcend the ordinary.

MISSION

AIS's Mission is "JIKKO" - Execution for Excellence

With major investments in place, the time is now to reap the benefits by execution for excellence.

GUIDING PRINCIPLES

All actions of AIS are driven by the following guiding principles :

- | | |
|--------------------------------------|---|
| • Creation of Value for Shareholders | • Strengthening of Systems |
| • Customer Satisfaction | • Upgradation of Human Potential through education and training |
| • Respect for Environment | • Social Consciousness |
| • Use of Facts | |
| • Continuous Improvement | |

AIS Story : Foreseeing Opportunity, Creating Value

AIS started its journey 20 years back with a paramount objective of shareholder wealth creation. Over the next two decades, AIS's journey traversed 4 major phases - The Four Waves. The intrinsic trait of foresight, acumen to invest in emerging opportunity and the motivation of generating superior returns and creating value for its stakeholders, has driven AIS's operations since then.

The First Wave : 1984 - 90

The story begins in the mid 1980's. Maruti Udyog Ltd., (Maruti) was seeking to set up joint ventures for some key components in an effort to establish indigenous sourcing of quality components for its vehicles. Safety Glass was one of these components.

Foreseeing the country's economic potential and anticipating a strong growth in the Indian passenger car industry in the years to come, the idea of entering the safety glass business in the auto-components industry took shape in the minds of Mr. B. M. Labroo and Mr. Sanjay Labroo (AIS's current Chairman and Managing Director & C.E.O. respectively).

Key actions :

- Investment in top technology through technical collaboration with Asahi Glass Co., Ltd., Japan, the world's largest safety glass manufacturer.
- Public listing of the Company to ensure good governance and accountability to stakeholders.
- Funding with a debt - equity structure of 5.5 : 1.

Results :

- AIS came into existence as Asahi India Safety Glass Ltd., as a joint venture between Labroo Family, Asahi Glass Co., Ltd., Japan and Maruti Udyog Ltd., and commenced commercial production of automotive toughened glass in March, 1987 at its Plant at Bawal (Rewari).
- The Initial Public Offer of AIS in April 1987, offering 40 percent of the total equity of Rs. 185 lakhs, was oversubscribed by 6.89 times and the shares were listed at Delhi, Bombay, Ahmedabad and Calcutta Stock Exchanges.
- AIS earned its maiden profit and paid dividend to equity shareholders in the year ended March, 1990.
- Expanded capacity by 70 percent to meet growing requirements of its sole customer, Maruti.
- Commenced supplies of automotive safety glass to its second customer, DCM Toyota Ltd. for its car.
- Obtained 'E' Mark Certification (European Standards) to facilitate its use in vehicles for export market.



- Established an Engineering Section at the Plant to ensure full absorption of the imported technology and to carry out R & D activities in the areas of indigenization of imported machinery and components.
- Installed first printing line to produce automotive safety glass with black ceramic and heat-lite printing, a first in the country.

The Second Wave : 1991 - 95

The Gulf crisis leading to steep increase in fuel cost, adverse BOP situation leading to stringent import restrictions, withdrawal of OGL facility for import of float glass, falling rupee exchange rate, and credit squeeze by banks resulted in tough economic conditions in the early part of this period. Subsequently, this phase witnessed sweeping economic reforms in the country with effects on foreign exchange, foreign direct investment and money supply.

AIS engineered its way forward with strategic alignment of its business goals with the prevailing conditions.

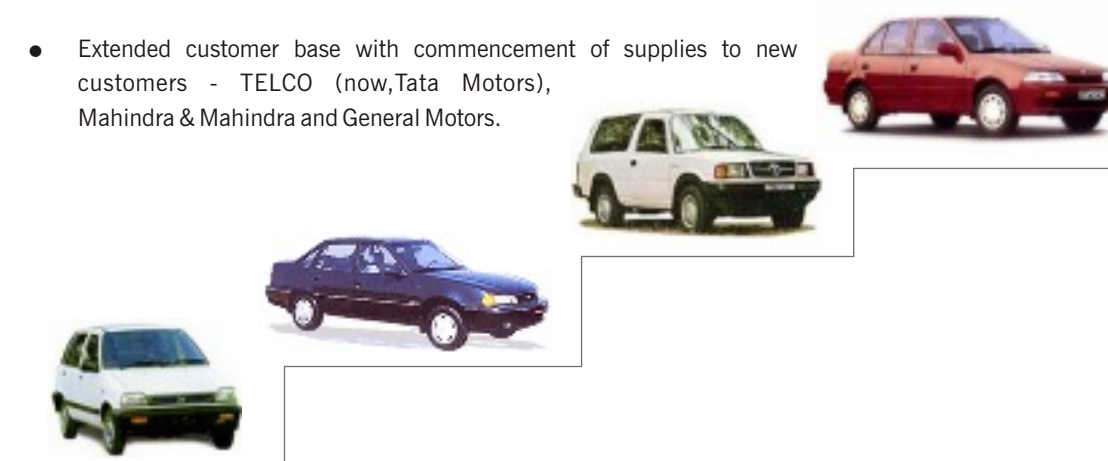
Key actions :

AIS's strategy in this period was directed at :

- Diversifying its sales base.
- Consolidating its current position by focus on building operating efficiencies.
- Conserving capital by judicious investment.
- Reducing imports.

Results :

- Made first export sales of automotive safety glass to Europe, mainly as original parts on exported Maruti vehicles. The export sales recorded significant increase subsequently.
- Extended customer base with commencement of supplies to new customers - TELCO (now, Tata Motors), Mahindra & Mahindra and General Motors.



- Invested in laminated safety glass plant primarily to meet immediate requirements of Maruti Udyog Ltd. for its cars for the export market, followed by a major expansion in capacity to meet higher demand, anticipating changes in the Central Motor Vehicle Regulations mandating fitment of laminated windshield in vehicles in India from March, 1996.
- Successful indigenization of the key process equipment at a cost much lower than the imported counterparts, thus reducing project costs.
- Became the first Indian glass Company to get the ISO - 9002 certification for the production and servicing of automotive safety glass.

The Third Wave : 1996 - 2003

The Liberalization - Privatization - Globalization measures of the Government under its new economic policies started showing significant results. Delicensing of the automotive industry resulted in significant investments into this industry with the announcement of new ventures for manufacture of passenger cars.

The Indian automobile industry, in the wake of a vastly liberalised Government's policies, firmly set its foot on the first step of a new phase of growth. This was the defining phase for the Indian automobile industry. Higher targets were set and successfully achieved by all established vehicle manufacturers. Industry analysts predicted passenger car production touching the one million per annum mark before the turn of the century.

Growth seemed imminent, and so did opportunities.

This phase provided another landmark opportunity to AIS. AIS took over Floatglass India Ltd. (FGI), a joint venture between Asahi Glass Co., Ltd., (AGC) and three TATA group companies.

This was a defining phase for AIS to expand its vision and move towards the larger goal of spanning the entire value chain in the glass business. At the same time, FGI's accumulated losses of approximately Rs. 448 crores carried inherent risk for AIS.

Key Actions :

AIS's strategy which followed aimed at :

- Take over FGI, but merge with AIS after turnaround.
- Further expand customer base.
- Use process development capabilities to significantly lower capital expenditure.
- Use debt to expand with adequate interest and debt service covers even in worst case.
- Adopt Total Quality Management as an overarching systems oriented quality approach to excel.



Results :

- Successfully turned around the erstwhile FGI and merged it into AIS to make AIS the largest glass Company in India.
- Customer base expanded further to include almost all OE manufacturers, meeting over 90 percent safety glass requirement of the Indian passenger car industry.
- Expanded capacities for automotive glass in significant way by setting up state-of-the-art manufacturing facilities, bridging the gap in terms of capacity and level of technology.
- Consolidated all AIS activities under a single umbrella brand AIS - Asahi India Solutions - which reflects AIS's transition from a glass manufacturer to solutions provider.

The Fourth Wave : 2004 onwards

Indian economy's juggernaut continues to roll, scoring high on various parameters of - demand, supply, consumption, purchasing power, etc. India is booming and is poised to consistently grow at over 7 percent. Inflection points are being hit in many parts of the economy. The Auto and Housing sectors, which drive demand for automotive and architectural glass, are growing between 10 - 15 percent per annum. At the same time, domestic competition is intensifying. Globalization, lower tariffs and a strong Rupee also mean external competition is intensifying.

These are defining moments for all in India.

There is a glorious opportunity, but this opportunity will be available only to a few - the leaders in their respective sectors.

AIS, India's largest glass Company is well positioned to harness this opportunity through its "Integrated Glass Strategy".



Key actions :

The key initiatives being taken by AIS include :

- Span the entire glass value chain to get closer to the consumer.
- Build cost leadership through scale, multi location, nearness to market, product range and distribution strategies, and above all by a continued focus on operating excellence.
- Significant capital expenditure to build capacities.
- Upgrade technology and build self reliance in the R & D sphere.
- Focus on product R & D in addition to process R & D.
- Convert more of commodity products (like basic float glass) into value added glass (like auto glass, architectural glass, reflective glass, mirrors). Besides maximising profitability, this will also protect AIS from the vicissitudes of a commodity cycle.
- Further diversify sales through a thrust on exports.
- Constantly seek out new markets.
- Build the AIS brand.
- Transform the organisation in depth and width to manage the emerging complexity in a much larger, more geographically diverse enterprise.

▼ *Intergrated Glass Plant : Roorkee*



Chennai Plant ▼



Taloja Plant ▼



▼ *Rewari Plant*



Performance so far : 1987-2007

Financials (AIS - Standalone)

(Rs. Lakhs)

	1987-88	2006-07	CAGR (%)
Gross Sales	1,150	89,708	26
Net Sales	958	76,184	26
EBITDA	326	16,485	23
As % to net sales	34	22	-
EBDT	196	12,940	25
As % to net sales	20	17	-

Creating Shareholder Value

- AIS has been amongst the top shareholder wealth creators in the country in the last 15 years.
- An investment of Rs. 1,000 in the equity shares of AIS in 1987 at the time of the Initial Public Offer has :
 - grown almost 950 times into a holding of Rs. 9.50 lakhs
 - generated dividend income of Rs. 42,760 as on 31st March, 2007
- A holding of 100 equity shares of a face value of Rs. 10 each of AIS in 1987 has grown into a holding of 8000 equity shares of a face value of Re.1 each as on 31st March, 2007 through bonus issues and a sub-division in the face value of the equity shares.

Business Dominance

- We have stayed in and maintained a dominant position in glass business, but constantly reinvented ourselves.
- We have remained a market leader and a dominant player in all the business segments we operate in
 - Leader in the auto glass and architectural glass processing businesses.
 - Dominant position in the float and value added glass segment.

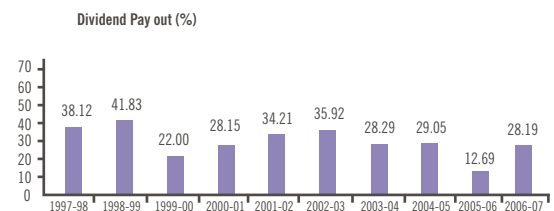
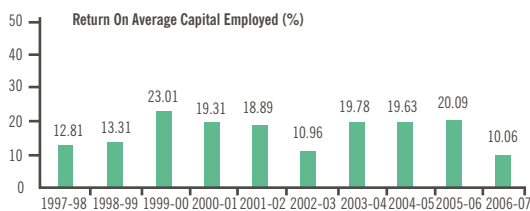
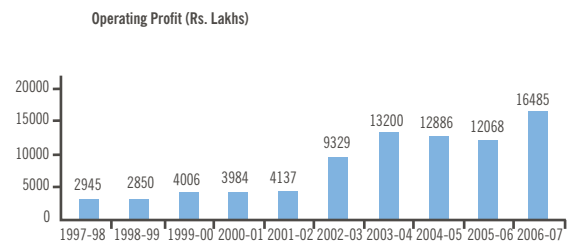
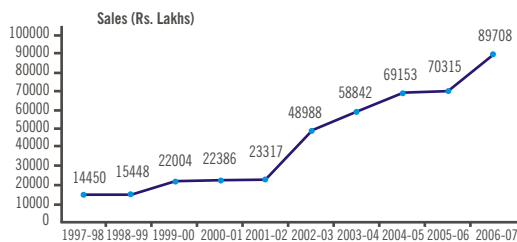
Corporate Values

- We have earned with our stakeholders a reputation of being a high performance, ethically reliable Company.
- We follow a merit based performance management and development system to be a preferred employer.
- Through our various programs, we have strived to fulfill our social and community responsibility as a good corporate citizen.

Ten Years' Financial Snapshot

(Rs. Lakhs)

ITEMS	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
GROSS SALES	14,450	15,448	22,004	22,386	23,317	48,988	58,842	69,153	70,315	89,708
OTHER INCOME	215	186	200	211	171	578	1,485	741	365	2,263
TOTAL INCOME	14,665	15,634	22,203	22,597	23,488	49,566	60,327	69,893	70,680	91,971
OPERATING PROFIT	2,945	2,850	4,006	3,984	4,137	9,329	13,200	12,886	12,068	16,485
INTEREST	966	934	755	582	485	787	242	316	1,083	3,545
GROSS PROFIT	1,979	1,916	3,251	3,402	3,652	8,542	12,958	12,570	10,985	12,940
DEPRECIATION	1,535	1,366	1,606	1,927	1,744	4,385	5,006	4,032	631	6,527
PROFIT BEFORE TAX	300	335	1,393	1,296	1,726	3,816	7,759	8,498	9,123	6,324
TAX	35	90	460	500	540	48	584	678	498	2,117
PROFIT AFTER TAX	265	245	933	796	1,186	3,768	7,175	7,820	8,625	4,208
PAID-UP EQUITY CAPITAL	370	370	370	370	740	800	800	800	1,599	1,599
RESERVES & SURPLUS	1,690	1,833	2,561	3,133	3,262	7,109	12,207	16,757	23,490	26,512
SHAREHOLDERS' FUND	2,060	2,203	2,931	3,503	4,002	7,908	13,007	17,556	25,089	28,111
LOANS										
- INTEREST FREE SALES TAX LOAN	957	1,471	2,052	2,493	2,568	2,482	2,431	2,347	2,267	1,900
- INTEREST FREE FOREIGN CURRENCY LOAN	-	-	-	-	-	22,681	20,881	20,881	21,299	20,753
- INTEREST BEARING LOAN	7,353	6,473	4,983	6,332	9,199	8,536	3,731	21,278	63,107	1,01,321
CAPITAL EMPLOYED	9,713	9,357	9,316	10,138	13,273	41,315	39,609	50,195	63,801	1,32,467
NET FIXED ASSETS	5,775	5,303	7,165	9,153	8,932	33,608	30,424	48,052	97,311	1,30,308
NET CURRENT ASSETS	3,865	4,127	2,300	2,863	5,828	8,861	10,718	14,009	14,793	24,174
EARNING PER SHARE (Rs.)	7.16	6.63	25.22	21.51	16.03	4.71	8.91	9.69	6.17	2.63
CASH EARNING PER SHARE (Rs.)	53.50	51.79	75.43	78.46	42.05	10.69	15.34	14.78	6.37	7.97
DIVIDEND PAY OUT (%)	38.12	41.83	22.00	28.15	34.21	35.92	28.29	29.05	12.69	28.19
PBDIT / AVERAGE CAPITAL EMPLOYED (%)	29.80	29.90	42.91	40.96	35.34	21.63	32.62	28.70	21.17	16.80
ROACE (%)	12.81	13.31	23.01	19.31	18.89	10.96	19.78	19.63	20.09	10.06
ROANW (%)	13.36	11.51	45.91	27.78	33.65	51.33	69.79	51.27	40.49	15.82



- The above figures represent AIS (Standalone) results.
- Previous period figures have been regrouped/rearranged, wherever required.
- Capital employed is exclusive of capital W.I.P and miscellaneous expenditure not written off.

- Earnings are taken on expanded equity capital, post bonus & merger.
- Other Income figures for 2002-03, 2003-04 & 2006-07 are inclusive of exchange rate gain
- Face value of equity share is Re. 1/- from 2002-03 onwards.

AIS Today

AIS is the largest integrated glass company in India, manufacturing a wide range of international quality automotive safety glass, float glass and value-added glass like reflective glass, mirror and architectural processed glass.

AIS is a widely held public limited company, with a shareholding base of over 62,000 equity shareholders. The equity shares of AIS are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

AIS is jointly promoted by the Labroo family and Asahi Glass Co. Ltd., Japan with Maruti Udyog Ltd., holding a minority stake. Promoters hold 55.5 percent of paid up equity capital of AIS, with remaining 44.5 percent held by public at large.

AIS has three Strategic Business Units :

- AIS Auto Glass
- AIS Float Glass
- AIS Glass Solutions

■ AIS Auto Glass

AIS Auto Glass is India's largest manufacturer of world-class automotive safety glass and is one of the largest auto glass makers in Asia.

In India, AIS Auto Glass is the sole or leading supplier of automotive glass to most car manufacturers, supplying nearly 80 percent of the automotive glass requirement of the passenger car industry. It also has a dominant presence in the domestic after market with a market share of 45 percent. Besides, it is also exporting automotive glass to after markets in Europe and Pakistan.

It's two state-of-the-art manufacturing Plants are located at Rewari (North India) and Chennai (South India). These plants have a combined production capacity of 2.5 million car sets per annum.

AIS Auto Glass customers include India's leading automobile players like Maruti Udyog, Hyundai Motors, Tata Motors, Toyota, Mahindra & Mahindra, Honda, General Motors, Ford India, Hindustan Motors, Fiat India, Volvo, Eicher and Piaggio.

AIS Auto Glass manufactures a wide range of products like :

- Laminated Windshield
- Tempered Glass for Side and Backlites
- Silver Printed Defogger Glass
- Antenna Printed Backlites
- Black Ceramic Printed Flush Fitting Glass
- Encapsulated Fixed Glass
- Solar Control Glass
- IR Cut Glass
- UV Cut Glass
- Reflective (PET) Windshield
- Water Repellant Glass
- Glass Antenna
- Extruded Windshield



■ AIS Float Glass

AIS Float Glass is a premier manufacturer of international quality float glass and value-added glass like reflective glass and mirror.

It has two state-of-the-art glass manufacturing plants with a total production capacity of 1200 tons per day located at Talaja near Mumbai (West India) and Roorkee (North India). Its newly commissioned plant at Roorkee is an Integrated Glass Plant, with manufacturing facilities for float glass, superior quality heat reflective glass and new generation environment friendly mirror.

AIS Float Glass has a current market share of 22 percent, which is expected to rise significantly with the commissioning of the Roorkee Plant.

Distribution of all the products is facilitated on an all-India basis through a wide network of more than 530 authorized stockists, including major glass processors across the country. It has zonal sales offices in Chennai, Delhi & Mumbai along with a spread of area representatives in all the major cities across the country.

AIS Float Glass is also the commercial agent of Glaverbel SA in India. Glaverbel is the European flat glass leader, producing and marketing flat glass, mainly for the building sector with external glazing and internal decorative glass. As commercial agent, AIS has been selling the entire range of Glaverbel products in India since April, 2007.

Its product portfolio includes :

- Clear Float Glass
- Tinted (heat-absorbing) Float Glass in various colours and thicknesses
- Superior quality Heat Reflective Glass
- New generation environment friendly Mirror



■ AIS Glass Solutions

AIS Glass Solutions Ltd. is AIS's entry into glass processing business providing innovative glass products and services.

AIS Glass Solutions has been set up as a subsidiary of AIS with the following long- term objectives :

- Captively consume float glass for architectural processing and glass products.
- Raise glass consumption in the country from the current level of 0.60 kg per capita by introducing innovative glass products.
- Establish dominant presence in the value chain, through processed glass as well as downstream through glass services to provide a one stop shop to consumers.
- Make AIS the No. 1 glass brand in India.

AIS Glass Solutions, as a value addition in the architectural glass business, is addressing the following segments :

- Architectural Processing and Glass Solutions
- Product and Knowledge Development
- Glass Services - Sales & Marketing

AIS Glass Solutions has been supplying a range of high quality architectural processed glass. Primary product lines for the business include :

- Tempered Glass
- Laminated Glass
- Insulated Glass Units
- Value-added Glass, like AIS Securityglas™ and AIS Acousticglas™

The state-of-the-art architectural processing facilities are located at Taloja (West India), Chennai (South India) and Rewari (North India). The fourth facility soon to be commissioned at Roorkee will be the largest architectural processing facility in the country.

AIS Glass Solutions has set up a customer-oriented, effective and efficient supply chain to ensure availability of right glass products to the customers at the shortest possible time. These initiatives are helping people use glass better and thereby use more of it.



Corporate Information

Board of Directors

B.M. Labroo

Chairman

Sanjay Labroo

Managing Director &
Chief Executive Officer

Keizaburo Kojima

Technical Director

Masayuki Kamiya

Director

Surinder Kapur

Director

Jagdish Khattar

Director

Rahul Rana

Director

Gautam Thapar

Director

Kazumi Yoshimura

Director

P. L. Safaya

Director & Chief Operating
Officer (Float)

Arvind Singh

Director & Chief Operating
Officer (Auto)

Mr. B. M. Labroo

Mr. B. M. Labroo, aged 76 years, is the promoter member and the Chairman of Asahi India Glass Ltd. (AIS). He is an M.A. (Political Science) from Punjab University and has wide experience in Marketing, Finance and Corporate Governance.

Mr. Labroo is on the Board of various companies, which include United Spirits Ltd (a UB Group company), where he is the senior most director, Shield Autoglass Ltd. and Samir Paging Systems Ltd.

Mr. Sanjay Labroo

Mr. Sanjay Labroo, aged 45 years, a Doon School alumnus (1980), graduated in Finance and Management from the Wharton School of Business & Finance, Pennsylvania, USA. Mr. Labroo is the promoter entrepreneur of AIS and has been the Managing Director & Chief Executive Officer of AIS since 1990.

Mr. Labroo is a member on the Board of various companies, which include AIS Adhesives Ltd., AIS Glass Solutions Ltd., Asahi India Map Auto Glass Ltd., Automartindia Ltd., Ballarpur Industries Ltd., Crompton Greaves Ltd., Krishna Maruti Ltd., Shield Autoglass Ltd. and SKH Metals Ltd.

Mr. Labroo has been nominated by the Government of India as a Director on the Central Board of the Reserve Bank of India.

Mr. Labroo has also been associated with various chambers of commerce and trade organizations. Mr. Labroo is currently the Vice President of Auto Components Manufacturers' Association (ACMA) and the Vice Chairman of All India Flat Glass Manufacturers' Association.

Mr. Keizaburo Kojima

Mr. Keizaburo Kojima, aged 60 years, holds a Master's degree from School of Science & Technology, Keio University, Tokyo. Mr. Kojima joined Asahi Glass Co., Ltd. (AGC) in 1972 and held various positions.

Mr. Kojima has been on the Board of AIS since 2005 as a nominee of AGC. He is also a Director on the Board of Shield Autoglass Ltd.

Mr. Masayuki Kamiya

Mr. Masayuki Kamiya, aged 57 years, graduated from Hitotsubashi University, Japan in 1974. Mr. Kamiya also completed the Advanced Management Program from Harvard Business School in 2000.

Mr. Kamiya joined AGC in 1974 and held various positions. He is currently the Senior Vice President of Flat Glass Company of AGC, since May, 2005.

Mr. Kamiya has been on the Board of AIS as a nominee of AGC since 2006. He is also a member on the Board of Glaverbel LLC.

Dr. Surinder Kapur

Dr. Surinder Kapur, aged 63 years, has done his Doctorate in Mechanical Engineering from Michigan State University, USA. He also holds an M.S. and a B.S. in Engineering from USA.

Committee of Directors

Audit Committee

Surinder Kapur

Chairman

Jagdish Khattar

Member

Gautam Thapar

Member

Remuneration Committee

Gautam Thapar

Chairman

Surinder Kapur

Member

Keizaburo Kojima

Member

B. M. Labroo

Member

Shareholders'/Investors' Grievance Committee

B. M. Labroo

Chairman

Sanjay Labroo

Member

Arvind Singh

Member

Dr. Kapur is the founder Chairman & Managing Director of Sona Koyo Steering Systems Ltd. Dr. Kapur is a member on the Board of various other companies including Cosmo Films Ltd., Greaves Cotton Ltd., Mahindra Sona Ltd. and other Sona Group Companies.

Sona Group, an industrial conglomerate was promoted by Dr. Kapur in 1987 to manufacture auto components for the Indian automotive industry. The Group comprises of Sona Koyo Steering Systems Ltd. (SKSSL) and includes other group companies - Sona Okegawa Precision Forgings Ltd. (SOPL), Mahindra Sona Ltd. (MSL), Sona Somic Lemforder Components Ltd. (SSLCL), Sona Cold Forgings Ltd. (SCFL), Sona e-Design & Technologies Ltd. (Se-DAT) and Fuji Autotec France S.A.S. set up in technical and financial collaboration with reputed global auto suppliers, who are world-leaders in these components/systems.

Dr. Kapur has also been associated with various chambers of commerce and trade organizations. Presently, he is a member of the National Manufacturing Competitiveness Council and the Chairman of CII's "Mission on Innovation in Manufacturing". He is also a member of the Automotive Mission Plan (2006-2016) set up by Ministry of Heavy Industry, Government of India.

Mr. Jagdish Khattar

Mr. Jagdish Khattar, aged 64 years, completed his Bachelor in Arts (with Honours) degree from St. Stephen's College and L.L.B. from the University of Delhi. Mr. Khattar has been an officer of the Indian Administrative Services and has more than 41 years of total experience.

Mr. Khattar joined Maruti Udyog Ltd. in July, 1993. He has been the Managing Director & Chief Executive Officer of Maruti Udyog Ltd., since 1999.

Mr. Khattar was appointed as Director on the Board of AIS in April, 2005 as a nominee of Maruti Udyog Ltd. He is a Director on the Board of several other companies.

Mr. Khattar is the President of Automotive Research Association of India (ARAI) and a member of Empowered Committee on National Automotive Testing and R&D Infrastructure Project (NATRIP), a government supported project to set up world-class automotive testing facilities in India.

Mr. Rahul Rana

Mr. Rahul Rana, aged 44 years, holds an M.B.A. degree from the University of Illinois at Urbana Champaign, USA and a B.S. in Finance from S.R.C.C, University of Delhi.

Mr. Rana is the Chief Executive Officer of SAMCO, a subsidiary of EFG Bank, New York. Prior to his joining SAMCO, Mr. Rana was President of the BSG Markets (BroadStreet Group) for the previous 3 years where he was responsible for the structured finance and asset securitization businesses. Previously, over a span of 10 years, Mr. Rana was co-head of the structured products group at UBS Warburg Dillon Read and Kidder Peabody. Mr. Rana started his career at Salomon Brothers where he was instrumental in starting the Global Asset Swap business.

Mr. Gautam Thapar

Mr. Gautam Thapar, aged 46 years, is a Graduate in Chemical Engineering from Pratt University, USA.

Mr. Thapar is the Chairman of Thapar Group. The Group operates in six sectors - Power Equipments, Forestry, Agri Business, Chemicals, Utilities, Infrastructure and IT. The Group companies include, Crompton Greaves Ltd., India's largest power equipment company and Ballarpur Industries Ltd., India's largest forest products company.

Mr. Thapar started his career as a factory assistant in one of the family manufacturing companies and has steadily risen through the organization to the current position. He is the third generation of the family to head the business.

Mr. Thapar is active in business and corporate sectors. He is an active office bearer of CII and currently serves as a Trustee on a number of Institutions, including Vice Chairman of Aspen Institute, India and Pratham Education Trust. He is also a Director on the Board of several other companies in India and abroad.

Mr. Kazumi Yoshimura

Mr. Kazumi Yoshimura, aged 59 years, is a Graduate in Law from Hitotsubashi University, Japan.

Mr. Yoshimura has been with Mitshubishi Corporation, Tokyo since 1973. He is presently the Senior Vice President, Mitsubishi Corporation, Tokyo and Chairman & Managing Director, Mitsubishi Corporation India Pvt. Ltd. and also serves as the General Manager of Mitsubishi Corporation India's Mumbai & Kolkata Branch Offices.

Mr. Yoshimura became President of Japan Chambers of Commerce & Industry in India (JCCI), a prestigious association of Japanese companies and organizations in April, 2007. He has also been holding the position of Vice Chairman & Director of Snowman Frozen Foods Ltd.

Mr. P. L. Safaya

Mr. P. L. Safaya, aged 60 years, is a B.Tech. in Metallurgy from Ranchi University.

Mr. Safaya is currently the Director & Chief Operating Officer of the Float Glass SBU of AIS. Mr. Safaya joined AIS in November, 1985 and held various positions. Mr. Safaya is also a Director on the Board of AIS Adhesives Ltd. and AIS Glass Solutions Ltd.

Mr. Arvind Singh

Mr. Arvind Singh, aged 43 years, is an M.B.A. from International Management Institute, New Delhi and has over 22 years of experience in corporate planning and business development functions.

Mr. Singh is the Director & Chief Operating Officer of the Auto Glass SBU of AIS. Mr. Singh joined AIS in May, 1991 and held various positions. Mr. Singh is also a Director on the Board of Asahi India Map Auto Glass Ltd., AIS Glass Solutions Ltd. and Shield Autoglass Ltd.

Management Team

Corporate

Sanjay Labroo

Managing Director & Chief Executive Officer

P. L. Safaya

Corporate Head - HR, Administration,
Research & Development

Arvind Singh

Corporate Head - Planning

H. D. Daftary

Chief Financial Officer

Vikram Khanna

Corporate Head - Supply Chain Management

G. D. Singh

Head - Corporate HR & Administration

Rajesh Mukhija

Corporate Head - Legal, Investor Relations,
Systems & Audit

Meenu Juneja

Head - Legal & Company Secretary
Compliance Officer

AIS Auto Glass

Keizaburo Kojima

Technical Director

Arvind Singh

Director & C.O.O.

B.S. Kanwar

Executive Director (Works & Administration)

Vikram Khanna

Executive Director (Commercial)

Norie Takada

Technical Advisor

T. Yamamoto

Technical Advisor

Anil Ahuja

Vice President - Manufacturing &
Head - Operations (Chennai)

Mirza Asif Beg

Head - Quality Assurance

Sandeep Bhargava

Head - Materials

B. Channa

Head - Manufacturing (Chennai)

Alok Dhar

Head - Exports

Jeevan Dogra

Head - Architectural Processing

Sunil Gadh

Head - Manufacturing (Rewari)

Sunil Garg

Head - Accounts & Taxation

Rahul Goyal

Head - Business Development

Navin Rai

Plant Head - Roorkee (Auto & Architectural)

Vikas Saxena

Head - After Market

Himanshu Sharma

Head - TPM

Archana Singh

Head - Planning & MIS

Manjeet Singh

Head - Supply Chain Planning & Logistics

Amit Sood

Head - Sales & Marketing

Pratul Swaroop

Head - Projects

AIS Float Glass

P. L. Safaya

Director & C.O.O

H. D. Daftary

Executive Director - Finance & Accounts

O. Capore

National Head - Sales & Marketing

A.K. Chakrabarty

Head - Quality Assurance

V. K. Chamola

Head - Planning & MIS

B. D. Gandhi

Head - Exports

Sanjay Ganjoo

Plant Head (Roorkee)

Satish Kumar

Head - Production Planning

Manjunatha H. N.

Head - Logistics & Customer Service

J. D. Mayekar

Head - Finance & Accounts

G. C. Panigrahi

Plant Head (Taloja)

E. S. Reddy

Head - Sales & Marketing

Rupinder Shelly

Head - Manufacturing (Roorkee)

N. A. Shetty

Head - Materials

AIS Glass Solutions

Kunwar Narayan

Director & C.O.O

Rakesh Awasthi

Manager - Technical Sales

Anil Chhatwal

Manager - Finance & Accounts

Brenda Noronha

Manager - HR & Administration

B. S. Rawat

Manager - Customer Service

Vipul Shah

Manager - West Zone

Shahid Sheikh

Head - Business Development

Brij Raj Singh

National Head - Sales & Marketing

Statutory Auditors

Jagdish Sapra & Co.
Chartered Accountants

Internal Auditors

GSA & Associates
Chartered Accountants

Bankers

Citi Bank N.A.
HDFC Bank Ltd.
The Bank of Tokyo - Mitsubishi Ltd.
ICICI Bank
Mizuho Corporate Bank Ltd.

State Bank of Mysore
State Bank of India
Standard Chartered Bank
The Jammu & Kashmir Bank Ltd.
Punjab National Bank
ABN Amro Bank



Registered Office
12, Basant Lok,
New Delhi - 110057
Tel: (011) 26142288

Corporate Office
Global Business Park,
Tower B, 5th Floor,
Mehrauli - Gurgaon Road,
Gurgaon - 122002 (Haryana)
Tel: (0124) 4062212-19
Fax: (0124) 4062244/88

**Sales and Marketing
Head Office**
C-203/B, Fortune 2000,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051
Tel: (022) 30620101/107
Fax: (022) 30620119

**Zonal Offices
West**
C-203/B, Fortune 2000,
Bandra - Kurla Complex,
Bandra (East),
Mumbai - 400 051
Tel: (022) 30620101/107
Fax: (022) 30620119

North
605, 6th Floor,
Ansal Bhavan,
16, Kasturba Gandhi Marg,
New Delhi - 110001
Tel: (011) 65653106

South & East
No. 2-C, 1st Floor,
Ruby Regency,
Dinrose Estate, New No. 69,
Anna Salai,
Chennai - 600002
Tel: (044) 28542491- 93

Regional Office
Plot S.No. 80,
Thathawade Phata,
Adjacent to Rajashree Shahu
College of Engineering,
New Mumbai- Bangalore Highway,
Thathawade Taluka Mulshi,
District Pune

Plants - Auto
94.4 km Stone,
Delhi - Jaipur Highway,
Village Jaliawas, Tehsil Bawal,
District Rewari -123501
(Haryana)
Tel: (01284) 264366/367/274
Fax: (01284) 264185

Plot No. T-16,
MIDC Industrial Area, Talaja,
District Raigad - 410208
Tel: (022) 27412256/2042
Fax: (022) 27412595

Plot NO. F - 76 to 81, SIPCOT,
Industrial Park, Irungattukottai,
Sriperumbudur Taluk,
District Kancheepuram,
Tamil Nadu - 602105
Tel: (044) 47103442/43
Fax: (044) 47100441

Plant - Float
Plot No. T-7,
MIDC Industrial Area, Talaja,
District Raigad - 410208
Tel: (022) 27410171 - 74
Fax: (022) 27410090

Integrated Glass Plant
Village Latherdeva Hoond,
PO: Jhabreda,
Pargana - Mangalaur,
Tehsil Roorkee,
District Haridwar,
Uttarakhand - 247667
Tel: (01332) 224090/91
Fax: (01332) 224114

SBU Review

■ AIS Auto Glass

Key Highlights, FY 2006-07

- Maintained leadership position in the Indian passenger car industry, with a market share of nearly 80 percent.
- Gross Sales increased by 19.30 percent to Rs. 50,966 lakhs.
- Production of laminated windshield (pcs) and tempered glass (sqm) increased by 26.74 percent and 17.37 percent respectively.
- Commenced supplies to the following new models launched during the year :

Maruti Udyog Ltd.	Zen Estilo
General Motors	Aveo - UVA
Hyundai Motors India Ltd.	Verna
Honda Siel Cars India Ltd.	Civic

Key Initiatives

- Development and introduction of solar control glass for an OE customer.
- Development of reflective (PET) windshield for overseas markets.
- Increased share of business in the HCV segment.
- Entry into the bus segment with Swaraj Mazda Isuzu bus project.
- Strengthened new product development department to develop new products for automotive and non-automotive applications.
- Started tempered backlite line at Chennai Plant.
- In-house development of laminated bending furnace.
- In-house development and commissioning of continuous vacuum rubber bag process at Rewari and Chennai Plants.
- Started sub-assembly warehouse for General Motors resulting in JIT supplies.
- Started sub-assembly operations in Plant II and III of Maruti Udyog at Gurgaon.
- Started transporter's warehouse facility at Pithampur for Eicher Motors.

Commendations

Maruti Udyog	"Overall Excellence Award" and "Trophy for Kaizen".
Hyundai Motors	"Best Contribution Award".
Toyota	"Award for achieving Targets in the category of Cost" and "Award for Best Cost Performance".
Mahindra & Mahindra	"Award for Best Quality Supplier in the Body System Category"
Ford India	"Q 1 Award".

Operations

Production and Sales performance of AIS Auto Glass is summarised as below :

	2006-07	2005-06	Change (%)
Production (Quantity)			
- Laminated Windshield (pcs)	20,02,137	15,79,721	26.74
- Tempered Glass (sqm)	34,48,074	29,37,861	17.37
Sales (Quantity)			
- Laminated Windshield (pcs)	19,62,057	15,61,002	25.69
- Tempered Glass (sqm)	33,65,457	28,89,022	16.49
Sales (Rs. Lakhs)			
- OEMs	40,876	35,676	14.58
- OE Spares & after market	7,417	6,566	12.96
- Exports after market	2,673	477	460.38
Total	50,966	42,719	

AIS Auto Glass recorded gross sales of Rs. 50,966 lakhs of automotive glass, which is up by 19.30 percent compared to previous fiscal. The sales mix in terms of major customer segments during the year was OEMs - 79 percent, Domestic after market (OE Spares & after market) - 15 percent and Export after market - 6 percent.

The production and sale of laminated windshield increased by 26.74 and 25.69 percent to 20,02,137 and 19,62,057 pcs respectively, during 2006-07. Tempered glass production at 34,48,074 sqm was up by 17.37 percent and the sale at 33,65,457 sqm was up by 16.49 percent.

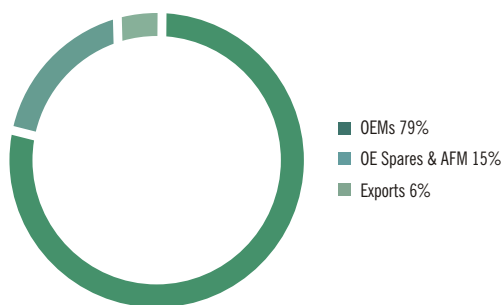
Export sales recorded a significant increase during the year with the execution of export orders for the European and Pakistan after market.

Customers

AIS Auto Glass meets nearly 80 percent of the automotive glass requirement of the Indian passenger car industry including multi-utility vehicles. It continues to be the sole or dominant supplier to almost all the OEMs.

Sales profile of AIS Auto Glass in terms of sales distribution and share of business in FY 2006-07 is presented below :

AIS Auto Glass : Sales Distribution



AIS Auto Glass : Share of Business

Customers	SOB (%)
Maruti Udyog Ltd.	100
Honda Sael Cars India Ltd.	100
Reva Motors	100
Toyota Kirloskar Motor Pvt. Ltd.	99
Ford India Pvt. Ltd.	99
General Motors India Ltd.	87
Fiat India Pvt. Ltd.	68
Hyundai Motors India Ltd.	66
Mahindra &Mahindra	63
Piaggio	39
Volvo	39
TATA Motors	29
Eicher	28
Hindustan Motors Ltd.	14
Swaraj Mazda	13
Bajaj Auto - Three Wheeler	4
Force Motors	2

■ AIS Float Glass

Key Highlights, FY 2006-07

- Gross Sales increased by 32.36 percent to Rs. 34,274 lakhs.
- Production of float glass increased by 59.69 percent to 39 million csqm.
- Increased sale of high-yielding products like thicker and tinted glass.
- Completed the second float glass plant with a production capacity of 700 TPD at AIS Integrated Glass Plant at Roorkee (North India).
- Commenced commercial production of float glass at the Roorkee Plant with effect from 1st January, 2007.
- Completed the reflective glass and mirror units at AIS Integrated Glass Plant at Roorkee.
- Commenced commercial production of reflective glass and mirror from 18th April, 2007 and 25th May, 2007 respectively.
- Became the commercial agent of Glaverbel SA in India. Glaverbel, the European branch of Asahi Glass Co., Ltd., is the European flat glass leader. As commercial agent, AIS has started selling the entire range of products of Glaverbel in India from April, 2007.
- Set up a dedicated Institutional Glass Group as a key marketing initiative to focus on institutional buyers like processors, fabricators, architects and builders for marketing and sales of the entire range of architectural glass.
- Received the Construction World Award for “Fastest Growing Glass Company with Highest Turnover and Profit” in India for the third consecutive year.

Operations

Production and Sales performance of AIS Float Glass is summarised as below :

	2006-07	2005-06	Change (%)
Production (csqm)	3,89,99,031	2,44,22,779	59.69
Sales (csqm)	2,97,90,185	2,14,69,713	38.75
Sales (Rs. Lakhs)			
- Domestic	30,819	23,391	31.75
- AIS Auto Glass	1,702	1,999	(14.85)
- Exports	1,753	505	247.16
Total	34,274	25,894	

During the year, gross sales of AIS Float Glass increased by 32.36 percent to Rs. 34,274 lakhs. A total of 39 million csqm of float glass was produced as against 24.42 million csqm in the previous year, representing an increase of 59.69 percent.

Commercial production of float glass at the Integrated Glass Plant at Roorkee commenced from 1st January, 2007. A total of 7.39 million csqm of float glass was produced at Roorkee in the fourth quarter.

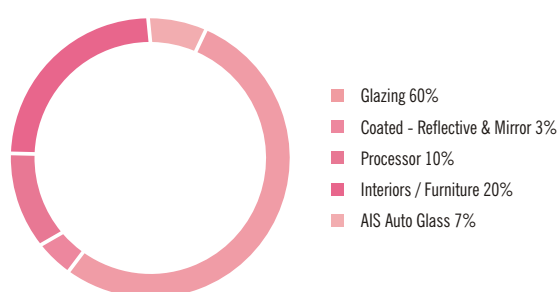
Commercial production of superior quality reflective glass and mirror commenced subsequently at the Roorkee Plant from 18th April, 2007 and 25th May, 2007 respectively.

The new products so far launched at Roorkee Plant are :

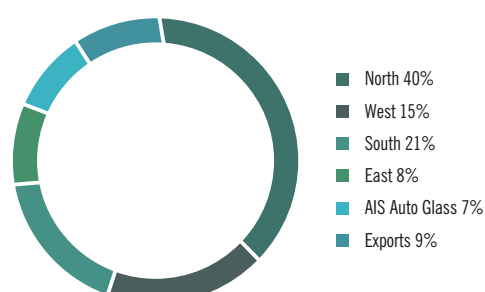
- AIS Blue is the new colour introduced in the AIS range of Tinted (Heat Absorbing) Glass, available in various thicknesses and sizes.
- AIS Supersilver is a Heat Reflective Glass being manufactured under License from Glaverbel, Belgium using superior CVD technology.
- AIS Mirror is a copper and lead free environment friendly mirror made with a state-of-the-art technology

Sales profile of AIS Float glass in terms of share of business and sales distribution in FY 2006 - 07 is presented below :

AIS Float Glass : Share of Business



AIS Float Glass : Sales Distribution



■ AIS Glass Solutions

Key Highlights, FY 2006-07

- Gross Sales of the architectural glass processing business increased 251 percent to Rs. 5,500 lakhs.
- Earned a maiden operating profit of Rs. 419 lakhs.
- Entered the exports market mainly in the Middle East Region with an order book exceeding Rs. 950 lakhs as of April, 2007.
- Achieved a higher growth in the value-added products like AIS Securityglas™ and AIS Acousticglas™.
- Entered into large projects and national contracts with large developers and retail chains for national supplies of processed glass.
- Organized glass training workshops in ten cities for over 1,000 architects, builders, fabricators, consultants and contractors, to provide training on glass and glazing.
- Added capacities at the architectural processing facilities at Taloja and Chennai to cater to the growing demand.

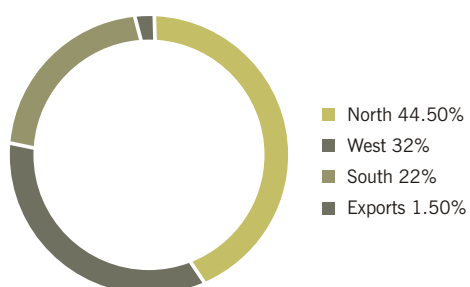
Operations

The operational performance of the architectural processing business is summarized below :

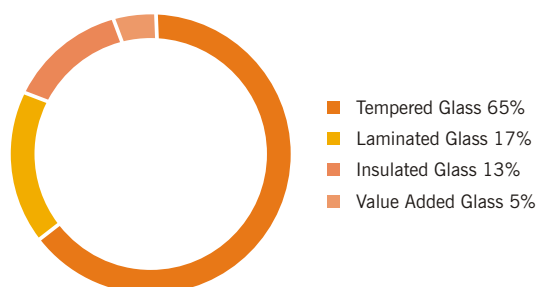
Particulars	2006-07	2005-06	Change (%)
Production (sqm)	3,61,429	1,10,537	227
Sales (sqm)	3,53,099	1,07,125	230
Gross Sales (Rs. Lakhs)	5,500	1,566	251

Sales profile of the business in terms of sales distribution by region and sales distribution by product in FY 2006-07 is presented below :

AIS Glass Solutions : Sales Distribution by Region



AIS Glass Solutions : Sales Distribution by Product



Management Discussion & Analysis



Q & A Session with M.D. & C.E.O.

Could you take us through the highlights of AIS's financial performance in 2006-07?

The financial performance of AIS in the year 2006-07, on consolidated and standalone basis, is compared to the previous financial year and summarized in Table 1 below :

Table 1

(Rs. Lakhs)

Particulars	AIS (Standalone)			AIS (Consolidated)		
	2006-07	2005-06	Change(%)	2006-07	2005-06	Change(%)
Gross Sales	89,708	70,315	28	91,897	71,517	28
Net Sales	76,184	58,767	30	76,656	59,123	30
Operating Profit (PBDIT)	16,485	12,068	37	16,630	12,052	38
Interest	3,545	1,083	227	3,547	1,090	226
Gross Profit (PBDT)	12,940	10,985	18	13,083	10,962	19
Depreciation & Deferred rev. exp.	6,538	643	917	6,562	663	890
Impairment Loss/(Reversal)	6	(38)	(115)	6	(38)	(115)
Prior Period Adjustments	72	13	462	72	13	462
Extraordinary Item		1,244	(100)		1,244	(100)
Profit before Tax	6,324	9,124	(31)	6,443	9,081	(29)
Tax*	2,116	497	326	2,135	500	327
Profit after Tax	4,208	8,627	(51)	4,308	8,580	(50)

*Tax include tax paid for earlier years & deferred tax liability, FBT & MAT Credit

Overall, I am pleased with the performance.

Gross sales and net sales (including inter-division sales) increased 28 percent. Operating profit increased 37 percent. The results include a profit of Rs. 1,190 lakhs on the sale of surplus land at the Roorkee Plant.

Profit before tax, after adjusting the written back depreciation of Rs. 4,008 lakhs of earlier years, was impacted by higher incidence of interest and depreciation. Profit after tax declined on account of a higher provision for deferred tax liability, made pursuant to the relevant accounting standards.

AIS Auto Glass performed well in line with the underlying growth of the Indian passenger car industry. AIS maintained its market leadership with near 80 percent share in the passenger car industry (cars & multi-utility vehicles), which witnessed a growth of 18 percent in 2006 - 07. Details of passenger car production over a period of five years are given in Table 2 below :

Table 2

Vehicle Category	Vehicle Production (in no.)					Growth			
	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 04 Vs 03(%)	FY 05 Vs 04(%)	FY 06 Vs 05(%)	FY 07 Vs 06(%)
Category I-(<Rs. 3 Lakhs)	1,96,692	23,4967	1,90,392	3,37,824	4,24,151	19	-19	77	26
Category II-(Rs. 3 Lakhs < II < Rs. 4 Lakhs)	3,53,977	4,93,488	6,26,774	4,81,325	5,78,473	39	27	-23	20
Category III-(Rs. 4 Lakhs < III < Rs. 6 Lakhs)	55,663	75,848	1,40,387	2,15,715	2,27,739	36	85	54	6
Category IV-(Rs. 7 Lakhs < IV < Rs. 11 Lakhs)	20,337	38,911	69,205	67,796	58,012	91	78	-2	-14
Category V-(> Rs. 11 Lakhs)	3,817	8,444	13,451	16,047	34,813	121	59	19	117
Cars	6,30,486	8,51,658	10,40,209	11,18,707	13,23,188	35	22	8	18
MUVs	1,40,240	1,92,532	2,53,675	2,55,965	2,99,886	37	32	1	17
Total Cars & MUVs	7,70,726	10,44,190	12,93,884	13,74,672	16,23,074	35	24	6	18

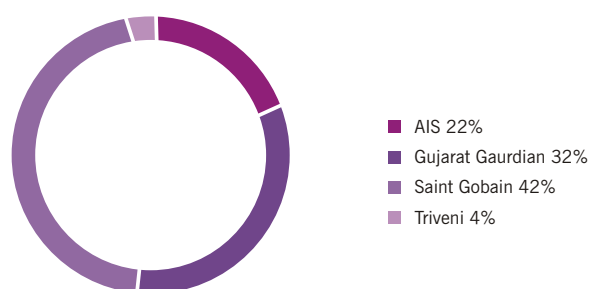
Gross sales of AIS Auto Glass increased 19 percent to Rs. 50,966 lakhs. Export sales recorded a sharp increase, with the successful execution of export orders during the year mainly to the European after market. Export sales during the year amounted to Rs. 2,673 lakhs, up by over 460 percent.

The Indian float glass industry recorded a growth of 9 percent during the year. Table 3 below shows growth of float glass sales in India in the last five years. Market share of float glass manufacturers in 2006-07 is given in chart 1 below :

Table 3

Year	MT/Day	% Growth
2002-03	1106	12.86%
2003-04	1310	18.44%
2004-05	1427	8.93%
2005-06	1630	14.23%
2006-07	1777	9.03%

Chart 1



The commissioning of the float glass unit at the Integrated Glass Plant of AIS at Roorkee on 1st January, 2007, was a proud achievement for the AIS team. The Plant has also started commercial production of value added glass, namely reflective glass and mirror, from April, 2007 and May, 2007 respectively.

Gross sales of AIS Float Glass increased 32 percent to Rs. 34,274 lakhs, compared to the previous year, which was impacted adversely by the shut down of the Taloja plant for over three months due to flooding. Since its commissioning in January, 2007, the second float glass plant also contributed to sales in the fourth quarter.

The profitability of AIS Float Glass was adversely impacted by a sharp decline in prices of float glass in the domestic market from a peak of Rs. 56/mm/m² to Rs. 50/mm/m² by March 2007. The prices declined further to Rs. 40/mm/m² in the subsequent months. The price decline was largely on account of a sudden influx of imports. The prices have since staged a recovery riding the strong demand in the domestic market.

The architectural glass processing business posted an impressive performance in the booming building and construction sector, with increased demand for high quality processed glass. The state-of-the-art architectural processing facilities located strategically at Taloja (West India), Rewari (North India) and Chennai (South India) successfully catered to the booming demand.

Resultantly, the gross sales of the architectural glass processing business recorded an increase of over 251 percent to Rs. 5,500 lakhs and made a maiden operating profit of Rs. 419 lakhs

Could you update us on the current projects of AIS ?

AIS has almost completed all the ongoing projects under its current expansion program. The Integrated Glass Plant at Roorkee, which is the largest and the biggest of all the projects undertaken by AIS, is close to completion. The manufacturing facilities at the Plant for float glass and value - added glass like reflective glass and mirror commenced commercial production. The remaining facilities for automotive safety glass and architectural processing glass at the Roorkee Plant will be completed by August, 2007.

The sidelite-tempering furnace, currently under installation at the Auto Glass Plant at Chennai, will be completed by June, 2007. With commissioning of this furnace, the Chennai Plant will have the complete product range to meet full requirements of the OE customers in the South. We are currently examining a possible preponement of further expansion in laminated windshield capacity at Chennai, in order to be able to meet the expected demand in the domestic and export after markets.

The large-sized laminated windshield furnace developed indigenously and currently under installation at the Auto Glass Plant at Rewari will be commissioned shortly.

Capital addition to the gross block during the year amounted to Rs. 67,842 lakhs. This mainly included expansions carried out at AIS Plants at Roorkee and Chennai.

What is AIS's capital expenditure requirement in the short to medium term ?

With completion of almost all the ongoing projects, the capex requirement will start tapering off from this year.

The capex for the ongoing projects to be completed this year, as outlined above, will be in the range of Rs. 200 crores. This includes the possible expansion in the laminated windshield capacity at Chennai. Major capital expenditure is now behind us.

How is AIS going to benefit from these expansions?

The current phase of the expansion program effectively captures each element of the auto and architectural glass value chain. AIS's strategy of building scales with forward and backward linkages in the glass value chain will help AIS in realizing operational synergies and reducing its costs through

Internalization of glass sourcing for auto and architectural processing.

Improved operational efficiencies.

Consolidation of supplies of key inputs.

Reduction in packing and logistics cost through integrated operations.

Lower overheads / unit, with large scale plants.

Roorkee Plant provides significant cost advantages for most of the product lines due to benefits like fiscal incentives, low power tariff, reduced packing / freight costs, etc.

These expansions will improve the prospects for superior free cash generation, further strengthen AIS's competitiveness in the glass value chain, enable it to offer "technologically demanding" higher value-added products, and improve its position of being among the lowest cost high quality full solutions providers to the customers.

What is AIS's growth outlook ?

The Indian economy is expected to grow at 7-8 percent. The automobile and construction industry, the critical user segments of AIS products are likely to grow at 10 - 15 percent.

AIS's Mid Term Plan for the five years from 2006-07 to 2010-11 targets a topline growth of over 20 percent on CAGR basis.

In the automotive glass business, AIS Auto Glass is best positioned to benefit from the volume growth as well as from the increasing demand for high value-added products. We shall continue to maintain leadership status in the Indian passenger car industry.

In the float glass business, with the shut down of two glass plants, namely, Triveni's Chinese float plant (250 TPD) and HSG's sheet glass plant (180 TPD), which squeezed supplies in the market, and no new capacities coming up at least in the next 18 months, we expect to improve our performance with increase in market share and higher sales of value-added glass.

To mitigate the threat of imports, effective measures are being taken at industry and AIS level, which include seeking extended and wider application of antidumping duties and curbing the menace of under-invoiced imports.

I see tremendous opportunities in the architectural processing glass business. There are several fronts where these opportunities come from :-

- Strong domestic growth, which is likely to be at 25-30 percent.
- Growth in the overall glazing area in a building.
- Growth in value addition - value per square meter of glass.
- Growth in exports.

AIS Glass Solutions is fully geared to gain and grow substantially by tapping the market potential and leveraging its core strength.

AIS is likely to grow faster than market, targeting higher sales growth in value-added products with focus on long term margin improvement and cash generations, and not just on gains in market share.

What is your outlook for the current year?

The outlook for the current year looks positive. This is the first full year when we will fully commission the current projects and begin utilizing our capacities to its potential. We expect our topline to grow significantly and profit margins to improve. However, to do all this our execution has to be flawless.

Inflation, the resultant interest rate increase, rising oil prices and fluctuations in prices of float glass are the areas of concern.

I am confident our increased size and scope of operations, improved cash flows and opportunities for better efficiencies in the glass value chain will make us a more competitive and profitable glass company.

Corporate Social Responsibility

At AIS, environmental preservation and community development is not only a matter of conscience, but a sound business sense too. AIS believes that sustainable business growth must include environmental and social considerations. AIS has been undertaking a diverse range of social and community development programmes and projects that protect and promote the interests of communities in the vicinity of its manufacturing plants.

In the year 2004, AIS brought its diverse community development initiatives under a common platform named, Integrated Community Development Programme (ICDP). ICDP is being administered and monitored by Youthreach, a Delhi based NGO.

ICDP institutionalizes the CSR philosophy of AIS.

The enunciated goal of the ICDP has been to enhance the quality of life in the community, by providing services, enabling “community participation and leadership” towards mobilising government, community and all other entities that are critical towards achieving this goal.

The period of 2004-06 constituted Phase 1 of AIS-ICDP. With “Health and Education” in Rewari, Haryana as the principal intervention areas, several initiatives like school bus service, education centers, health camps and lifeline express were implemented for the local communities during this period.

Year 2006-07 marked the Phase 2 of implementation of AIS-ICDP. “Education” and “Water & Sanitation” were identified as the principal intervention areas covering 30 villages in Rewari. “Vocational Training” and “Enterprise Development” were identified as principal intervention areas covering 4 villages in Roorkee.

■ Initiatives at Rewari

■ Education

School Bus

School drop-out rate amongst girl children is high due to non-availability of safe and proper transportation facilities in this area. AIS started the bus services for the girls of 18 villages, connecting them to the nearest town of Bawal. After the commencement of AIS bus service, there has been a sharp decrease in school drop-out rates amongst girls and girls who had earlier left school, rejoined. After 125 girls taking admission in class 11 in 2005, 247 more girls took admission in 2006. Currently, around 475 children from around 34 villages are using this facility to reach Senior Secondary Girls School, Bawal.



School Bus for girl children

Education Centres

2 drop-out centres were started in Mohammadpur and Kheramurar village for school drop-out youth, specifically girls, to enable them to appear for class 10 exams through the open school. 24 students were identified through regular community meetings. 7 students have appeared under the credit transfer policy for the Haryana Open School examinations conducted in March-April, 2007. The remaining 17 students will appear in the examinations in April, 2008 through the semester system.



Drop out centre, Mohammadpur

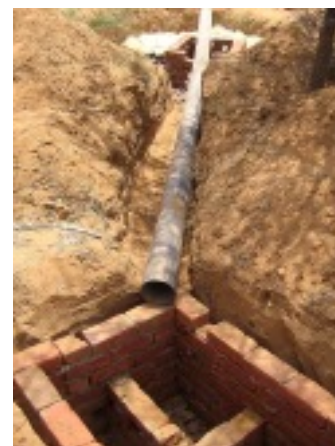
■ Water & Sanitation

Falling levels of ground water and limited access to safe drinking water has been a major problem in the Bawal block of Rewari District. The water level in this area is very low, quality is saline and traditional knowledge and infrastructure for harvesting rainwater is largely unavailable and unused.

The interventions in 30 villages sought to promote sustainable water management practices by village communities, especially women through participatory initiatives in rainwater harvesting, recycling, managing waste water and water saving cropping pattern.

These interventions included activities like organizing women into sangathans and building their capacity in village level governance, constructing rainwater harvesting structures (johads, tanks recharging wells etc.) at the household and community levels, and constructing household toilets. The entry point of these interventions was to organise local women into self-help groups and provide them loans to undertake income-generating activities.

These interventions are scheduled to be implemented over three year period (2006-2009), at the end of which, 6,500 families will be able to access ground water for cooking & drinking purposes, 400 household will have access to enclosed sanitation and income of 400 women will increase by Rs. 1,500-4,000, depending on their chosen venture.



Soak pit technology to recharge ground water.

■ Initiatives at Roorkee

■ Vocational Training and Enterprise Development

A situational analysis was conducted by Youthreach to understand the ground reality and identify gap areas and community articulated needs. Based on the findings of the situational analysis of community's articulated needs, vocational training, personality development and micro-enterprise programme for youth and women were identified as intervention areas. The goal was to enhance the economic well being of the residents by broadening their livelihood and employment avenues. The beneficiaries were 80 youth males, 250 women and their respective families in 4 villages of Jhabreda block of Roorkee district.

A two week study was conducted to critically evaluate the feasibility of different vocational programme ideas generated vis-a-vis the livelihood and income generation perspective and start alternative training and development programmes for income generation in the community. It was decided to impart training to women in paper plates/cup making, jam, jellies, pickle preparation as these goods have a good market in the neighbouring areas. With this purpose training has been given to 17 members from 3 groups in paper making bowl enterprise.



Paper bowl enterprise - initiated by women

■ **Activities Implemented**

Women's meetings and street plays were organised in the four villages. 20 self-help groups comprising 221 women were formed. Most of these women came from deprived Harijan and Muslim communities. These women now save and pool between Rs. 50-100 every month and pooled amount is utilized by group members for income generation activities and other personal needs.

With focus on computer, English and life skills improvements, 43 youth are being trained at the vocational training centre 'UNNATI' in Jhabreda.

ICDP PERFORMANCE METRICS

Educational Programme

- School Bus Service benefiting 475 girls.
- School upgradation programme covering 14 villages.
- Remedial education enabling 52 children.
- Centre for drop out children benefiting 44 children.

Health Programme

- Health camps benefiting 3635 people.
- Health awareness spreading 17 villages.
- Training of health service providers preparing 77 enthusiasts.
- Life Line Express covered 439 people.

Water & Sanitation Programme 2006-09

- Outreach 30 villages. Benefits to an average of 3000 lives per village.
- Community Awareness across 30 villages.
- Rainwater Harvesting to benefit 6500 families.
- Environmental Sanitation to 105 families.

Finance support towards livelihood

- To benefit 168 women build an additional livelihood.

Vocational Training & Micro enterprise Development

- Micro Enterprise for 221 women.
- Vocational Training for 43 youth.

Report of the Directors

To the Members,

The Directors are pleased to present the 22nd Report with the audited accounts for the year ended 31st March, 2007.

Financial Highlights

(Rs. Lakhs)

	2006-07	2005-06
Gross Turnover	89,708	70,315
Net Turnover	76,184	58,767
Other Income	2,263	365
Total Income	78,447	59,132
Operating Profit (PBDIT)	16,485	12,068
Gross Profit (PBDT)	12,940	10,985
Profit before Tax	6,324	9,124
Profit after Tax	4,208	8,627
Appropriations:		
- Interim Dividend on Equity Shares	1,040	-
- Dividend on Preference Shares	-	-
Proposed Dividend on:		
- Equity Shares	-	960
- Preference Shares	-	-
Tax on Dividend	146	135
General Reserve	421	900
Balance Carried to Balance Sheet	9,536	6,935

Performance Overview

During the year under review, the Gross Sales of the Company increased 27.58 percent from Rs. 70,315 lakhs in the previous year to Rs. 89,708 lakhs. Operating Profit increased 36.60 percent to Rs. 16,485 lakhs as compared to previous year. Profit before tax and Profit after tax amounted to Rs. 6,324 lakhs and Rs. 4,208 lakhs respectively.

A detailed analysis of the Company's operations in terms of performance in markets, manufacturing achievements, business outlook, risks and concerns forms part of SBUs Review and the Management Discussion and Analysis, which are separate sections of this Annual Report.

Subsidiary Company

As required pursuant to provisions of Section 212 of the Companies Act, 1956, the financial statement and accounts of AIS Glass Solutions Ltd., a subsidiary of AIS, are annexed to this Report.

Projects

The second float glass plant of AIS at Roorkee in the State of Uttarakhand, was commissioned on 1st January, 2007. The plant, with a production capacity of 700 tons per day, forms part of the largest Integrated Glass Plant in the country set up by your Company. The commercial production of reflective glass and mirror at the Integrated Glass Plant commenced from 18th April, 2007 and 25th May, 2007 respectively.

The commercial production of architectural processed glass and automotive safety glass at the Roorkee plant is likely to commence from August, 2007.

Awards

Your Directors have pleasure in reporting the following awards / recognitions that your Company received during the year:

1. “Best Indian Company in Glass & Ceramics Category” from Dun & Bradstreet;
2. “Best Contribution Award” from Hyundai Motors India Limited;
3. “Award for achieving Targets in the Category of Cost” and “Award for Best Cost Performance” from Toyota Kirloskar Motors Limited;
4. “Q1 Award” from Ford India Limited;
5. “Overall Excellence Award” and “Trophy for Kaizen” from Maruti Udyog Limited; and
6. Award for “Best Quality Supplier in the Body System Category” by Mahindra & Mahindra.

Consolidated Financial Statements

As required pursuant to the applicable Accounting Standards, the Consolidated Financial Statements of AIS are attached herewith and form part of the Annual Report and Accounts.

Dividend

Your Directors in their meeting held on 17th March, 2007 declared payment of an Interim Dividend of Re. 0.65 per equity share on 15,99,27,586 fully paid up equity shares of face value of Re. 1/- each of the Company for the financial year 2006-07. The Company, accordingly, made payment of Interim Dividend to the equity shareholders whose names appeared in the Register of Members as on the record date of 24th March, 2007.

Further, your Directors in their meeting held on 28th May, 2007 considered and recommended that the Interim Dividend declared and paid by the Company be considered as final dividend for the financial year 2006-07.

A dividend @ 0.01 percent has also been recommended on 6,00,000 non-cumulative redeemable preference shares of Rs. 100 each for the financial year 2006-07. These preference shares were issued to Asahi Glass Co. Ltd., pursuant to the Scheme of Amalgamation of the erstwhile Floatglass India Ltd. with the Company.

Directors

During the year under review, there was no change in the composition of the Board of Directors of your Company.

In terms of provisions of Section 256, read with Section 255 of the Companies Act, 1956 and Article 70 of the Articles of Association of the Company, Dr. Surinder Kapur, Mr. P. L. Safaya and Mr. Arvind Singh, Directors, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

The requisite disclosure regarding re-appointment of Directors has been made in a separate section in this Annual Report.

Listing

The equity shares of your Company continue to be listed at the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd.(NSE).

The Company has paid the requisite listing fee to the Stock Exchanges for the financial year 2007-08.

The application filed by the Company for voluntary delisting of equity shares of the Company from the Calcutta Stock Exchange is pending at the Stock Exchange. The matter is being regularly followed up.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby state and confirm that :

- i. In the preparation of annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit for the period from 1st April, 2006 to 31st March, 2007.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts for the financial year ended 31st March, 2007 have been prepared on a going concern basis.

Corporate Governance

A separate Report on Corporate Governance along with General Shareholders Information as prescribed under the Listing Agreement, is annexed as a part of this Report along with the Auditor's Certificate.

Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

Auditors and Auditors' Report

M/s. Jagdish Sapra & Co., Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a letter from the Auditors to the effect that their re-appointment, if made at the forthcoming Annual General Meeting, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The observations of the Auditors in the Audit Report are explained, wherever necessary, in the appropriate notes to the accounts.

In terms of provisions of Clause xvii of the Companies (Auditors' Report) Order, 2003, the Auditors have commented that the Company used short term funds of Rs. 7,933 lakhs for long term investments in capital assets during the year.

Your Directors wish to state that the Company had already received the requisite sanction of long term loans as on 31st March, 2007. Pending execution of documentary and other formalities for disbursement of long term loans, the short term loans were used as bridge funds to ensure the timely completion of capital projects of the Company. The Company shall repay the short term loans from out of the long term loans which are being released shortly.

In terms of Clause xxi of the Companies (Auditors' Report) Order, 2003, the Auditors' have commented on the misappropriation of Rs. 37 lakhs by a sales representative of the Company.

The Directors wish to state that the Company has already lodged a complaint with the police authorities and has taken all legal steps against the sales representative who has since been absconding. The Company has provided for the misappropriated amount as estimated loss in the accounts for the financial year 2006-07.

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

The information relating to conservation of energy, Research & Development, technology absorption and foreign exchange earnings and outgo, as required 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 is given in Annexure "A", forming part of this Report.

Particulars of Employees

The information as required in accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in Annexure "B" to this Report. However, as per provisions of Section 219(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. Any Shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office or the Corporate Office of the Company. The said information is also available for inspection at the Corporate Office during working hours up to the date of the Annual General Meeting.

None of the employees listed in Annexure "B" is a relative of any Director of the Company, except Mr. Sanjay Labroo who is related to Mr. B. M. Labroo.

None of the employees listed in Annexure "B" hold, either by himself or alongwith his spouse and dependent children, more than two percent of the equity shares of the Company, except Mr. Sanjay Labroo.

Industrial Relations

Your Company has taken significant steps in developing Human Resource and strengthening Human Resource Systems.

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

Acknowledgement

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to the Company by its collaborators, customers, banks, vendors, Government authorities and employees.

Your Directors acknowledge with gratitude the encouragement and support extended by our valued Shareholders.

On behalf of the Board of Directors

Place : Gurgaon
Dated : 28th May, 2007

B. M. Labroo
Chairman

Annexure A

Information as per section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of the Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2007

Form - A

Conservation of Energy

Power and Fuel Consumption	Units	2006-07	2005-06
1. Electricity Purchased (KWH)	Units	59,785,708	3,28,30,825
Total Amount	Rs. Lakhs	2,559	1,315
Rate Per Unit	Rs.	4.28	4.01
2. Captive Generation			
D.G.Sets (KWH)	Units	6,16,63,236	5,88,77,601
Total Amount (Fuel, Mobil Oil & Additives)	Rs. Lakhs	2,864	3,072
Rate Per Unit	Rs.	4.65	5.22
3. HSD Consumption	Ltrs.	9,96,203	8,18,363
Total Amount	Rs. Lakhs	305	240
Rate Per Litre	Rs.	30.57	29.33
4. LDO Consumption	Ltrs.	4,42,013	49,79,416
Total Amount	Rs. Lakhs	133	1,335
Rate Per Litre	Rs.	30.19	26.82
5. HFO Consumption	Ltrs.	2,28,33,384	96,20,235
Total Amount	Rs. Lakhs	4,011	1,537
Rate Per Litre	Rs.	17.57	15.97
6. SKO Consumption (Kerosene Oil)	Ltrs.	24,700	96,000
Total Amount	Rs. Lakhs	8	23
Rate Per Litre	Rs.	31.42	24.26
7. LSHS Consumption	Kgs.	31,641,917	2,25,00,640
Total Amount	Rs. Lakhs	5,331	3,198
Rate Per Kg.	Rs.	16.85	14.21

The following energy conservation measures were taken which contributed towards saving and optimizing energy consumption :

AIS Auto Glass

- Installation of waste heat recovery boiler.
- Connecting individual compressor units to central air compressor grid.
- Use of energy efficient lighting bulbs / CFLs in plant.
- Efficient use of water pumps of air washers.

AIS Float Glass

- Installation of waste heat recovery boiler.
- Switching over of operation of Lehr cooling fan from delta connection to star connection resulting in reduction of electricity consumption.
- Replacement of old motors of the Bottom Cooling Fan (BCF) of the metal bath with new and energy efficient motors.

- d. Installation of metal halide and CFL lamps.
- e. Installation of high efficiency motors.
- f. Reduction in number and load of pumps for furnace oil transfer by using gravity flow system.
- g. Installation of SCADA system for automatic power control.

Consumption Per Unit of Production

AIS Auto Glass

Energy consumption per square meter production of auto glass worked out to 16.80 KWH (16.11)

AIS Float Glass

Energy consumption per converted square meter production of float glass was as under :

- a. Electricity Consumption (KWH) 0.58 (0.60)
- b. Furnace oil consumption (Ltr.) 0.009 (0.01)
- c. LSHS Consumption (Kg.) 0.99 (0.91)

Form - B

Technology Absorption, Adaptation and Innovation

AIS Auto Glass

- a. Printing Machines for tempered backlite were made online in Chennai Laminated and Tempered Plant
- b. Interfacing of two sidelite printing machines in Chennai Tempered Plant in order to reduce the manpower, time and WIP

AIS Float Glass

- a. Installation of Granzebach machine at the cold end for automatic unloading of glass, thereby improving quality and reducing manpower.

Form - C

Research and Development

During the year under review, in addition to focussing on increasing process efficiencies by way of automation and development, the following machines were developed:

- a. Bus Windshield Furnace was developed and tested for Rewari Plant.
- b. Laminated Glass Furnace was developed for Roorkee Plant.
- c. Automatic Inspection Gauge was developed to measure the curvature of Glass.
- d. Implementation of Branch Line 4 to improve the productivity in the manufacturing of jumbo glasses.

Form - D

Foreign Exchange Earnings and Outgo

Foreign exchange outflow on account of import of capital goods, raw materials and stores and spare parts amounted to Rs. 34,822 lakhs (Rs. 35,954 lakhs). Other expenditure in foreign currency amounted to Rs. 5,916 lakhs (2,921 lakhs) Remittances in foreign currency on account of dividends (net of taxes) amounted to Rs. 528 lakhs (Rs. 324 lakhs). Earnings in foreign exchange amounted to Rs. 3,915 lakhs (Rs. 840 lakhs)

(Figures in brackets pertain to previous year)

Report on Corporate Governance

Company's philosophy on Corporate Governance

AIS's philosophy on Corporate Governance envisages achieving the highest standards of accountability, transparency and equity in all its spheres and in all its dealings with its stakeholders. AIS is committed to establish and diligently follow the highest standards of Corporate Governance practices in its pursuit of profitable growth and enhancement of Shareholder value. AIS's Corporate Governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making. AIS views Corporate Governance in its widest sense, a trusteeship, a value imbibed and ingrained in its Corporate Culture.

AIS continues to follow procedures and practices in conformity with the Code of Corporate Governance as stipulated by Securities & Exchange Board of India (SEBI).

Board of Directors

AIS believes that an active, independent and participative Board is a pre-requisite to achieve and maintain the desired level of Corporate Governance. At AIS, the Board approves and reviews strategy and oversees the actions and results of management.

The Company is managed by the Managing Director & C.E.O. and three Executive (Whole-time) Directors.

Composition of the Board

The Board at AIS has an optimum combination of Executive, Non-Executive and Independent Directors. The Board comprises of a total of eleven Directors, out of which seven Directors are Non-Executive Directors. The Company has a Non-Executive Chairman and more than one third of the total strength of the Board comprises of Independent Directors.

Board Procedures

Detailed agenda with explanatory notes and all other related information is circulated to the members of the Board in advance of each meeting. The meetings of the Board are usually held at AIS's Corporate Office. Detailed presentations are made to the Board covering all major functions and activities. The requisite strategic and material information is made available to the Board to ensure transparent decision making process by the Board.

Number of Board meetings

During the financial year 2006-07, the Board of Directors of the Company met five times on 16th May, 2006, 28th July, 2006, 20th October, 2006, 22nd January, 2007 and 17th March, 2007. The maximum time gap between any two Board Meetings during the year was less than four months.

Information relating to Directors

The details relating to the composition and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, the number of directorships, committee memberships and chairmanships held by them in other public limited companies as on 31st March, 2007 are given below :

Name of the Directors	Designation	Category	Attendance Particulars			Outside Directorships, Committee Memberships and Chairmanships		
			Number of Board Meetings		Last AGM	Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
Mr. B. M. Labroo	Chairman	PD / NED	5	4	Yes	4	2	-
Mr. S. Labroo	Managing Director & C.E.O.	PD / ED	5	5	Yes	10	2	-
Mr. K. Kojima	Technical Director	PD / ED	5	5	Yes	1	-	-
Mr. M. Kamiya	Director	PD / NED	5	2	No	-	-	-
Dr. S. Kapur	Director	ID	5	2	Yes	7	4	2
Mr. J. Khattar	Director	PD / NED	5	2	No	3	2	-
Mr. R. Rana	Director	ID	5	3	Yes	-	-	-
Mr. G. Thapar	Director	ID	5	3	Yes	15	5	2
Mr. K. Yoshimura	Director	ID	5	3	Yes	1	-	-
Mr. P. L. Safaya	Director & C.O.O. (Float)	ED	5	3	Yes	2	-	-
Mr. A. Singh	Director & C.O.O. (Auto)	ED	5	4	No	3	-	-

PD - Promoter Director

NED - Non-Executive Director

ID - Independent Director

ED - Executive Director

Information provided to the Board

The information being provided to the Board includes :

- Annual operating plans and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company and its operating divisions and business segments;
- Minutes of meetings of the Audit Committee and other Committees of the Board;
- Appointment of Company Secretary;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
- Sale of material nature of investments, subsidiaries and assets which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory nature or listing requirements and Shareholders service such as non-payment of dividend, delay in share transfer, etc.

Code of Conduct

AIS's Board has adopted a Code of Conduct for members of the Board and Senior Management. The Code lays down, in detail, the standards of business conduct, ethics and governance.

A copy of the Code has been posted on the Company's website, www.asahiindia.com.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director & C.E.O. to this effect is given below :

I hereby confirm that :

The Company has obtained an affirmation from all the members of the Board and Senior Management that they have complied with the Code of Conduct in the financial year 2006-07.

S. Labroo
Managing Director & C.E.O.

Risk Management

The Company has laid down a detailed framework for risk assessment and risk management, key elements of which are :

- Maintenance and updation of Risk Register, which lists the key risks and its mitigation measures across all SBUs and Corporate level;
- Methodology for rating risks in terms of implications and probability of occurrence;
- Methodology for evaluating mitigation controls; and
- Designation of Risk Champions at department level and Risk Officers at SBU and Corporate level as the process owners.

The risk and risk mitigation measures are being regularly reported to the Board and the Audit Committee.

Committees of the Board

AIS has three Board Committees - Audit Committee, Remuneration Committee and Shareholders' / Investors' Grievance Committee.

Details regarding the role and composition of the Board Committees, including the number of meetings held during the financial year 2006-07 and attendance of the members thereat are provided below :

a. Audit Committee

The Audit Committee comprises of three Non-Executive Directors with majority of them being Independent Directors. All the members of the Committee have accounting and financial management expertise. The composition of the Audit Committee is as under :

- | | | | |
|----|----------------|---|----------|
| 1. | Dr. S. Kapur | - | Chairman |
| 2. | Mr. J. Khattar | - | Member |
| 3. | Mr. G. Thapar | - | Member |

The Audit Committee met four times during the financial year on 11th May, 2006, 28th July, 2006, 20th October, 2006 and 20th January, 2007. The maximum time gap between any two meetings was less than four months. The attendance details of the members are given below :

Name of Members	Status	Number of meetings	
		Held	Attended
Dr. S. Kapur	Chairman	4	3
Mr. J. Khattar	Member	4	2
Mr. G. Thapar	Member	4	4

The Chief Financial Officer, the Statutory Auditors and the Internal Auditors are permanent invitees to the Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The functions of the Audit Committee include the following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements before submission thereof to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- Reviewing, with the management, performance of Statutory & Internal Auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- Reviewing the Management Discussion and Analysis of financial condition and results of operations;
- Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary company; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b. Remuneration Committee

The Remuneration Committee has been constituted to review and recommend to the Board, the remuneration package of the Managing Director & C.E.O. and the Whole-time Directors. Such recommendations are made considering the overall performance and annual financial results of the Company.

The Remuneration Committee comprises of three Non-Executive Directors and one Executive Director. The composition of the Remuneration Committee is as under :

1.	Mr. G. Thapar	-	Chairman
2.	Dr. S. Kapur	-	Member
3.	Mr. K. Kojima	-	Member
4.	Mr. B. M. Labroo	-	Member

During the financial year 2006-07, the Remuneration Committee met on 11th May, 2006. The attendance details of the members are given below :

Name of Members	Status	Number of meetings	
		Held	Attended
Mr. G. Thapar	Chairman	1	1
Dr. S. Kapur	Member	1	1
Mr. K. Kojima	Member	1	-
Mr. B. M. Labroo	Member	1	1

During the financial year 2006-07, the Company did not issue any stock options to its Directors.

Remuneration to Directors

Remuneration Policy

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to the Managing Director & C.E.O. and the Whole-time Directors. Annual increments are as per the salary scale approved by the Shareholders and are effective April 1, each year.

The commission payable to the Managing Director & C.E.O. and the Whole-time Directors on the net profits of the Company has been brought under the Performance Appraisal System from the financial year 2005-06. Accordingly, the actual amount of commission payable for a particular financial year is decided by the Board within the limit sanctioned by the Shareholders, on the basis of performance rating assigned in terms of accomplishment of Key Accountabilities and Objectives, as finalized by the Managing Director & C.E.O and as recommended by the Remuneration Committee.

Non-Executive Directors are paid remuneration by way of commission on the net profits of the Company as approved by the Board. The Board is authorized to approve payment of such sum, not exceeding 0.30 percent of the net profits of the Company for any financial year in terms of the approval given by the Ministry of Company Affairs, Government of India, vide their letter dated 16th December, 2005 and the Shareholders of the Company.

In addition, the Non-Executive Directors are paid sitting fees for attending the meetings of the Board and the Audit Committee.

The details of remuneration paid / payable to the Directors for the financial year 2006-07 are given below :

Name of Directors	Sitting Fees (Rs.)	Salary, Allowances and perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. B. M. Labroo	1,00,000	Nil	1,14,826	2,14,826
Mr. S. Labroo	Nil	31,60,161	60,15,160	91,75,321
Mr. K. Kojima	Nil	22,75,190	Nil	22,75,190
Mr. M. Kamiya	40,000	Nil	1,14,826	1,54,826
Dr. S. Kapur	1,20,000	Nil	1,14,826	2,34,826
Mr. J. Khattar	80,000	Nil	1,14,826	1,94,826
Mr. R. Rana	60,000	Nil	1,14,826	1,74,826
Mr. G. Thapar	1,60,000	Nil	1,14,826	2,74,826
Mr. K. Yoshimura	40,000	Nil	1,14,826	1,54,826
Mr. P. L. Safaya	Nil	42,40,131	33,43,433	75,83,564
Mr. A. Singh	Nil	35,91,514	26,75,501	62,67,015

None of the Directors are related to each other, except Mr. Sanjay Labroo who is related to Mr. B. M. Labroo.

Shares and convertible instruments held by Non-Executive Directors

Mr. B. M. Labroo, Dr. Surinder Kapur, Mr. Rahul Rana and Mr. Gautam Thapar, Directors held 1,37,83,920 equity shares, 19,940 equity shares, 46,000 equity shares and 56,000 equity shares of the Company respectively as on 31st March, 2007. No other Non-Executive Director held any equity share of the Company as on that date.

c. Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee has been constituted to specifically look into the redressal of shareholder complaints and other shareholder related issues. The Committee approves transfer, transmission of shares and issues like split, sub-division, consolidation of shares, issue of duplicate share certificates, dematerialisation / rematerialisation of shares etc.

The Shareholders' / Investors' Grievance Committee comprises of one Non-Executive Director and two Executive Directors. The composition of the Shareholders' / Investors' Grievance Committee is as under :

- | | | |
|----|------------------|----------|
| 1) | Mr. B. M. Labroo | Chairman |
| 2) | Mr. S. Labroo | Member |
| 3) | Mr. A. Singh | Member |

The Committee met eleven times during the financial year 2006-07. The attendance details of the members of the Committee are given below :

Name of Members	Status	Number of meetings	
		Held	Attended
Mr. B. M. Labroo	Chairman	11	5
Mr. S. Labroo	Member	11	10
Mr. A. Singh	Member	11	11

Nature of Shareholders' Queries / Grievances and redressal status

Particulars	Correspondences				Complaints	Total
	Transfer of shares	Change of address	Non-receipt of dividend/ share certificates	Others		
Received during the year	1,025	634	2,560	623	84	4,926
Attended during the year	1,025	634	2,558	623	84	4,924
Pending as on 31st March, 2007*	Nil	Nil	2	Nil	Nil	2

*Pending grievances have since been redressed

Compliance Officer

Ms. Meenu Juneja, Head -Legal & Company Secretary, is the Compliance Officer of the Company.

Management

Management Discussion and Analysis

A separate chapter on Management Discussion and Analysis is given in this Annual Report.

Disclosures

Disclosures of related party transactions

There have been no significant material related party transactions. The related party transactions are disclosed in Note No. 18 in the Notes to the Accounts in this Annual Report. All details relating to business transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions nor do they vote on such matters.

Details of non-compliance by the Company

During the last three years there has been no instance of any non compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

Code for prevention of Insider Trading practices

In terms of provisions of SEBI (Prevention of Insider Trading Regulations), 2002, as amended, the Company has formulated a "Code of internal procedure & conduct for prevention of insider trading". The Code lays down the guidelines and advises the designated employees on procedures to be followed and disclosures to be made, while dealing in the shares of the Company.

Shareholders

Disclosure regarding appointment / re-appointment of Directors

During financial year 2006-07, there was no change in the composition of the Board of the Company.

In terms of provisions of the Companies Act, 1956 and Article 70 of the Articles of Association of the Company, Dr. Surinder Kapur, Mr. P. L. Safaya and Mr. Arvind Singh will retire at the forthcoming Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment. Brief particulars of Dr. Surinder Kapur, Mr. P. L. Safaya and Mr. Arvind Singh are given in a separate section in this Annual Report.

Means of Communication with Shareholders

Financial Results

The financial results of AIS are communicated to all the Stock Exchanges where the Company's equity shares are listed. The results are published in leading English dailies and in a regional newspaper.

The details of the publications of the financial results in the year under review are as under :

Description	Date
Unaudited financial results for the first quarter ended 30th June, 2006	29th July, 2006
Audited financial results for the second quarter and the half year ended 30th September, 2006	21st October, 2006
Unaudited financial results for the third quarter and the nine months ended 31st December, 2006	23rd January, 2007
Audited financial results for the fourth quarter and the year ended 31st March, 2007	29th May, 2007

Newsletter to Shareholders

The Company regularly sends its latest financial and operational results and other relevant information during the year to all its Shareholders through newsletter from the Managing Director & C.E.O.

Company's Website

The website of the Company, www.asahiindia.com is regularly updated with the latest financial results, corporate information and press releases issued by the Company from time to time.

Electronic Data Information Filing & Retrieval (EDIFAR)

All information, statements and reports, in such manner and format as required under Clause 51 of the Listing Agreement, are posted on the EDIFAR website, www.sebiedifar.nic.in within such time as specified by SEBI.

General Body Meetings

The details of the last three Annual General Meetings are as follows :

Financial Year	Time	Day and Date	Location of the meeting	Special Resolution(s) passed
2005-06	3.00 p.m.	Friday, 28th July, 2006	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi	No
2004-05	4.00 p.m.	Tuesday, 26th July, 2005	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi	Yes
2003-04	4.00 p.m.	Friday, 30th July, 2004	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi	No

Postal Ballot

During the year under review, a Postal Ballot was conducted pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for obtaining the consent of the Shareholders of the Company for the following Resolutions :

1. To increase the borrowing powers of the Board of Directors to Rs. 2,000 Crores (Rupees Two Thousand Crores) by way of an Ordinary Resolution and
2. To alter the Objects Clause in the Memorandum of Association of the Company by way of a Special Resolution.

The procedure of the Postal Ballot is given below :

A Postal Ballot Notice dated 22nd January, 2007 was sent to all the Shareholders along with Postal Ballot Form and the Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 seeking their assent / dissent to the proposed Resolutions.

The Board of Directors appointed Mr. V. K. Chaudhary, Company Secretary in Practice, as the Scrutiniser for conducting the Postal Ballot exercise.

Upon the receipt of the duly filled in Postal Ballot Forms and completion of the scrutiny thereof, the Scrutinizer submitted his report to the Chairman. The Chairman thereafter announced the results of the Postal Ballot on 27th March, 2007. A summary of the results is given below :

Particulars	No. of Postal Ballot Forms	No. of Shares	Percentage of Total Paid-up Equity Capital
Resolution No. 1 :			
Valid Postal Ballot Forms Received	844	8,32,64,627	52.06
- Assent	827	8,32,62,827 (99.998%)	52.06
- Dissent	17	1800 (0.002%)	0.001
Resolution No. 2 :			
Valid Postal Ballot Forms Received	855	8,32,64,627	52.06
- Assent	840	8,32,62,861 (99.998%)	52.06
- Dissent	15	1766 (0.002%)	0.001

Both the Resolutions were, accordingly, declared by the Chairman as passed by the requisite majority.

Compliance

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of the Listing Agreement.

Non-Mandatory Requirements

Maintenance of the Chairman's office

The Company has a Non-Executive Chairman and is maintaining the Chairman's office.

Remuneration Committee

All the requirements relating to Remuneration Committee have been complied with and the details are provided in this Annual Report.

Shareholders' Rights / Information

Information like financial results, press releases, analyst meet presentation, etc. are regularly displayed on the Company's website, www.asahiindia.com

General Shareholder Information

Annual General Meeting

Date	:	25th July, 2007
Time	:	03.30 p.m.
Venue	:	Air Force Auditorium, Subroto Park, New Delhi - 110 010

Financial Calendar

Financial year	:	1st April to 31st March
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For the year ended 31st March 2007, results were announced on:

First quarter	:	28th July, 2006
Second quarter	:	20th October, 2006
Third quarter	:	22nd January, 2007
Fourth quarter and annual	:	28th May, 2007

For the year ending 31st March 2008, results will be announced by:

First quarter	:	End July, 2007
Second quarter	:	End October, 2007
Third quarter	:	End January, 2008
Fourth quarter and annual	:	End April, 2008 / May 2008

Book Closure

The dates of book closure	:	21st July, 2007 to 25th July, 2007 (both days inclusive)
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Dividend	:	The Board of Directors at their meeting held on 28th May, 2007, recommended that the Interim Dividend of Re. 0.65 per equity share on 15,99,27,586 equity shares of Re.1/- each, declared and paid by the Company, be considered as final dividend for the financial year 2006-07.
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Listing	:	Bombay Stock Exchange Ltd. (BSE); National Stock Exchange of India Ltd. (NSE); and The Calcutta Stock Exchange Association Ltd. (being delisted voluntarily).
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Stock Codes

ISIN No.	:	INE439A01020
BSE Stock Code	:	515030
NSE Stock Code	:	ASAHIINDIA

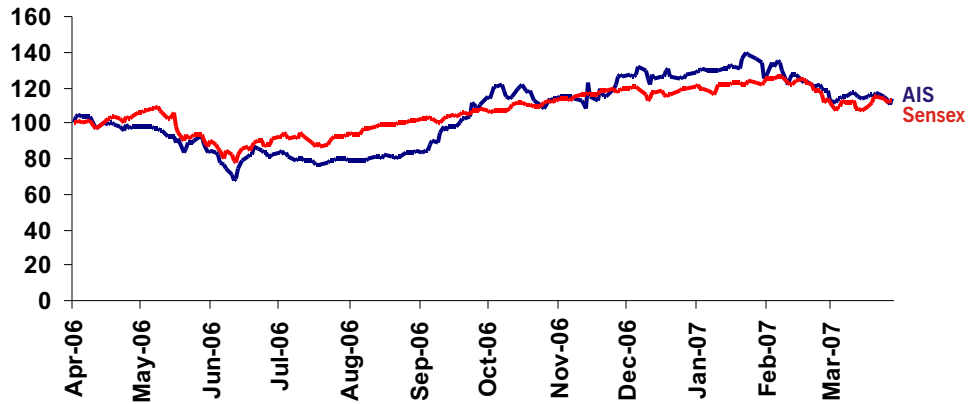
Listing Fees	:	The listing fee for the financial year 2007-08 has been paid to BSE and NSE.
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Shareholder's Issues	:	The Shareholders may send their queries to the e-mail address, investorrelations@aisglass.com , proactively managed by the Company, under the Investor Relations section of the website of the Company.
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Analysts	:	Analysts may schedule their conference calls and meetings with Mr. Rajesh Mukhija, Corporate Head - Legal, Investor Relations, Systems and Audit through the e-mail address, analysts@aisglass.com , under the Investor Relations section of the website of the Company.
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Stock Market Data

AIS's Share Performance versus BSE Sensex



Note: AIS share price and BSE sensex are indexed to 100 as on 1st April, 2006

Monthly high and low of share price of AIS for 2006-07 at BSE and NSE

Month	Bombay Stock Exchange		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-06	111.50	98.90	112.00	97.60
May-06	105.95	83.00	105.60	84.50
Jun-06	96.70	70.00	97.00	68.00
Jul-06	88.55	79.50	89.00	79.05
Aug-06	89.50	81.00	90.90	80.10
Sep-06	118.30	86.40	118.25	86.40
Oct-06	130.00	111.60	130.00	111.65
Nov-06	136.35	111.00	139.90	108.00
Dec-06	142.00	124.00	141.85	122.10
Jan-07	152.00	132.00	151.60	132.00
Feb-07	144.00	118.00	144.60	116.00
Mar-07	127.00	112.00	125.50	111.50

Source: www.bseindia.com, www.nseindia.com

Distribution of Shareholding as on 31st March, 2007

Categories	No. of Shareholders	Percentage	No. of shares held	Percentage
1 - 500	57,427	92.82	53,02,023	3.32
501 - 1000	1,298	2.10	10,34,665	0.65
1001 - 2000	944	1.53	15,57,747	0.97
2001 - 3000	320	0.52	8,33,252	0.52
3001 - 4000	510	0.82	19,28,069	1.21
4001 - 5000	131	0.21	6,09,200	0.38
5001 - 10000	719	1.16	54,91,118	3.43
10001 and above	520	0.84	14,31,71,512	89.52
Total	61,869	100.00	15,99,27,586	100.00

Shareholding pattern as on 31st March, 2007

Category	Total Holding	
	No. of shares	Percentage
a. Promoters' Holding		
1 Promoters		
Indian Promoters	4,80,78,008	30.06
Foreign Promoters	4,06,38,000	25.41
2 Persons Acting in Concert	Nil	Nil
Total	8,87,16,008	55.47
b. Non-Promoters' Holding		
3 Institutional Investors		
a. Mutual Funds and UTI	43,50,364	2.72
b. Banks, Financial Institutions, Insurance Companies(Central / State Gov. Institutions/Non-Government Institutions)	4,84,999	0.31
c. FIs	74,07,095	4.63
Total	1,22,42,458	7.66
4 Others		
a. Private Corporate Bodies	1,89,41,177	11.84
b. Indian Public	3,61,54,372	22.61
c. NRIs / OCBs	34,55,260	2.16
d. Any Other Directors & Relatives (not in control of the Company)	4,18,311	0.26
Total	5,89,69,120	36.87
Grand total	15,99,27,586	100

Dematerialisation of Shares

The shares of the Company are in the compulsory demat segment. As on 31st March, 2007, 8,61,05,417 equity shares, constituting about 54 percent of equity capital of the Company, were held in dematerialised form.

Outstanding GDRs / ADRs / Warrants / Options

The Company has not issued any GDRs or ADRs or Warrants or Convertible instruments.

Registrar and Share Transfer Agent

The Company has appointed Intime Spectrum Registry Limited as its Registrar and Share Transfer Agent (RTA). The RTA can be contacted at the following addresses :

Intime Spectrum Registry Limited (Mumbai)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078
Tel : 91-22-2594 6970
Fax: 91-22-2594 6969

Intime Spectrum Registry Limited (Delhi)
A-31, 3rd Floor
Naraina Indl. Area, Phase I,
New Delhi - 110 028
Tel : 91-11-41410592-94
Fax : 91-11-41410591

Communication

Communication regarding share transfer, change of address, dividend, etc. can be addressed to the RTA at the addresses given above. Shareholders' correspondence / communication is acknowledged and attended to within the stipulated time, as applicable.

Auditor's Certificate on Corporate Governance

To the Members of
Asahi India Glass Limited,

We have examined the compliance of conditions of Corporate Governance by Asahi India Glass Ltd. for the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company, as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Jagdish Sapra & Co.**
Chartered Accountants

Place : New Delhi
Dated: 28th May, 2007

Jagdish Sapra
Partner

Auditors' Report

To the Members,

ASAHI INDIA GLASS LIMITED

1. We have audited the attached Balance Sheet of Asahi India Glass Limited as at 31st March, 2007, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, 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 paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - a. We have obtained all the 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply 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, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes and Significant Accounting Policies thereon, and attached thereto give the 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 :
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii. In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **Jagdish Sapra & Co.**
Chartered Accountants

Jagdish Sapra
Partner
M. No. 9194

Place : New Delhi
Dated : 28th May, 2007

Annexure to the Auditor's Report

(Referred to in paragraph 3 of Auditors' Report of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Verification of fixed assets is being conducted in a phased programme by the management designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. No material discrepancies were noticed on such verification.
- c. The assets disposed off during the year are not significant and therefore do not affect the going concern status of the Company.
- ii. a. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the records of inventories, we are of the opinion that the Company has maintained proper records of inventory and the discrepancies noticed on such verification between physical stocks and book records were not material.
- iii. a. There are no companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted any loans, secured or unsecured, as per information and explanations given to us and register under section 301 of the Companies Act, 1956 produced before us.
- b. Since no loans were granted to parties covered in register under section 301, paras 4(iii) (b), (iii) (c) and (iii) (d) of the Order are not applicable to the Company.
- c. During the year the Company has not taken any loan secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 as per information and explanations given to us and register under section 301 produced before us.
- d. Since no loans were taken from parties covered in register under section 301, paras 4 (iii) (e), (iii) (f) and (iii) (g) of the Order are not applicable to Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. There is no sale of services during the year. During the course of our audit we have not come across any continuing failure to correct major weaknesses in internal control system.
- v. a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- vi. As the Company has not accepted any deposits from the public, paragraph 4 (vi) of the Order is not applicable.
- vii. In our opinion the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.

- viii. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company for manufacture of Automotive Glass pursuant to the Rules made by the Central Government for maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- ix. a. According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and other material statutory dues with the appropriate authorities during the year .

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax and Custom Duty were in arrears, as at 31st March, 2007 for a period of more than six months from the date they became payable.

- b. According to the books of account and records as produced and examined by us in accordance with the generally accepted auditing practices in India there are no dues of Sales Tax, Wealth Tax, Service Tax and Cess which have not been deposited on account of any dispute. The particulars of dues of Excise Duty, Income Tax, Custom Duty, Stamp duty and Gram Panchayat Tax as at 31st March, 2007 which have not been deposited on account of dispute are as follows :

Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Forum where the dispute is pending
The Central Excise Act	Excise Duty	312	Supreme Court of India /Custom & Central Excise Settlement Commission
Stamp Duty Act	Stamp Duty	24	Nala Ayukt, Garhwal Mandal, Pauri Camp, Dehradun
The Central Excise Act	Excise Duty	688	Joint/Assistant Commissioner Central Excise
The Custom Act, 1962	Custom Duty	1606	Deputy Commissioner of Customs
Income Tax Act	Income Tax	37	Commissioner of Income Tax (Appeals)
Gram Panchayat Act	Gram Panchayat Tax	13	Civil Judge

- x. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- xi. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings by way of debentures or from any financial institutions as defined in para 22 of the Order.
- xii. Based on our examination of documents and records of the Company and as per information and explanations given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion the Company is not a chit fund or nidhi/mutual benefit fund/society and hence clause (xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence clause (xiv) of the Order is not applicable to the Company.

- xv. According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that short term funds of Rs. 7933 Lakhs raised by the Company from banks have been used for long term investments in capital assets.
- xviii. According to the information and explanations given to us no preferential allotment of shares has been made by the Company to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us no debentures have been issued by the Company during the year.
- xx. Based on our examination of books and records of the Company, no public issue was made by the Company during the year.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have we been informed by the management of any such instance being noticed or reported during the year except that a sales representative has misappropriated funds to the tune of Rs. 37 Lakhs during the year. The sales representative against whom FIR has been filed is absconding.

For **Jagdish Sapra & Co.**
Chartered Accountants

Place : New Delhi
Dated : 28th May, 2007

Jagdish Sapra
Partner
M. No. 9194

Balance Sheet

Rs. Lakhs

	Schedule	As at 31st March, 2007	As at 31st March, 2006
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	2199	2199
b) Reserves and Surplus	2	26512	23490
		28711	25689
2. Loan Funds			
a) Secured Loans	3	94556	58456
b) Unsecured Loans	4	29418	28217
		123974	86673
3. Deferred Tax Liability (Schedule 14, Note 9)		2389	392
Total		155074	112754
APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		159738	91896
b) Less : Depreciation and Amortisation		49745	43264
c) Net Block		109993	48632
d) Capital Work-in-progress (Schedule 14, Note 11)		20218	48549
e) Impaired Assets held for disposal		97	130
		130308	97311
2. Investments	6	592	638
3. Current Assets, Loans and Advances			
Current Assets	7		
a) Inventories		24145	14972
b) Sundry Debtors		7036	3153
c) Cash and Bank Balances etc.		2401	808
d) Other Current Assets		1239	885
Loans and Advances	8	11999	8327
		46820	28145
Less : Current Liabilities and Provisions	9		
a) Liabilities		22319	12032
b) Provisions		327	1320
		22646	13352
Net Current Assets		24174	14793
4. Miscellaneous Expenditure (to the extent not written off or adjusted) (Schedule 14, Note 17)		-	12
Total		155074	112754

Significant Accounting Policies and Notes on Accounts 14

The Schedules referred to above form an integral part of the Balance Sheet

Per our report of even date

For **Jagdish Sapra & Co.**

Chartered Accountants

For and on behalf of the Board

Jagdish Sapra

Partner

M. No. 9194

B. M. Labroo

Chairman

Sanjay Labroo

Managing Director &
Chief Executive Officer

H . D. Daftary

Chief Financial
Officer

Meenu Juneja

Head-Legal &
Company Secretary

Place : New Delhi

Dated : 28th May, 2007

Place : Gurgaon

Dated : 28th May, 2007

Profit and Loss Account

Rs. Lakhs

	Schedule	Year ended 31st March, 2007	Year ended 31st March, 2006
INCOME			
Turnover and Inter Division Transfers		89708	70315
Less : Inter Division Transfers		1878	2032
Turnover		87830	68283
Less : Excise Duty		11646	9516
Net Turnover		76184	58767
Other Income	10	2263	365
		78447	59132
EXPENDITURE			
Materials and Manufacturing	11	43574	33457
Personnel	12	5563	4317
Selling, Administration and Others	13	16369	10373
Deferred Revenue Expenditure Written Off		12	12
		65518	48159
Profit Before Depreciation, Tax and Extra Ordinary Items		12929	10973
Less : Depreciation and Amortisation		6527	4638
Less : Depreciation Written Back		-	4008
Less/(Add) : Impairment Loss/Reversal		6	630
Less : Prior Period Adjustments		72	(38)
Profit Before Tax and Extra Ordinary Items		6324	10368
Less : Extra Ordinary Items		-	1244
Profit Before Tax		6324	9124
Less : Provision for Taxation			
- Current Tax		480	748
- Deferred Tax Liability		1997	392
- Fringe Benefit Tax		87	83
Add : MAT Credit Entitlement		474	726
Profit After Tax		4234	8627
Less : Income Tax Paid for earlier years		26	-
Add : Balance Brought Forward		6935	303
Profit Available for Appropriation		11143	8930
APPROPRIATIONS			
Interim Dividend on Equity Shares		1040	-
Proposed Dividend			
- Equity Shares		-	960
- Preference Shares *		-	-
Corporate Dividend Tax		146	135
General Reserve		421	900
Balance Carried to Balance Sheet		9536	6935
		11143	8930
* Rounded off to Nil			
Earnings Per Share - Basic and Diluted (Rs.)			
Before Extra Ordinary Items (Schedule 14, Note 16)		2.63	6.17
After Extra Ordinary Items (Schedule 14, Note 16)		2.63	5.39

Significant Accounting Policies and Notes on Accounts

14

The Schedules referred to above form an integral part of the Profit and Loss Account

Per our report of even date

For **Jagdish Sapra & Co.**

Chartered Accountants

For and on behalf of the Board

Jagdish Sapra

Partner

M. No. 9194

Place : New Delhi

Dated : 28th May, 2007

B. M. Labroo

Chairman

Place : Gurgaon

Dated : 28th May, 2007

Sanjay Labroo

Managing Director &

Chief Executive Officer

H . D. Daftary

Chief Financial

Officer

Meenu Juneja

Head-Legal &

Company Secretary

Schedules to the Accounts

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
500000000 Equity Shares of Re. 1 each	5000	5000
600000 Preference Shares of Rs. 100 each	600	600
9000000 Preference Shares of Rs. 10 each	900	900
	6500	6500
ISSUED, SUBSCRIBED AND PAID UP		
159927586 Equity Shares of Re. 1 each fully paid *	1599	1599
600000 0.01% Non-Cumulative Redeemable Preference Shares of Rs. 100 each fully paid **	600	600
	2199	2199

Notes :

* Of the above 135463793 Shares are allotted as fully paid bonus shares by capitalisation of General Reserve.

** The above shares are to be redeemed as follows :

Rs. 500 Lakhs to be redeemed on 23rd November, 2007.

Rs. 100 Lakhs to be redeemed on 26th March, 2008.

SCHEDULE 2 : RESERVES AND SURPLUS

AMALGAMATION RESERVE			
As per last Balance Sheet	637		637
CAPITAL RESERVE			
As per last Balance Sheet			
Central Investment Subsidy	15	15	
D. G. Set Subsidy	7	7	
Capital profit on reissue of forfeited shares	1	1	23
CAPITAL REDEMPTION RESERVE			
As per last Balance Sheet	795		795
GENERAL RESERVE			
As per last Balance Sheet	15100	15000	
Add : Transferred from Profit and Loss Account	421	900	
Less : Capitalised for issue of Bonus Shares	-	800	15100
Surplus in Profit and Loss Account	9536		6935
	26512		23490

Rs. Lakhs

	As at 31st March, 2007		As at 31st March, 2006	
SCHEDULE 3 : SECURED LOANS				
BANKS				
Working Capital	30447	64394	14758	
Foreign Currency Term Loans	33947		8925	
Rupee Term Loan	-		3500	27183
OTHERS				
Foreign Currency Term Loan	28262	30162	29006	
Loan from Distt. Industries Centre				
Government of Haryana (Interest Free)	1900		2267	31273
		94556		58456

NOTES :

- Working capital loans are secured by way of first charge on the current assets of the Company, both present and future.
- Foreign currency term loans from banks are secured by way of pari-passu charge on specified movable and immovable assets (Installed/yet to be installed) of the Company subject to prior charge created to secure working capital loans.
- Foreign currency term loan from Others is secured by way of pari-passu charge on movable and immovable assets of Float SBU plant at Roorkee.
- Loan from Distt. Industries Centre is secured by way of first charge by way of mortgage over immovable and movable assets of plant at Rewari.

SCHEDULE 4 : UNSECURED LOANS

Short Term Loans From Banks	8665	6918
Foreign Currency Loan (Interest Free)	20753	21299
	29418	28217

SCHEDULE 5 : FIXED ASSETS

Description	Gross Block			Depreciation/Amortisation				Net Block		
	As At 1st April, 2006	Additions	Deductions	As At 31st March, 2007	As At 1st April, 2006	For The Year	Adjustments	As At 31st March, 2007	As At 31st March, 2007	As At 31st March, 2006
Tangible Assets										
Freehold Land	2104	353	525	1932	-	-	-	-	1932	2104
Leasehold Land	1465	9	-	1474	162	15	-	177	1297	1303
Buildings	13000	15130	-	28130	2397	513	-	2910	25220	10603
Plant and Machinery	61710	46790	89	108411	34139	4951	68	39022	69389	27571
Electrical Installations and Fittings	7870	5359	-	13229	3688	522	-	4210	9019	4182
Furniture and Fixtures	609	123	-	732	268	65	-	333	399	341
Miscellaneous Assets	2299	368	7	2660	1010	198	3	1205	1455	1289
Vehicles	683	244	36	891	187	75	12	250	641	496
	89740	68376	657	157459	41851	6339	83	48107	109352	47889
Intangible Assets										
Computer Software	1011	118	-	1129	285	221	-	506	623	726
Licence Fee	1115	-	-	1115	1115	-	-	1115	-	-
E Mark Charges	30	5	-	35	13	4	-	17	18	17
	2156	123	-	2279	1413	225	-	1638	641	743
Total	91896	68499	657	159738	43264	6564	83	49745	109993	48632
Previous Year	78714	14105	923	91896	43106	4693	4535	43264	48632	

Capital Work In Progress (Including Capital Advances)

20218

48549

Impaired Assets Held For Disposal

97

130

Notes :

- Additions to fixed assets is net of Rs. 1713 Lakhs (inclusive of Rs. 194 Lakhs) being decrease/(Increase) in rupee liability in respect of fluctuations in foreign currency rates.
- Buildings include Rs. 115 Lakhs (Previous year Rs. 115 Lakhs) being cost of ownership flats and also include 30 shares (Previous year 30 Shares) of face value of Rs. 50 each received /to be received under the bye laws of the Co-operative Societies.
- Electrical Installations and fittings include Rs. 34 Lakhs (Previous year Nil) paid to State Electricity Board not represented by physical assets owned by the Company.

Rs. Lakhs

As at 31st March, 2007

As at 31st March, 2006

SCHEDULE 6 : INVESTMENTS

	QUOTED	UNQUOTED	QUOTED	UNQUOTED
A. LONG TERM - NON TRADE				
IN GOVERNMENT SECURITIES				
National Saving Certificates * **	-	-	-	-
In 5 Shares of Taloja CETP Co-operative Society Limited **	-	-	-	-
IN UNITS OF MUTUAL FUND				
Morgan Stanley Growth Fund Nil (150000) units of Rs. 10 each Sold during the year	-	-	15	-
IN EQUITY SHARES-FULLY PAID UP				
Samtel Color Limited Nil (41600) equity shares of Rs. 10 each Sold during the year	-	-	37	-
Jai Parabolic Limited 165000 (200000) equity shares of Rs. 10 each 35000 equity shares sold during the year	36	-	44	-
TRADE				
AIS Adhesives Limited (AIS Welkin Auto Glass Services Limited) 349965 equity shares of Rs. 10 each	-	35	-	35
Asahi India Map Auto Glass Limited 100000 equity shares of Rs. 10 each	-	192	-	192
Vincotte International India Assessment Services Pvt. Ltd. 33000 equity shares of Rs. 100 each	-	33	-	33
Subsidiary Company				
AIS Glass Solutions Limited 2960000 equity shares of Rs. 10 each	-	296	-	296
B. CURRENT INVESTMENTS IN UNITS OF MUTUAL FUNDS NON TRADE - QUOTED				
Purchased and Sold during the year 10000000 Nos. of Lotus India Liquid Fund - Institutional Plus Growth Purchased for Rs. 1000 Lakhs	-	-	-	-
	36	556	96	556
Total		592		652
Less : Diminution in value		-		14
		592		638

Aggregate value of quoted investments - Market value Rs. 59 Lakhs (Previous year Rs. 160 Lakhs).

* Pledged with Sales Tax Authorities.

** Rounded off to Nil.

Rs. Lakhs

As at 31st March, 2007

As at 31st March, 2006

SCHEDULE 7 : CURRENT ASSETS

Inventories*

(As taken, valued and certified by Management)

i) Stores and Spare parts		4690		2555
ii) Raw Materials		6234		6225
iii) Finished and Traded Goods		12281		5556
iv) Waste		32		35
v) Work in Process		908		601
		24145		14972

* Include in Transit Rs. 1059 Lakhs
(Previous year Rs. 1953 Lakhs).

Sundry Debtors

(Considered good except where provided for)

Secured

- Over Six Months	10		13	
- Others	367	377	-	13

Unsecured

- Over Six Months	334		649	
- Others	6395	6729	2782	3431

Considered Good

7036

Considered Doubtful

70

3153

291

Less : Provision for Doubtful debts

70

291

7036

3153

Cash and Bank Balances etc.

Cash in Hand (As certified)

23

16

Cheques in Hand/Remittances in Transit

1128

501

Balance with Post Office in Saving Account *

-

-

Balances with Scheduled Banks

- Current/Cash Credit Accounts

426

152

- Deposit Account

1

1

- Dividend Warrant Accounts

823

138

2401

808

Other Current Assets

(Unsecured and considered good)

Interest Accrued on Investments *

-

-

Deposits with Government and others

1239

885

1239

885

* Rounded off to Nil.

SCHEDULE 8 : LOANS AND ADVANCES

(Unsecured and considered good)

Loans (Including interest accrued)

63

141

Advances

Advances recoverable in cash or in kind

or for value to be received and/or adjusted

6617

3923

MAT Credit Recoverable

1200

726

Balance with Excise Authorities

4119

3537

11999

8327

Rs. Lakhs

As at 31st March, 2007

As at 31st March, 2006

SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS**CURRENT LIABILITIES**

Acceptances	95	56
Sundry Creditors		
- Dues to Small Scale Industrial Undertakings	83	22
- Others *	16974	8918
Advances from Customers	686	412
Unclaimed Dividend **	823	138
Other Liabilities	2449	2062
Subsidiary Company	158	-
Interest Accrued but not due on loans	1051	424
	22319	12032

PROVISIONS

Proposed Dividend on Preference Shares ***	-	-
Proposed Dividend on Equity Shares	-	960
Dividend Tax ***	-	135
Current Tax (Net of taxes paid)	40	56
Fringe Benefit Tax (Net of taxes paid)	-	1
Employee Benefits *	287	168
	327	1320

* Include Rs. 134 Lakhs due to Managing and other Directors (Previous year Rs. 4 Lakhs).

** There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

*** Rounded off to Nil.

Year ended 31st March, 2007

Year ended 31st March, 2006

SCHEDULE 10 : OTHER INCOME

Interest [Tax deducted at source Rs. 4 Lakhs (Previous year Rs. 5 Lakhs)]	23	30
Rent Received	2	2
Profit on Sale of Fixed Assets (Net) *	1186	11
Profit on Sale of Long Term Investments	60	-
Profit on Sale of Current Investments	1	7
Exchange Rate Fluctuations (Net)	748	-
Liabilities and Provisions Written Back	124	215
Dividend on Long Term Investments - Non Trade (Gross)	8	4
Miscellaneous	111	96
	2263	365

* Include profit on sale of land Rs. 1193 Lakhs (Previous year Nil).

Rs. Lakhs

Year ended 31st March, 2007

Year ended 31st March, 2006

SCHEDULE 11 : MATERIALS AND MANUFACTURING

RAW MATERIALS CONSUMED

Opening Stock	6225		3810	
Add : Purchases	28076		20992	
	34301		24802	
Less : Sales/Trial Run	922		114	
Closing Stock	6234	27145	6225	18463
Excise Duty on Increase in Finished Goods Stock		57		266
Purchases of Finished Goods		573		953

MANUFACTURING EXPENSES

Power, Fuel, Water and Utilities		14159		8484
Stores and Spares etc. consumed		4944		3525
Miscellaneous Expenses		881		853

REPAIRS AND MAINTENANCE

- Plant and Machinery	2062		1782	
- Building	264	2326	198	1980
Less : Increase in Stocks				
Opening Stock				
- Finished and Traded Goods	5556		4321	
- Work in Process	601		734	
- Waste	35		70	
	6192		5125	
Closing Stock				
- Finished and Traded Goods	11763		5556	
- Work in Process	908		601	
- Waste	32		35	
	12703	(6511)	6192	(1067)
		43574		33457

SCHEDULE 12 : PERSONNEL

Salaries, Wages, Allowances and Bonus	4190	3211
Recruitment and Training Expenses	85	83
Welfare Expenses	963	756
Contribution to Provident and Other Funds	325	267
	5563	4317

Rs. Lakhs

	Year ended 31st March, 2007	Year ended 31st March, 2006
SCHEDULE 13 : SELLING, ADMINISTRATION AND OTHERS		
Advertisement	336	686
Packing and Forwarding	6148	4307
Commission Paid	613	343
Royalty	746	514
Cash Discount	381	429
Interest		
- On Fixed Loans	986	909
- Others	2559	174
Bank Charges	238	101
Travelling and Conveyance	651	468
Rent	308	254
Rates and Taxes	166	141
Insurance	380	205
Auditors Remuneration	22	19
Repairs and Maintenance-Others	188	139
Miscellaneous Expenses *	2558	1430
Exchange Rate Fluctuations	-	189
Director's Sitting Fee	6	8
Bad and Doubtful Debts	75	57
Commission to Non Working Directors	8	-
	16369	10373

* Include Rs. 15 Lakhs (Previous year Nil) paid to Regional Nationalist Congress Party as donation.

SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies

a. Basis of preparation of Financial Statements

- The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
- Financial Statements are based on historical cost and are prepared on accrual basis.

b. Fixed Assets

- Fixed Assets are stated at original cost less accumulated depreciation. Cost includes invoice price and wherever applicable freight, duties and taxes, related interest on specific borrowings upto the date of acquisition/installation and expenses incidental to acquisition and installation but exclude recoveries. Intangible assets are stated at cost less accumulated amount of amortisation.
- Capital work in progress includes expenditure during construction period incurred on projects under implementation treated as Pre-operative expenses pending allocation to the assets. These expenses are apportioned to fixed assets on commencement of commercial production.

c. Depreciation/Amortisation

Tangible Assets

- Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates and in the manner provided in Schedule XIV of the Companies Act, 1956.
- Leasehold land is depreciated over the period of lease.

- iii. Assets costing upto Rs. 5000/- each are depreciated fully in the year of purchase.
- iv. Fixed assets not represented by physical assets owned by the Company are amortised over a period of five years.

Intangible Assets

The depreciable amount of intangible asset is allocated over its useful life. Computer Software and E-mark charges are amortised over a period of five years proportionately when such assets are available for use.

d. Inventories

Inventories are valued at lower of cost or net realisable value except waste which is valued at estimated realisable value as certified by the Management. The basis of determining cost for various categories of inventories are as follows :

Stores, spare parts and raw material	Weighted average cost (except stores segregated for specific purposes and in transit valued at their specific costs).
Work in process and finished goods	Material cost plus proper share of production overheads and excise duty wherever applicable.
Traded Goods	First In First Out Method based on actual cost.

e. Revenue Recognition

Domestic and export sales are recognised when goods are dispatched from the factory and port respectively in accordance with the terms of sale. Sales are recorded net of rebate, trade discounts, sales tax, returns and transit insurance claims short received but include outward freight as per sale invoices. Interest and other income is accounted for on accrual basis.

f. Retirement Benefits

The Company's contribution to Provident Fund and Family Pension Fund is charged to the Profit and Loss Account. The Company had schemes of Superannuation Fund and Gratuity Fund towards retirement benefits but the scheme of Superannuation Fund for retirement benefit for Auto SBU was discontinued last year. The Gratuity Fund Benefits are administrated by a trust and through the Group schemes of the Life Insurance Corporation of India/HDFC Standard Life Insurance. The liability for gratuity at the end of each financial year is determined on the basis of actuarial valuation carried out by the Insurer's actuary as confirmed to the Company. Company's contributions are charged to Profit and Loss Account. Provision for leave encashment benefit on retirement is made on the basis of actuarial valuation at the year end.

g. Government Grants

Central Investment Subsidy is treated as Capital Reserve. Export incentives are credited to Profit and Loss Account.

h. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions.

Current assets, current liabilities and loans denominated in foreign currencies and outstanding at year end are translated at the rates prevailing on the date of the Balance Sheet and resultant exchange loss/gain and also the realised exchange loss/gain are dealt in Profit and Loss Account. However, the exchange loss/gain on liabilities incurred and foreign currency loans utilised for acquisition of fixed assets is adjusted to the carrying cost of fixed assets.

Where forward contracts are entered into, the difference between the forward rate and exchange rate on the date of transaction is recognised as income/expense over the life of the contract. Profit/Loss on cancellation or renewal of forward contracts is recognised as income/expense for the period.

i. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

j. Miscellaneous Expenditure

Expenses incurred on amalgamation before 1st April, 2003 including filing fees paid for increase in authorised capital are considered as deferred revenue expenditure and written off over a period of five years.

k. Investments

Investments are classified into current and long term investments. Long term investments are stated at cost. However, diminution in value other than temporary is provided. The reduction in carrying amount is reversed when there is a rise in the value of investments or if the reasons for the reduction no longer exist. Current investments are stated at lower of cost or fair value.

l. Taxation

Provision for current tax, fringe benefit tax and wealth tax is made based on the liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty and convincing evidence that there will be sufficient future taxable income available to realise such assets.

m. Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made.

Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

A contingent liability is disclosed after a careful evaluation of the facts and legal aspects of the matter involved where the possibility of an outflow of resources embodying the economic benefits is remote.

n. Prior Period Items

Income and Expenses which arise in the current year as a result of errors or omissions in the preparation of financial statements of one or more prior periods are shown as Prior Period Adjustments.

o. Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment of assets. If any such indication exists, impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts. In case there is any indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, the recoverable value is reassessed and the reversal of impairment loss is recognised as income in the Profit and Loss Account.

Notes on Accounts

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 4502 Lakhs (Rs. 14181 Lakhs) (net of advances).

3. Contingent Liabilities for :

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
a. Bank guarantees and letters of credit outstanding	4375	7793
b. Claims against the Company not acknowledged as debts (excluding interest and penalty which may be payable on such claims)		
i. Disputed excise and custom duty (including referred in Note No. 8)	2607	5111
ii. Disputed income tax demands	37	53
iii. Others	37	103

4. Payment to Auditors :

Rs. Lakhs

	2006-07	2005-06
a. Statutory Audit	18	15
b. Limited review of quarterly results	3	2
c. Out of pocket expenses	2	3

5. Some of the Loans given, Current Liabilities, Sundry Debtors and Advances are subject to confirmation/reconciliation.

6. Prior period adjustments consist of :

Rs. Lakhs

	2006-07	2005-06
a. Freight outwards	23	-
b. Excise duty	23	-
c. Other expenses of earlier years	51	15
d. Income of earlier years	(25)	(2)
	72	13

7. Purchases of raw materials during the year are net of quality claims against the suppliers including claims of Rs. 503 Lakhs (Rs. 672 Lakhs) yet to be settled. Adjustment for difference, if any, will be made in accounts on finalisation of the claims.

8. a. In a previous year, in Auto SBU of the Company, Custom and Central Excise Settlement Commission settled Excise Duty Liability at Rs. 368 Lakhs (excluding interest) out of which the Company had accepted liability of Rs. 56 Lakhs and paid the same alongwith interest of Rs. 20 Lakhs. The matter was decided in favour of the Company by the High court of Delhi against which SLP of the Excise Department has been accepted by the Supreme Court of India.
- b. Deputy Commissioner of Customs (Original Authority) in a previous year issued an order imposing additional custom duty of about Rs. 1606 Lakhs (Rs. 1606 Lakhs) on the value of project imports made by erstwhile Floatglass India Ltd. (amalgamated with the Company with effect from 1st April, 2002). On appeal by the Company, Commissioner Customs (Appeals) set aside the above order on 25th November, 2002 against which the Commissioner of Customs filed an appeal before the Customs Excise and Service Tax Appellate Tribunal. In a previous year the matter was remanded back to the Original Authority for fresh decision. The liability, if any, will be accounted on final decision by Original Authority.

9. Detail of Deferred Tax Assets/(Liability) arising on account of timing differences are as follows :

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
Deferred Tax Assets/(Liabilities)		
Unabsorbed depreciation/carried forward of losses under Tax Laws	7866	5845
Difference between book depreciation and depreciation under the Income Tax Rules	(10316)	(6407)
Expenses allowed for tax purpose on payment basis	28	61
Provision for doubtful debts and advances	24	98
Others	9	11
	(2389)	(392)

10. Interest of Rs. 3254 Lakhs (Rs. 1261 Lakhs) on borrowings for fixed assets for expansion/new projects is capitalised till the date such assets are put to use for commercial production.

11. Capital work in progress comprises of the following :

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
Building under construction	3949	12121
Machinery under erection	11951	23715
Electrical installations under erection	821	1275
Loan processing charges	-	2570
Capital advances	2287	6062
Preoperative expenses	1189	2806
Others	21	-
	20218	48549

12 . a. Computation of net profit for the year ended 31st March, 2007 under Section 349 of Companies Act, 1956 :

Rs. Lakhs

	2006-07
Net profit as per Profit and Loss Account	6324
Add: Depreciation	6527
Director's Remuneration including commission	261
Director's Sitting Fee	6
Impairment Loss	6
	13124
Less: Depreciation chargeable under section 350	6527
Profit on sale of Fixed Assets	1186
Profit on sale of Investments	61
Profit under section 198 of the Companies Act, 1956	5350
Commission payable to Managing Director and whole time working Directors	120
Commission payable to non working directors	8

As no commission was due to be paid to Managing and other directors, computation of net profit and relevant figures as at 31st March, 2006 are not given.

b. Managerial Remuneration under section 198 of the Companies Act, 1956 :

Rs. Lakhs

	2006-07	2005-06
Salaries and Allowances *	98	83
Commission on Profits	128	-
Perquisites (Actual and/or valued as per Income Tax Rules)	29	32
Contribution to Provident Fund	6	3
	261 **	118

* Includes foreign allowance of Rs. 5 Lakhs (Nil) to a Technical Director which is subject to approval of shareholders at Annual General Meeting.

** Includes Rs. 29 Lakhs (Rs. 15 Lakhs) capitalised to new projects. The above remuneration does not include contribution to gratuity fund as this contribution is a lump sum amount based on actuarial valuation.

13. Pursuant to Accounting Standard (AS)-29 Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2007 is as follows :

Rs. Lakhs

	Provision for excise duty	Provision for bad and doubtful debts	Provision for leave encashment
Opening balance	969	291	74
Additions	1026	70	5
Utilisation	969	291	-
Reversals	-	-	-
Closing balance	1026	70	79

Provision for leave encashment is based on actuarial valuation.

Provision for doubtful debts is made based on the management's estimate.

14. Loans and advances (Schedule 8) include amounts due from :

Rs. Lakhs

	Maximum Balance	As at 31st March, 07
i. An officer of the Company	14 (2)	14 (1)
ii. Private Limited Company in which the Managing Director of the Company is interested as Director	18 (18)	18 (18)

15. List of Small Scale Industries to whom the Company owes any sum which is outstanding for more than 30 days as at 31st March, 2007 :

A. P. Industries, NPI Packagings (P) Ltd., S. S. Engineering Works, Yadav Plastics, Micro Heating Industries, Polyrub Extrusions India, Wonder Polymers (Pvt.) Ltd., Chempharm Industries (India) Ltd., Bharat Fritz Werner Ltd., Consolidated Hoists Pvt. Ltd., Grip Engineers Pvt. Ltd., Oil & Gas Plant Engineers (India) Pvt. Ltd., Panchi Industrial Services, Resonance International Inc., Shalcot Mechanique Pvt. Ltd., Geeken Seating Collection Pvt. Ltd., Gulati Industrial Fabrication Pvt. Ltd.

The above information and the amount given in Current Liabilities (Schedule 9) regarding Small Scale Industrial Undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company.

16. Earnings Per Share (EPS) :

Rs. Lakhs

	2006-07	2005-06
a. Profit after tax and before extra ordinary items as per Profit and Loss Account	4234	9871
Less : Income Tax Paid for Earlier Years	26	-
Less : Preference Dividend Including Tax thereon *	-	-
Profit Attributable to Equity Shareholders - (A)	4208	9871
Basic/Weighted average number of Equity Shares outstanding - (B)	159927586	159927586
Nominal Value of Equity Shares - (Re.)	1/- each	1/- each
Basic/Diluted Earnings Per Share (Rs.) - (A)/(B)	2.63	6.17
b. Profit after tax and after extra ordinary items Attributable to Equity Shareholders	4208	8627
Basic/Diluted Earnings Per Share (Rs.)	2.63	5.39

* Rounded off to Nil.

17. Details of Miscellaneous Expenditure are as follows :

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
Deferred Revenue Expenditure		
As per Last Balance Sheet	12	24
Written off during the year	12	12
	-	12

18. Related Party Disclosures under Accounting Standard (AS)-18 :

a. List of Related Parties :

- Subsidiary : AIS Glass Solutions Ltd.
- Associates : AIS Adhesives Ltd., Asahi India Map Auto Glass Ltd., Vincotte International India Assessment Services (P) Ltd.
- Enterprises owned or significantly influenced by Key Management Personnel or their relatives : Shield Autoglass Ltd., Samir Paging Systems Ltd., R. S. Estates (P) Ltd., Nishi Electronics (P) Ltd., Maltex Malsters Ltd., Essel Marketing (P) Ltd., Allied Fincap Services Ltd., Usha Memorial Trust, ACMA, Krishna Maruti Ltd.
- Key Management Personnel and their relatives : Directors - Mr. B. M. Labroo, Mr. Sanjay Labroo, Mr. P. L. Safaya, Mr. K. Kojima, Mr. Arvind Singh
Relatives : Mrs. Kanta Labroo, Mrs. Rajni Safaya, Mrs. Vimi Singh
- Other related parties where control exists : Asahi Glass Co. Limited, Japan and its subsidiaries, AGC Flat Glass Asia Pacific Pte. Ltd., Asahi Glass Machinery Co. Ltd., Asahi Glass Phillipines, Inc., Glavermas Pte Ltd., Glavermas Mirrors Pte Ltd., Glaverbel S. A., Asahi Glass Ceremics Co. Ltd., P. T. Asahimas Flat Glass Tbk Indonesia, AGC Automotive Thailand Co. Ltd.

b. Transactions with Related Parties :

Rs. Lakhs

Nature of Transaction	Subsidiary		Associate		Enterprise owned or significantly influenced by Key Management Personnel		Key Management Personnel and their relatives		Other	
	Volume of Transactions for the year ended		Volume of Transactions for the year ended		Volume of Transactions for the year ended		Volume of Transactions for the year ended		Volume of Transactions for the year ended	
	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06
1. Expenses										
- Purchase of materials	-	-	-	-	-	-	-	-	1530	3180
- Purchase of traded goods	-	-	-	-	-	-	-	-	358	638
- Business promotion expenses	-	-	-	-	29	29	-	-	-	-
- Remuneration to directors	-	-	-	-	-	-	As per Note No. 12 above		-	-
- Directors sitting fee	-	-	-	-	-	-	1	1	-	-
- Rent paid	-	-	-	-	18	18	14	11	-	-
- Fee for technical and consultancy services	-	-	-	-	-	-	-	-	152	1694
- Donation	-	-	-	-	1	1	-	-	-	-
- Training expenses	-	-	-	-	1	-	-	-	-	-
- Repairs and Maintenance	-	-	-	-	-	-	-	-	21	33
- Miscellaneous Expenses	-	-	-	-	-	-	-	-	-	34
- Royalty	-	-	-	-	-	-	-	-	746	513
- Dividend	-	-	-	-	-	-	-	-	444	267
- Membership and Subscription	-	-	-	-	1	1	-	-	-	-
- Commission	33	38	-	-	-	-	-	-	-	-
- Interest on Advance	10	-	-	-	-	-	-	-	-	-
2. Income										
- Sale of goods	1717	707	1883	1013	-	-	-	-	-	-
- Sale of fixed assets	-	-	-	-	-	-	-	59	-	-
- Interest/ Commission received	-	-	-	-	-	-	-	-	-	9
3. Purchases of Capital Goods	-	-	-	-	-	-	-	-	7431	13339
4. Advance Received	158	-	-	-	-	-	-	-	-	-
5. Investment in Equity Shares	-	41	-	33	-	-	-	-	-	-
6. Advances Given	-	5	-	-	-	-	-	-	-	-
7. Balance as on	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06
- Loans and advances	-	2	-	-	18	18	10	10	2583	1437
- Creditors	158	-	-	-	3	-	134	-	3712	623
- Debtors	291	200	356	237	-	1	-	-	-	-
- Foreign Currency Loan	-	-	-	-	-	-	-	-	20753	21299

Note : Related party relationship is as identified by the Company on the basis of available information and accepted by the Auditors as correct.

19. Segment Information :

Rs. Lakhs

a. Information about Primary Business Segments

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Segment revenue					
External	44304	28611	4254		77169
	(36868)	(21235)	(977)		(59080)
Inter segment sales (Net of excise duty)	142	1447	9	(1598)	-
	(190)	(1555)	(7)	(-1752)	-
Other income			1278		1278
			(52)		(52)
Total revenue	44446	30058	5541	(1598)	78447
	(37058)	(22790)	(1036)	(-1752)	(59132)
Segment result	6555	2200	(164)		8591
	(10113)	(817)	(-775)		(10155)
Unallocated Income (net of expenses)			1255		1255
			(22)		(22)
Operating profit	6555	2200	1091		9846
	(10113)	(817)	(-753)		(10177)
Interest expense			3545		3545
			(1083)		(1083)
Interest income			23		23
			(30)		(30)
Income taxes - Current			480		480
			(748)		(748)
- Deferred			1997		1997
			(392)		(392)
- Fringe Benefit Tax			87		87
			(83)		(83)
- MAT Credit			(474)		(474)
			(-726)		(-726)
Taxes paid for earlier years			26		26
			(Nil)		(Nil)
Net profit	6555	2200	(4547)		4208
	(10113)	(817)	(-2303)		(8627)
Other information					
Segment assets	57227	104765	15728		177720
	(45582)	(70905)	(9619)		(126106)
Total assets	57227	104765	15728		177720
	(45582)	(70905)	(9619)		(126106)
Segment liabilities	8430	10256	3960		22646
	(5045)	(5639)	(2668)		(13352)
Share capital and reserves			28711		28711
			(25689)		(25689)
Secured and unsecured loans			123974		123974
			(86673)		(86673)
Deferred Tax Liability			2389		2389
			(392)		(392)
Total liabilities	8430	10256	159034		177720
	(5045)	(5639)	(115422)		(126106)

Rs. Lakhs

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Capital expenditure	12387	22342	5439		40168
	(9723)	(36464)	(4022)		(50209)
Depreciation/Amortisation	3253	2846	428		6527
	(2488)	(1928)	(222)		(4638)
Depreciation/Amortisation (Written Back)	-	-	-		-
	(4008)	(Nil)	(Nil)		(4008)
Non cash expenses other than depreciation/amortisation	12	-	-		12
	(12)	(Nil)	(Nil)		(12)

b. Information about Secondary Business Segments

Particulars	India	Outside India	Total
Revenue by Geographical Market External	75618	4427	80045
	(60019)	(865)	(60884)
Less : Inter segment sales (Net of excise duty)	1598		1598
	(1752)		(1752)
	74020	4427	78447
	(58267)	(865)	(59132)

- For management purposes, the Company is organised into two major operating divisions - Automotive Glass and Float Glass. These divisions are the basis on which the Company reports its primary segment information.
- All segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist primarily of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include investments, inter corporate deposits, miscellaneous expenditure, current income tax and deferred tax.
- Segment revenues and segment results include transfers between business segments. Inter segment sales to Automotive Glass Division are accounted for at cost of production plus 10%. These transfers are eliminated on consolidation.
- Joint expenses are allocated to business segments on a reasonable basis. All other revenues and expenses are directly attributable to the segments. They do not include interest income on inter corporate deposit and interest.

20. The information as required by para 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 :**a. Particulars of Installed Capacity (as certified by the management on which auditors have placed reliance) and Production :**

PRODUCT	UNIT	INSTALLED CAPACITY	ACTUAL PRODUCTION
Toughened Glass	Sq. Mts.	3920000	3448074
		(3200000)	(2937861)
Laminated Glass	Nos.	2270000	2002137
		(1860000)	(1579721)
Float Glass	Conv. Sq. Mts.	73720000	38999031
		(29200000)	(24422779)
Architectural Glass	Sq. Mts.	900000	361429
		(900000)	(110537)

- Notes :**
- As per the Industrial Policy no licence are required for the products manufactured by the Company.
 - Installed capacities are on annual basis.
 - Production includes captive consumption.

b. Sales, Purchases, Opening Stock, and Closing Stock :

Rs. Lakhs

Product	Unit	Sale		Purchases		Opening Stock		Closing Stock	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Toughened Glass	Sq. Mtr.	* 3365457	21253	Nil	Nil	105811	581	179727	958
		(2889022)	(17542)	(Nil)	(Nil)	(78908)	(451)	(105811)	(581)
Laminated Glass	Nos.	** 1962057	22494	Nil	Nil	54241	611	81725	885
		(1561002)	(19188)	(Nil)	(Nil)	(40710)	(464)	(54241)	(611)
Float Glass	Conv. Sq. Mtr.	**** 29790185	26875	Nil	Nil	5582931	3819	12702793	10097
		(21469713)	(20130)	(Nil)	(Nil)	(4968182)	(3250)	(5582931)	(3819)
Architectural Glass	Sq. Mtr.	353099	4166	Nil	Nil	3412	49	11742	130
		(107125)	(977)	(Nil)	(Nil)	(Nil)	(Nil)	(3412)	(49)
Traded Goods	Conv. Sq. Mtr.	***446390	870	386210	573	264186	496	202479	211
		(396510)	(532)	(586552)	(953)	(83352)	(156)	(264186)	(496)
Miscellaneous			526						
			(398)						

* Excluding 8701(21936) Sq. Mtr. , **12596(5188) Nos. and *** 1527 (9208) Conv. Sq. Mtr. destroyed/broken.

**** Net of inter-unit transfer 2088984 (2338317) Conv. Sq. Mtr.

c. Raw Materials Consumed :

Rs. Lakhs

	Unit	Quantity	Value
Float Glass	Sq. Mtr.	9876612	14634
		(6671982)	(10230)
PVB Films	Sq. Mtr.	2175072	4557
		(1655172)	(3517)
Soda Ash	M. T.	37054	4026
		(22151)	(2125)
Others			3928
			(2591)

d. Value of raw materials, Spare parts and components consumed :

Rs. Lakhs

	Amount	Amount	Percentage
i. Raw Materials			
- Imported	17976	(11434)	66.22 (61.93)
- Indigenous	9169	(7029)	33.78 (38.07)
ii. Stores and spare parts			
- Imported	1190	(961)	24.07 (27.26)
- Indigenous	3754	(2564)	75.93 (72.74)

e. CIF value of Imports :

Rs. Lakhs

	Amount	Amount
i. Raw Materials	13820	(13280)
ii. Stores and Spares Parts etc.	2385	(1476)
iii. Capital Goods (excluding stores included in (ii) above)	18030	(20459)
iv. Traded Goods	563	(699)
v. Others	24	(40)

f. Expenditure in Foreign Currency :

Rs. Lakhs

	Amount	Amount
i. Instalments towards foreign currency loans	-	(86)
ii. Interest on foreign currency loans	2505	(515)
iii. Royalty (Net of Taxes)	618	(410)
iv. Professional charges	2416	(1794)
v. Others	377	(116)

g. Remittances in Foreign Currencies on account of dividends (net of tax) :

Particulars	Financial Year	On account of	No. of shares held	No. of Non-resident shareholders	Amount Rs. Lakhs
Interim dividend on Equity Shares	2006-2007	2006-2007	40966129	19	266
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Final dividend on Equity Shares	2006-2007	2005-2006	43615237	18	262
	(2005-2006)	(2004-2005)	(21627658)	(21)	(324)
Final dividend on Preference Shares	2006-2007	2005-2006	600000	1	*
	(2005-2006)	(2004-2005)	(600000)	(1)	(*)

* Rounded off to Nil.

h. Earnings in Foreign Exchange :

Rs. Lakhs

	Amount	Amount
F.O.B. value of Exports (excluding paid samples)	3912	(831)
Interest and Commission Received	4	(9)

21. Previous year's figures have been regrouped/rearranged, wherever found necessary. Figures in brackets above are in respect of previous year.

22. Figures have been rounded off to Rs. Lakhs upto two decimal points.

Per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants

For and on behalf of the Board

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

H. D. Daftary
Chief Financial
Officer

Meenu Juneja
Head-Legal &
Company Secretary

Place : New Delhi
Dated : 28th May, 2007

Place : Gurgaon
Dated : 28th May, 2007

Cash Flow Statement

Rs. Lakhs

	2006-07		2005-06	
	Amount	Amount	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items	6396		10381	
Adjustment for :				
Depreciation and Amortisation of Intangible Assets	6527		630	
Impairment Loss provided/(Reversed)	6		(38)	
(Profit)/Loss on sale of fixed assets and assets discarded (Net)	(1186)		(11)	
(Profit)/Loss on sale of Long Term Investments	(60)		-	
(Profit)/Loss on sale of Current Investments	(1)		(7)	
Deferred revenue expenditure written off	12		12	
Diminution in the value of long term investments	-		14	
Extra ordinary items	-		(1244)	
Interest paid	3545		1083	
Interest received	(23)		(30)	
Dividend received	(8)		(4)	
Operating Profit before working capital changes	15208		10786	
Adjustment for :				
Trade and other receivables	(7435)		586	
Inventories	(9173)		(3288)	
Trade payable	9704		2682	
Cash generated from operations	8304		10766	
Interest paid	(3545)		(1083)	
Direct taxes paid	(593)		(831)	
Cash flow before prior period items	4166		8852	
Prior Period items	(72)		(13)	
Net cash from operating activities		4094		8839
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets, including capital work in progress	(40104)		(50155)	
Sale of fixed assets	1760		407	
Purchase of Investments	-		(74)	
Sale of investments	46		-	
(Profit)/Loss on sale of Long Term Investments	60		-	
(Profit)/Loss on sale of Current Investments	1		7	
Dividend received on investments	8		4	
Interest received	23		30	
Net cash used in investing activities		(38206)		(49781)

Rs. Lakhs

	2006-07		2005-06	
	Amount	Amount	Amount	Amount
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of long term borrowings	19864		41769	
Payment of long term borrowings	-		(85)	
Net proceeds of short term borrowings	17436		483	
Dividend and dividend tax paid	(2281)		(1368)	
Net cash used in financing activities		35019		40799
Net increase/(decrease) in Cash and Cash Equivalent (A+B+C)		907		(143)
Cash and Cash Equivalent as at 1st April, 2006 (Opening balance)	671		814	
Cash and Cash Equivalent as at 31st March, 2007 (Closing balance)	1578		671	

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Figures in brackets represent outflows.
- Previous year figures have been restated wherever necessary.

Per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants

For and on behalf of the Board

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

H . D. Daftary
Chief Financial
Officer

Meenu Juneja
Head-Legal &
Company Secretary

Place : New Delhi
Dated : 28th May, 2007

Place : Gurgaon
Dated : 28th May, 2007

Balance Sheet Abstract and Company's General Business Profile

As per schedule vi, part (iv) of the Companies Act, 1956

I. Registration Details

Registration No. 1 9 5 4 2

State Code 5 5

Balance Sheet Date 3 1 0 3 2 0 0 7

II. Capital Raised during the year (Amount Rs. Lakhs)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount Rs. Lakhs)

Total Liabilities

1 7 7 7 2 0

Total Assets

1 7 7 7 2 0

Sources of Funds

Paid up Capital

2 1 9 9

Reserves and Surplus

2 6 5 1 2

Secured Loans

9 4 5 5 6

Unsecured Loans

2 9 4 1 8

Deferred Tax Liabilities

2 3 8 9

Application of Funds

Net Fixed Assets

1 3 0 3 0 8

Investments

5 9 2

Net Current Assets

2 4 1 7 4

Miscellaneous Expenditure

N I L

Accumulated Losses

N I L

IV. Performance of Company (Amount Rs. Lakhs)

Total Income

7 8 4 4 7

Total Expenditure

7 2 1 2 3

Profit before tax

6 3 2 4

Profit after tax

4 2 3 4

Earning per Share in Rs.

2 . 6 3

Dividend @ %

6 5

V. Generic Names of Three Principal Products/Services of Company

- 1) Toughened (Tempered) Safety Glass
- 2) a. Laminated Safety Glass
b. Laminated Architectural Safety Glass
- 3) Float Glass - Clear
- 4) Float Glass - Tinted

Ch. H. No. 7004-10

Ch. H. No. 7004-20 Glass (Flat)

7005-10

7005-21

For and on behalf of the Board

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

H. D. Daftary
Chief Financial
Officer

Meenu Juneja
Head-Legal &
Company Secretary

Place : Gurgaon
Dated : 28th May, 2007

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

Name of Subsidiary Company	AIS Glass Solutions Ltd.
1. Financial year ending of the Subsidiary	31st March, 2007
2. Shares of subsidiary held by Asahi India Glass Ltd. on the above date	
a. Number and Face Value	2960000 (2960000) Equity Shares of Rs. 10 each fully paid up
b. Extent of holding	76.21% (77.89%)
3. Net aggregate amount of profit/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of Asahi India Glass Ltd.	
a. dealt with in the accounts of Asahi India Glass Ltd. Profit/(Loss) for the year ended 31st March, 2007	Rs. 78 Lakhs (Rs. - 44 Lakhs)
b. not dealt with in the accounts of Asahi India Glass Ltd. Profit/(Loss) for the year ended 31st March, 2007	Rs. 23 Lakhs (Rs. - 3 Lakhs)
4. Net aggregate amount of the profit/(losses) for previous financial years of the subsidiary since it became subsidiary so far as they concern members of Asahi India Glass Ltd.	
a. dealt with in the accounts of Asahi India Glass Ltd.	Rs. - 159 Lakhs (Rs. - 115 Lakhs)
b. not dealt with in the accounts of Asahi India Glass Ltd.	Rs. - 3 Lakhs (Nil)

For and on behalf of the Board

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

H . D. Daftary
Chief Financial
Officer

Meenu Juneja
Head-Legal &
Company Secretary

Place : Gurgaon
Dated : 28th May, 2007

Consolidated Auditors' Report

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ASAHI INDIA GLASS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASAHI INDIA GLASS LIMITED AND ITS SUBSIDIARY

1. We have examined the attached Consolidated Balance Sheet of Asahi India Glass Limited (The Company) and its subsidiary as at 31st March, 2007, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date.

2. These consolidated financial statements are the responsibility of the management of Asahi India Glass Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 328 Lakhs as at 31st March, 2007 and total revenue of Rs. 2253 Lakhs for the year ended on that date. The financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of said subsidiary, is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS)- 21 Consolidated Financial Statements and (AS) - 23 Accounting for investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

5. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Asahi India Glass Ltd. and its aforesaid subsidiary, in our opinion, the consolidated financial statements together with the significant Accounting Policies and Notes thereon and attached thereto give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. In the case of Consolidated Balance Sheet, of the consolidated state of affairs of Asahi India Glass Ltd. and its subsidiary as at 31st March, 2007;
- b. In the case of Consolidated Profit and Loss Account, of the consolidated results of operations of Asahi India Glass Ltd. and its subsidiary for the year ended on that date; and
- c. In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Asahi India Glass Ltd. and its subsidiary for the year ended on that date.

For Jagdish Sapra & Co.
Chartered Accountants

Place : New Delhi
Dated : 28th May, 2007

Jagdish Sapra
Partner
M. No. 9194

Consolidated Balance Sheet

Rs. Lakhs

	Schedule	As at 31st March, 2007	As at 31st March, 2006
1. Shareholders' Funds			
a) Share Capital	1	2199	2199
b) Reserves and Surplus	2	26728	23582
2. Minority Interest			
a) Capital		92	84
b) Reserves and Surplus		20	(3)
3. Loan Funds			
a) Secured Loans	3	94556	58456
b) Unsecured Loans	4	29418	28217
4. Deferred Tax Liability		2389	392
TOTAL		155402	112927
APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		159861	91988
b) Less : Depreciation and Amortisation		49789	43287
c) Net Block		110072	48701
d) Capital Work-in-progress		20218	48549
e) Impaired Assets held for disposal		97	130
2. Investments - Long Term			
a) Associates (including goodwill Rs. 190 Lakhs arising on acquisition of associates)		556	509
b) Others		67	259
3. Current Assets, Loans and Advances			
Current Assets	6		
a) Inventories		24145	14972
b) Sundry Debtors		7099	3222
c) Cash and Bank Balances etc.		2601	923
d) Other Current Assets		1256	902
Loans and Advances	7	12030	8359
		47131	28378
Less : Current Liabilities and Provisions	8		
a) Liabilities		22413	12297
b) Provisions		330	1320
		22743	13617
Net Current Assets		24388	14761
4. Miscellaneous Expenditure (to the extent not written off or adjusted)		4	18
TOTAL		155402	112927

Significant Accounting Policies and Notes on Accounts 13
The Schedules referred to above form an integral part of the Balance Sheet

Per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants

For and on behalf of the Board

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

H. D. Daftary
Chief Financial
Officer

Meenu Juneja
Head-Legal &
Company Secretary

Place : New Delhi
Dated : 28th May, 2007

Place : Gurgaon
Dated : 28th May, 2007

Consolidated Profit and Loss Account

Rs. Lakhs

	Schedule	Year ended 31st March, 2007	Year ended 31st March, 2006
INCOME			
Turnover and Inter Division Transfers		91897	71517
Less : Inter Division and Subsidiary Transfers		3595	2878
Turnover		88302	68639
Less : Excise Duty		11646	9516
Net Turnover			
Other Income	9	76656	59123
		2284	370
		78940	59493
EXPENDITURE			
Materials and Manufacturing	10	43595	33475
Personnel	11	5717	4429
Selling, Administration and Others	12	16545	10626
Deferred Revenue Expenditure Written Off		14	14
		65871	48544
Profit Before Depreciation, Tax and Extra Ordinary Items		13069	10949
Less : Depreciation and Amortisation		6548	4656
Less : Depreciation Written back		-	4008
Less/(Add) : Impairment Loss/Reversal		6	648
Less : Prior Period Adjustments		72	(38)
Profit Before Tax and Extra Ordinary Items		6443	10326
Less : Extra Ordinary Items		-	1244
Profit Before Tax		6443	9082
Less : Provision for Taxation			
- Current Tax		491	748
- Deferred Tax		1997	392
- Fringe Benefit Tax		95	87
Add : MAT Credit Entitlement		474	726
Profit After Tax		4334	8581
Add : Share of Profit of Associates		47	47
Less/(Add) : Minority Interest		23	(3)
Less : Income Tax Paid for Earlier Years		26	-
Add : Balance Brought Forward		6837	201
Profit Available for Appropriation		11169	8832
APPROPRIATIONS			
Interim Dividend on Equity Shares		1040	-
Proposed Dividend			
- Equity Shares		-	960
- Preference Shares *		-	-
Corporate Dividend Tax		146	135
General Reserve		421	900
Balance Carried to Balance Sheet		9562	6837
		11169	8832
* Rounded off to Nil.			
Earnings Per Share - Basic and Diluted (Rs.)			
Before Extra Ordinary Items (Schedule 13, Note 8)		2.71	6.17
After Extra Ordinary Item (Schedule 13, Note 8)		2.71	5.39

Significant Accounting Policies and Notes on Accounts

13

The Schedules referred to above form an integral part of the Profit and Loss Account

Per our report of even date

For **Jagdish Sapra & Co.**

Chartered Accountants

For and on behalf of the Board

Jagdish Sapra

Partner

M. No. 9194

Place : New Delhi

Dated : 28th May, 2007

B. M. Labroo

Chairman

Place : Gurgaon

Dated : 28th May, 2007

Sanjay Labroo

Managing Director &

Chief Executive Officer

H. D. Daftary

Chief Financial

Officer

Meenu Juneja

Head-Legal &

Company Secretary

Schedules to the Consolidated Accounts

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
500000000 Equity Shares of Re. 1 each	5000	5000
600000 Preference Shares of Rs. 100 each	600	600
9000000 Preference Shares of Rs. 10 each	900	900
	6500	6500
ISSUED, SUBSCRIBED AND PAID UP		
159927586 Equity Shares of Re. 1 each fully paid *	1599	1599
600000 0.01% Non-Cumulative Redeemable Preference Shares of Rs. 100 each fully paid **	600	600
	2199	2199

Notes:

* Of the above 135463793 Shares are allotted as fully paid bonus shares by capitalisation of General Reserve.

** The above shares are to be redeemed as follows :
Rs. 500 Lakhs to be redeemed on 23rd November, 2007.
Rs. 100 Lakhs to be redeemed on 26th March, 2008.

SCHEDULE 2 : RESERVES AND SURPLUS

AMALGAMATION RESERVE			
Opening Balance		637	637
CAPITAL RESERVE			
Opening Balance		23	23
CAPITAL REDEMPTION RESERVE			
Opening Balance		795	795
GENERAL RESERVE			
Opening Balance	15290		15190
Add : Transferred from Profit and Loss Account	421		900
Less : Capitalised for issue of Bonus Shares	-	15711	800
			15290
Surplus in Profit and Loss Account		9562	6837
		26728	23582

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
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SCHEDULE 3 : SECURED LOANS

BANKS

Working Capital	30447		14758	
Foreign Currency Term Loan	33947		8925	
Rupee Term Loan	-	64394	3500	27183

OTHERS

Foreign Currency Term Loan	28262		29006	
Loan from Distt. Industries Centre				
Government of Haryana (Interest Free)	1900	30162	2267	31273
		94556		58456

NOTES :

1. Working capital loans are secured by way of first charge on the current assets of the Company, both present and future.
2. Foreign currency term loans from banks are secured by way of pari-passu charge on specified movable and immovable assets (Installed/yet to be installed) of the Company subject to prior charge created to secure working capital loans.
3. Foreign currency term loan from Others is secured by way of pari-passu charge on movable and immovable assets of Float SBU plant at Roorkee.
4. Loan from Distt. Industries Centre is secured by way of first charge by way of mortgage over immovable and movable assets of plant at Rewari.

SCHEDULE 4 : UNSECURED LOANS

Short Term Loans From Banks		8665	6918
Foreign Currency Loan (Interest Free)		20753	21299
		29418	28217

SCHEDULE 5 : FIXED ASSETS

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As At 1st April, 2006	Additions	Deductions	As At 31st March, 2007	As At 1st April, 2006	For The Year	Adjustments	As At 31st March, 2007	As At 31st March, 2007	As At 31st March, 2006
Tangible Assets										
Freehold Land	2104	353	525	1932	-	-	-	-	1932	2104
Leasehold Land	1465	9	-	1474	162	15	-	177	1297	1303
Buildings	13008	15130	-	28138	2400	515	-	2915	25223	10608
Plant and Machinery	61710	46791	89	108412	34139	4951	68	39022	69390	27571
Electrical Installations and Fittings	7873	5359	-	13232	3688	522	-	4210	9022	4185
Furniture and Fixtures	631	127	-	758	273	68	-	341	417	358
Miscellaneous Assets	2337	377	7	2707	1021	207	3	1225	1482	1316
Vehicles	683	255	36	902	187	78	12	253	649	496
	89811	68401	657	157555	41870	6356	83	48143	109412	47941
Intangible Assets										
Computer Software	1029	124	-	1153	288	224	-	512	641	741
Licence Fee	1115	-	-	1115	1115	-	-	1115	-	-
E Mark Charges	30	5	-	35	13	4	-	17	18	17
Product Design	3	-	-	3	1	1	-	2	1	2
	2177	129	-	2306	1417	229	-	1646	660	760
Total	91988	68530	657	159861	43287	6585	83	49789	110072	48701
Previous Year	78775	14136	923	91988	43111	4711	4535	43287	48701	

Capital Work in Progress (Including Capital Advances)
Impaired Assets Held For Disposal

20218 48549
97 130

Rs. Lakhs

As at 31st March, 2007

As at 31st March, 2006

SCHEDULE 6 : CURRENT ASSETS**Inventories****(As taken, valued and certified by Management)**

i) Stores and Spare parts		4690		2555
ii) Raw Materials		6234		6225
iii) Finished and Traded Goods		12281		5556
iv) Waste		32		35
v) Work in Process		908		601
		24145		14972

Sundry Debtors**(Considered good except where provided for)****Secured**

- Over Six Months	10		13	
- Others	367	377	-	13

Unsecured

- Over Six Months	415		651	
- Others	6377	6792	2849	3500

		7169		3513
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Considered Good	7099		3222	
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Considered Doubtful	70		291	
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Less : Provision for Doubtful debts		70		291
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		7099		3222
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Cash and Bank Balances etc.

Cash in Hand (As certified)		23		17
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Cheques in Hand/Remittances in Transit		1128		501
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Balance with Post Office in Saving Account *		-		-
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Balances with Scheduled Banks

- Current/Cash Credit Accounts		626		266
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- Deposit Account		1		1
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- Dividend Warrant Accounts		823		138
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		2601		923
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Other Current Assets**(Unsecured and considered good)**

Interest Accrued on Investments *		-		-
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Deposits with Government and others		1256		902
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		1256		902
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* Rounded off to Nil.

SCHEDULE 7 : LOANS AND ADVANCES**(Unsecured and considered good)**

Loans (Including interest accrued)		63		141
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Advances

Advances recoverable in cash or in kind				
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or for value to be received and/or adjusted		6648		3955
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MAT Credit Recoverable		1200		726
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Balance with Excise Authorities		4119		3537
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		12030		8359
--	--	--------------	--	-------------

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
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SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Acceptances	95	56
Sundry Creditors		
- Dues to Small Scale Industrial Undertakings	83	22
- Others	17019	8977
Advances from Customers	708	458
Inverstors Education and Protection Fund	823	138
Other Liabilities	2634	2222
Interest Accrued but not due on loans	1051	424
	22413	12297

PROVISIONS

Proposed Dividend on Preference Shares *	-	-
Proposed Dividend on Equity Shares	-	960
Dividend Tax *	-	135
Current Tax (Net of taxes paid)	37	54
Fringe Benefit Tax (Net of taxes paid)	3	1
Employee Benefits	290	170
	330	1320

* Rounded off to Nil.

	Year ended 31st March, 2007	Year ended 31st March, 2006
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SCHEDULE 9 : OTHER INCOME

Interest	23	30
Rent Received	2	2
Profit on Sale of Fixed Assets (Net)	1186	11
Profit on Sale of Long Term Investments	67	-
Profit on Sale of Current Investments	1	7
Exchange Rate Fluctuations (Net)	748	-
Liabilities and Provisions Written Back	124	215
Dividend on Long Term Investments - Non Trade (Gross)	8	4
Miscellaneous	125	101
	2284	370

Rs. Lakhs

	Year ended 31st March, 2007	Year ended 31st March, 2006
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SCHEDULE 10 : MATERIALS AND MANUFACTURING**RAW MATERIALS CONSUMED**

Opening Stock	6225		3810	
Add : Purchases	28076		20992	
	34301		24802	
Less : Sales/Trial Run	922		114	
Closing Stock	6234	27145	6225	18463
Excise Duty on Increase in Finished Goods Stock		57		266
Purchases of Finished Goods		578		953

MANUFACTURING EXPENSES

Power, Fuel, Water and Utilities		14159		8484
Stores and Spares etc. consumed		4944		3525
Miscellaneous Expenses		881		853

REPAIRS AND MAINTENANCE

- Plant and Machinery	2063		1785	
- Building	279	2342	213	1998
Less : Increase in Stocks				
Opening Stock				
- Finished and Traded Goods	5556		4321	
- Work in Process	601		734	
- Waste	35		70	
	6192		5125	
Closing Stock				
- Finished and Traded Goods	11763		5556	
- Work in Process	908		601	
- Waste	32		35	
	12703	(6511)	6192	(1067)
		43595		33475

SCHEDULE 11 : PERSONNEL

Salaries, Wages, Allowances and Bonus	4326	3310
Recruitment and Training Expenses	91	89
Welfare Expenses	970	759
Contribution to Provident and Other Funds	330	271
	5717	4429

Rs. Lakhs

	Year ended 31st March, 2007	Year ended 31st March, 2006
SCHEDULE 12 : SELLING, ADMINISTRATION AND OTHERS		
Advertisement	360	772
Packing and Forwarding	6177	4349
Commission Paid	580	343
Royalty	746	514
Cash Discount	381	429
Interest		
- On Fixed Loans	986	909
- Others	2561	181
Bank Charges	238	101
Travelling and Conveyance	697	510
Rent	329	270
Rates and Taxes	167	141
Insurance	380	206
Auditors Remuneration	32	25
Repairs and Maintenance-Others	204	148
Miscellaneous Expenses *	2613	1474
Exchange Rate Fluctuations	-	189
Director's Sitting Fee	6	8
Bad and Doubtful Debts	80	57
Commission to Non Working Directors	8	-
	16545	10626

* Include Rs. 15 Lakhs (Previous year Nil) paid to Regional Nationalist Congress Party as donation.

SCHEDULE 13 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies :

a. Basis of preparation of Financial Statements

- The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
- Financial Statements are based on historical cost and are prepared on accrual basis.

b. Principles of Consolidation

The Consolidated Financial Statements relate to Asahi India Glass Ltd. (the Company), its subsidiary AIS Glass Solutions Ltd. and associates

The subsidiary company considered in the consolidated financial statements is :

Name of the Company	Country of Incorporation	% of share holding	Held by
AIS Glass Solutions Ltd.	India	76.21%	Asahi India Glass Ltd.

The associate companies considered in the consolidated financial statements are :

Name of the Company	Status	Country of Incorporation	% of share holding	Held by	Financial Statements
AIS Adhesives Ltd.	Audited	India	50%	Asahi India Glass Limited	As on 31st March, 2007
Asahi India Map Auto Glass Ltd.	Audited	India	49.98%	Asahi India Glass Limited	As on 31st March, 2007
Vincotte International India Assessment Services (P) Ltd.	Un-Audited	India	20%	Asahi India Glass Limited	As on 31st March, 2007

The consolidated financial statements have been prepared on the following basis : -

- i. The Financial Statements of the Company and its subsidiary have been combined on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances, intra group transactions and unrealised profit or loss as per Accounting Standard (AS) 21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- ii. The goodwill/capital reserve on consolidation is recognised in the consolidated financial statements.
- iii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.
- iv. Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately.
- v. Investments in associate companies have been accounted under the equity method as per Accounting Standard (AS) 23- Accounting for Investments in Associates in consolidated financial statements issued by the Institute of Chartered Accountants of India.

c. Fixed Assets

- i. Fixed assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation and impairment loss. Cost is inclusive of freight, duties and levies and any directly attributable cost of bringing the assets to their working conditions for intended use but excludes recoveries. Intangible assets are stated at cost less accumulated amount of amortisation.
- ii. Capital work in progress includes expenditure during construction period incurred on projects under implementation treated as Pre-operative expenses pending allocation to the assets. These expenses are apportioned to fixed assets on commencement of commercial production.

d. Depreciation/Amortisation

Tangible Assets

- i. In the Company depreciation on fixed Assets is provided on Straight Line Method (SLM) at the rates and in the manner provided in Schedule XIV of the Companies Act, 1956. In Subsidiary, depreciation is provided on written down value at the rates specified in Schedule XIV of the Companies Act, 1956 except building on lease.
- ii. Leasehold land is depreciated over the period of lease.
- iii. Assets costing less than Rs. 5000/- each are depreciated fully in the year of purchase.

Intangible Assets

The depreciable amount of intangible asset is allocated over its useful life. Computer Software, Production Design and E-mark charges are amortised over a period of five years proportionately when such assets are available for use.

e. Inventories

Inventories are valued at lower of cost or net realisable value except waste which is valued at estimated realisable value as certified by the Management. The basis of determining cost for various categories of inventories in the Company are as follows :

Stores, spare parts and raw material	Weighted average cost (except stores segregated for purposes and in transit valued at their specific costs).
Work in process and finished goods	Material cost plus proper share of production overheads and excise duty wherever applicable.
Traded Goods	First In First Out Method based on actual cost.

f. Revenue Recognition

Domestic and export sales are recognised on despatch of goods from the factory and port respectively. Sales are recorded net of rebate, trade discounts, sales tax, returns and transit insurance claims short received but include outwards freight as per sale invoices.

Interest and other income is accounted on accrual basis.

g. Retirement Benefits

The contribution to Provident Fund and Family Pension Fund is charged to the Profit and Loss Account.

The Company had schemes of Superannuation Fund and Gratuity Fund towards retirement benefits but the scheme of Superannuation Fund for retirement benefit has been discontinued for the year. The Gratuity Fund benefits are administered by a Trust and through the Group Schemes of the Life Insurance Corporation of India/HDFC Standard Life Insurance. The Liability for gratuity at the end of each financial year is determined on the basis of actuarial valuation carried out by the Insurer's actuary as confirmed to the Company. The Company's contributions are charged to Profit and Loss Account.

Provision for leave encashment benefit on retirement in the Company is made on the basis of actuarial valuation at the year end.

In Subsidiary, Gratuity liability is provided as per the contract with the respective employees.

h. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions.

Current assets, current liabilities and loans denominated in foreign currencies and outstanding at year end are translated at the rates prevailing on the date of the Balance Sheet and resultant exchange loss/gain and also the realised exchange loss/gain are dealt in Profit and Loss Account. However, the exchange loss/gain on liabilities incurred and foreign currency loans utilised for acquisition of fixed assets is adjusted to the carrying cost of fixed assets.

Where forward contracts are entered into, the difference between the forward rate and exchange rate on the date of transaction is recognised as income/expense over the life of the contract. Profit/Loss on cancellation or renewal of forward contracts is recognised as income/expense for the period.

i. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

j. Miscellaneous Expenditure

In the Company expenses incurred on amalgamation before 1st April, 2003 including filing fees paid for increase in authorised capital are considered as deferred revenue expenditure and written off over a period of five years.

In Subsidiary, preliminary expenses are amortised over a period of five years.

k. Taxation

Provision for current tax is computed as per estimated 'Total Income' returnable under the Income Tax Act, 1961 taking into account available deductions, exemptions and carried forward losses.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty and convincing evidence that there will be sufficient future taxable income available to realise such asset.

l. Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made.

Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

A contingent liability is disclosed after a careful evaluation of the facts and legal aspects of the matter involved where the possibility of an outflow of resources embodying the economic benefits is remote.

m. Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment of assets. If any such indication exists, impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts. In case there is any indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, the recoverable value is reassessed and the reversal of impairment loss is recognised as income in the Profit and Loss Account.

Notes on Accounts

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.4502 Lakhs (Rs. 14181 Lakhs) (net of advances).

3. Contingent Liabilities for :

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
a. Bank guarantees and letters of credit outstanding	4375	7793
b. Claims against the Company not acknowledged as debts (excluding interest and penalty which may be payable on such claims)		
i. Disputed excise and custom duty (including referred in Note No. 5)	2607	5111
ii. Disputed income tax demands	37	53
iii. Others	37	103

4. In the Company purchases of raw materials during the year are net of quality claims against the suppliers including claims of Rs. 503 Lakhs (Rs. 672 Lakhs) yet to be settled. Adjustment for difference, if any, will be made in accounts on finalisation of the claims.

5. a. In a previous year, in Auto SBU of the Company, Custom and Central Excise Settlement Commission settled Excise Duty Liability at Rs. 368 Lakhs (excluding interest) out of which the Company had accepted liability of Rs. 56 Lakhs and paid the same alongwith interest of Rs. 20 Lakhs. The matter was decided in favour of the Company by the High court of Delhi against which SLP of the Excise Department has been accepted by the Supreme Court of India.
- b. Deputy Commissioner of Customs (Original Authority) in a previous year issued an order imposing additional custom duty of about Rs. 1606 Lakhs (Rs. 1606 Lakhs) on the value of project imports made by erstwhile Floatglass India Ltd. (amalgamated with the Company with effect from 1st April, 2002). On appeal by the Company, Commissioner Customs (Appeals) set aside the above order on 25th November, 2002 against which the Commissioner of Customs filed an appeal before the Customs Excise and Service Tax Appellate Tribunal. In a previous year the matter was remanded back to the Original Authority for fresh decision. The liability, if any, will be accounted on final decision by Original Authority.

6. Detail of Deferred Tax Assets/(Liability) arising on account of timing differences are as follows :

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
Deferred Tax Assets/(Liabilities)		
Unabsorbed depreciation/carried forward of losses under Tax Laws	7866	5845
Difference between book depreciation and depreciation under the Income Tax Rules	(10316)	(6407)
Expenses allowed for tax purpose on payment basis	28	61
Provision for doubtful debts and advances	24	98
Others	9	11
	(2389)	(392)

7. Capital work in progress comprises of the following :

Rs. Lakhs

	As at 31st March, 2007	As at 31st March, 2006
Building under construction	3949	12121
Machinery under erection	11951	23715
Electrical installations under erection	821	1275
Loan processing charges	-	2570
Capital advances	2287	6062
Preoperative expenses	1189	2806
Others	21	-
	20218	48549

8. Earnings Per Share (EPS) :

Rs. Lakhs

	2006-07	2005-06
a. Profit after tax and before extra ordinary items as per Profit and Loss Account	4358	9875
Less : Income Tax Paid for Earlier Years	26	-
Less : Preference Dividend Including Tax thereon *	-	-
Profit Attributable to Equity Shareholders - (A)	4332	9875
Basic/Weighted average number of Equity Shares outstanding - (B)	159927586	159927586
Nominal Value of Equity Shares (Re.)	1/- each	1/- each
Basic/Diluted Earnings Per Share (Rs.) - (A)/(B)	2.71	6.17
b. Profit after tax and after extra ordinary items Attributable to Equity Shareholders	4332	8631
Basic/Diluted Earnings Per Share (Rs.)	2.71	5.39

*Rounded Off to Nil.

9. Segment Information :

Rs. Lakhs

a. Information about Primary Business Segments

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Segment revenue					
External	44304	28611	4747		77662
	(36869)	(21235)	(1337)		(59441)
Inter segment sales (Net of excise duty)	142	1447	1769	(3358)	-
	(190)	(1555)	(892)	(-2637)	-
Other income			1278		1278
			(52)		(52)
Total revenue	44446	30058	7794	(3358)	78940
	(37059)	(22790)	(2281)	(-2637)	(59493)
Segment result	6555	2200	(43)		8712
	(10112)	(817)	(-809)		(10120)
Unallocated Income (net of expenses)			1255		1255
			(22)		(22)

Rs. Lakhs

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Operating profit	6555	2200	1212		9967
	(10112)	(817)	(-787)		(10142)
Interest expense			3547		3547
			(1090)		(1090)
Interest income			23		23
			(30)		(30)
Income taxes- Current			491		491
			(748)		(748)
- Deferred			1997		1997
			(392)		(392)
- Fringe Benefit Tax			95		95
			(87)		(87)
- MAT Credit			(474)		(474)
			(-726)		(-726)
Taxes paid for earlier years			26		26
			(Nil)		(Nil)
Net profit	6555	2200	(4447)		4308
	(10112)	(817)	(-2348)		(8581)
Other information					
Segment assets	57227	104765	16153		178145
	(45582)	(70905)	(10057)		(126544)
Total assets	57227	104765	16153		178145
	(45582)	(70905)	(10057)		(126544)
Segment liabilities	8430	10256	4057		22743
	(5045)	(5639)	(2933)		(13617)
Share capital and reserves			28927		28927
			(25781)		(25781)
Minority Interest			112		112
			(81)		(81)
Secured and unsecured loans			123974		123974
			(86673)		(86673)
Deferred Tax Liability			2389		2389
			(392)		(392)
Total liabilities	8430	10256	159459		178145
	(5045)	(5639)	(115860)		(126544)
Capital expenditure	12387	22342	5470		40199
	(9723)	(36464)	(4054)		(50241)
Depreciation/Amortisation	3252	2846	450		6548
	(2488)	(1928)	(240)		(4656)
Depreciation/Amortisation (Written Back)	-	-	-		-
	(4008)	(Nil)	(Nil)		(4008)
Non cash expenses other than depreciation/amortisation	14	-	-		14
	(14)	(Nil)	(Nil)		(14)

b. Information about Secondary Business Segments

Rs. Lakhs

Particulars	India	Outside India	Total
Revenue by Geographical Market			
External	77871	4427	82298
	(61265)	(865)	(62130)
Less : Inter segment sales (Net of excise duty)	3358		3358
	(2637)		(2637)
	74513	4427	78940
	(58628)	(865)	(59493)

10. Related Party Disclosures under Accounting Standard (AS)-18 :

a. List of Related Parties :

- i. Associates : AIS Adhesives Ltd., Asahi India Map Auto Glass Ltd., Vincotte International India Assessment Services (P) Ltd.
- ii. Enterprises owned or significantly influenced by Key Management Personnel or their relatives : Shield Autoglass Ltd., Samir Paging Systems Ltd., R. S. Estates (P) Ltd., Nishi Electronics (P) Ltd., Maltex Malsters Ltd., Essel Marketing (P) Ltd., Allied Fincap Services Ltd., Usha Memorial Trust, ACMA, Krishna Maruti Ltd.
- iii. Key Management Personnel and their relatives : Directors - Mr. B. M. Labroo, Mr. Sanjay Labroo, Mr. P. L. Safaya, Mr. K. Kojima, Mr. Arvind Singh Relatives : Mrs. Kanta Labroo, Mrs. Rajni Safaya, Mrs. Vimi Singh
- iv. Other related parties where control exists : Asahi Glass Co. Limited, Japan and its subsidiaries, AGC Flat Glass Asia Pacific Pte. Ltd., Asahi Glass Machinery Co. Ltd., Asahi Glass Phillipines, Inc., Glavermas Pte Ltd., Glavermas Mirrors Pte Ltd., Glaverbel S. A., Asahi Glass Ceramics Co. Ltd., P. T. Asahimas Flat Glass Tbk Indonesia, AGC Automotive Thailand Co. Ltd.

b. Transactions with Related Parties :

Rs. Lakhs

Nature of Transaction	Associate		Enterprise owned or significantly influenced by Key Management Personnel		Key Management Personnel and their relatives		Other	
	Volume of Transactions for the year ended		Volume of Transactions for the year ended		Volume of Transactions for the year ended		Volume of Transactions for the year ended	
	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06
1. Expenses								
- Purchase of materials	-	-	-	-	-	-	1530	3180
- Purchase of traded goods	-	-	-	-	-	-	358	638
- Business promotion expenses	-	-	29	29	-	-	-	-
- Remuneration to directors	-	-	-	-	261	118	-	-
- Directors sitting fee	-	-	-	-	1	1	-	-
- Rent paid	-	-	18	18	14	11	-	-
- Fee for technical and consultancy services	-	-	-	-	-	-	152	1694
- Donation	-	-	1	1	-	-	-	-
- Training expenses	-	-	1	-	-	-	-	-
- Repairs and Maintenance	-	-	-	-	-	-	21	33
- Miscellaneous Expenses	-	-	-	-	-	-	-	34
- Royalty	-	-	-	-	-	-	746	513
- Dividend	-	-	-	-	-	-	444	267
- Membership and Subscription	-	-	1	1	-	-	-	-
2. Income								
- Sale of goods	1883	1013	-	-	-	-	-	-
- Sale of fixed assets	-	-	-	-	-	59	-	-
- Interest/ Commission received	-	-	-	-	-	-	-	9
3. Purchases of Capital Goods	-	-	-	-	-	-	7431	13339
4. Investment in Equity Shares	-	33	-	-	-	-	-	-
5. Balance as on	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06	31-03-07	31-03-06
- Loans and advances	-	-	18	18	10	10	2583	1437
- Creditors	-	-	3	-	134	-	3712	623
- Debtors	356	237	-	1	-	-	-	-
- Foreign Currency Loan	-	-	-	-	-	-	20753	21299

Note : Related party relationship is as identified by the Company on the basis of available information and accepted by the Auditors as correct.

11. Previous year's figures have been regrouped/rearranged, wherever found necessary. Figures in brackets above are in respect of previous year.

12. Figures have been rounded off to Rs. Lakhs upto two decimal points.

Per our report of even date

For **Jagdish Sapra & Co.**

Chartered Accountants

For and on behalf of the Board

Jagdish Sapra

Partner

M. No. 9194

Place : New Delhi

Dated : 28th May, 2007

B. M. Labroo

Chairman

Place : Gurgaon

Dated : 28th May, 2007

Sanjay Labroo

Managing Director &

Chief Executive Officer

H. D. Daftary

Chief Financial

Officer

Meenu Juneja

Head-Legal &

Company Secretary

Consolidated Cash Flow Statement

Rs. Lakhs

	2006-07		2005-06	
	Amount	Amount	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items	6515		10339	
Adjustment for :				
Depreciation and Amortisation of Intangible Assets	6548		648	
Impairment Loss provided/(Reversed)	6		(38)	
(Profit)/Loss on sale of fixed assets and assets discarded (Net)	(1186)		(11)	
(Profit)/Loss on sale of Long Term Investments	(67)		-	
(Profit)/Loss on sale of Current Investments	(1)		(7)	
Deferred revenue expenditure written off	14		14	
Diminution in the value of long term investments	-		14	
Extra Ordinary Items	-		(1244)	
Interest paid	3547		1090	
Interest received	(23)		(30)	
Dividend received	(8)		(4)	
Operating Profit before working capital changes	15345		10771	
Adjustment for :				
Trade and other receivables	(7424)		515	
Inventories	(9173)		(3278)	
Trade payable	9535		2923	
Cash generated from operations	8283		10931	
Interest paid	(3547)		(1090)	
Direct taxes paid	(612)		(836)	
Cash Flow before prior period items	4124		9005	
Prior Period items	(72)		(13)	
Net cash from operating activities		4052		8992
B . CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets, including capital work in progress	(40135)		(50186)	
Sale of fixed assets	1760		407	
Purchase of Investments	-		(208)	
Sale of investments	190		-	
(Profit)/Loss on sale of Long Term Investments	67		-	
(Profit)/Loss on sale of Current Investments	1		7	
Dividend received on investments	8		4	
Interest received	23		30	
Net cash used in investing activities		(38086)		(49946)

Rs. Lakhs

	2006-07		2005-06	
	Amount	Amount	Amount	Amount
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Equity Shares	8		84	
Proceeds of long term borrowings	19864		41769	
Payment of long term borrowings	-		(85)	
Net proceeds of short term borrowings	17436		483	
Dividend and dividend tax paid	(2281)		(1368)	
Net Cash used in financing activities		35027		40883
Net increase/(decrease) in Cash and Cash Equivalent (A+B+C)		993		(71)
Cash and Cash Equivalent as at 1st April, 2006 (Opening Balance)	785		856	
Cash and Cash Equivalent as at 31st March, 2007 (Closing Balance)	1778		785	

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Figures in brackets represent outflows.
- Previous year figures have been restated wherever necessary.

Per our report of even date
For **Jagdish Sapra & Co.**
Chartered Accountants

For and on behalf of the Board

Jagdish Sapra
Partner
M. No. 9194

B. M. Labroo
Chairman

Sanjay Labroo
Managing Director &
Chief Executive Officer

H . D. Daftary
Chief Financial
Officer

Meenu Juneja
Head-Legal &
Company Secretary

Place : New Delhi
Dated : 28th May, 2007

Place : Gurgaon
Dated : 28th May, 2007

Report of the Directors

To the Members,

The Directors are pleased to present the 3rd Report with the audited accounts for the year ended 31st March, 2007.

Financial Highlights

	(Rs. Lakhs)	
	2006-07	2005-06
Sales	2189.36	1201.13
Other Income	63.69	43.77
Profit / (Loss) Before Depreciation and Tax	141.68	(25.07)
Less : Depreciation / Amortisation	21.50	17.78
Profit / (Loss) Before Tax	120.18	(42.85)
Less : Provision for Income Tax	11.00	-
Less : Provision for Fringe Benefit Tax	8.00	4.50
Profit / (Loss) After Tax	101.18	(47.35)

Operations

During the year under review, the Company recorded its maiden Operating Profit of Rs. 155.91 lakhs. The Gross Sales of the Company increased 82.27 percent to Rs. 2,189.36 lakhs. The Company sold 1,27,679 sq. mtrs. of architectural processed glass, as against 79,897 sq. mtrs. previous year, up by 59.80 percent.

Share Capital

The Board of Directors and the Shareholders of the Company have approved issue of 10,40,000 equity shares of Rs. 10/- each at par value, to key employees, directors and associates of the Company and its associate companies to motivate and promote a participative spirit in the growth of the Company. Pursuant thereto, 8,40,000 equity shares of Rs. 10/- each were allotted during the financial year 2005-06 and 84,000 equity shares of Rs. 10/- each were allotted during the financial year 2006-07.

Subsequent to the allotment, the paid up capital of the Company stands increased to Rs. 388.40 lakhs.

Dividend

The Directors have not recommended any dividend for the financial year 2006-07.

Directors

In terms of provisions of Section 256, read with Section 255 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company, Mr. Arvind Singh, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Necessary resolution for obtaining approval of the members has been incorporated in the notice of the forthcoming Annual General Meeting of the Company.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby state and confirm that :

- In the preparation of annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures.

- ii. Appropriate accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the period from 1st April, 2006 to 31st March, 2007.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts for the financial year ended 31st March, 2007 have been prepared on a going concern basis.

Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

Auditors and Auditors' Report

The Statutory Auditors of the Company M/s. Jand & Associates, Chartered Accountants hold office till the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

The Company has received a letter from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Notes to the Accounts, referred to in the Auditors' Report, are self-explanatory and, therefore, do not call for any further comments.

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

During the year under review, your Company was not engaged in any manufacturing activity. Therefore, the particulars as required 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 regarding the conservation of energy, research & development and technology absorption are not applicable.

Foreign exchange outflow on account of import of software, advertisement, exhibition and travel amounted to Rs. 5.37 lakhs. Previous year expenditure in foreign currency amounted to Rs. 3.30 lakhs on account of travel, training fee and donation.

There was no foreign exchange earnings during the year.

Particulars of Employees

No employee of the Company was in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Acknowledgement

Your Directors wish to place on record their sincere appreciation for the continued assistance, guidance and support received from the customers, banks, vendors and the Government authorities.

Your Directors acknowledge with gratitude the efforts put in by the employees at all levels and for the continued patronage and support extended by our valued Shareholders.

On behalf of the Board of Directors

Place : New Delhi
Dated: 22nd May, 2007

Sanjay Labroo
Chairman

Auditors' Report

The Members,
AIS Glass Solutions Ltd.
New Delhi.

1. We have audited the attached Balance Sheet of AIS Glass Solutions Ltd. as at March 31, 2007 and also the annexed Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent these are applicable.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply 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 and taken on record by the Board of Directors, we report that prima facie none of the directors is disqualified from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956 as at March 31, 2007.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007 and
 - (ii) in the case of Profit and Loss Account, of the profit for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Jand & Associates**
Chartered Accountants

Place : New Delhi.
Dated: 22nd May, 2007

Pawan Jand
Prop.
M.No. 80-501

Annexure To The Auditors' Report

(Referred to in para 3 of our report of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As per information and explanations given to us, the fixed assets have been physically verified by the management during the year and no material discrepancy was noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, there is no substantial disposal of fixed assets during the year.
- ii. a) As per information and explanations given to us, the inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedure of verification of inventories followed by the management are 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 inventory and as per information and explanation given to us, no discrepancy has been noticed between physical stock and book records on such verification.
- iii. The Company has neither granted nor taken any loans secured or unsecured to/from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventories and fixed assets and with regard to the sale of goods. Further, on the basis of our examination and according to information and explanations given to us we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- v. a) According to information and explanations given to us, the Company has entered in to the Register maintained under section 301 all such transactions, which needs to be entered into such Register.
- b) According to the information and explanations given to us, the transactions of purchase of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, and aggregating during the year to Rs. 5,00,000 or more in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such goods and materials.
- vi. In our opinion and 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 and the rules framed there under.
- vii. In our opinion and according to the information and explanations given to us, the Company has an internal audit system, however the same needs to be strengthened to make it commensurate with the size of the Company and nature of its business.
- viii. The maintenance of cost records for the Company's business has not been prescribed by the Central Government under Section 209 (1) of the Companies Act, 1956.
- ix. According to the information and explanation given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom Duty and other material statutory dues applicable to it with the appropriate authorities during the year.

- x. The Company was incorporated on July 19, 2004 and has not yet completed five years from the date of registration and hence Clause (x) of the order is not yet applicable to the Company.
- xi. The Company has not made any borrowings from any banks or financial institutions or by way of debentures.
- xii. As per information and explanations given to 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.
- xiii. In our opinion, the Company is neither a nidhi/mutual benefit fund/society hence Clauses xiii of the order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence Clause xiv of the order is not applicable to the Company.
- xv. As per information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institution.
- xvi. The Company has not taken any term loan and therefore Clause xvi of the order is not applicable.
- xvii. The Company has not raised any funds on short-term basis and therefore Clause xvii of the order is not applicable.
- xviii. The Company has made preferential allotment of shares during the year to parties covered in the Register maintained under section 301 and as per information and explanation given to us such allotment of shares is not prejudicial to the interest of the Company.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised money by way of public issue during the year.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have we been informed by the management of any such instance being noticed or reported during the year.

for **Jand & Associates**
Chartered Accountants

Place : New Delhi.
Dated: 22nd May, 2007

Pawan Jand
Prop.
M.No. 80-501

Balance Sheet

Rs.

	Schedule	As at 31st March, 2007	As at 31st March, 2006
SOURCES OF FUNDS			
1 Shareholders' Funds			
a) Share Capital	1	38,840,000	38,000,000
		38,840,000	38,000,000
TOTAL		38,840,000	38,000,000
APPLICATION OF FUNDS			
1 Fixed Assets	2		
a) Gross Block		12,341,420	9,220,078
b) Less : Depreciation / Amortisation		4,460,597	2,329,032
c) Net Block		7,880,823	6,891,046
2 Investments	3	3,181,094	17,500,000
3 Current Assets, Loans and Advances	4		
a) Sundry Debtors		35,428,214	26,979,986
b) Cash and Bank Balances		20,028,346	11,408,179
c) Loans and Advances		22,919,293	5,702,785
		78,375,853	44,090,950
Less: Current Liabilities and Provisions	5		
a) Current Liabilities		54,456,905	46,743,544
b) Provisions		2,659,973	592,218
		57,116,878	47,335,762
Net Current Assets		21,258,975	(3,244,812)
4 Miscellaneous Expenditure (to the extent not written off or adjusted)	6	432,929	649,394
5 Profit and Loss Account		6,086,179	16,204,372
TOTAL		38,840,000	38,000,000

Notes to the Accounts

12

As Per our report of even date
For **Jand & Associates**
Chartered Accountants

For and on behalf of the Board of Directors

Pawan Jand
Prop.
M. No. 80-501

Sanjay Labroo
Director

Kunwar Narayan
Director

Anil Chhatwal
Head - Accounts

Kumudini Aggarwal
Company Secretary

Place : New Delhi
Dated : 22nd May, 2007

Profit and Loss Account

Rs.

	Schedule	Year ended 31st March, 2007	Year ended 31st March, 2006
INCOME			
Turnover	7	218,935,635	120,113,087
Other Income	8	6,368,822	4,377,386
		225,304,457	124,490,473
EXPENDITURE			
Materials	9	165,464,680	83,704,317
Personnel	10	15,286,119	11,114,754
Selling, Marketing & Administration Expenses	11	30,169,191	31,962,173
Preliminary Expenses Written Off	6	216,465	216,465
Depreciation / Amortisation	2	2,149,809	1,777,541
		213,286,264	128,775,250
Profit/(Loss) Before Tax		12,018,193	(4,284,777)
Less: <u>Provision for Taxation:</u>			
Income Tax		1,100,000	-
Fringe Benefit Tax		800,000	450,000
Profit/(Loss) After Tax		10,118,193	(4,734,777)
Profit/(Loss) Brought Forward		(16,204,372)	(11,469,595)
Loss Carried to Balance Sheet		(6,086,179)	(16,204,372)
Basic/Diluted EPS (Note 5 to Notes to Accounts)		2.63	(1.52)

Notes to the Accounts
As Per our report of even date
For **Jand & Associates**
Chartered Accountants

12

For and on behalf of the Board of Directors

Pawan Jand
Prop.
M. No. 80-501

Sanjay Labroo
Director

Kunwar Narayan
Director

Anil Chhatwal
Head - Accounts

Kumudini Aggarwal
Company Secretary

Place : New Delhi
Dated : 22nd May, 2007

Schedules to the Accounts

As at 31st March, 2007 As at 31st March, 2006

SCHEDULE 1 : SHARE CAPITAL

AUTHORISED

50,00,000 Equity Shares of Rs.10/- each

50,000,000

50,000,000

50,000,000

50,000,000

ISSUED, SUBSCRIBED AND PAID UP

38,84,000 (Previous Year 38,00,000)

Equity Shares of Rs.10/- each fully Paid Up

38,840,000

38,000,000

38,840,000

38,000,000

Note:

Out of the above 2960000 (Previous Year 2960000) equity shares are held by Asahi India Glass Limited, the holding company.

SCHEDULE 2 : FIXED ASSETS

Description	Gross Block			As At 31st March, 2007	Depreciation/Amortisation				Net Block	
	As At 1st April, 2006	Additions	Deductions		As At 1st April, 2006	For The Year	On De- duction	As At 31st March, 2007	As At 31st March, 2007	As At 31st March, 2006
TANGIBLE ASSETS										
Buildings (On Lease)	833,740	-	-	833,740	305,171	209,510	-	514,681	319,059	528,569
Office Equipments	1,267,625	370,852	12,275	1,626,202	200,207	171,341	3,574	367,974	1,258,228	1,067,418
Computers	2,485,319	544,867	24,000	3,006,186	934,095	724,962	14,670	1,644,387	1,361,799	1,551,224
Electrical Installations & Fitting	288,881	55,226	-	344,107	51,714	33,931	-	85,645	258,462	237,167
Furniture & Fixtures	2,200,298	416,672	-	2,616,970	478,984	338,770	-	817,754	1,799,216	1,721,314
Vehicles	-	1,125,340	-	1,125,340	-	217,160	-	217,160	908,180	-
	7,075,863	2,512,957	36,275	9,552,545	1,970,171	1,695,674	18,244	3,647,601	5,904,944	5,105,692
INTANGIBLE ASSETS										
Computer Software	1,817,860	644,660	-	2,462,520	296,158	388,864	-	685,022	1,777,498	1,521,702
Product Designs	326,355	-	-	326,355	62,703	65,271	-	127,974	198,381	263,652
	2,144,215	644,660	-	2,788,875	358,861	454,135	-	812,996	1,975,879	1,785,354
Total Current Year	9,220,078	3,157,617	36,275	12,341,420	2,329,032	2,149,809	18,244	4,460,597	7,880,823	6,891,046
Total Previous Year	6,101,706	3,132,171	13,800	9,220,078	555,573	1,777,541	4,082	2,329,032	6,891,046	5,546,133

As at 31st March, 2007

As at 31st March, 2006

SCHEDULE 3 : INVESTMENTS

(Non Trade at Cost)

236148.989 (Previous Year 1308450.721) Units of HDFC

Liquid Fund - Growth.

3,181,094

17,500,000

3,181,094

17,500,000

NOTE: Market Value of the Investments Rs. 35,13,000/-
(Previous Year Rs.1,81,62,604/-)

As at 31st March, 2007

As at 31st March, 2006

SCHEDULE 4 : CURRENT ASSETS, LOANS AND ADVANCES**CURRENT ASSETS****Sundry Debtors**

(Unsecured Considered Good)

Over six months

Others

8,119,481

199,247

27,308,733

26,780,739

35,428,214**26,979,986****Cash and Bank Balances**

Cash on Hand

61,431

54,160

Balances with Scheduled Banks

-on Current Account

19,966,915

11,354,019

20,028,346**11,408,179****B) LOANS AND ADVANCES****(Unsecured considered good)**Advances recoverable in cash or in kind
or for value to be received

18,841,618

3,392,283

Security Deposits

1,685,210

1,677,010

Advance Taxes:

Income Tax

700,000

-

Fringe Benefit Tax

951,199

396,199

Tax Deducted at Sources

741,266

237,293

22,919,293**5,702,785****SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS****A) CURRENT LIABILITIES**

Sundry creditors

Due to Small Scale Industrial Undertakings *

Others

-

-

33,649,761

26,143,087

Deposits from Customers

17,000,000

15,350,000

Advance from Customers

2,266,137

4,605,172

Other Liabilities

1,541,007

645,285

54,456,905**46,743,544****B) PROVISIONS**

Provision for Gratuity

309,973

142,218

Provision for Fringe Benefit Tax

1,250,000

450,000

Provision for Income Tax

1,100,000

-

57,116,878**47,335,762**

* As per the information available with the Company

SCHEDULE 6 : MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Preliminary Expenses

649,394

865,859

Less: Written off during the Period

216,465

216,465

432,929**649,394**

	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE 7 : TURNOVER		
Sale of Architectural Glass	218,935,635	120,113,087
	218,935,635	120,113,087
SCHEDULE 8 : OTHER INCOME		
Commission <i>[Tax Deducted at Source Rs. 206643/- (Previous Year Rs. 237293/-)]</i>	3,281,797	3,826,386
Profit on Sale of Investments	681,094	-
Interest Received <i>[Tax Deducted at Source Rs. 224400/- (Previous Year Rs. NIL)]</i>	1,000,000	-
Misc. Income	1,405,931	551,000
	6,368,822	4,377,386
SCHEDULE 9 : MATERIALS		
Opening Stock	-	38,220
Add: Purchases	165,464,680	83,666,097
Less: Closing Stock	-	-
	165,464,680	83,704,317
SCHEDULE 10 : PERSONNEL		
Salaries	13,559,297	9,916,932
Contribution to Provident	474,882	327,355
Staff Welfare Expense	614,586	309,893
Recruitment Expense	164,138	240,404
Training Expense	473,216	320,170
	15,286,119	11,114,754
SCHEDULE 11 : SELLING, MARKETING AND ADMINISTRATION		
Packing & Forwarding(Net)	8,593,046	8,095,338
Advertisement & Marketing Expenses	3,457,415	9,462,693
Meets & Exhibitions	273,481	586,793
Market Training Programmes	109,761	318,338
Book & Periodicals	17,485	207,459
Travelling and Conveyance	4,616,592	4,227,525
Rent	2,076,412	1,645,912
Rates & Taxes	153,610	22,307
Legal & Professional Fees	2,058,508	1,262,520
Interest on Deposits from Customers	1,206,173	796,289
Repair & Maintenance:		
Buildings	1,465,596	1,450,030
Plant & Machinery	97,530	251,256
Others	1,527,543	882,424
Office Supply & Stationery	612,920	548,558
Telephone & Communication	2,666,468	1,798,395
Donation	-	193,011
Insurance	-	118,467
Miscellaneous Expenses	696,613	59,809
Bad Debts	532,007	30,731
Loss on Sale of Fixed Asset	8,031	4,318
	30,169,191	31,962,173

SCHEDULE 12: NOTES TO ACCOUNTS

1. Background

The main business of the Company is to trade and provide services relating to different kinds of architectural glass including toughened glass, laminated glass, insulated glass and glass products.

The accompanying accounts reflect the results of the activities undertaken by the Company during the year ended on 31st March 2007.

2. Significant Accounting Policies:

a. Accounting Convention

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b. Fixed Assets

Both tangible and intangible are stated at cost of acquisition or construction, less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets. Building on lease comprise of cost of additions and allocations carried out as well as brokerage paid for taking the same on lease.

c. Inventories

The Company is not carrying any inventory.

d. Investments

Investments are stated at the cost price.

e. Revenue Recognition

Sales are recognized as soon as goods are dispatched and are recorded net of returns, trade discounts, trade taxes etc.

f. Material Cost

Cost of material is determined by adding opening stock to purchases and reducing therefrom the closing stock.

g. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transactions.

h. Retirement Benefit

Company's contribution to Provident Fund and Provision for Gratuity is charged to the Profit & Loss Account. Provision for Gratuity is provided as per contract with the respective employees.

i. Depreciation

Tangible Assets

Depreciation on tangible asset except those on lease is provided on the Written Down Value at the rates specified in Schedule XIV to the Companies Act, 1956.

Intangible Assets

Intangible asset are amortized over a period of five years on a pro-rata basis.

Leasehold Assets

Leasehold assets are depreciated over the period of lease.

j. Taxes on Income

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

Deferred Tax is recognized on timing differences; being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on the Balance Sheet date.

The Company does not recognize Deferred Tax Assets on the consideration of prudence and conservative principal of accounting.

k. Preliminary Expenses

Preliminary Expenses are amortized over a period of five years.

l. Segment Reporting

The Company trades only in one business segment i.e. architectural glass and has made sale only in one geographical area i.e. India. Therefore AS-17 on Segmental Reporting is not applicable to the Company.

3. Notes to Accounts:

1. Contingent Liabilities: NIL
2. Capital Commitments: NIL
3. Auditors Remunerations

	As at 31-03-2007	As at 31-03-2006
- as auditor	Rs. 7,50,000/-	Rs.5,00,000/-
- as management advisor	Rs. 1,80,000/-	Rs. 75,000/-
- service tax	Rs. 1,14,732/-	Rs. 70,380/-

4. Related Party disclosures

List of Related Parties:

- i. **Enterprise having control over reporting enterprise:** Asahi India Glass Limited.
- ii. **Key Management Personnel:** Mr. Sanjay Labroo, Mr. Arvind Singh, Mr. Kunwar Narayan and Mr. P.L. Safaya (All are Directors)

Transaction with Related Parties:

Nature of Transactions	Enterprise having control over reporting enterprise		Key Management Personnel	
	31-03-07	31-03-06	31-03-07	31-03-06
Purchase of material for sale: Asahi India Glass Limited	165464680	83666097	-	-
Purchase of Material for Advertisement: Asahi India Glass Limited	1103891	849535	-	-
Packing Cost paid : Asahi India Glass Limited	5652636	3939828	-	-
Commission Received: Asahi India Glass Limited	3281797	3826386	-	-
Interest Received: Asahi India Glass Limited	1000000	-	-	-
Equity Contribution: Asahi India Glass Limited	-	778911	-	-
Mr. Sanjay Labroo	-	-	-	1640000
Mr. Kunwar Narayan	-	-	400000	1999990
Mr. Arvind Singh	-	-	-	300000
Mr. P. L. Safaya	-	-	-	250000
Advance paid to Supplier: Asahi India Glass Limited	15000000	-	-	-

5. Earning per Share

Particulars	31-03-2007	31-03-2006
Net Profit (Loss) available for equity shareholders	Rs.1,01,18,193/-	Rs.(47,30,459/-)
Number of Weighted Average number of shares	3845841	3103808
Basic/Diluted Earning Per Share	Rs. 2.63	Rs. (1.52)

6. Impairment of Assets

There is no impairment of assets as on 31-03-2007.

7. Additional Information as required by Part II of Schedule VI of the Companies Act, 1956:

1. Purchases, Sales, Opening Stock and Closing Stock of Architectural Glass

Year	(Qty in Sqm.)				(Amount in Rs.)			
	Sale		Purchase		Opening Stock		Closing Stock	
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
31-03-2007	127679	218935635	128767	165464680	NIL	NIL	NIL	NIL
31-03-2006	79897	120113087	82907	83666097	28	38320	NIL	NIL

2. CIF Value of Import:

Particulars	31-03-2007	31-03-2006
Capital Goods - Software	Rs.16,762/-	NIL

3. Expenditure in Foreign Currency:

Particulars	31-03-2007	31-03-2006
Advertisement (Net of TDS of Rs. 1,01,665/-)	Rs.1,41,436/-	NIL
Exhibition (Net of TDS of Rs. 1,54,129/-)	Rs. 2,14,424/-	NIL
Software	Rs.16,762/-	NIL
Travel	Rs. 1,64,160/-	Rs. 97,577/-
Training Fee	NIL	Rs. 60,000/-
Donation	NIL	Rs.1,72,728/-

4. Earning in Foreign Currency: NIL

8. Provision for Income Tax has been made in accordance with provisions of MAT under section 115 JB of the Income Tax Act.

The Company has no Deferred Tax Liability and on the consideration of prudence and conservative principle of accounting company has decided not to recognize the Deferred Tax Asset.

9. In the opinion of the Board, all the current assets, loans and advances have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated in the balance sheet.

10. Loans & Advances includes Rs. 1,50,00,000/- (Previous Year NIL) paid to Asahi India Glass Limited, holding company, in the course of business as standing advance against supply of goods. Maximum amount outstanding during the year was Rs. 1,50,00,000/-.

11. Sundry Debtors, some of the Current Liabilities and Advances are subject to confirmation/reconciliation.

12. Previous year's figures have been regrouped/rearranged, wherever found necessary to make them comparable with those of the current year.

As Per our report of even date

For **Jand & Associates**

Chartered Accountants

For and on behalf of the Board of Directors

Pawan Jand

Prop.
M. No. 80-501

Sanjay Labroo

Director

Kunwar Narayan

Director

Anil Chhatwal

Head - Accounts

Kumudini Aggarwal

Company Secretary

Place : New Delhi

Dated : 22nd May, 2007

Cash Flow Statement

	2007		2006	
	Amount	Amount	Amount	Amount
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit(Loss) before tax and extraordinary items	12,018,193		(4,284,777)	
Adjustments for:				
Depreciation and Amortisation of Assets	2,149,809		1,777,541	
Deferred revenue expenditure written off	216,465		216,465	
Operating Profit(Loss) before working capital changes	14,384,467		(2,290,772)	
Adjustments for:				
Trade and Other Receivables	(25,664,736)		(24,545,669)	
Inventories	-		951,326	
Trade Payables	7,881,116		44,584,813	
Cash Generated from Operations		(3,399,153)		18,699,699
Increase in deferred revenue expenditure		-		-
Cash Flow before Extraordinary/Prior Period Items		(3,399,153)		18,699,699
Loss on Sale of Fixed Asset		8,031		4,318
Profit on Sale of Investments		(681,094)		-
Net Cash Flow from Operating Activities		(4,072,216)		18,704,017
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets, including capital work in progress	(3,147,617)		(3,126,771)	
Sale of Investments	15,000,000		(17,500,000)	
		11,852,383		(20,626,771)
Net Cash Flow from Investing Activities				
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Equity Shares	840,000		9,178,911	
Share Application Money	-		-	
Net Cash Used in Financing Activities		840,000		9,178,911
Net Increase/(Decrease) in Cash & Cash Equivalent(A+B+C)		8,620,167		7,256,156
Cash & Cash Equivalent - Opening		11,408,179		4,152,023
Cash & Cash Equivalent - Closing		20,028,346		11,408,179

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS 3) on Cash Flow Statement issued by the Institute of Chartered Accountant of India.
- 2) Figures in brackets represent outflow.

As Per our report of even date
For **Jand & Associates**
Chartered Accountants

For and on behalf of the Board of Directors

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M. No. 80-501

Sanjay Labroo
Director

Kunwar Narayan
Director

Anil Chhatwal
Head - Accounts

Kumudini Aggarwal
Company Secretary

Place : New Delhi
Dated : 22nd May, 2007

Balance Sheet Abstract and Company's General Business Profile

AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

State Code

Balance Sheet Date

II. Capital Raised during the year (Amount in Rs. Lakhs)

Public Issue

Right Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amt. in Rs. Lakhs)

Total Liabilities

Total Assets

Sources of Funds

Paid up Capital

Reserves and Surplus

Share Application Money

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Lakhs)

Total Income

Total Expenditure

+/-Profit (Loss) before tax

+/-Profit (Loss) after tax

Earning per Share in Rs.

Dividend @ %

V. Generic Names of Three Principal Products / Services of Company

Toughened Tempered Glass

Ch. H. No. 7004-10

As Per our report of even date

For **Jand & Associates**

Chartered Accountants

For and on behalf of the Board of Directors

Pawan Jand

Prop.

M. No. 80-501

Sanjay Labroo

Director

Kunwar Narayan

Director

Anil Chhatwal

Head - Accounts

Kumudini Aggarwal

Company Secretary

Place : New Delhi

Dated : 22nd May, 2007



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