



ASAHI INDIA GLASS LIMITED

Annual Report 2012-2013

R e s i l i e n c e



*"The world breaks everyone, and afterward,
some are strong at the broken places"*

-Ernest Hemingway

Forward-looking Statement

This Annual Report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performances or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available sources and has not verified those information independently.

Resilience

Resilience is the capacity of an ecosystem to respond to an external disturbance by resisting damage and recovering quickly. It is about the undying spirit of perseverance – refusing to give up and rebound from misfortune, hardships and traumas.

Resilience is rooted in a tenacity of spirit—a determination to embrace growth even in the face of overwhelming odds. When we have a clear sense of identity and purpose, we are more resilient, because we can hold fast to our vision of a better future and can come through unharmed or even better from these adversities.

Resilience is at the core of AIS. Driven by the 'AIS Way' of working that sets milestones, promotes execution excellence, adopts an objective, logical and transparent way of dealing with situations and is performance oriented, AIS has a history of overcoming adversities and emerging stronger everytime.



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Vision

SEE MORE

This byline captures AIS's culture:

- It describes AIS's products and services which delight customers by helping them see more in comfort, safety and 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 in detail.

To transcend the ordinary.

Mission

"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
- Customer Satisfaction
- Respect for Environment
- Use of Facts
- Continuous Improvement
- Strengthening of Systems
- Upgradation of Human Potential through education and training
- Social Consciousness



Chairman's Message

Dear Shareholders,

I strongly believe that the true mettle of a Company is tested when it is pushed to the brink. Enterprises that display the ability to withstand difficult times and embark on new rounds of growth are the ones who can create and deliver sustainable value. We at AIS are going through one such phase of turbulence.

If you recall, in my letter to you in the last Annual Report, I had said that we were ending 2011-12 on a pessimistic note. Ironically, 2012-13 lived up to my sense of pessimism.

Let us first look at the broader business environment. The global economy slowed down further in 2012-13. For the calendar year (CY) 2012, output growth reduced to 3.2% against 4% in CY2011. While the advanced economies witnessed a drop in real GDP growth from 1.6% in CY2011 to 1.2% in CY2012, more disappointing has been the growth reduction in emerging economies – from 6.4% in CY2011 to 5.1% in CY2012. Going forward, IMF's World Economic Outlook estimates suggest that global economic conditions will be similar or marginally better in CY2013. World output growth is estimated at 3.3% with advanced economies growing at 1.2% and emerging economies at 5.3%.

For advanced economies there is the twin story of recovery in USA and turmoil in Europe. While the growth estimates for the United States in CY2013 of 1.9% to 2% may not seem high, and indeed is insufficient to make a large dent in the still-high unemployment rate, it will be achieved. Underlying private demand is strong; there is a pent-up demand for housing and durables; a steady revival in the USA is imminent.

It is rather surprising that the global demand slump has not managed to dent the high prices of energy. From this perspective it is unfortunate that the emerging economies that continue to drive global growth are also ones that are highly energy intensive. So, the demand for energy related products continue to grow and there are supply side constraints. Add to this the significant speculative activity in oil trading. Consequently, for most of 2012-13, Brent Crude has traded between US\$100 and US\$120 a barrel. This trend is expected to continue in 2013-14.

As you are aware, glass is a very energy intensive industry and with manufacturing facilities in India, a country that does not have sufficient oil resources and has to import most of its demand, the glass industry including AIS has no option but to be a price taker. Although we have converted

both our float glass plants to natural gas, our energy cost still remains high due to the recent increase in prices of natural gas.

The economic story of India is particularly disappointing. India recorded a 5% GDP growth in 2012-13 – the lowest in the last decade. Industrial growth has reduced to 2.1% with manufacturing reducing to a paltry 1%. This is very disconcerting for someone who has seen the new wave of manufacturing developing in India over the last three decades.

There was some good news with inflation, especially for non-food manufactured product softening during 2012-13. However, consumer price inflation actually firmed up. The average headline WPI inflation during 2012-13 at 7.4% was significantly lower than the 9% inflation witnessed in 2011-12. While this has been a respite, overall economic uncertainties have created a major negative sentiment in investments and consumption in India. Monetary policy eased somewhat during 2012-13, in response to some softening of inflation and significant moderation in growth. However, monetary policy response to addressing growth concerns was constrained by the twin deficit (current account deficit and fiscal deficit) risks that prevailed for the most part of the year. Consequently, while interest rates reduced a bit, the absolute levels are still fairly high.

All these macro developments have had a squeezing effect on the profitability of players in the glass industry in India. On the one hand, with economic slowdown, demand has become subdued, and has affected our ability to grow revenues. On the other, high energy prices and that of key materials like sand and soda ash, have continued to increase putting severe pressure on operating profits. Glass manufacturing is also very capital intensive and AIS like many other players in the industry believing in the potential for glass in a growing India, has made large investments in creating appropriate capacities. These investments using domestic capital, which is priced significantly higher than global capital,

have put severe financing cost pressures in the initial stage of production ramp up.

The effects of the business environment are fairly evident in our financial performance. Even in a difficult market, I am happy to note that net sales increased by 15.7% from ₹ 1,665 crores in 2011-12 to ₹ 1,927 crores in 2012-13. However, this growth has not been in line with our higher capacities and spiralling input costs and the Company generated net losses (after tax), including profit from associates and minority interests, of ₹ 99 crores.

Clearly, we have had two very difficult years and have been pushed to the wall.

But I am confident of our ability to overcome the situation and re-embark on a new phase of growth. I have complete trust in AIS and its powers of resilience. And, this faith on the Company's ability to bounce back from adverse conditions is not without reason. Let me explain this in a little more detail.

First, this is not the first time that the Company has faced extreme challenges. Looking back, there was the yen effect (1986), collapse of manufacturing in India (1987), collapse of raw materials supply (1990), the strike (1991), challenge of newly acquired FGI (2001) and the massive scale up of capacity, technology, location, people, systems (2006–2011). AIS has overcome them all and emerged as a stronger Company after each round of setback. So, we have overcome challenges before and will do it again this time.

Second, we have developed wide spectrum capacities and capabilities within AIS. Today, your Company is present across the entire value chain of architectural and automotive glass. There is flexibility in production as well as specialisation in servicing different needs of customers. With experience, we will optimise the enterprise-wide integrated approach to create clear competitive advantage.

Third, I believe in the values, culture and systems that are encapsulated in the 'AIS Way' of working.

The focus on execution through deep analysis, goal setting, objective decision making and delivery excellence is the driving force of the Company to deal with vagaries of business environment. This is what got us the 'Deming Award' for quality excellence a few years back, and we will continue to further deepen the adoption of this culture and processes. Some of this is already translating into developments on the ground and I am confident these will help us emerge as an even stronger Company out of the present difficulties.

Fourth, there is my unwavering belief in India. Many experts have often talked about the spirit of entrepreneurship in India. Of how even under difficult policy environment, companies in India have grown and contributed to economic growth. I strongly believe, as a country, we will be back to 7-8% economic growth and a climate of positive sentiments. It is going to be our young population that will find answers and drive the next round of growth.

With economic growth, there will not only be massive increment in requirements for glass but also per capita glass consumption will increase substantially from its present low levels. India will demand more energy efficient green buildings, more stringent safety requirements for auto glass and greater aesthetics all round. So while there will be increase in demand in numbers there will also be need for higher value propositions in the glass industry.

Fifth, we have the right partners. Asahi Glass Co. Ltd., (AGC), with its global leadership positioning, has the exposure and world-wide presence to continuously support us in our endeavours. It continues to actively support us on our journey forward.

During the year, Mr. S. Nakanishi, Nominee Director of Maruti Suzuki India Limited (MSIL) resigned from the Board and Mr. K. Ayukawa joined the AIS Board. Also, Mr. M. Sakakida has replaced Mr. K. Nakagaki during the end of financial year 2012-13. Further, Mr. Gurvirendra Singh Talwar joined as an Independent Director on the Board of AIS. I am sure their experience & expertise will add immense value to our Company. The Board has also decided to infuse further capital in the Company by way of Rights Issue of ₹ 250 crores.

All our stakeholders – our shareholders, our customers, our employees and the society at large – have always reposed faith in our business. For this, I thank you all. And, I urge you continue to believe in AIS's resilience and support us in our journey out of the present difficult times to the next phase of growth.

With best regards



B.M. Labroo
Chairman



Five Years' Financial Highlights

(₹ Lakhs)

PARTICULARS	FY09	FY10	FY11	FY12	FY13
Gross Sales	135398	142971	170907	181668	212918
Other Income	1154	3443	1667	1196	1076
Total Income	136552	146414	172574	182864	213994
Operating Profit (PBDIT)	14279	25137	27253	20598*	19409*
Interest	12433	12783	12780	14743	16915
Gross Profit	1846	12354	14473	5855	898
Depreciation	11349	12448	11837	12653	14857
(Loss)/Profit Before Tax	(9576)	(179)	2631	(8675)	(13959)
Tax	(5516)	(302)	1116	(2802)	(4780)
(Loss)/Profit After Tax	(4060)	123	1515	(5873)	(9180)
Paid-up Equity Capital	1599	1599	1599	1599	1599
Advance against Share Application Money	-	-	-	-	5000
Reserve & Surplus#	17361	18848	20237	14364	5185
Shareholders' Funds	18960	20447	21836	15963	11784
Loans					
- Interest Free Sales Tax loan	905	550	110	0	0
- Unsecured Foreign Currency Loan	24213	21435	21290	24287	25914
- Other loans	136612	125078	132088	131899	128440
Capital Employed	176468	162236	165082	170037	162879
Net Fixed Assets	139309	122710	122366	128012	121362
Net Current Assets	38334	41404	50504	36973	32640
Earning per share (₹)	(2.54)	0.08	0.95	(3.67)	(5.74)
Cash Earning per share (₹)	1.01	7.68	9.03	5.67	7.54
PBDIT /Average Capital Employed (%)	8%	15%	17%	12%	12%
ROACE (%)	2%	7%	9%	4%	2%
(PBIT /Average Capital Employed)					
ROANW (%)	(17%)	1%	7%	(34%)	(66%)
(PAT /Average Net Worth)					
PBDIT to Net Sales	12%	20%	18%	12%	10%
Gross Block to Net Sales	169%	159%	136%	142%	125%
Gross Block to PBDIT	14.43	7.98	7.60	11.31	12.37

1. Previous years' figures have been regrouped/rearranged, wherever found necessary, to make them comparable with those of current year
2. Capital employed is arrived after deducting capital work-in-progress and miscellaneous expenditure not written off.
3. Share holders' funds does not include preference share capital

* Before exchange rate fluctuation

Exclusive of FCMITD A/c

About AIS

AIS is the largest integrated glass manufacturer in India with long lasting reputation built on the pillars of quality, cost and delivery. The Company, promoted by the Labroo Family, Asahi Glass Company Ltd., Japan (AGC) and Maruti Suzuki India Ltd., was set up as a joint venture in 1984. The three entities, as the promoter group, jointly hold approximately 55% of paid-up equity capital of AIS with the balance 45% being held by public. Listed on the National Stock Exchange and Bombay Stock Exchange, AIS epitomizes the highest standard of transparency, integrity and accountability.

The Company has 8 strategically located manufacturing and assembly locations spread across India to service a wide spectrum of marquee clients primarily in India. With focus on integration and value addition, the Company is present across the value chain of both automotive and architectural glass. The long term strategic focus of AIS is on providing complete solutions to customers by developing specialised products and services in each key element of the value chain while adopting an enterprise-wide approach that derives synergies from the significant internal linkages that exist across the different business divisions. As a truly integrated glass player in India, AIS offers one of the widest ranges of glass products and solutions. Today, AIS operates four strategic business units (SBUs) namely Automotive Glass, Architectural Glass, Consumer Glass and Solar Glass.

Auto Glass

Having serviced the Indian automobile industry with distinction for over two and a half decades, AIS continues to be the leader in the Indian automobile segment with over 60% market share for OEM customers for passenger cars. It has made deeper in-roads into the commercial vehicle segment in recent years and has made a foray into the tractor segment in 2012-13. AIS's steadfast focus on excellence in quality has been recognised and the Company has received many global awards and certifications including the coveted Deming

Application Prize in 2007 (only glass player in India till date with this recognition) and TPM Excellence Award in 2010 (for its Bawal unit). Courtesy its strategic network of four manufacturing plants and three additional sub-assembly units, the Company supplies quality glass to all major automobile manufacturers in the country including Maruti Suzuki, Hyundai Motors, Tata Motors, Honda Sael Cars, Mahindra & Mahindra, Toyota Kirloskar and Volkswagen India.

PRODUCT PORTFOLIO

- Laminated Windshields
- Tempered Glass for Sidelites and Backlites
- Defogger Glass
- Glass Antenna
- Encapsulated Glass
- Plug-in Window
- Solar Control Glass
- IR Cut Glass
- UV Cut Glass
- Flush Fitting Glass
- Rain Sensor Windshield
- Heated Windshield
- Extruded Windshield
- Glass with Assembly



Architectural Glass

This SBU is formed as a result of management merger of the Float & Glass Solutions (Processed Glass) SBUs. The Architectural Glass SBU has a multi-domain strategic position in the Company's integrated business delivery chain. It primarily manufactures quality float glass, which makes (as required) captive supply to the Auto Glass SBU as well as fulfilling the processing requirements towards a range of high-end Architectural Glass products. The Architectural Glass SBU continues to extend its market penetration by deploying an extensive network of 4 zonal offices and over 1000 distributors. It also markets a wide range of AGC products in India as its distribution partner.



Consumer Glass

While the first two SBUs of the Company are focused on bulk supplies to OEM and institutional customers, Consumer Glass SBU is Company's interface with end users for its range of Automotive

PRODUCT PORTFOLIO

- AIS Clear™ - Clear Float Glass
- AIS Tinted™ - Heat Absorbing Glass
- AIS Supersilver™ - Heat Reflective Glass
- AIS Opal™ - Affordably Priced Solar Glass
- AIS Mirror™ - Distortion-Free Mirrors
- AIS Decor™ - Lacquered Glass in Vibrant Colours for Interiors
- AIS Krystal™ - Only Branded Frosted Glass
- Ecosense™ - High Performance Energy Efficient Reflective Glass
- AIS Stronglas™ - Impact Resistant Glass
- AIS Securityglas™ - Burglar Resistant Glass
- AIS Acousticglas™ - Sound Resistant Glass
- Solar Low-e Glass
- AIS Ceramic Printed Glass

and Architectural Glass offerings. Impeccable, customised and consumer centric solutions is the key differentiator of Consumer Glass SBU.

GlasXperts: Providing end-to-end Architectural Glass solutions, GlasXperts integrates specialised glass knowledge and aesthetic sense in assisting customers in selection and installation of glass in homes, offices and other commercial establishments.

Windshield Experts: Windshield Experts is India's only Automotive Glass repair and replacement specialist. Speed, efficiency and highest standard of quality denotes Windshield Experts' services. Being a part of AIS group that holds 60% of Auto Glass market share, Windshield Experts is uniquely placed to leverage from AIS's lineage to further penetrate in After Market segment.

Solar Glass

Given the limited availability of fossil fuel in the country, AIS is tapping the renewable energy space with its solar glass offerings.

Corporate Information

BOARD OF DIRECTORS

B. M. Labroo	Chairman
Sanjay Labroo	Managing Director & C.E.O.
Hideaki Nohara	Dy. Managing Director & C.T.O. (Auto)
Kimikazu Ichikawa	Director
Kenichi Ayukawa	Director
Surinder Kapur	Director
Gurvirendra Singh Talwar	Director
Masakazu Sakakida	Director
Gautam Thapar	Director
Rahul Rana	Director

BOARD COMMITTEES

Audit Committee

Surinder Kapur	Chairman
Gautam Thapar	Member
Rahul Rana	Member

Remuneration Committee

Gautam Thapar	Chairman
Surinder Kapur	Member
Hideaki Nohara	Member
B. M. Labroo	Member
Rahul Rana	Member

Shareholders' / Investors' Grievance Committee

B. M. Labroo	Chairman
Sanjay Labroo	Member
Hideaki Nohara	Member

Shailesh Agarwal - Chief Financial Officer

Gopal Ganatra - Chief Legal Officer & Company Secretary

STATUTORY AUDITORS

Jagdish Sapra & Co.
Chartered Accountants

INTERNAL AUDITORS

Protiviti Consulting Private Limited

OFFICES

Registered Office

Unit No.203 to 208, Tribhuwan Complex,
Ishwar Nagar, Mathura Road,
New Delhi – 110065
Tel: (011) 49454900
Fax: (011) 49454970

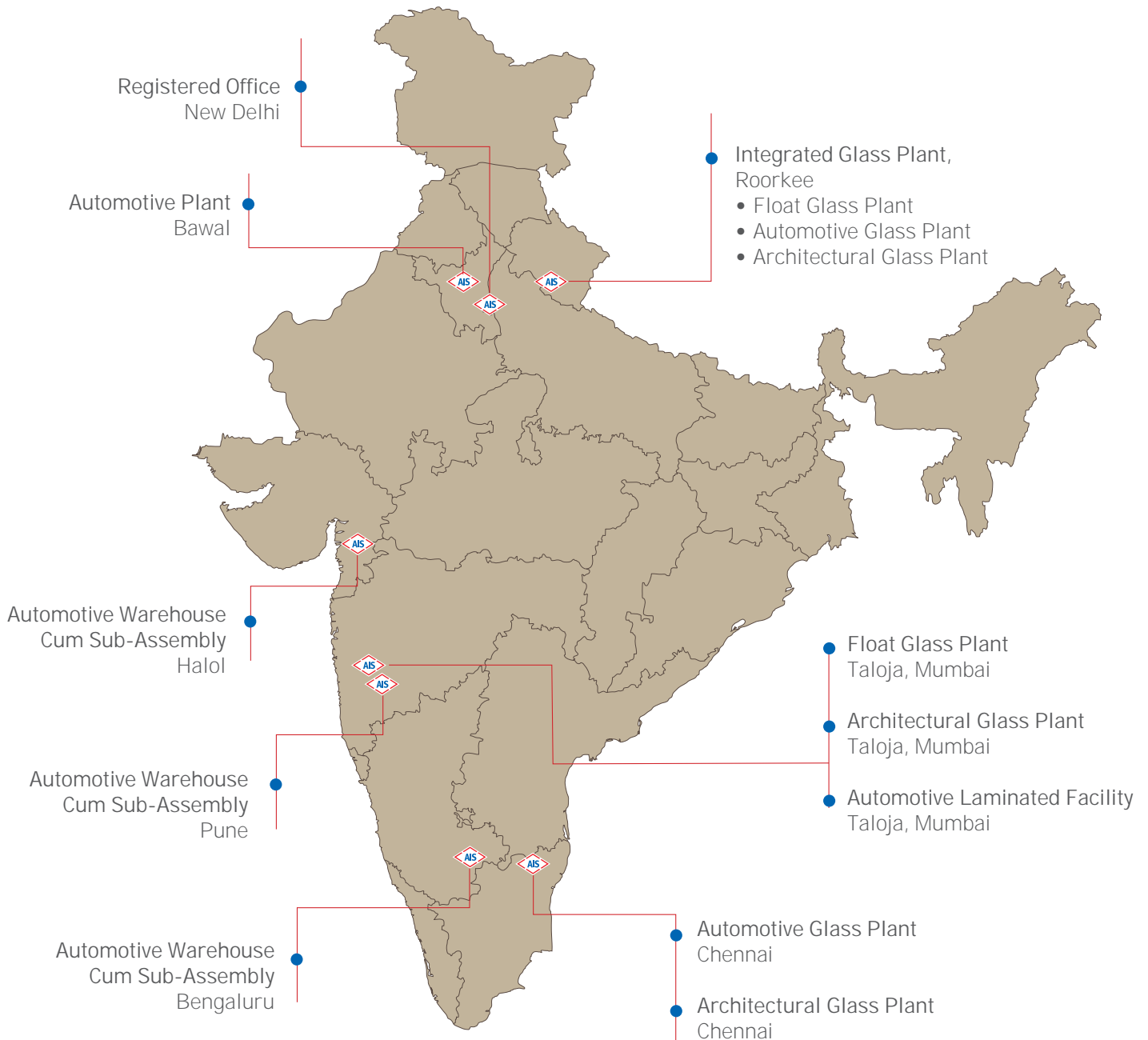
Corporate Office

Global Business Park, Tower - B,
5th Floor, Mehrauli-Gurgaon Road,
Gurgaon - 122 002 (Haryana)
Tel: (0124) 4062212-19
Fax: (0124) 4062244/88

BANKERS

HDFC Bank Ltd.
State Bank of India
Standard Chartered Bank
State Bank of Mysore
State Bank of Hyderabad
Export – Import Bank of India
ICICI Bank Ltd.
Mizuho Corporate Bank Ltd.
The Bank of Tokyo Mitsubishi UFJ Ltd.
Citi Bank N.A.
Yes Bank Ltd.
The J & K Bank Ltd.
State Bank of Mauritius Ltd.

AIS Operating Locations



Note: For detailed addresses and contact numbers of all AIS locations (including AIS offices), please refer to last page.
Map not to Scale.

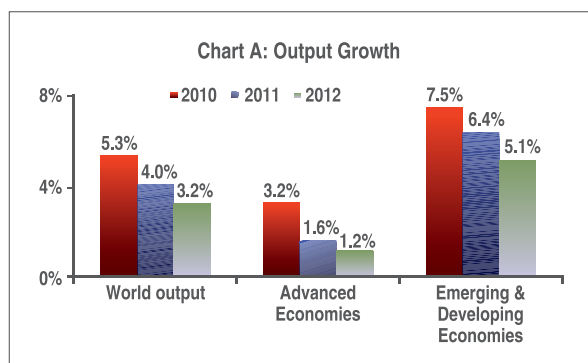
Management Discussion and Analysis

Macro-Economic Review

2012-13 has been a difficult year for the global as well as the Indian economy.

Global

While a widespread slowdown was evident in calendar year (CY) 2011, the drop in output growth became even more apparent in CY2012. World output growth reduced from 4% in CY2011 to 3.2% in CY2012. In line with the trend in the last few years, advanced economies were affected more with output growth reducing from 1.6% in CY2011 to 1.2% in CY 2012. The greater concern was reduction in output growth in the emerging and developing economies as well - from 6.4% in CY2011 to 5.1% in CY2012 (see Chart A).



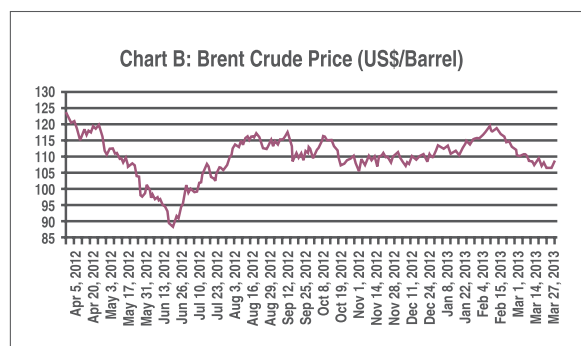
Source: International Monetary Fund (IMF)

The large developed economies of USA and Europe have witnessed divergent trends. While in the US, growth was steady at 2.2% for CY2012, Europe has been a cause for concern with GDP of EU (17 countries) shrinking by 0.6% in CY2012. In Europe, the slowdown has spread from peripheral nations

like Greece and even Spain to core countries such as Germany, France and Italy.

Glass is a highly energy intensive industry and movements in fuel and energy prices play a critical role in determining the financial prospects of glass manufacturers.

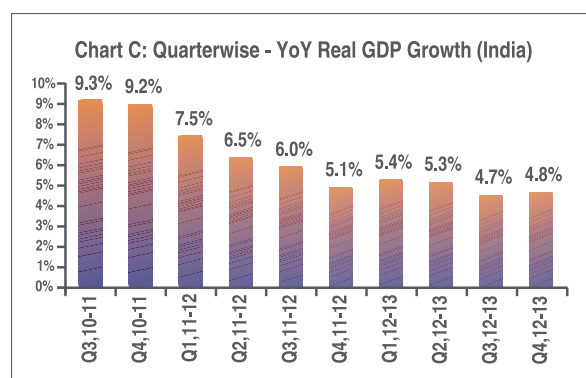
The global economic slowdown had little impact on the world demand for crude oil, primarily because the emerging economies, which are typically less energy efficient and have higher energy consumption to GDP ratios, continued to grow at reasonable levels of over 5%. In fact, the Organisation of the Petroleum Exporting Countries (OPEC) estimates suggest that oil demand grew by 0.8 million barrels per day in CY2012. Moreover, there was no major increase in supplies from the OPEC or the non-OPEC countries. Given this demand-supply scenario, while Brent crude oil prices did dip to the mid-US\$80s in the first half of CY2012, it recovered to trade at above US\$100 per barrel thereafter. Chart B plots the daily Brent crude oil price data.



Source: Organisation of Petroleum Exporting Countries (OPEC)

India

It is clear that the Indian economy is slowing down considerably. Estimates from the Central Statistical Organisation (CSO), Government of India suggest that real GDP growth reduced further — from 6.2% in 2011-12 to 5% in 2012-13. This is the lowest growth recorded in the last decade and far below the 8%-9% annual growth rates envisaged for the economy in the long term plans of the Government of India. What is even more worrisome is the fact that over the last 10 quarters the situation has got progressively worse (see Chart C).



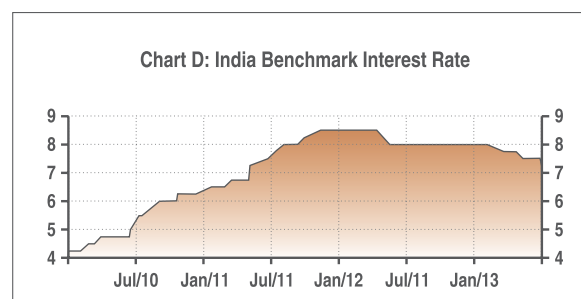
Source: Central Statistical Organisation, Government of India

The structure of economic growth is also not very encouraging for the immediate future. Incremental Gross Fixed Capital Formation (GFCF), which gives an indication of the creation of growth promoting assets in an economy, has also reduced from high levels of 14% in 2010-11 to 4.4% in 2011-12 and further down to a mere 1.7% in 2012-13.

A slight reprieve was that headline and especially non-food manufactured product inflation pressures softened during 2012-13. However, consumer price inflation firmed up. The average headline WPI inflation during 2012-13 at 7.4% was significantly lower than the 9.0% inflation witnessed in 2011-12. While this has been a respite,

the overall economic uncertainties have created a major negative sentiment in investments and consumption in India.

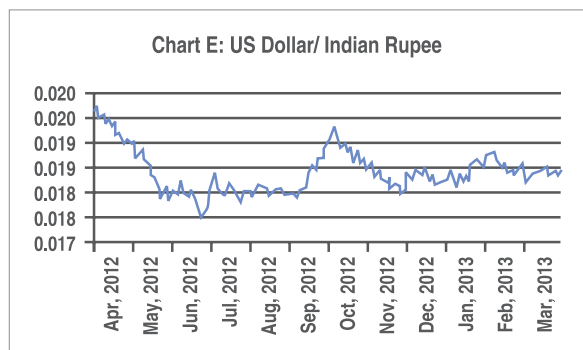
Monetary policy eased during 2012-13, in response to some softening of inflation and significant moderation in growth. However, monetary policy response to addressing growth concerns was constrained by a degree of inflation persistence and the twin deficit (fiscal and current account) risks that prevailed for the most part of the year. Although fiscal risks were lowered during H2 of 2012-13, current account deficit (CAD) risks intensified during Q2 and Q3. The current account deficit (CAD) to GDP ratio reached a historic high of 6.7% in Q3, 2012-13. Chart D shows that the benchmark interest rate or the repo rate has reduced in the second half of 2012-13 to levels around 7.25%, which is what it was in the middle of 2011. While this is a reflection of easing in interest rates, the aggregate levels are still fairly high.



Source: Reserve Bank of India (RBI)

In this uncertain scenario with too many grim portents, it is not surprising that demand for automobiles and real estate — AIS's principal end customers — was adversely affected in 2012-13.

In addition, the depreciation of rupee adversely affected costs. Chart E shows how the rupee depreciated from levels around ` 50 to a range closer to ` 55 during 2012-13. The situation has got significantly worse recently.



Financial Performance

AIS's financial performance in 2012-13 reflects the difficult conditions under which it operated. On the one hand, demand conditions were subdued. On the other, several cost elements over which the Company had almost no control, continued to increase. As a result, profits got squeezed. Despite AIS registering a healthy double-digit growth in net sales, losses increased in 2012-13. The salient points of the Company's performance as a consolidated entity are:

- Net sales increased by 15.7% from ₹ 1,665 crores in 2011-12 to ₹ 1,927 crores in 2012-13
- Given the cost pressures, operating margins or the ratio of earnings before interest, depreciation, tax and amortisation (EBIDTA) to total operating income reduced from 11.1% in 2011-12 to 9.2% in 2012-13. Consequently, EBIDTA reduced by 4.5% from ₹ 180 crores in 2011-12 to ₹ 177 crores in 2012-13
- The drop in operating income and the high levels of finance and depreciation costs translated into losses at the profit before tax (PBT) level of ₹ 147 crores in 2012-13 compared to ₹ 95 crores in 2011-12.
- Net loss, after accounting for returns from associates and minority interest was ₹ 99 crores.

Clearly, the Company has put major efforts in growing sales and controlling a large proportion of internal costs, but external pressures not only added to costs but also prevented it from passing these cost increases to customers as increased prices and generate positive returns. Subsequent sections detail the developments and performance of different business segments in AIS's portfolio.

Auto Glass

AIS is India's premier supplier of glass to the automobile industry, especially for passenger vehicles.

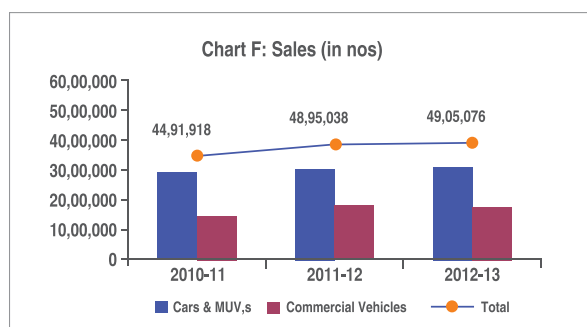
In the automobile glass space, the Company is primarily a supplier to leading Original Equipment Manufacturers (OEMs) in India. This accounts for 82% of its total auto glass sales. The rest of it is accounted for by after-market, spares and exports.

While AIS continued to maintain strong performance in terms of delivery and quality of products and continues to strengthen its dominant position in terms of share of business in the Indian automobile glass market, the significant slowdown of the automobile sector affected its growth in revenues and profits.

Industry Structure and Development

The automobile industry was badly affected by the economic slowdown in 2012-13. Total passenger cars and MUV sales, which is AIS's primary customer segment, increased by a mere 2.1% to 31.1 lakh vehicles. In fact, within this segment, passenger car sales actually decreased by 3.6%, while MUV's was the silver lining with 38.9% sales growth. The commercial vehicles segment, too, was badly affected – with sales dropping by 2.9% to 17.9 lakh vehicles. The total automobile market, including three-wheelers, but excluding

two-wheelers grew by a meagre 0.2% to 49.1 lakh vehicles in 2012-13. Chart F plots the data



With the market under flux, the challenge has been to control input costs and maintain strong delivery and quality parameters. For the main raw materials — raw glass and PVB — major efforts were made to secure optimal mid- to long-term contracts and to widen the supply base for promoting more stable supplies. The Company has also succeeded in reducing transit time and increasing the credit period for its inputs. Efforts are on to further improve these parameters.

Performance

The highlights of the AIS Auto Glass SBU are:

- Revenues increased by 13.7% from ₹ 927 crores in 2011-12 to ₹ 1,054 crores in 2012-13.
- Segment profits before interest and unallocable items reduced marginally from ₹ 72.7 crores in 2011-12 to ₹ 72.2 crores in 2012-13.

AIS continues to produce a wide range of auto glass fitments. The basic products are laminated (front) windscreens, tempered window glasses (sidelites) and the back glass (backlite). To maintain its dominant position and penetrate further into markets, the Company regularly supports customers with product development, including design development that meets the

requirements of new models. Table 1 gives the new models launched in 2012-13, where AIS has developed new products.

Table 1: New Models for Auto Glass (2012-13)

OEM	Model Name
Maruti	New Alto
Maruti	Ertiga
Hyundai	i-20 Fluidic
M&M	Quanto
Honda	Amaze
Renault – Nissan	Evalia
Tata	Safari Storme
HM	Pajero Sports
Ford	Eco Sport

In addition to these, the Company developed some specific new varieties of glass. These included solar glass that is going to be supplied in the after-market through Windshield Experts; and a model of acoustics glass for the export markets.

During 2012-13, AIS Auto Glass SBU received the Gold Trophy from Maruti Suzuki for Overall Performance Excellence. The Company also took some specific steps on the business development front to penetrate into newer markets. It has



successfully entered the bus market with tempered glass and windshields, initiated entry into the earth moving, tractors and railway segments, and also developed specific products related to auto glass that go into electrical appliances.

Operations

Over the years, AIS Auto Glass has expanded from a single location manufacturing company into Company with multiple production and assembling facilities across different regions of India. Much of this widespread growth was necessitated by newer customer relationships, where it was imperative for AIS to be close to the customers manufacturing facilities in order to provide seamless service and effective delivery. Today, the Company has four production facilities. Two of which are located in North India at Bawal (Haryana) and Roorkee (Uttarakhand); the third unit is located in the south at Chennai (Tamil Nadu), and the fourth in the west at Taloja (Maharashtra). It also operates three sub assemblies cum warehouses at Bangalore (Karnataka), Halol (Gujarat) and Pune (Maharashtra).

Apart from the new laminated line being set up in Bawal, which will add 0.7 million pieces per annum of laminated glass, no major capacity expansion is planned except for maintenance related capital expenditure. AIS continues to focus on removing bottlenecks and increasing internal capacities of existing facilities through improved efficiencies, yields and throughput.

Outlook

Industry estimates do not suggest a major pick-up in demand in the automobile sector in 2013-14. In fact, the Society for Indian Automobile Manufacturers (SIAM) estimates suggest a mere 1.4% growth in passenger cars and a 1.5% drop in commercial vehicle sales in 2013-14. Consequently,

AIS's focus in the next financial year is on further optimising costs & squeezing out inefficiencies across its supply chain. It is also diversifying into new market segments. The Company will continue to focus on maintaining high levels of quality and delivery for its customers to improve on share of business.

Architectural Glass

AIS is one of India's largest manufacturers of Float Glass. It enjoys approximately 26% market share. The Company offers a comprehensive range of products and solutions ranging from Clear and Tinted, to Reflective, Mirror, Frosted and Lacquered Glass. The focus is to continue increasing sales of value added float glass products.

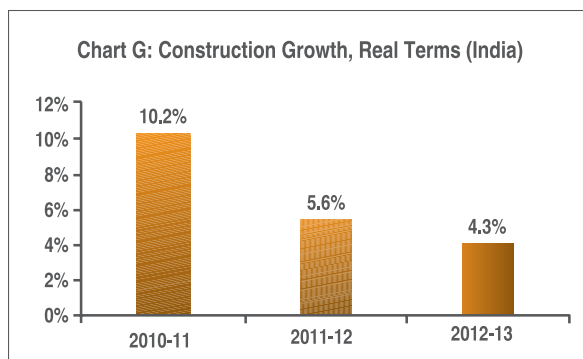
2012-13 was the first full year of operations of the architectural SBU and the float SBU as an integrated unit.



Industry Structure and Development

The float glass industry has major potential for growth in India and in the last few years it has seen some large investments into new capacities. Being a highly capital intensive industry, it is important for players in the industry to seek avenues of value addition to create customer recall and generate reasonably good contributions. In order to do so, one has to constantly be in tune with specific customer demand and create specialisation of varieties of products that gain good market acceptance.

Demand remained subdued in 2012-13, primarily because of the slowdown in the real estate and construction sector. As Chart G shows construction growth, in terms of real GDP numbers, has steadily reduced — from 10.2% in 2010-11 to 5.6% in 2011-12 to 4.3% in 2012-13.



Source: Central Statistical Organisation, Government of India

Not only were demand conditions poor; but there were also severe price pressures on key inputs. Both soda ash and sand prices remained at high levels and this energy-dependent industry continued to grapple with the impact of high oil, gas and energy prices. Further, the industry recently witnessed some consolidation with 50% stake of HNG Float Glass being taken over by a Turkish Company - Trakya.

Performance

Under these difficult market conditions, while the Company managed to grow sales but prices were under severe pressure due to cheap imports being dumped into India, notably from Saudi Arabia, UAE & Pakistan. Consequently, the SBU incurred losses.

The highlights of the float glass segment's financial performance are:

- Revenues increased by 16.55% from ₹ 846 crores in 2011-12 to ₹ 986 crores in 2012-13.
- Segment results before interest and un-allocable items was ₹ 49 crores loss in 2012-13 against ₹ 19 crores in 2011-12.

AIS promoted sales through several “below the line” activities as well as brand building initiatives. The promotional activities included participation in various events and conferences primarily on green buildings and brand building was done through promoting sports like golf and polo.

During 2012-13, AIS received the ZEE Business Good Home Awards for the best company in the glass industry.

Operations

AIS has two state-of-the-art float glass manufacturing plants with a total production capacity of 1200 tonnes per day. One is located in Taloja, near Mumbai, while the second is at Roorkee in Uttarakhand. With manufacturing facilities that indigenously produce international quality products, AIS offers a wide-range of Float Glass Solutions for every architectural and interior need including float glass (clear and tinted), high-quality reflective glass manufactured by CVD technology, world class environment-friendly copper and lead-free mirror, lacquered and frosted glass for interior decoration. AIS offers diversified product range in varying thicknesses,

shades and sizes suited for different architectural, auto and consumer requirements.

With focus on value addition, the Company focuses on trade distribution of hard coated products, and given market dynamics it has also adopted and developed several soft coated products, primarily for the project segment, which are getting steady acceptance in the market. Today around 60% of the sales is in the value added segment.

AIS's new range of soft-coated reflective products have been developed to give the optimal blend between daylight and energy saving, visual and thermal comfort, technology and sensitivity, enabling an age of Green Buildings. The Company is actively developing synergies in execution with Glass Solutions – the glass processing business.

The Company undertook several cost management initiatives at its facilities from the second half of 2012-13 which, to some extent, helped offset the steep increase in input prices. It also successfully moved to gas as a source of energy for the Roorkee facility. However, the anticipated costs savings could not fructify due to steep increase in gas prices recently.

Outlook

Given the developmental needs of India, the architectural glass industry will continue to grow. In the short term, however, the economic slowdown & dumped imports will affect markets. Nevertheless, the important aspect is to understand customer demand in terms of the type of value added product that are gaining acceptance. Up-grading of products and value addition will be the key to having a sizable market share. For AIS, this segment is going to remain challenging as it has to deal with both the marketing side – such as positioning, distribution and development of suitable products — as well as operations, involving yields, input costs and capacity utilisation.

Recently, due to the sharp depreciation in Rupee and initiation of anti-dumping investigation against dumped imports from Saudi Arabia, UAE & Pakistan, there has been an uptick in the momentum of domestic float glass industry. The Company has taken a focused approach to tackle each of these elements and is working with a specific plan in 2013-14.

AIS Consumer Glass

To provide greater focus on consumer front ending, AIS has evolved the consumer glass segment in 2012-13. This segment includes the automotive customer front facing business of Windshield Experts and the architectural glass services business of GlasXperts.

GlasXperts: Providing end-to-end Architectural Glass solutions, GlasXperts integrates specialised



glass knowledge and aesthetic sense in assisting customers in selection and installation of glass in homes, offices and other commercial establishments.

Windshield Experts: Windshield Experts, an associate company of AIS, is India's only Automotive Glass repair and replacement specialist. Speed, efficiency and highest standard of quality denote Windshield Experts' services. Being part of AIS that holds 60% of Auto Glass market share, Windshield Experts is well placed to leverage from AIS lineage and to further penetrate in After Market segment.

The consumer glass division is being developed with the core values of AIS but with the nimble structure of a consumer driven business. It will extensively use the contribution of the Training School and Experience Centre as key solutions for demand generation and supply capability. The automotive consumer glass segment continued to grow at single digit levels in 2012-13. There is now greater focus and thrust to push this business. Glass Xperts recorded good growth in the Delhi-NCR region. Going forward, expansion to the rest of the country will be rolled out in a structured manner.

The Consumer Glass segment is expected to play a critical role in establishing the brand positioning of AIS with final customers.

Quality

AIS has further strengthened its established TQM practices in 2012-13. These activities are specific to the Auto SBU and include:

- **Steering Committee Reviews** (Review done by the top management in line with the Deming Examination): Since the Deming examination, the Company has conducted five such reviews

which have increased overall involvement of employees and given a platform for learning TQM practices to the new entrants.

- **Improvement themes** (Including PDCA, Deep Analysis, Kobetsu Kaizen): Since the Deming examination, AIS has completed almost 400 improvement themes.
- **Employee Involvement** (Through QC circles, Jishu Hozen Circles and CFT): AIS has achieved 100% involvement at the Bawal plant. It is further strengthening TPM activities at all auto locations to reach to an overall level of 100%.
- **Kaizen cell** (For increased Kaizen ideas): In a span of four years after the Deming examination, AIS has done over 1,300 Kaizens.

The Company also continually calibrates its TQM practices on the basis of Deming examination findings, the post-Deming Prize TQM review finding and the JQM guide. Progress made on key requirements are given below.

Increased employees involvement by increasing the participation in QC circles, kaizen and suggestion schemes. Initiatives taken to accomplish these objectives were:

- Started AIS group-level QCC competitions.
- Increased participation in external QC competitions.
- Conducted in plant QCC competitions.
- Involved the participation of operators in external Kaizen competitions.

Knowledge upgrading to increase the competence of workforce for problem solving through different training program conducted internally as well as external at all auto location.



- Executive course in TQM (from external agency) / TQM awareness program (from internal faculty).
- Lean Manufacturing / MPS (Maruti Production System).
- Statistical Process Control
- Six Sigma Black belt trainings.
- Lean Six Sigma Green Belt.

Other Trainings conducted by internal and external faculty were:

- PDCA approach
- VA-VE analysis
- VSM (Value Stream Mapping)
- Why-2 Analysis
- Energy Management

Further, TQM practices are being extended across all business of AIS. For this, AIS has started to move ahead under the guidance of Prof. Tsuda, one of the senior most consultants in JUSE. He has almost 40 years of experience with diversified companies worldwide and a globally renowned leader in TQM expertise.

Information Technology

The IT function at AIS is responsible for planning, developing, and running information systems that affect business operations. IT also helps process automation and provides business a competitive edge.

Accenture is AIS' Strategic IT Outsourcing Partner, and manages all its IT requirements. This includes the management, support and maintenance of the Oracle 11i E-Business Suite applications. It also includes the support and maintenance of custom and third-party applications developed during various phases of the ERP implementation.

The Company is continuing with the technical upgrade of the Oracle Application from 11.5.9 to R12.1.3 and Database upgrade from 9i to 10g, refreshing server for the Oracle application, and development of the sales tracking system.



Risks

Apart from regular operational risks that are managed through an enterprise risk management system with a risk register and control mechanism there are some key strategic risks that AIS faces.

Market Risks: Risks of demand slowdown is inherent to any business. AIS is continuously mitigating this risk by way of building a strong and a diversified portfolio within the glass manufacturing and processing space to provide support against any specific sector downturn.

Interest Rate Risks: Given the capital intensive

nature of the business and the high debt burden, any movements in interest rates increase cost of refinance and also affect working capital costs. The Company continuously monitors such developments and takes necessary strategic decisions.

Exchange Rate Risks: AIS has a large import bill with several long term contracts. Given these imports, any adverse movements in foreign exchange can have negative impact on the Company's financials. The Company actively manages exchange risks through various measures



Q&A with MD & CEO

1. After strong performance over two and a half decades, 2012-13 is the second successive year that AIS has generated losses. Can you please explain the reasons for this setback?

Before I explain about AIS, let me share my view on the macro environment to set the context for AIS's performance.

In 2012-13, India took giant steps backward in almost all its economic variables. For instance, the 5% GDP growth rate recorded in 2012-13 is the lowest in the last decade. The conditions were worse for industry with 2.1% growth, within which the manufacturing sector grew by a mere 1%.

Five years ago we seemed to have everything our way – thriving domestic market, good and sustained economic growth, reasonably strong foreign exchange reserves, a decent investment climate, relatively high savings rate and a consistent commitment to reforms. We were one of the few countries in the world to recover fast from the global economic meltdown of 2008, clocking over 8% growth in 2009-10. However, it has taken us only a couple of years to create an environment of anaemic growth with a virtual freeze in decision making.

In this backdrop, our principal customer segments – automobiles and construction – have suffered significantly. Growth in total passenger cars and MUV sales, which is AIS's primary customer segment, reduced to a paltry 2.1% and within this passenger car sales actually decreased by 3.6%. Construction

industry growth reduced to 4.3%. Naturally, such demand conditions put severe pressures on our top-line.

Worse still, AIS' principal inputs – soda ash, energy, sand – as well as packing material continued to witness unprecedented cost increases. Add to that, the fact that for an energy intensive industry such as ours, global crude oil prices traded at over US\$100 a barrel for most of the year.

Amidst the general economic slowdown, while there has been some easing of interest rates and inflation, the absolute levels remain fairly high compared to competing global countries. For a highly capital intensive industry like glass it is very difficult to operate with double-digit interest rates, close to 20% inflation in our costs and negative growth.

So, in 2012-13, the glass industry got squeezed both ways. On the one hand, competition has intensified further for market share in a slowing market; on the other, inexorably soaring input cost inflation further squeezed margins. Additionally, increasing imports from energy surplus countries capped prices of finished goods.

In this environment, AIS's performance is a mixed bag. Net sales surged by 15.7% from ₹ 1,665 crores in 2011-12 to ₹ 1,927 crores in 2012-13. EBIDTA margins reduced drastically from 11.1% in 2011-12 to 9.2% in 2012-13. Consequently, EBIDTA reduced to ₹ 177 crores in 2012-13. With high finance costs, this translated into a consolidated net loss of ₹ 99 crores.

This brings me to the bigger question of survival of glass industry in India.

Let's look at clear glass. Cost have risen by more than 50% in the last three years due to increases in input prices for soda ash, sand, energy, packing material, freight and interest rates. Price, however has, at best, increased by only 10%. This is unsustainable as is evident from some of the market developments – one new player has sold out, another is in a corporate debt restructuring and a third has got fresh equity via a strategic international partner. Even we had to inject fresh capital through our Rights Issue.

Yet, the industry is not being able to improve its pricing power. The problem is almost 15,000 metric tons per month of imports coming in from energy surplus countries who are selling gas at less than 5% of what we pay here in India. . Naturally, the domestic industry becomes uncompetitive. Some concerted effort is needed at the industry level to deal with this predicament. Equally, as individual players in the industry, we need to pass on increased costs to customers in terms of higher prices to come out of the present difficult times.

Clearly, industry conditions were difficult. But I also have to be candid and say that there have been few gaps in our execution that have also contributed to the poor performance. If I had to put the external and internal, I would say the external is 80% and the internal is 20%. I can summarise these into four broad areas. The first is our poor performance in the projects segment versus our internal budgets. Second, while AIS has a superior product mix, I believe that we must do even more of higher-value added products as the current levels are still inadequate. Third, we need to do much more, to effectively leverage the

integrated network created by AIS over years of hard work, by cross-selling our products in different segments. Fourth, we have to be tighter in our cash management.

We are working in a focused manner to rectify these in the near future.

2. What were the operational highlights for AIS in 2012-13?

In this difficult business environment, we continued with our focus on value-addition, internal improvements and increasing capacity utilisation.

The automotive segment witnessed an unprecedented slowdown with passenger car and MUV sales growth dropping to only 2.1%. Even so, we managed to increase revenues by 13.6%. A standout development in 2012-013 has been our continued diversification in user segment with developments of specific products for manufacturers of buses, tractors and industrial appliances. This is in addition to the new product developments we undertook for our passenger car customers. In terms of operations, significant efforts were put on reducing internal process rejections, breakages and yield losses. However, all efforts of cost reduction have been offset with the incremental inflationary pressures from our other input costs.

In the architectural glass segment, we managed to increase our sales volumes with about 60% value added products. However, this did not translate into desired profits with severe pressures on input costs like soda ash, energy, sand and packing material. We continued to focus on new product development with specific emphasis on Opal, Krystal and Ecosense. We continued to enhance

our penetration of markets with increased reach of trade and projects segments. In operations, the long awaited process of converting energy source at Roorkee to natural gas was completed. However, some of its benefits got eroded last year with the sudden and sharp increases in prices of domestic natural gas. The processing glass business has organisationally integrated well with the float glass division and there have been improvements in productivity, delivery and service. Emphasis is now being put on expanding and penetrating markets along with operational integration of the two so that they can optimally leverage their synergies in the near future.

In 2012-13, we integrated GlasXperts (architectural glass services) business and Windshield Experts business (automotive glass services) into a single division – Consumer Glass. This business is still at a nascent stage but our pilot experience has confirmed our belief of immense potential in this business. There have been definite positives in the quality of service from design, development, delivery and installation. I expect this division to do well and be the face of AIS with retail consumers.

Given the challenging environment, our emphasis is on cross-functional coordination and improvement in day-today operations, despite a hostile environment. We are trying to make sure that whatever is in our control is done immediately and effectively.

3. What are the new projects being undertaken by AIS?

Given the phase of consolidation that we are in as well as current market conditions, there has been a conscious decision on restricting

capacity expansion to projects that are extremely essential to balance lines and create flexibility. Hence we are undertaking only those projects that are absolutely essential to enhance our capacities, with incremental returns and short lead time. Amidst this business environment, we continue with significant expansion of installation of complete lamination line at Bawal (Haryana), which is expected to produce 0.7 million pieces per annum of laminated glass. Project is progressing satisfactorily.

Today, we are focusing on various small projects related to improving yields and reducing wastages of all our existing lines. “Low Cost Automation” is a good example of small projects being undertaken to improve shop-floor productivity. Emphasis is also being placed on “New Product Development” and on absorbing technology for evolving new products to widen our customer offerings.

4. How is AIS planning to manage its borrowings, interest costs and cash flows?

Our total borrowings on a consolidated basis as at 31 March 2013 was ₹ 1,546 crores - comprising ₹ 764 crores of long term borrowings and ₹ 782 crores of short term borrowing.

The long term borrowings are in line with our plans and intrinsically linked to the large capacity expansions we undertook over the last few years. Naturally, we need to utilize this capacity created with higher value additions — which is a challenge, but we have our business plans to support this. That is why the long term borrowings are not a cause for concern. In fact, long term borrowings reduced by 20% from ₹ 957

crores at the end of 2011-12 to ₹ 764 crores at the end of 2012-13.

The need for working capital has grown significantly. Consequent to the above, our short term borrowings increased significantly, where we can improve by tightening our cash management process, which might mean some inconvenience to our customers and suppliers, but the same is absolutely inevitable for us. Some of this is also because of our own historical culture of leniency towards our partners – both customers and suppliers. This is an area where we are laying particular stress.

Several internal initiatives are under way in all segments to reduce the cash cycle of operations. While we have got results in terms of inventory control, the gap between duration of receivables and payables has continued to increase. Again, like most activities at AIS today we have focused on granular day-to-day operations related to methods to enhance our daily monitoring of cash flows and initiatives for better cash collection and executing better commercial terms. This will help us in improving our working capital cycle and repay our short term liabilities in the near future.

We have identified the need of equity infusion of capital into AIS in the interim. The shareholders have agreed to support us in principle by contributing to incremental equity in the Company through a Rights Issue of ₹ 250 crores. Sadly, our Rights Issue got significantly delayed due to the complex promoter disclosure requirement which got further complicated for a 3-way joint venture like AIS. Plus the statutory procedures take their own time to complete. However, I am glad that now we have obtained all the necessary regulatory approvals for our Rights Issue and we expect to get the funds by

September, 2013. In fact, infusion of owners' equity was one of the key steps planned to help AIS emerge out of this temporary financial stress.

5. What is the outlook for AIS?

Clearly, we are going through very challenging times. There are too many uncertain variables that continue to affect our business most of which are external & uncontrollable. For the items under our control, we shall do whatever is required to overcome them. Any commentary on the future will have to be qualified suitably.

Having said so, there are two things I have confidence in – the ability of our country to overcome the present blip and emerge as a strong growing economy, and the inner strength of our organisation to rise to the occasion and deliver results when the going is tough. We have overcome several challenges before and I am sure we will do so again. However, the recovery process on both fronts will take some time and concerted effort.

As I have already stated, there are few internal factors which are under our control and we are ensuring to close the gaps effectively. Several initiatives are under way to remove internal inefficiencies in areas like costs, yields, process rejections and energy utilisation. Considerable effort is going towards further improving material sourcing and localisation, squeezing costs through deep analysis, manpower rationalisation and pursuing manufacturing excellence. I am confident these steps shall yield the desired results.

Importantly, these efforts are not merely on paper but are being regularly evaluated through a comprehensive monitoring

mechanism, which our entire team is totally committed to and overseeing on a daily basis. I am confident of effectively utilising the 'AIS way' of operations that focuses on execution excellence by adopting the guiding principles of customer satisfaction, respect for the environment, use of facts, culture of continuous improvements, strengthening of systems, upgrading of human potential through education and training and social consciousness. On a war footing, we are putting our "house in order". We will not only overcome our shortcomings but also enhance our efficiencies in 2013-14.

Given the business environment, merely plugging these gaps will not be enough. As a Company we need some breakthroughs that will provide impetus to our business. We have the ingredients and the strategy in place to do this. We plan to effectively execute these in 2013-14.

However, since April, 2013, I see a sharp change in the macro-economic industry environment,

es pecially in the architectural glass segment. If our efforts are fruitful, we shall be able to correct both our prices and costs. Also, I can see early signs of improvement in the macro environment of the glass industry. Stronger players have entered the market with huge investment with an obvious intention to make reasonable returns. I also believe this is a changing time for the industry and the recent trends of severe inflation, capacity building and price suppression, in which the entire industry has suffered since 2007, are retreating.

However, given the fast changing external environment, I am cautious about the next financial year. Having said so, given the way we are gearing up internally I am optimistic that we will move in the right direction in 2013-14. You should see incremental improvements and some early signals of breakthroughs.



Corporate Social Responsibility

A cornerstone of AIS's vision is to be a socially conscious business and it has always displayed the highest standards of corporate citizenry. Apart from continuously fulfilling all its regulatory requirements related to the society at large across all the business units, the Company has a well structured Corporate Social Responsibility (CSR) programme that specifically focuses on communities in the vicinity of two of its major plants in Bawal (Haryana) and Roorkee (Uttarakhand).

The initiatives are focused on education, health, empowerment and livelihood development and are conducted under the company's platform called the 'Integrated Community Development Programme (ICDP)'. The CSR initiatives proposed under the various schemes are regularly administered, monitored and executed by a leading Delhi based NGO named 'Youthreach'.

Education



School Bus Service

At both Rewari and Roorkee, AIS provides school bus service to primarily support girl students to reach school. In Rewari 596 girls are using this service. For class 9 and 11, there were 290 new

admissions made from the Company's project villages. In Roorkee, this service enables the girls to access the senior secondary schools and colleges in Jhabreda, Manglor and Latherdeva Hoon. 115 girls from 8 villages avail this service. At both locations, the girls availing the facilities also pay a nominal amount that primarily supports staffing of the buses.

AIS Unnati Centre for Remedial Education

This service is conducted at Rewari to provide tutorial support in three subjects (Maths, English and Science) for children attending 10th grade. The centre has now completed 6 years of successful operation and has provided tutorial services to over 2000 students. A total of 415 students are currently accessing the tutorial facilities across 16 AIS Unnati centres.

AIS Unnati Centre for School Drop-outs

This is being run in the Rewari area to provide opportunity for children who have dropped out of school to re-enroll through the Haryana Open School Exams. A total of 10 AIS Unnati education centres are being run today with 134 students using this facility. Out of 112 children who appeared for the examination, 66 have cleared their exams and have been admitted into mainstream schools, while the remaining 54 children have re-appeared in the Mar-April 2013 examinations.

Adult Literacy Education Centres

Around Roorkee, 5 Adult Literacy centres have been set up and 150 women have enrolled for these classes. A teacher's training programme was organised by a partner NGO - Nirantar. The curriculum was also provided by them. 85 women (57%) cleared the examination

Livelihood Development

AIS Unnati Training Centre

Sewing and Tailoring Unit: Located in the Rewari area, the centre works on providing income generating skills to drop out school girls with low

duration is 4 months and the curriculum was developed in-house. The Company has collaborated with Intel to provide free training and certification for the instructors. A total of 175 students enrolled for the course in 2012-13.

Enterprise Development, Roorkee

To promote economic advancement of women in the villages surrounding the AIS Plant in Roorkee an initiative has been launched to form self-help groups (SHGs) amongst women that encourages savings and provides loans. These SHGs have been established in 3 new villages during 2012-13. The women's groups have collectively saved ` 78.8 Lakh since the inception of the programme,



academic qualifications. In 2012-13, the course was completed by 73 girls who were awarded certificates by AIS staff. A new centre has been set up in Nangalteju.

Computer Education: AIS continues to run a computer training centre in Bawal. The course

of which ` 26.75 lakh has been saved in 2012-13 alone. Amount inter-loaned since the inception of the programme is ` 1.25 crores. A total of 390 enterprises were set up in the year and during the project period, 1800 enterprises have been developed.



Health

Rewari

In 2012-13, an association was established with I Care Hospital Noida to organise eye camps. 2 camps were held and 163 patients were screened. A total of 17 patients underwent cataract surgery for free. Spectacles were also provided to patients.

In addition, 4 immunisation camps were held and 350 children were provided Hepatitis B vaccines, while 7 general health camps were organised where 750 people attended. A special camp was organized specially for paediatric care.

There were 3 camps organised specially for providing health awareness to women – 250 women attended the camp. An innovative approach of promoting health awareness through magic shows was conducted during 2012-13. There were 6 such shows that were attended by around 700 people.

Roorkee

28 health camps were conducted across 14 villages, which were attended by approximately 5,800 people, the majority of whom were women.

Activities and Events

In both locations, the Company conducts several activities and events that promote development of the communities in different ways.

Rewari

An Exposure visit to Jaipur was undertaken where 650 students, teachers and members of village panchayats participated. Spread across 4 days, the trip included visits to the Amber Fort, Albert Museum and Birla Temple. Six Life Skills Sessions were organised for the girls attending the vocational training centre that were attended by 70 participants. Sports day was organised for 3

villages. This included events like cricket matches and matka race. 125 youngsters participated in the event. A team building workshop was also held for all staff.

Roorkee

Six street-plays were performed to sensitise the rural populace on the issue of health, hygiene and mother and child health care. The plays covered an audience of over 800. Women's Day celebrations

were done in 35 villages with 800 women participating. The participants shared information and experiences on saving and setting up income generation activities. For capacity building, 18 trainings were held with 800 SHG members. A special exposure visit was also organized where 30 women participated. Umeed, an NGO based in Sangrur, working in the area of women empowerment organized a 3 day visit to Roorkee for their staff and beneficiaries. The objective was to learn from the best practices undertaken by the AIS intervention.



Report of the Directors

To the Members,

The Directors are pleased to present their 28th Report along with the audited accounts of the Company for the year ended 31st March, 2013.

Financial Performance

(` Lakhs)

	2012-13	2011-12
Gross Turnover	2,12,918	1,81,668
Net Turnover	1,91,344	1,64,574
Other Income	1,076	1,196
Total Income	1,92,420	1,65,770
Operating Profit (PBDIT)	17,813	18,721
Gross Profit (PBDT)	898	3,978
Profit/(Loss) Before Tax	(13,959)	(8,675)
Profit/(Loss) After Tax	(9,179)	(5,873)

Performance Overview

The financial year 2012-13 was extremely stressful for AIS due to volatile economic conditions, input costs inflation and depreciation of Rupee which had an adverse impact on the performance of AIS. Costs grew rapidly than sales.

The Net Sales of the Company increased 16.26% from ` 1,64,574 lakhs in 2011-12 to ` 1,91,344 lakhs in 2012-13. Operating Profit has decreased 4.85% from ` 18,721 lakhs in the previous year to ` 17,813 lakhs in 2012-13. The Company posted the Profit/(Loss) after Tax (PAT) of ` (9,179) lakhs in 2012-13 as against Profit/(Loss) after Tax of ` (5,873) lakhs in the previous year.

A detailed analysis of Company's operations in terms of performance in markets, manufacturing activities, business outlook, risks and concerns forms part of the Management Discussion and Analysis, a separate section of this Annual Report.

Subsidiaries

The three subsidiaries of your Company – AIS Glass Solutions Limited ("GS"), Integrated Glass Materials Limited ("IGML") and GX Glass Sales & Services Limited ("GX") carried on smooth operations during the year.

In terms of the general exemption granted by the Ministry of Corporate Affairs, Government of India, under Section 212(8), of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of subsidiaries of your Company - AIS Glass Solutions Limited ("GS"), Integrated Glass Materials Limited ("IGML") and

GX Glass Sales and Services Limited ("GX"), have not been attached with the Balance Sheet of AIS. Further, pursuant to Accounting Standards (AS-21) Consolidated Financial Statement presented by your Company includes the financial results of GS, IGML and GX duly audited by the statutory auditors. These consolidated financial statements have been prepared in strict compliance with the applicable accounting standards and listing agreement. However, the particulars of all the subsidiary companies, as directed by the Ministry of Corporate Affairs, Government of India in its above exemption, is attached along with statement as required under section 212 of the Companies Act, 1956.

This sole purpose of not attaching the annual accounts and other statements of subsidiary companies is on account of savings on substantial printing and dispatch costs of this Annual Report. The Company hereby assures that the annual accounts of the subsidiary companies and related detailed information shall be made available to those investors seeking such information at any point in time. The annual accounts of the subsidiary companies are kept open for inspection by investors at the Corporate Office of AIS as well as the Registered Offices of the subsidiary companies during working hours. The Company shall dispatch a hard copy of the details of accounts of the subsidiary companies to any shareholder on demand. Further, the Company regularly files such data to the various regulatory and government authorities as required.

Lastly, the accounts of the subsidiary companies are also available for inspection at the corporate website of the Company – www.asahiindia.com.

Awards

Your Director take pleasure in reporting the following awards / recognitions received by your Company during the year:

From	Award
Maruti Suzuki India Limited	Overall Performance- Gold
	Yield Improvement Certificate
	System Audit Rating-Shield
Zee Business	Zee Business Good Home Awards for the Best Company in Glass Industry

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

In view of the financial performance of your Company during 2012-13, your Directors have not recommended any dividend for the financial year 2012-13.

Directors

During the year under review Mr. Arvind Singh has resigned as Non-Executive Director of the Company with effect from 8th November, 2012.

Pursuant to the provisions of Section 260 and Article 73 of Articles of Associations of the Company Mr. Gurvirendra Singh Talwar has been appointed as Additional Director in the Capacity of Independent Director on the Board of Directors of the Company with effect from 20th December, 2012 and holds office up to the date of ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member proposing the candidature of Mr. Gurvirendra Singh Talwar as Director of the Company.

In terms of the provisions of Section 256, read with Section 255 of the Companies Act, 1956 and Article 70 of the Articles of Association of the Company, Mr. Kimikazu Ichikawa and Mr. Rahul Rana Directors, are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The necessary resolutions for obtaining approval of the Members have been incorporated in the notice of the ensuing Annual General Meeting. The requisite disclosures regarding appointment and re-appointment of Directors have been made in the Report on Corporate Governance, which forms part of the Directors' Report.

Listing

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

The Company has paid the requisite listing fee to the Stock Exchanges for the financial year 2013-14.

Rights Issue of Equity Shares

During the year under review the Board of Directors of the Company at their meeting held on 10th October, 2012 approved the issue of equity shares on rights basis upto an amount of ₹ 250 crores. The Company has also filed the Draft Letter of Offer (DLOF) with Securities Exchange Board of India (SEBI) on 8th February, 2013 in this regard.

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, 2013, 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, 2013 and of the profit/ loss for the period from 1st April, 2012 to 31st March, 2013.

- 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, 2013 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 on corporate governance.

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 date of the Balance Sheet.

Auditors and Auditors' Report

M/s. Jagdish Sapra & Co., Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from the Statutory Auditors to the effect that their re-appointment, if made at the ensuing 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 Auditor's Report are explained, wherever necessary, in the appropriate Notes to the Accounts.

Cost Auditor

The Ministry of Corporate Affairs (MCA) has issued Cost Audit Order dated 30th June, 2011, making appointment of Cost Auditor mandatory for companies engaged in production, processing, manufacturing of glass. Accordingly, in terms of the above order and pursuant to the provisions of Section 233B of the Act, your Directors have appointed M/s. Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2012-13. In terms of the above order, the Cost Audit Report for the financial year 2012-13 shall be placed before the board.

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 the provisions of Section 219(1) (b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the Members of the Company excluding the aforesaid information. Any member 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 2% of the equity shares of the Company except Mr. Sanjay Labroo.

Industrial Relations

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

Acknowledgement

The Board hereby places on record its sincere appreciation for the continued assistance and support extended to the Company by its collaborators, customers, bankers, 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 : 21st May, 2013**

**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, 2013

Form – A

Conservation of Energy

Power and Fuel Consumption	Units	2012-13	2011-12
1. Electricity Purchased (KWH)	Units	22,15,11,580	17,78,53,477
Total Amount	` Lakhs	15,452	9,651
Rate Per Unit	`	6.98	5.43
2. Captive Generation			
D.G. Sets (KWH)	Units	26,61,409	3,32,75,891
Total Amount (Fuel, Mobil Oil & additives)	` Lakhs	440	3,631
Rate Per Unit	`	16.55	10.91
3. HSD Consumption	Ltrs.	1,29,95,639	13,91,071
Total Amount	` Lakhs	4,766	508
Rate Per Litre	`	36.67	36.50
4. HFO Consumption	Ltrs.	38,72,085	5,54,78,932
Total Amount	` Lakhs	1,871	21,599
Rate Per Litre	`	48.32	38.93
5. Natural Gas	MMBTU	24,36,542	14,98,115
Total Amount	` Lakhs	19,375	6,486
Rate Per MMBTU	`	795.19	432.96
6. SKO Consumption (Kerosene Oil)	Ltrs.	62,746	41,425
Total Amount	` Lakhs	29	16
Rate Per Litre	`	45.85	39.82

No significant energy conservation measures were undertaken for the purpose of Annual Report for the year 2012-13.

Consumption Per Unit of Production

AIS Auto Glass

Energy consumption per square meter production of auto glass
15.11 KWH (14.93)

AIS Float Glass

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

- a. Electricity Consumption (KWH) – 0.68 (0.69)
- b. Furnace Oil Consumption (Litres) – 0.09 (1.38)
- c. Natural Gas Consumption (MMBTU) – 0.09 (0.05)

Form – B

Technology Absorption, Adaptation and Innovation

During the year, no new / major technology was absorbed, adopted by the Company.

Form - C

Research and Development

During the year, the Company continued its focus on increasing process efficiencies and reduction of wastages.

Form – D

Foreign Exchange Earnings and Outgo

Foreign exchange outflow on account of import of capital goods, raw materials, stores and spare parts, traded and finished goods amounted to ` 44,626 lakhs (` 44,709 lakhs). Other expenditure in foreign currency amounted to ` 3,892 lakhs (` 4,055 lakhs). Earnings in foreign currency amounted to ` 5,400 lakhs (` 4,646 lakhs).

(Figures in brackets pertains to the previous year).

Report on Corporate Governance

Company's philosophy on Corporate Governance

AIS believes that, for long-term and sustainable success in business, corporate governance must become an intrinsic part of the Company. AIS is, therefore, committed to achieve the highest standards of accountability, transparency, and equity in all its spheres and in all its dealings with its stakeholders. This commitment to adhere to corporate governance principles, not just in letter but in spirit, permeates through every level of the Company. Driven by an active, independent and participative Board, the Company is totally committed to timely and comprehensive disclosures, transparent accounting policies and high levels of integrity.

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

This chapter, along with the chapters on Management Discussion and Analysis, reports AIS's compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

Board of Directors

At AIS, the Board of Directors approve and review the strategies and oversee the actions and results of management. The management team of the Company is headed by the Managing Director & C.E.O. and one Executive (Whole-time) Director.

Composition of the Board

The AIS Board is comprised with in accordance with Clause - 49 of the Listing Agreement with stock exchanges. The present strength of the Board is ten Directors, out of which eight Directors are Non – Executive Directors and the Company has Non - Executive Chairman. The Non-Executive Directors includes independent professionals. In terms of the requirements of Clause - 49 of the Listing Agreement with stock exchanges the AIS Board comprises half of its Directors as 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. 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 by the Board.

Number of Board Meetings

During the financial year 2012-13, the Board of Directors of the Company met five times. The maximum time gap between any two Board Meetings was not more than four months. The details of the Board meetings are as under :

Sl.No.	Date	Board Strength	No. of Directors Present
1	17th May, 2012	10	5*
2	8th August, 2012	10	5
3	10th October, 2012	10	6**
4	8th November, 2012	10	6***
5	11th February, 2013	10	7***

* Excluding the participation of Mr. R. Rana and Mr. G. Thapar, Directors who attended the meeting through video conferencing .

** Excluding the participation of Dr. S. Kapur and Mr. R. Rana, Directors who attended the meeting through video conferencing.

*** Excluding the participation of Mr. R. Rana, Director who attended the meeting through video conferencing.

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, 2013 are given below :

Name of the Directors	Category	Attendance Particulars			Outside Directorships, Committee Memberships and Chairmanships		
		Number of Board Meetings		Last AGM	Director ships ¹	Committee Member-ships ²	Committee Chairman-ships ²
		Held	Attended				
Mr. B. M. Labroo (Chairman)	Promoter Non – executive	5	4	Yes	4	1	–
Mr. S. Labroo (Managing Director & C.E.O)	Promoter Executive	5	5	Yes	10	2	-
Mr. H. Nohara [Dy. Managing Director & C.T.O. (Auto)]	Promoter Executive	5	5	Yes	1	-	-
Mr. K. Ichikawa	Promoter Non-executive	5	2	No	-	-	-
Dr. S. Kapur	Independent	5	4	Yes	9	2	2
Mr. K. Nakagaki	Independent	5	4	No	-	-	-
Mr. S. Nakanishi	Promoter Non-executive	5	2	No	3	2	-
Mr. R. Rana	Independent	5	5	Yes	1	-	-
Mr. G. Thapar	Independent	5	3	No	6	3	1
Mr. A. Singh	Non - Executive	5	-	No	-	-	-
Mr. G. S. Talwar	Independent	5	1	-	2	-	-

1. The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, Section 25 companies and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all public limited companies have been considered.
3. Mr. A. Singh resigned from the Board of Directors w.e.f. 8th November, 2012 as Non-Executive Director.
4. Mr. G. S. Talwar has been appointed as Additional Director in the capacity of Independent Director w.e.f. 20th December, 2012.
No Director is a member of more than 10 Board-level Committees of public limited companies, nor is Chairman of more than five such Committees.

The Independence of a Director is determined by the criteria stipulated under the revised Clause 49 of the Listing Agreement as set out below :

An independent Director is a Non-Executive Director who :

- a) apart from receiving Director's Remuneration does not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;
- b) is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- c) has not been an executive of the company in the immediately preceding three financial years;
- d) is not a partner or an executive or was not a partner or an executive during the preceding three years of the:
 - i) statutory audit firm or the internal audit firm that is associated with the company; and
 - ii) legal firm(s) and consulting firm(s) that have a material association with the company;
- e) is not a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the Director;
- f) is not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares; and
- g) is not less than 21 years of age.

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 or Chief Financial Officer;
- 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;
- Status of business risk exposures, its management and related action plans
- 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.

Shares and convertible instruments held by Non-Executive Directors

Mr. B. M. Labroo, Mr. G. Thapar and Mr. R. Rana held 1,37,83,920 equity shares, 56,000 equity shares and 10,000 equity shares respectively as on 31st March, 2013. No other Non-Executive Director held any equity share as on that date.

Code of Conduct

AIS's Board has adopted a Code of Conduct for members of the Board and Senior Management ("Code"). 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 from all the members of the Board and Senior Management an affirmation that they have complied with the Code in the financial year 2012-13.

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

Committees of the Board

AIS has four Board Committees – Audit Committee, Remuneration Committee, Shareholders' / Investors' Grievance Committee and Rights Issue Committee.

Details regarding the role and composition of the Board Committees, including the number of meetings held during the financial year 2012-13 and the attendance of the members are provided below :

Audit Committee

The Audit Committee comprises of three Non-Executive Directors, all of them are Independent Directors. All the members of the Committee have accounting and financial management expertise.

The Audit Committee met four times during the financial year on 17th May, 2012, 8th August, 2012, 7th November, 2012 and 11th February, 2013. The time gap between any two meetings was less than four months. The composition of the Audit Committee and the attendance of its members are detailed below:

Name of Members	Category	Status	Number of Meetings	
			Held	Attended
Dr. S. Kapur	Independent	Chairman	4	3
Mr. R. Rana	Independent	Member	4	4
Mr. G. Thapar	Independent	Member	4	2

The Chief Financial Officer, Statutory Auditors and the Internal Auditors are permanent invitees to the Committee Meetings.

Mr. Gopal Ganatra, Chief Legal Officer & 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 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 before the audit commences, 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;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- Reviewing the Management letters /letters of internal control weakness issued by the Statutory Auditors;
- Reviewing the Management Discussion and Analysis of financial condition and results of operations;
- Reviewing the statement of significant related party transactions, submitted by management;
- Reviewing the internal audit reports relating to internal control weaknesses;
- Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor;
- 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.

Remuneration Committee

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

The composition of Remuneration Committee comprises of four Non-Executive Directors and one Executive Director.

Mr. Gopal Ganatra, Chief Legal Officer & Company Secretary acts as the Secretary to the Remuneration Committee.

The Committee met one time during the financial year on 17th May, 2012. The composition of the Remuneration Committee and the attendance of its members are detailed below :

Name of Members	Category	Status	Number of Meetings	
			Held	Attended
Mr. G. Thapar	Independent	Chairman	1	1
Dr. S. Kapur	Independent	Member	1	Nil
Mr. H. Nohara	Promoter, Executive	Member	1	1
Mr. B. M. Labroo	Promoter, Non- Executive	Member	1	1
Mr. R. Rana	Independent	Member	1	1

During the financial year 2012-13, the Company did not issue any stock options to its Directors and employees.

Remuneration to Directors

Managing Director & C.E.O. and other Executive Directors are paid remuneration by way of salary, benefits, perquisites & allowances (fixed component) and commission (variable component) on the net profits of the Company. The annual increments are as per the salary scale approved by the Members and are effective 1st April of each year.

The commission payable to the Managing Director & C.E.O. and other Executive Directors has been brought under the Performance Appraisal System w.e.f. the financial year 2005-06. Accordingly, the actual amount of commission payable for a particular financial year is decided by the Board, on the recommendations of the Remuneration Committee, within the limits sanctioned by the Shareholders, on the basis of performance rating assigned in terms of accomplishment of Key Accountabilities and Objectives.

Non-Executive Directors are paid sitting fees for attending the meetings of the Board and its Audit & Remuneration Committees and commission on the net profits of the Company as approved by the Board and subject to approval of Members of the Company within the overall limits of 1%.

Since the Company has incurred losses in the financial year 2012-13, no amount has been paid as commission to the Directors.

The details of remuneration paid / payable to the Directors for the financial year 2012-13 are given below :

Name of Directors	Sitting Fees (`)	Salary, Allowances and perquisites (`)	Commission (`)	Total (`)
Mr. B. M. Labroo	1,00,000	NIL	NIL	1,00,000
Mr. S. Labroo	N.A.	67,59,076	NIL	67,59,076
Mr. H. Nohara	N.A.	28,40,583	NIL	28,40,583
Mr. K. Ichikawa	60,000	NIL	NIL	60,000
Dr. S. Kapur	1,20,000	NIL	NIL	1,20,000
Mr. K. Nakagaki	60,000	NIL	NIL	60,000
Mr. S. Nakanishi	40,000	NIL	NIL	40,000
Mr. R. Rana	NIL	NIL	NIL	NIL
Mr. G. Thapar	40,000	NIL	NIL	40,000
Mr. A. Singh*	NIL	NIL	NIL	NIL
Mr. G.S. Talwar	20,000	NIL	NIL	20,000

* Resigned as Non-Executive Director w.e.f. 8th November, 2012.

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

Shareholders' / Investors' Grievance Committee

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

The Shareholders' / Investors' Grievance Committee comprises of one Non-Executive Director and two Executive Directors. The Committee met Thirteen times during the financial year 2012 - 2013. The composition and attendance of the Shareholders' / Investors' Grievance Committee are as under :

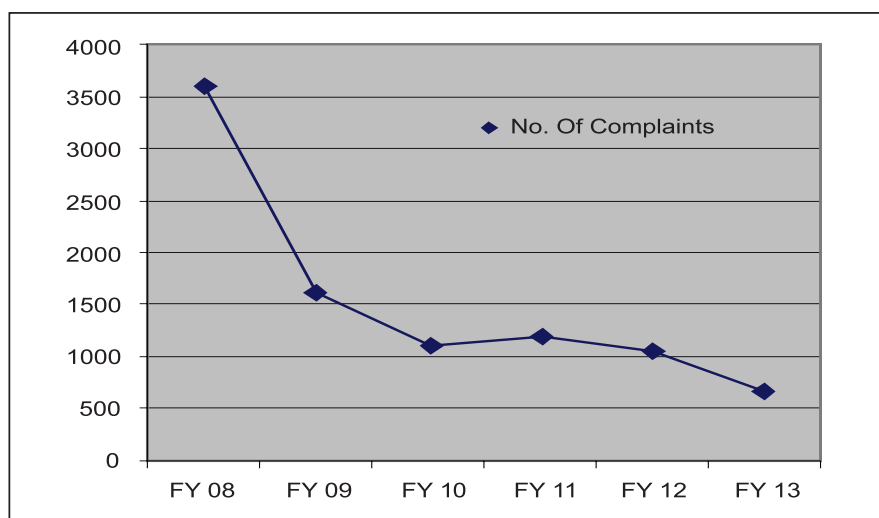
Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. B. M. Labroo	Promoter Non - Executive	Chairman	13	5
Mr. S. Labroo	Promoter	Member	13	13
Mr. H. Nohara	Promoter Executive	Member	13	12

Shareholders' Queries / Complaints and redressal status

The details of Shareholders' queries/complaints received and resolved during the year under review are given below:

Particulars	Correspondences				Complaints	Total
	Transfer of shares	Change of address	Non-receipt of dividend/ share certificates	Others		
Received during the year	140	60	60	392	10	662
Attended during the year	140	60	60	392	10	662
Pending as on 31st March, 2013	-	-	-	-	0	-

Given below is a chart showing reduction in investors' complaints.



Rights Issue Committee

The Board of Directors of the Company at their meeting held on 10th October, 2012, approved the constitution of Rights Issue Committee for the purpose of approving the various terms with respect to the proposed Rights Issue of equity shares by the Company.

The Rights Issue Committee comprises of one Non-Executive Director and two Executive Directors. The Committee met two times during the FY 2012-13. The composition and attendance of Rights Issue Committee are as under :

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. B. M. Labroo	Promoter Non - Executive	Member	2	2
Mr. S. Labroo	Promoter Executive	Member	2	2
Mr. H. Nohara	Promoter Executive	Member	2	2

Compliance Officer

Mr. Gopal Ganatra, Chief Legal Officer & Company Secretary, is the Compliance Officer of the Company.

Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

AIS does not have any material non-listed Indian subsidiary.

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 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 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 compliance of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has formulated a "Code of internal procedure & conduct for prevention of insider trading" as amended from time to time. 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.

CEO/CFO Certification

Managing Director & C.E.O. and Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shareholders**Disclosure regarding appointment / re-appointment/ resignation of Directors**

During the financial year 2012-13, Mr. Arvind Singh, has resigned as Non-Executive Director from the Board of Directors of the Company w.e.f. 8th November, 2012 and Mr. Gurvirendra Singh Talwar has been appointed as Additional Director in the capacity of Independent Director w.e.f. 20th December, 2012.

Brief particulars of Mr. Gurvirendra Singh Talwar are as under :

Mr. Gurvirendra Singh Talwar, aged 65 years, holds a Bachelor of Arts (Honors) degree in economics from St. Stephen's College, University of Delhi. Mr. Talwar is the founding Chairman and Managing Partner of Sabre Capital Worldwide, a private equity and investment company focused on financial services.

Mr. Talwar commenced his career with Citibank in India and was responsible for building and leading Citibank's retail businesses across all countries in Asia-Pacific and the Middle East, and subsequently for managing Citibank's businesses in Europe and North America. He was appointed Executive Vice President of Citibank and Citigroup and was a member of the Policy and Executive Committees of Citigroup and Citibank. Mr. Talwar left Citigroup to join Standard Chartered Plc, where he was appointed as Global Chief Executive. He is the first Asian to have appointed Global Chief Executive of FTSE 15 Company and of a major international bank. Mr. Talwar was previously Chairman of Centurion Bank of Punjab Limited in India. He is a Non-executive Director of DLF Limited. He has also served on the global boards of Pearson Plc, Schlumberger Limited and Fortis SV and NA.

Mr. Talwar is the founding Governor of the Indian School of Business, a former Governor of the London Business School and is Patron of the National Society for Prevention of Cruelty to Children.

In terms of the provisions of Section 256, read with Section 255 of the Companies Act, 1956 and Article 70 of the Articles of Association of the Company, Mr. Kimikazu Ichikawa and Mr. Rahul Rana, Directors of the Company will retire at the forthcoming Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

Brief particulars of Mr. Kimikazu Ichikawa and Mr. Rahul Rana are as under :

Mr. Kimikazu Ichikawa, aged 55 years, is a Director nominated on our Board by Asahi Glass Co. Ltd., (AGC) Japan promoter of the Company, pursuant to the JV Agreement. He has been on our Board since July 29, 2010. He is a graduate in political science and economics from the Waseda University, Japan. He has 30 years of experience in business planning, strategy and management. He commenced his career in April, 1981 with Asahi Glass Co. Ltd. (AGC) Japan and has held various senior positions during his tenure of 30 years with the AGC. Mr. Ichikawa is currently the executive officer, regional president for Japan / Asia Pacific, glass company, Asahi Glass Co. Limited.

Mr. Rahul Rana, aged 49 years, is an Independent Director. He has been on our Board since December 30, 2005. He holds a Masters degree in business administration from the University of Illinois at Urbana Champaign, the United States of America and a Bachelors degree in finance from Shri Ram College of Commerce, University of Delhi. Currently he is the Managing Director of Deutsche Bank, Singapore in Corporate and Investment Bank and has vast experience in corporate finance, business planning and management.

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 'Business Standard' in English and 'Veer Arjun' in the vernacular.

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, 2012	9th August, 2012
Audited financial results for the second quarter and the half year ended 30th September, 2012	9th November, 2012
Unaudited financial results for the third quarter and the nine months ended 31st December, 2012	12th February, 2013
Audited financial results for the fourth quarter and the year ended 31st March, 2013	22nd May, 2013

Company's Website

The website of the Company, www.asahiindia.com is regularly updated with the financial results, corporate information, official news releases, presentation to analysts and press releases.

General Body Meetings

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

Financial Year	Day and Date	Time	Location of the meeting	Special Resolution(s) passed
2011-12	Wednesday, 8th August, 2012	2:00 p.m.	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Yes
2010-11	Wednesday, 27th July, 2011	2:00 p.m.	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Yes
2009-10	Wednesday, 28th July, 2010	3:00 p.m.	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Yes

Postal Ballot

During the year under review, no resolution was passed through Postal Ballot.

Compliance

Mandatory Requirements

As on 31st March, 2013 the Company has complied with the all applicable mandatory requirements of the 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, official news releases, press releases, presentation to analysts, etc. are displayed on the Company's website www.asahiindia.com

Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Clause 49. The certificate is annexed to this Annual Report.

General Shareholder Information**Annual General Meeting**

Date	14th August, 2013
Time	3:00 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, 2013, results were announced on:

First quarter	8th August, 2012
Second quarter	8th November, 2012
Third quarter	11th February, 2013
Fourth quarter and annual	21st May, 2013

For the year ending 31st March, 2014, results will be announced by:

First quarter	Second week of August, 2013
Second quarter	First week of November, 2013
Third quarter	First week of February, 2014
Fourth quarter and annual	End of April, 2014 / May, 2014

Book Closure

The date of book closure*	9th August, 2013 to 14th August, 2013 (both days inclusive)
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Dividend

No dividend has been recommended for the financial year 2012-13.

Listing

BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE)

Stock Codes

ISIN No.	INE439A01020
BSE Stock Code	515030
NSE Stock Code	ASAHINDIA

Listing Fees

The listing fee for the financial year 2013-14 has been paid to BSE and NSE.

Shareholders' 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 Company's website.

Analysts

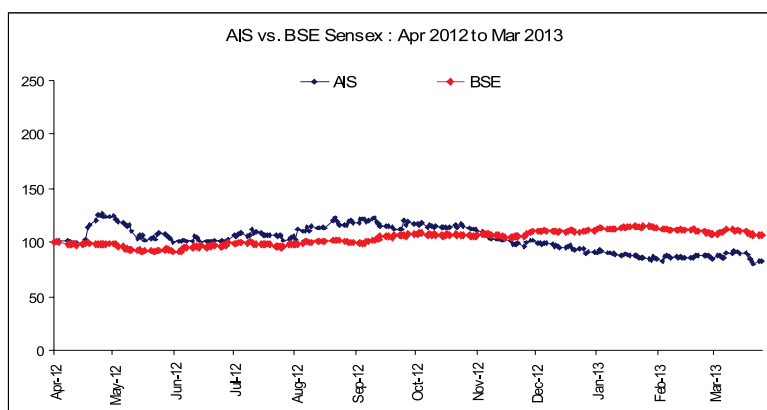
Analysts may schedule their conference calls and meetings with

- 1) Mr. Shailesh Agarwal, Chief Financial Officer and
- 2) Mr. Gopal Ganatra, Chief Legal Officer & Company Secretary, through the e-mail address, analysts@aisglass.com, under the Investor Relations section of the website of the Company.

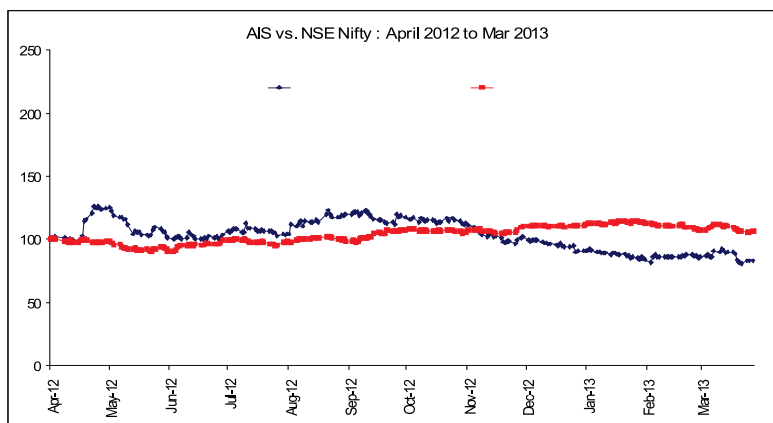
* Subsequent to the approval of this report by the Board of Directors of the Company on 21st May, 2013, in view of ongoing Rights Issue of equity shares by the Company, the book closure date has been changed to 30th July, 2013.

Stock Market Data

AIS's Share Performance versus BSE Sensex :



AIS's Share Performance versus NSE Nifty :



Note: AIS share price, BSE Sensex and NSE Nifty are indexed to 100 as on 1st April, 2012

Monthly high and low share price (in ₹ per share) of AIS for 2012-13 at BSE and NSE :

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr - 2012	74.40	56.35	75.00	56.00
May - 2012	73.50	58.00	73.85	58.20
Jun - 2012	62.95	57.55	63.85	56.85
Jul - 2012	68.65	59.00	68.70	58.80
Aug - 2012	72.50	59.10	73.00	59.40
Sep - 2012	73.00	64.65	78.00	64.15
Oct - 2012	69.50	64.90	69.80	64.45
Nov - 2012	67.75	55.50	66.40	55.00
Dec - 2012	59.00	52.00	59.25	51.75
Jan - 2013	54.45	48.55	54.10	48.55
Feb - 2013	51.70	47.35	51.65	47.05
Mar - 2013	54.50	46.00	54.40	45.30

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

Distribution of Shareholding as on 31st March, 2013

Categories (No. of Shares)	Total No. of Shareholders	Percentage	Total No. of shares held	Percentage
1 – 500	50,342	93.3123	45,68,518	2.8566
501 – 1,000	1,322	2.4504	10,88,098	0.6804
1,001 – 2,000	647	1.1993	10,51,126	0.6573
2,001 – 3,000	276	0.5116	7,25,137	0.4534
3,001 – 4,000	249	0.4615	9,43,990	0.5903
4,001 – 5,000	130	0.241	6,19,508	0.3874
5,001 – 10,000	527	0.9768	40,56,612	2.5365
10,001 and above	457	0.8471	14,68,74,597	91.8382
Total	53,950	100	15,99,27,586	100

Shareholding pattern as on 31st March, 2013

	Category	As on 31st March, 2013	
		Total No. of shares	Percentage
A.	Promoters' Holding		
1	Promoters		
	Indian Promoters	4,90,97,936	30.70
	Foreign Promoters	3,91,16,596	24.46
2	Persons Acting in Concert	NIL	-
	Total	8,82,14,532	55.16
B.	Non-Promoters' Holding		
3	Institutional Investors		
a.	Mutual Funds and UTI	75,250	0.05
b.	Banks, Financial Institutions, Insurance Companies	13,337	0.01
c.	FII's	6,80,075	0.43
	Total	7,68,662	0.48
4	Others		
a.	Private Corporate Bodies	2,15,67,796	13.49
b.	Indian Public	4,58,44,610	28.67
c.	NRIs / OCBs	33,05,197	2.07
d.	Directors & Relatives (not in control of the Company)	2,25,715	0.14
e.	Trusts	1,074	0.00
	Total	7,09,44,392	44.36
	Grand total	15,99,27,586	100.00

Unclaimed Shares

In accordance with the clause 5A of the Listing Agreement, the Company has identified 6039 folios comprising of 11,60,966 equity shares of face value of ₹ 1 each, which are unclaimed as on 31st March, 2013. The Company is in the process of sending reminders to the concerned shareholders in accordance with the said clause.

Dematerialisation of Shares

The shares of the Company are in the compulsory demat segment. The Reconciliation of the Share Capital Audit Report of the Company obtained from the Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time period. The below mentioned table contains detail break – up of share capital, held in dematerialized or physical mode, of the Company as on 31st March, 2013.

No. of shares held in dematerialized and physical mode :

Sl. No.	Particulars	Number of Shares	% of Total Issued Capital
1.	Shares held in dematerialized form in CDSL	81,95,994	5.12
2.	Shares held in dematerialized form in NSDL	14,29,36,311	89.38
3.	Shares held in physical form	87,95,281	5.50
	Total	15,99,27,586	100

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 in compliance with SEBI guidelines has appointed a common Share Transfer Agent for both the physical and electronic form of Shareholding. The Company's Registrar and Share Transfer Agent (RTA) namely, Link Intime India Private Limited can be contacted at the following addresses :

Link Intime India Private 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

Link Intime India Private Limited (Delhi)
A-40, 2nd Floor,
Naraina Industrial Area, Phase – II, Banquet Hall,
New Delhi – 110 028
Tel: 91-11-4141 0592-94
Fax: 91-11-4141 0591

Share Transfer System

The Company's shares held in the dematerialised form are electronically traded in the Depository.

In the case of transfers in physical form which are lodged at the above offices of the Registrar and Share Transfer Agent, such transfers are processed with the stipulated time period. All share transfers are approved by the officials authorised by the Board and thereafter ratified by the Shareholders' / Investors' Grievance Committee at its next meeting.

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.

Plant Locations

The details of the Plant locations are given in a separate section in this Annual Report.

Auditors' 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, 2013 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 implementation 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 **except that for a part of the year the number of independent directors in the composition of the Board was less than the stipulated members as per clause 49(1)(A)(ii) of the Listing Agreement.**

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.
(Firm Registration No. 001378N)
Chartered Accountants

Place : New Delhi
Dated : 21st May, 2013

Jagdish Sapra
Partner
Membership No. 009194

Independent Auditors' Report

To the Members of,

Asahi India Glass Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of Asahi India Glass Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give

the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227 (3) of the Act, 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 appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Jagdish Sapra & Co.
(Firm Registration No. 001378N)
Chartered Accountants

Jagdish Sapra
Partner
Membership No. 009194

Place : New Delhi
Dated : 21st May, 2013

Annexure to the Independent Auditors' Report

(Referred to in 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) The Company has a regular programme of physical verification of its fixed assets through which all fixed assets are verified, in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification as carried out under the above programme during the current year.
- c) Fixed assets disposed off during the year are not significant and therefore do not affect the going concern status of the Company.
- ii. a) The inventories except goods in transit has been physically verified during the year by the Management. In our opinion the frequency of such 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 inventories 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. Consequently the provisions of clauses 4(iii)(b), (iii)(c) and (iii)(d) of the Order are not applicable to the Company.
- b) 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 of the Companies Act, 1956 produced before us. Consequently the provisions of clauses 4(iii) (e), (iii) (f) and (iii) (g) the Order are not applicable to the 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 inventories, 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 ₹ 5 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, the provisions of clause 4 (vi) of the Order are not applicable to the Company.
- 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 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 generally 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 except some delays in respect of Service Tax, Sales Tax, Excise duty and Tax Deducted at Source .

We are informed that there are no undisputed statutory dues as at the year end, outstanding for a period of more than six months from the date they become payable except Tax Deducted at Source due of ₹ 100 Lakhs and Service Tax dues of ₹ 17 Lakhs respectively.

- b) There are no dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:-

Nature Of Dues	Amount (₹ Lakhs)	Period to which amount relates	Forum where the dispute is pending
Income Tax	0.35	2005-06	Appellate Tribunal
	378.87	2006-07 & 2007-08	Commissioner of Income Tax (Appeals)
Sales Tax/ Vat	967.95	2002-03 & 2003-04	High Court
	18.85	2005-06	Joint Commissioner
	150.30	2007-08	Deputy Commissioner
Custom Duty	67.37	2000-01 & 2011-12	Commissioner of Customs
Excise Duty and Service Tax	311.46	1995-96 to 2000-01	Supreme Court
	1091.94	2000-01 to 2012-13	Commissioner of Central Excise/Service Tax/CESAST
	38.49	2003-04 to 2005-06 & 2008-09	Additional Director General

- x. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash loss during the current year and during 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 term loan repayment of dues to banks and financial institutions. The Company has not obtained any borrowings by way of debentures.

- xii. 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 a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are 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 ₹ 15989 Lakhs have been used for long term investments.
- 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. The Company has not issued any debentures during the year.
- xx. The Company has not raised any 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 Jagdish Sapra & Co.
(Firm Registration No. 001378N)
Chartered Accountants

Jagdish Sapra
Partner
Membership No. 009194

Place : New Delhi
Dated : 21st May, 2013

Balance Sheet As At 31st March, 2013

	Note	As At 31st March, 2013		As At 31st March, 2012	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	2	1599		1599	
b) Reserves and Surplus	3	3875	5474	13184	14783
2. Advance against Share Application Money (Refer Note 33)		5000		-	
3. Non-Current Liabilities					
a) Long Term Borrowings	4		61167		73584
b) Other Long Term Liabilities	5		1567		1549
4. Current Liabilities					
a) Short Term Borrowings	6		78048		62059
b) Trade Payables	7		51238		36831
c) Other Current Liabilities	8		30215		35890
d) Short Term Provisions	9		1130		792
Total		233839		225488	
II. ASSETS					
1. Non-Current Assets					
a) Fixed Assets					
i) Tangible Assets	10	117413		125211	
ii) Intangible Assets	10	585		562	
iii) Impaired Assets Held for Disposal	10	105		123	
iv) Capital Work-in-Progress	11	3259	121362	2116	128012
b) Non-Current Investments	12		1628		1571
c) Deferred Tax Assets (net)	13		9197		4417
d) Long Term Loans and Advances	14		5145		5267
2. Current Assets					
a) Inventories	15		47124		47540
b) Trade Receivables	16		36465		31226
c) Cash and Cash Equivalents	17		6027		1663
d) Short Term Loans and Advances	18		6806		5765
e) Other Current Assets	19		85		27
Total		233839		225488	
Significant Accounting Policies	1				
Notes to Accounts form an integral part of Financial Statements					

For and on behalf of the Board

In terms of our report attached
For Jagdish Sapra & Co.
 (Firm Registration No. 001378N)
 Chartered Accountants

Hideaki Nohara
 Dy. Managing Director
 & Chief Technical Officer (Auto)

Sanjay Labroo
 Managing Director
 & Chief Executive Officer

Jagdish Sapra
 Partner
 Membership No. 009194
 Place : New Delhi
 Dated : 21st May, 2013

Place : Gurgaon
 Dated : 21st May, 2013

Shailesh Agarwal
 Chief Financial Officer

Gopal Ganatra
 Chief Legal Officer
 & Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2013

` Lakhs

	Note	Year Ended 31st March, 2013	Year Ended 31st March, 2012
REVENUE FROM OPERATIONS			
Sale of Products			
Turnover and Inter Division Transfer		211445	180375
Less : Inter Division Transfers		6028	5600
Turnover		205417	174775
Less : Excise Duty		15546	11494
Net Sale of Products		189871	163281
Other Operating Revenue		1473	1293
Other Income	20	1076	1196
Total Revenue		192420	165770
EXPENSES			
Cost of Materials Consumed	21	64895	56646
Purchase of Stock in Trade	22	1123	599
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(1227)	(7154)
Employee Benefits Expense	24	15201	13111
Finance Costs	25	16915	14743
Depreciation and Amortisation Expense	26	14857	12653
Other Expenses	27	94615	83847
Total Expenses		206379	174445
(Loss) Before Tax		(13959)	(8675)
Tax Expense			
Deferred Tax		4780	2802
(Loss) for the Year		(9179)	(5873)
Earnings Per Equity Share	38		
Basic (`)		(5.74)	(3.67)
Diluted (`)		(5.74)	(3.67)
Significant Accounting Policies	1		
Notes to Accounts form an integral part of Financial Statements			

In terms of our report attached
For Jagdish Sapra & Co.
 (Firm Registration No. 001378N)
 Chartered Accountants

Jagdish Sapra
 Partner
 Membership No. 009194
 Place : New Delhi
 Dated : 21st May, 2013

Place : Gurgaon
 Dated : 21st May, 2013

Hideaki Nohara
 Dy. Managing Director
 & Chief Technical Officer (Auto)

Shailesh Agarwal
 Chief Financial Officer

For and on behalf of the Board

Sanjay Labroo
 Managing Director
 & Chief Executive Officer

Gopal Ganatra
 Chief Legal Officer
 & Company Secretary

Notes forming part of the Financial Statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of Accounts

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The Financial Statements comply in all material aspects with the accounting standards notified under Section 211 (3C) (Companies (Accounting Standards), Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non current as per the normal operating cycle and the criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities.

b) Fixed Assets

- i) Fixed assets are carried at the cost of acquisition less accumulated depreciation. The cost of fixed assets include taxes (net of tax credits as applicable), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Interest on borrowed funds attributable to the qualifying assets up to the period such assets are put to use, is included in the cost of fixed assets.
- ii) Capital work in progress includes expenditure during construction period incurred on projects under implementation.
- iii) Project expenses are allocated to respective fixed assets on completion of the project i.e. when it is ready for commercial production. Specific items of expenditure that can be identified for any particular asset are allocated directly to related assets head. Where such direct allocation is not possible, allocation is made on the basis of method most appropriate to a particular case. Sales and other income earned before the completion of the project are reduced from project expenses.
- iv) Assets identified and evaluated technically as obsolete and held for disposal are stated at lower of book value and estimated net realisable value/salvage value.

c) Depreciation/Amortisation

Tangible Assets

- i) 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 except building on leasehold land depreciated over the period of lease.
- ii) Leasehold land is depreciated over the period of lease.
- iii) Assets costing upto ` 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

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 materials in transit valued at their specific costs).
Work-in-Progress and Finished Goods	Material cost plus appropriate share of production overheads and excise duty wherever applicable.

Stock-in-Trade	First in First Out Method based on actual cost.
----------------	-------------------------------------------------

e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at the lower of cost or fair value. Long term investments are carried at cost less permanent diminution in value, if any.

f) Revenue Recognition

Sale of goods is recognised at the point of dispatch to the customer. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. Sales exclude VAT/Sales tax and are net of returns and transit insurance claims short received.

Earnings from investments, are accrued or taken into revenue in full on declaration or receipts.

Profit/loss on sale of raw materials and stores stand adjusted in their consumption account.

g) Government Grants

Central Investment Subsidy and DG set subsidy is treated as Capital Reserve. Export incentives are credited to the Statement of Profit and Loss.

h) Leases

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as an operating lease and lease rentals thereon are charged to the Statement of Profit and Loss.

i) Employee Benefits

Contribution to Defined Contribution Scheme such as Provident Fund etc. are charged to the Statement of Profit and Loss as incurred. The Company has a scheme of Superannuation Fund in Float SBU towards retirement benefits where the Company has no liability other than its annual contribution.

The Gratuity Fund benefits are administered by a Trust recognised by Income Tax Authorities through the Group Gratuity Schemes. 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 on the basis of projected

unit credit method as confirmed to the Company. Company's contributions are charged to the Statement of Profit and Loss. Profits and losses arising out of actuarial valuations are recognised in the Statement of Profit and Loss as income or expense.

The Company provides for the encashment of leave as per certain rules. The employees are entitled to accumulated leave subject to certain limits, for future encashment/availment. In Float SBU the liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of actuarial valuation using projected unit credit method.

Liability on account of short term employee benefits comprising largely of compensated absences, bonus and other incentives is recognised on an undiscounted accrual basis.

Termination benefits are recognised as an expense in the Statement of Profit and Loss.

j) Foreign Exchange Transactions

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Transactions outstanding at the year end are translated at exchange rates prevailing at the year end and the profit/loss so determined is recognised in the Statement of Profit and Loss.

The Company has opted for accounting the exchange differences, arising on reporting of long term foreign currency monetary items as per notification dated 31st March, 2009 further amended by notifications dated 11th May, 2011 and 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India.

k) Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps etc. to hedge its risk associated with foreign currency fluctuations relating to the firm commitment. The premium or discount arising at the inception of such contracts is amortised as expense or income over the life of the contract. Derivative contracts outstanding

at the balance sheet date are marked to market and resulting profit/loss, if any, is provided for in the Financial Statements. Any profit or loss arising on cancellation of instrument is recognised as income or expense for the period.

l) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income 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 assets are recognised only to the extent there is virtual certainty and convincing evidence that there will be sufficient future taxable income available to realise such assets.

m) Impairment of Assets

Regular review is done to determine whether there is any indication of impairment of the carrying amount of the Company's fixed 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 Statement of Profit and Loss.

n) Provisions and Contingencies

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.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

	As At 31st March, 2013	As At 31st March, 2012
NOTE 2. SHARE CAPITAL		
Authorised		
500000000 (500000000) Equity Shares of ` 1 each	5000	5000
600000 (600000) Preference Shares of ` 100 each	600	600
9000000 (9000000) Preference Shares of ` 10 each	900	900
	6500	6500
Issued, Subscribed and Paid Up		
159927586 (159927586) Equity Shares of ` 1 each fully paid	1599	1599
	1599	1599

The Company has only one class of issued shares referred to as equity shares having a par value of ` 1 each. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

The details of Shareholders holding more than 5% of the aggregate shares in the Company:-

₹ Lakhs

Name of Share Holder	As At 31st March, 2013		As At 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Asahi Glass Co Ltd., Japan	35520000	22.21	35520000	22.21
Maruti Suzuki India Limited	17760000	11.11	17760000	11.11
Mr. B. M. Labroo	13783920	8.62	13783920	8.62
Mr. Sanjay Labroo	10525237	6.58	10456237	6.54

Reconciliation of the Equity shares outstanding

Particulars	As At 31st March, 2013		As At 31st March, 2012	
	No. of Shares	Amount (₹ Lakhs)	No. of Shares	Amount (₹ Lakhs)
Balance at the beginning of the year	159927586	1599	159927586	1599
Changes during the year	-	-	-	-
Balance at the end of the year	159927586	1599	159927586	1599

₹ Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 3. RESERVES AND SURPLUS		
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	23
Capital Redemption Reserve		
As per last Balance Sheet	1395	1395
Amalgamation Reserve		
As per last Balance Sheet	637	637
General Reserve		
As per last Balance Sheet	10334	10334
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	1975	7848
Less: (Loss) after Tax transferred from Statement of Profit and Loss	(9179)	(5873)
Closing Balance	(7204)	1975
Foreign Currency Monetary Item Translation Difference Account (Refer Note 35)		
	(1310)	(1180)
	3875	13184

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 4. LONG TERM BORROWINGS		
Secured Term Loans from Banks		
Foreign Currency Loans	23882	31220
Rupee Term Loans	8913	14722
Secured Term Loans from Others		
Foreign Currency Loans	764	1002
Rupee Term Loans	1578	2206
Unsecured Loans		
Foreign Currency Loan from a Related Party	25914	24287
Long Term Maturities of Finance Lease Obligations		
Secured	4	9
Unsecured	112	138
	61167	73584

Statement of Securities Given and Terms of Repayment of Loans

Banker's Name	As At 31st March, 2013 ` Lakhs		Security Given	Instalments Outstanding	Maturity
	Non-Current	Current			
Secured Term Loans from Banks					
Foreign Currency Loans					
Citi Bank	6228	4152	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets both present and future	5	Jun 2015
ICICI Bank Ltd.	1551	776	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets both present and future	6	Feb 2016
ICICI Bank Ltd.	3303	1321	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets and Immovable Fixed Assets of Roorkee Auto Plant both present and future	7	Sep 2016
ICICI Bank Ltd.	2823	941	First pari-passu charge on Chennai Auto Plant Movable Fixed Assets and Immovable Fixed Assets of T-16 Talaja Plant both present and future	8	Nov 2016
State Bank of Mauritius	4887	543	First pari-passu charge on Rewari Plant Movable and Immovable Fixed Assets both present and future	11	Sep 2018
State Bank of India	2036	679	First pari-passu charge on Chennai Auto Plant Movable and Immovable Fixed Assets both present and future	4	Apr 2016

Banker's Name	As At 31st March, 2013 ` Lakhs		Security Given	Instalments Outstanding	Maturity
	Non-Current	Current			
State Bank of India	3054	1018	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets both present and future	4	Apr 2016
Total	23882	9430			

Rupee Term Loans

State Bank of Mysore	-	563	First pari-passu charge on T-16 Talaja Plant Movable Fixed assets both present and future	3	Oct 2013
State Bank of Mysore	-	375	First pari-passu charge on T-7 Talaja Plant Movable and Immovable Fixed assets both present and future	3	Oct 2013
ICICI Bank Ltd.	2813	1125	First pari-passu charge on T-16 Talaja Plant Movable and Immovable Fixed Assets both present and future	7	Jun 2016
ICICI Bank Ltd.	2500	1000	First pari-passu charge on T-7 Talaja Plant Movable and Immovable Fixed Assets both present and future	7	Sep 2016
Yes Bank Ltd.	1482	659	First pari-passu charge on Rewari Plant Movable and Immovable Fixed Assets both present and future	13	May 2016
Yes Bank Ltd.	2118	941	First pari-passu charge on Roorkee Plant Movable and Immovable Fixed Assets both present and future	13	May 2016
Total	8913	4663			

Secured Term Loans from others**Foreign Currency Loans**

Export-Import Bank of India	764	305	First pari-passu charge on T-7 Talaja Plant Movable and Immovable Fixed Assets both present and future	14	Aug 2016
Total	764	305			

Rupee Term Loans

Export-Import Bank of India	1578	631	First pari-passu charge on T-7 Talaja Plant Movable and Immovable Fixed Assets both present and future	14	Aug 2016
Total	1578	631			

Banker's Name	As At 31st March, 2013 ` Lakhs		Security Given	Instalments Outstanding	Maturity
	Non-Current	Current			
Unsecured loans from a related party					
Foreign Currency loan	25914	-	-	4	May 2015
Total	25914	-			

Long Term Maturity of Finance**Lease Obligation**

Srei Equipment Finance Pvt. Ltd.	112	105	Unsecured	12	Jan 2015
Kotak Mahindra Primus Ltd.-Secured	4	5	Hypothecation of Vehicle	22	Jan 2015
Total	116	110			

	As At 31st March, 2013	As At 31st March, 2012
NOTE 5. OTHER LONG TERM LIABILITIES		
Deposits from customers/vendors	1567	1549
	1567	1549

NOTE 6. SHORT TERM BORROWINGS

Loans Repayable on Demand		
Secured		
From Banks *	50655	44607
From Others **	17443	17452
Unsecured		
From Banks	5050	-
From Others	4900	-
	78048	62059

* ` 26096 Lakhs are secured by first pari-passu charge on current assets of the Company, ` 20111 Lakhs are secured by first pari-passu charge on current asset of the Company and second pari-passu charge on the fixed assets of the Company, ` 1950 Lakhs are secured by first pari-passu charge on all movable and immovable fixed assets of Chennai Plant, ` 967 Lakhs are secured by second pari-passu charge on immovable fixed assets of T-16 Taloja Plant and ` 781 Lakhs are secured by second charge on current assets of the Company. Balance amount of loan of ` 750 Lakhs is secured by first pari-passu charge on Rewari Plant movable and immovable fixed assets of the Company both present and future.

** Include ` 15000 Lakhs secured by subsequent and subservient charge on the entire movable fixed assets of the Company and ` 2443 Lakhs are secured by first pari-passu charge on current assets of the Company both present and future.

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 7. TRADE PAYABLES		
Sundry Creditors		
Micro, Small and Medium Enterprises	618	327
Others	50620	36504
	51238	36831

NOTE 8. OTHER CURRENT LIABILITIES

Current Maturity of Long Term Debt (Refer Note 4)		
From Banks	14093	20543
From Others	936	462
Current Maturity of Finance Lease Obligations (Refer Note 4)	110	281
Interest Accrued but not Due on Borrowings	842	786
Interest Accrued and Due on Borrowings	51	116
Book overdraft with Banks	174	-
Unpaid Dividend *	22	102
Other Payables		
Accrued Salaries and Benefits	1471	770
Statutory Dues	3306	2452
Creditors for Capital Goods	1019	1713
Advances from Customers	6098	6618
Royalty	2093	2047
	30215	35890

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

NOTE 9. SHORT TERM PROVISIONS

Leave Encashment	252	208
Gratuity	848	553
Superannuation	30	31
	1130	792

NOTE 10. FIXED ASSETS

` Lakhs

Description	Gross Block					Depreciation/Amortisation				Net Block	
	As At 1st April, 2012	Additions During The Year	Other Adjust- ments	Deduct- ion/ Retire- ment During The Year	As At 31st March, 2013	As At 1st April, 2012	For The Year	Deduction/ Retire- ment During The Year	As At 31st March, 2013	As At 31st March, 2013	As At 31st March, 2012
Tangible Assets											
Freehold Land	2532	-	-	-	2532	-	-	-	-	2532	2532
Leasehold Land	1448	-	-	-	1448	249	15	-	264	1184	1199
Buildings	40240	199	902	-	41341	7549	1154	-	8703	32638	32691
Plant and Equipments	163602	2694	2538	27	168807	85277	12391	2	97666	71141	78325
Electrical Installations and Fittings	16154	194	148	-	16496	8020	799	-	8819	7677	8134
Furniture and Fixtures	1123	89	-	1	1211	626	67	1	692	519	497
Office Equipments	1809	130	-	1	1938	919	77	1	995	943	890
Data Processing Equipments	1610	82	-	2	1690	1329	96	1	1424	266	281
Vehicles	1045	29	-	183	891	383	82	87	378	513	662
	229563	3417	3588	214	236354	104352	14681	92	118941	117413	125211
Intangible Assets											
Computer Software	2253	178	-	-	2431	1713	169	-	1882	549	540
E-Mark Charges	87	24	-	-	111	65	10	-	75	36	22
Licence Fees	1115	-	-	-	1115	1115	-	-	1115	-	-
	3455	202	-	-	3657	2893	179	-	3072	585	562
Total	233018	3619	3588	214	240011	107245	14860	92	122013	117998	125773
Previous Year	206809	17130	9461	382	233018	94812	12653	220	107245	125773	
Impaired Assets Held For Disposal										105	123

Notes :

- Electrical Installations and Fittings (Gross Block) include ` 334 Lakhs (Previous Year ` 334 Lakhs) paid to State Electricity Board not represented by physical assets owned by the Company.
- Other Adjustments (Gross Block) include increase in rupee liability ` 902 Lakhs, ` 2486 Lakhs and ` 147 Lakhs (Previous Year ` 1702 Lakhs, ` 4603 Lakhs, and ` 285 Lakhs) in respect of differences in foreign exchange rates in Buildings, Plant and Equipments and Electrical Installations and Fittings respectively.

	As At 31st March, 2013	As At 31st March, 2012
NOTE 11. CAPITAL WORK IN PROGRESS		
Building Under Construction	90	31
Plant and Machinery Under Erection	2752	897
Electrical Installation Under Erection	47	5
Expenditure incurred in the course of construction or acquisition	326	1144
Others	44	39
	3259	2116

	As At 31st March, 2013		As At 31st March, 2012	
	Quoted	Unquoted	Quoted	Unquoted
NOTE 12. NON-CURRENT INVESTMENTS				
Long Term Investments - At cost				
a) In Equity Instruments - fully paid				
Trade				
Associates				
AIS Adhesives Ltd.				
1049895 (1049895) equity shares of ₹ 10 each		105		105
Asahi India Map Auto Glass Ltd.				
100000 (100000) equity shares of ₹ 10 each		192		192
Vincotte International India Assessment Services Pvt. Ltd.				
33000 (33000) equity shares of ₹ 100 each		33		33
Subsidiary Companies				
AIS Glass Solutions Ltd.				
3281999 (3281999) equity shares of ₹ 10 each		328		328
GX Glass Sales & Services Ltd.				
2995000 (2995000) equity shares of ₹ 10 each		300		300
Integrated Glass Materials Ltd.				
1400000 (1400000) equity shares of ₹ 10 each		140		140
Others				
Beta Wind Farm Private Ltd.				
919009 (618831) equity shares of ₹ 10 each		175		118
Caparo Power Private Ltd.				
3186484 (3186484) equity shares of ₹ 10 each		319		319
Jamna Auto Industries Ltd.				
82500 (82500) equity shares of ₹ 10 each	36		36	
b) In Government Securities				
National Saving Certificates * **		-		-
c) Others				
5 (5) shares of Taloja CETP Co-Operative Society Ltd **		-		-
	36	1592	36	1535
Aggregate value of Quoted Investments - Market Value ₹ 65 Lakhs (Previous Year ₹ 87 Lakhs).				
* Pledged with Sales Tax Authorities.				
** Rounded off to Nil.				

NOTE 13. DEFERRED TAX ASSETS (NET)

Deferred Tax Assets		
Unabsorbed Depreciation/Carried forward losses under tax laws	17231	14392
Expenses allowed for tax purpose on payment basis	813	54
Provision for Doubtful Debts and Advances	65	36
	18109	14482
Deferred Tax Liability		
Difference between Book Depreciation and Depreciation under the Income Tax Rules	(8912)	(10065)
Deferred Tax Assets (Net)	9197	4417

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 14. LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
Capital Advances	326	273
Security Deposits *	1835	1803
Loans and Advances to Related Party **	1047	1047
MAT Credit Recoverable	1937	1937
Others - Prepaid Expenses	-	207
	5145	5267

* Include ` 18 Lakhs (Previous Year ` 18 Lakhs) due from a private limited company in which the Managing Director is interested as a Director.

** Represents advance to AIS Glass Solutions Limited, subsidiary Company.

NOTE 15. INVENTORIES

(As taken, valued and certified by the Management) - At cost or net realisable value, whichever is lower except waste at estimated realisable value		
i) Raw materials [Including in transit ` 2201 Lakhs (Previous Year ` 3038 Lakhs)]	9502	11232
ii) Work in Progress	3702	3250
iii) Finished Goods	25051	24265
iv) Stock in Trade	212	222
v) Stores, Spares and Loose Tools [Including in transit ` 141 Lakhs (Previous Year ` 198 Lakhs)]	8621	8534
vi) Others -Waste	36	37
	47124	47540

NOTE 16. TRADE RECEIVABLES

Secured considered good				
Over Six Months	37		47	
Others	459	496	767	814
Unsecured				
Over Six Months	9275		5426	
Others	26805	36080	25098	30524
		36576		31338
Considered Good	36465		31226	
Considered Doubtful	111		112	
Less : Provision for Doubtful Debts		111		112
		36465		31226

	As At 31st March, 2013	As At 31st March, 2012
NOTE 17. CASH AND CASH EQUIVALENTS		
a) Balances with Banks:		
In Unpaid Dividend Accounts	22	102
In Group Gratuity and Superannuation Accounts *	-	-
In Current accounts	5797	1100
In Fixed Deposits held as Margin Money	-	201
b) Cheques on Hand/Remittances in Transit	3	105
c) Cash on Hand (as certified)	200	150
d) Others		
Bank Deposits with more than 12 months maturity	5	5
In Post Office Saving Account *	-	-
	6027	1663
* Rounded off to Nil.		

NOTE 18. SHORT TERM LOANS AND ADVANCES

(Unsecured considered good)		
a) Advances to related parties *	624	347
b) Others		
Against Supply of Goods and Services	3948	3531
Prepaid Expenses	614	656
Advance Income Tax (Net of provision)	408	311
Advances with Government Authorities	1212	920
	6806	5765

*Includes `16 Lakhs (Previous Year 15 Lakhs) to GX Glass Sales and Services Limited and ` 608 Lakhs (Previous Year ` 302 Lakhs) to Integrated Glass Materials Limited - Subsidiary Companies.

NOTE 19. OTHER CURRENT ASSETS

(Unsecured considered good)		
Interest Accrued on Investments and Government Deposits	34	27
Proposed Rights Issue Expenses	51	-
	85	27

` Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE 20. OTHER INCOME		
Interest Income	265	215
Liabilities and Provisions Written Back	415	463
Other Non Operating Income	396	518
	1076	1196

NOTE 21. COST OF MATERIALS CONSUMED

Raw Materials Consumed		
Float Glass	32502	27296
PVB Films	11009	9771
Soda Ash	10198	9133
Others	11186	10446
	64895	56646

NOTE 22. PURCHASES OF STOCK IN TRADE

Toughened Glass	956	473
Others	167	126
	1123	599

NOTE 23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Stock at the beginning of the year			
Finished Goods	24265		18034
Work in Progress	3250		2314
Stock in Trade	222		244
Other - Waste	37	27774	28
			20620
Stock at the end of the year			
Finished Goods	25051		24265
Work in Progress	3702		3250
Stock in Trade	212		222
Other - Waste	36	29001	37
		(1227)	(7154)

NOTE 24. EMPLOYEE BENEFITS EXPENSE

Salary, Wages, Allowances and Bonus	11904	10238
Contribution to Provident and Other Funds	976	755
Staff Welfare Expenses	2321	2118
	15201	13111

` Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE 25. FINANCE COSTS		
Interest Expenses	16385	14418
Other Borrowing Costs	530	325
	16915	14743

NOTE 26. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation	14678	12488
Amortisation	179	165
	14857	12653

NOTE 27. OTHER EXPENSES

Consumption of Stores and Spares	16478	13917
Power, Fuel, Water and Utilities	44174	38356
Excise Duty	291	174
Rent	425	417
Rates and Taxes	462	545
Insurance	398	442
Net Loss on Foreign Currency Transactions and Translation	853	1449
Payment to the Auditors		
Statutory Audit	30	30
For Other Services	2	3
For Reimbursement of Expenses	2	1
Packing	2775	2345
Forwarding	12419	11389
Royalty	1040	2045
Repairs to Machinery	4760	3738
Repairs to Buildings	247	197
Miscellaneous Expenses		
Manufacturing	1935	1846
Others *	7511	6460
Provision for Doubtful Debts	-	5
Amortisation of Foreign Currency Monetary Items Translation	744	428
Bad Debts Written Off	10	54
Impairment Loss	18	5
Prior Period Items (Net)	41	1
	94615	83847

* Include Professional charges of ` 5 Lakh (Previous Year ` 7 Lakhs) to a firm in which Auditors are interested as partners.

NOTE 28. CONTINGENT LIABILITIES AND COMMITMENTS

(To the extent not provided for)

	As At 31st March, 2013	As At 31st March, 2012
Contingent Liabilities		
a) Claims against the Company not acknowledged as debts		
i) Excise, Custom Duty and Service Tax (including Excise Duty liability of ₹ 311 Lakhs (₹ 311 Lakhs) settled by Settlement Commission deleted by Delhi High Court against which SLP of Excise Department has been accepted by Supreme Court of India)	1509	1328
ii) Disputed Income Tax	380	387
iii) Disputed Sales Tax Demand	1062	1091
b) Guarantees		
i) Bank Guarantees and Letter of Credit Outstanding	6184	3051
ii) Corporate Guarantees (including ₹ 131 Lakhs (₹ 6568 Lakhs) for subsidiaries) to the extent of Limits	2465	8201
c) Other money for which the Company is contingently liable		
Channel Financing from Bank	687	947
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 196 Lakhs (₹ 208 Lakhs).		

NOTE 29. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) – 15 (REVISED)

a) The Company has calculated the various benefits provided to employees as under:-

Particulars	2012-13	2011-12
Provident Fund	520	440
Superannuation Fund	49	45
Employee State Insurance/Labour Fund	23	16

(Disclosed in the Statement of Profit and Loss as contribution to Provident and Other Funds).

b) The Company operates post retirement defined benefit plan for retirement gratuity which is funded.

c) Details of the post retirement gratuity plans and leave obligations are as follows

` Lakhs

	Gratuity Scheme Funded Plan		Leave Liability Non Funded Plan	
	2012-13	2011-12	2012-13	2011-12
i) Reconciliation of Opening and Closing Balances of Obligation				
a) Present Value of Obligation at the Beginning of the Year	1011	783	98	70
b) Interest Cost	86	65	10	7
c) Current Service Cost	88	71	7	4
d) Past Service Cost	-	-	-	-
e) Benefit Paid	(53)	(87)	(27)	(21)
f) Actuarial (Gain)/Loss	263	179	34	38
g) Present Value of Obligation at the End of the Year	1395	1011	122	98
ii) Reconciliation of Opening and Closing Defined Benefit Assets				
a) Present Value of Plan Assets at the Beginning of the Year	458	391		
b) Expected Return on Plan Assets	39	31		
c) Contribution Paid	125	100		
d) Benefit Paid	(53)	(87)		
e) Actuarial (Gain)/Loss	22	(23)		
f) Present Value of Assets at the End of the Year	547	458		
Total Actuarial (Gain)/Loss	285	156		
iii) Reconciliation of Fair Value of Assets and Obligation				
a) Present Value of Obligation at the End of the Year	1395	1011	122	98
b) Present Value of Plan Asset at the End of the Year	547	458	-	-
c) Liability Recognised in Balance Sheet	848	553	122	98
iv) Expense Recognised During the Year				
a) Current Service Cost	88	71	7	4
b) Past Service Cost	-	-	-	-
c) Interest Cost	86	65	10	7
d) Expected Return on Plan Assets	(39)	(31)	-	-
e) Total Actuarial (Gain)/Loss	285	156	34	38
f) Expenses Recognised During the Year	420	261	-	-
v) Disclosure of Investment Detail			%	%
a) The Bank of Tokyo Mitsubishi UFJ Ltd.	8	30	1	7
b) Life Insurance Corporation of India	157	145	29	31
c) HDFC Standard Life Insurance Co. Ltd.	182	146	33	32
d) Birla Sunlife Insurance Ltd.	85	76	16	16
e) Kotak Mahindra Life Insurance Ltd.	12	11	2	3
f) Reliance Life Insurance Co. Ltd.	104	50	19	11
	547	458	100	100
vi) Actuarial Assumptions	%	%		
a) Discount Rate (per annum)	8.50	8.50		
b) Estimated Rate of Return on Plan Assets (per annum)	8.50	8.50		
c) Rate of Escalation in Salary (per annum)	4.50	4.50		

NOTE 30. The Company has taken offices, warehouses and residential facilities under cancellable operating lease agreements. The lease agreements are usually renewed by mutual consent on mutually agreeable terms. Total rental expenses under such leases amount to ` 425 Lakhs (` 417 Lakhs).

NOTE 31. There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

NOTE 32. Some of the Sundry Creditors, Trade Receivables and Advances are subject to confirmation/reconciliation.

NOTE 33. During the year, the Company decided to increase the issued capital by allotment of further equity shares on right basis (Rights Issue) and accordingly Board approved issuance of such shares in their Meeting held on October 10, 2012. The "Draft Letter of Offer" was filed with SEBI on February 8, 2013 against which the Company received interim observations from SEBI and filed reply to them.

In March 2013, the Company received advance subscription of ` 5000 lakhs against share application money from one of the promoters in the proposed Rights Issue towards its entitlement. The said advance against share application money is being used towards the objects of the proposed Rights Issue. The terms and conditions, number of shares proposed to be issued and the amount of premium etc. will be ascertained on receipt of approval from SEBI.

NOTE 34. The Company has not considered necessary to provide for diminution in value of equity shares of Subsidiary Companies AIS Glass Solutions Ltd., GX Glass Sales & Services Ltd. and Integrated Glass Materials Ltd. as investment is long term and diminution in value is temporary.

NOTE 35. The balance of ` 1310 Lakhs (` 1180 Lakhs) in 'Foreign Currency Monetary Item Translation Difference Account' is after adjustment of ` 744 Lakhs (` 428 Lakhs) recognised as expense for the year pursuant to option exercised by the Company given in Paragraph 46A of Accounting Standard (AS) -11 "The Effects of Changes in Foreign Exchange Rates" inserted by the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India.

NOTE 36. The remuneration to the Managing Director has been approved by shareholders of the Company up to ceiling of ` 75 Lakhs. However, owing to losses during the year, remuneration paid of ` 68 Lakhs is in excess of limits as per Schedule XIII of The Companies Act, 1956. The Company has made an application to the Central Government for approval of such excess remuneration up to the ceiling approved by shareholders.

NOTE 37. a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use forward contracts for speculative purposes.

Outstanding forward exchange contracts entered into by the Company on account of receivables:

As at	No. of Contracts	US Dollar (Lakhs)	INR Equivalent (` Lakhs)	EURO (Lakhs)	INR Equivalent (` Lakhs)
31st March, 2013	- (16)	- (5)	- (249)	- (30)	- (2036)

b) Outstanding interest rates swaps to hedge against fluctuations in interest rate changes:

As at	No. of Contracts	US Dollar (Lakhs)	INR Equivalent (` Lakhs)
31st March, 2013	11 (11)	476 (636)	25846 (32340)

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amount receivable in foreign currency on account of the following:

Description	2012-13			2011-12		
	USD	EUR	INR Equivalent (` Lakhs)	USD	EUR	INR Equivalent (` Lakhs)
Bills Discounting and Debtors Outstanding	9	6	846	7	3	580

ii) Amount payable in foreign currency on account of the following:

Description	2012-13				2011-12			
	USD	EUR	JPY	INR Equivalent (` Lakhs)	USD	EUR	JPY	INR Equivalent (` Lakhs)
Import of Goods and Services	879	24	2214	25026	207	35	1020	13541
Interest Payable	11	-	-	606	13	-	-	679
Loans Outstanding	1225	1	100	66613	1431	-	168	72943

NOTE 38. EARNINGS PER EQUITY SHARE (EPS)

` Lakhs

	2012-13	2011-12
(Loss) After Tax as per Statement of Profit and Loss	(9179)	(5873)
Tax adjustments of earlier years	-	-
(Loss) Attributable to Equity Shareholders – (A)	(9179)	(5873)
Basic/Weighted average number of Equity Shares outstanding – (B)	159927586	159927586
Nominal Value of Equity Shares (₹)	1/- each	1/- each
Earnings Per Share (Basic and Diluted) (₹) – (A)/(B)	(5.74)	(3.67)

NOTE 39. RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD (AS) - 18**a) List of Related Parties**

- Subsidiaries : AIS Glass Solutions Limited, Integrated Glass Materials Limited, GX Glass Sales & Services Limited
- 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, Krishna Maruti Ltd.
- Key management personnel and their relatives:
Directors : Mr. B. M. Labroo, Mr. Sanjay Labroo, Mr. H. Nohara,
Relatives : Mrs. Kanta Labroo
- Other related parties where control exists : Asahi Glass Co. Limited, Japan and its subsidiaries (except subsidiaries with whom no transactions took place) - AGC Flat Glass Asia Pacific Pte. Ltd., AGC Technology Solutions Co., Ltd., AGC Automotive Europe SA, AGC Automotive Philippines Inc., PT Asahimas Flat Glass Co., TBK., AGC Automotive Thailand Co., Ltd., AGC Flat Glass Hellas SA, AGC Flat Glass Coating SA, AGC Glass Europe (Formerly AGC Flat Glass Europe), AGC Flat Glass Nederland BV, AGC Automotive (Foshan) Co., Ltd.

b) Transactions with Related Parties

` Lakhs

Nature of Transactions	Subsidiaries		Associates		Enterprise owned or significantly influenced by Key Management Personnel		Key Management Personnel and their relatives		Others	
	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	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012
1. Expenses										
- Purchase of Raw Materials and Power and Fuel	420	957	-	-	-	-	-	-	15419	9941
- Stores and Spares	80	32	-	-	-	3	-	-	1825	1837
- Purchase of Traded Goods	-	8	-	-	-	-	-	-	149	95
- Purchase of Finished Goods	133	11	-	-	-	-	-	-	740	372
- Remuneration to Directors	-	-	-	-	-	-	96	139	-	-
- Directors Sitting Fee	-	-	-	-	-	-	1	1	-	-
- Rent Paid	11	7	-	-	18	18	4	9	-	-
- Fee for Technical and Consultancy Services	-	-	-	-	-	-	-	-	3	9
- Repairs and Maintenance	12	-	-	-	-	-	-	-	87	102
- Miscellaneous Expenses	-	-	-	-	7	1	-	-	-	-
- Royalty	-	-	-	-	-	-	-	-	1040	2045
- Commission	-	39	-	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-	-	452	342
2. Income										
- Sale of Goods etc.	1742	2122	4605	4570	-	-	-	-	1911	2758
- Interest/Commission Received/ Liability Written Back/ Others	122	116	-	-	-	-	-	-	12	284
- Rent Received	3	3	-	-	-	-	-	-	-	-
3. Purchases of Capital Goods	-	-	-	-	-	-	-	-	457	191
4. Investment in Equity Shares	-	295	-	-	-	-	-	-	-	-
5. Advance against Share Application Money	-	-	-	-	-	-	-	-	5000	-
6. Loans/Advances Given	306	15	-	-	-	-	-	30	-	-
7. Balance As On	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012
- Loans and Advances	1671	1364	-	-	18	18	-	30	-	-
- Advance against Share Application Money	-	-	-	-	-	-	-	-	5000	-
- Creditors	8	-	-	-	7	-	-	-	19692	8282
- Debtors	7333	6466	708	639	1	1	-	-	412	235
- Foreign Currency Loan	-	-	-	-	-	-	-	-	25914	24287

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

NOTE 40. SEGMENT INFORMATION

a) Information about Primary Business Segments

` Lakhs

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Segment revenue					
External	104939	82925	4340		192204
	(92460)	(68764)	(4342)		(165566)
Inter segment sales (Net of excise duty)	420	5385	-	(5805)	-
	(253)	(5229)	-	(-5482)	-
Other income			216		216
			(204)		(204)
Total revenue	105359	88310	4556	(5805)	192420
	(92713)	(73993)	(4546)	(-5482)	(165770)
Segment result	7222	(3534)	(947)		2741
	(7274)	(-731)	(-678)		(5865)
Unallocated Income (net of expenses)			(50)		(50)
			(-11)		(-11)
Operating profit	7222	(3534)	(997)		2691
	(7274)	(-731)	(-689)		(5854)
Interest expense			(16915)		(16915)
			(-14744)		(-14744)
Interest income			265		265
			(215)		(215)
Provision for Taxation - Deferred Tax			4780		4780
			(2802)		(2802)
Net profit/(Loss)	7222	(3534)	(12867)		(9179)
	(7274)	(-731)	(-12416)		(-5873)
Other information					
Segment assets	91144	117589	15909		224642
	(90069)	(119210)	(12972)		(222251)
Total assets	91144	117589	15909		224642
	(90069)	(119210)	(12972)		(222251)
Segment liabilities	43943	23332	1736		69011
	(30929)	(20899)	(1948)		(53776)
Share capital and reserves			5474		5474
			(15963)		(15963)
Advance against Share Application Money			5000		5000
			(-)		(-)
Secured and unsecured loans			154354		154354
			(156929)		(156929)
Deferred Tax (Assets)			(9197)		(9197)
			(-4417)		(-4417)
Total liabilities	43943	23332	157367		224642
	(30929)	(20899)	(170423)		(222251)
Capital expenditure	5171	3193	(17)		8347
	(11167)	(8501)	(960)		(20628)
Depreciation/Amortisation	6636	7631	590		14857
	(5588)	(6503)	(562)		(12653)

b) Information about Secondary Business Segments

			₹ Lakhs
Particulars	India	Outside India	Total
Revenue by Geographical Market			
External	192784	5441	198225
	(166435)	(4817)	(171252)
Less: Inter segment sales (Net of excise duty)	5805		5805
	(5482)		(5482)
Total	186979	5441	192420
	(160953)	(4817)	(165770)

Notes :

- 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, trade receivables, 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.

NOTE 41. VALUE OF SALES, OPENING STOCK AND CLOSING STOCK OF FINISHED GOODS AND STOCK IN TRADE

Product	₹ Lakhs		
	Sales	Stock	
		Opening	Closing
	Value	Value	Value
Toughened Glass	44585	885	2133
	(37801)	(1099)	(885)
Laminated Glass	59041	1431	2368
	(53797)	(958)	(1431)
Float Glass	82114	19141	18687
	(63806)	(13301)	(19141)
Others	5604	3030	2075
	(9170)	(2920)	(3030)

NOTE 42. VALUE OF IMPORTED AND INDIGENEOUS MATERIALS, STORES AND SPARE PARTS CONSUMED AND PERCENTAGE OF TOTAL CONSUMPTION

₹ Lakhs			
	Amount	Amount	Percentage
i) Raw Materials			
Imported	43865	(40773)	68 (72)
Indigenous	21030	(15873)	32 (28)
ii) Stores and spare parts			
Imported	5965	(4833)	36 (35)
Indigenous	10513	(9084)	64 (65)

NOTE 43. CIF VALUE OF IMPORTS

	` Lakhs	
	Amount	Amount
i) Raw Materials	36691	(33623)
ii) Stores and Spares Parts etc.	6353	(6167)
iii) Capital Goods	745	(4446)
iv) Stock in Trade	837	(473)

NOTE 44. EXPENDITURE IN FOREIGN CURRENCY

	` Lakhs	
	Amount	Amount
i) Interest on foreign currency loans	2500	(2103)
ii) Royalty (Net of Taxes)	923	(1762)
iii) Professional charges	174	(114)
iv) Others	295	(76)

NOTE 45. EARNINGS IN FOREIGN EXCHANGE

	` Lakhs	
	Amount	Amount
F.O.B. value of Exports (excluding paid samples)	5215	(4563)
Interest and Commission/Miscellaneous Income	185	(83)

NOTE 46. Previous year's figures have been regrouped/rearranged, wherever found necessary. Figures in brackets above are in respect of previous year.

NOTE 47. Figures have been rounded off to ` Lakhs.

For and on behalf of the Board

In terms of our report attached
For Jagdish Sapra & Co.
 (Firm Registration No. 001378N)
 Chartered Accountants

Hideaki Nohara
 Dy. Managing Director
 & Chief Technical Officer (Auto)

Sanjay Labroo
 Managing Director
 & Chief Executive Officer

Jagdish Sapra
 Partner
 Membership No. 009194
 Place : New Delhi
 Dated : 21st May, 2013

Place : Gurgaon
 Dated : 21st May, 2013

Shailesh Agarwal
 Chief Financial Officer

Gopal Ganatra
 Chief Legal Officer
 & Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2013

` Lakhs

	Year Ended 31st March, 2013 Amount	Year Ended 31st March, 2012 Amount
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before tax and extraordinary items	(13959)	(8675)
Adjustment for:		
Depreciation and Amortisation of Intangible Assets	14857	12653
Impairment Loss	18	4
Loss on sale of fixed assets and assets discarded (Net)	50	50
Amortisation of Foreign Currency Monetary Items	744	428
Interest paid	16915	14743
Interest received	(265)	(215)
Operating Profit before working capital changes	18360	18988
Adjustment for:		
Trade and other receivables	(10996)	(3784)
Inventories	416	(9540)
Trade payable	15315	24845
CASH GENERATED FROM OPERATIONS	23095	30509
Interest paid	(16915)	(14743)
Direct taxes paid	4780	2802
Increase in Foreign Currency Monetary Items	(874)	(1608)
NET CASH FROM OPERATING ACTIVITIES	10086	16960
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including capital work in progress	(8347)	(20628)
Sale of fixed assets	72	112
Purchase of Investments	(57)	(732)
Interest received	265	215
NET CASH USED IN INVESTING ACTIVITIES	(8067)	(21033)

	` Lakhs	
	Year Ended 31st March, 2013 Amount	Year Ended 31st March, 2012 Amount
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Share Application Money	5000	-
Proceeds of Long Term Borrowings	2708	22984
Payments of Long Term Borrowings	(21272)	(22438)
Net Proceeds of Short Term Borrowings	15989	3056
NET CASH USED IN FINANCING ACTIVITIES	2425	3602
NET INCREASE/(DECREASE) IN CASH AND		
CASH EQUIVALENT (A+B+C)	4444	(471)
CASH AND CASH EQUIVALENT As At 1st April, 2012		
(Opening Balance)	1561	2032
CASH AND CASH EQUIVALENT As At 31st March, 2013		
(Closing Balance)	6005	1561

Notes : i) 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.

ii) Figures in brackets represent outflows.

iii) Previous year figures have been restated wherever necessary.

For and on behalf of the Board

In terms of our report attached
For Jagdish Sapra & Co.
 (Firm Registration No. 001378N)
 Chartered Accountants

Hideaki Nohara
 Dy. Managing Director
 & Chief Technical Officer (Auto)

Sanjay Labroo
 Managing Director
 & Chief Executive Officer

Jagdish Sapra
 Partner
 Membership No. 009194
 Place : New Delhi
 Dated : 21st May, 2013

Place : Gurgaon
 Dated : 21st May, 2013

Shailesh Agarwal
 Chief Financial Officer

Gopal Ganatra
 Chief Legal Officer
 & Company Secretary

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

Particulars	Name of Subsidiary Company		
	AIS Glass Solutions Ltd.	GX Glass Sales & Services Ltd.	Integrated Glass Materials Ltd.
1. Financial Year	31 st March, 2013	31 st March, 2013	31 st March, 2013
2. Shares of subsidiary held by Asahi India Glass Ltd. on the above date			
a) Number and Face Value	32,81,999 (32,81,999) Equity Shares of ₹ 10 each fully paid up	29,97,500 (29,97,500) Equity Shares of ₹ 10 each fully paid up	1,40,000 (1,40,000) Equity Shares of ₹ 10 each fully paid up
b) Extent of holding	82.55 % (82.55 %)	84.79% (100%)	100 % (100%)
3. Net aggregate amount of Profit/(Loss) for the financial year of 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 31 st March, 2013	₹ (412.57) Lakhs [₹ (531.47) Lakhs]	₹ (186.72) Lakhs [₹ (165.00) Lakhs]	₹ 2.04 Lakhs [₹ 9.76 Lakhs]
b) not dealt with in the accounts of Asahi India Glass Ltd. Profit/(Loss) for the year ended 31 st March, 2013	₹ (87.24) Lakhs [₹ (112.38) Lakhs]	₹ (33.48) Lakhs [(*) Lakhs]	N.A.
4. Net aggregate amount of the profit/ (losses) for previous financial years 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.	₹ (901.4) Lakhs [₹ (370.1) Lakhs]	₹ (277.51) Lakhs [₹ (112.50) Lakhs]	N.A.
b) not dealt with in the accounts of Asahi India Glass Ltd.	₹ (190.6) Lakhs [₹ (78.2) Lakhs]	(*) Lakhs [N.A]	N.A.

* Rounded off to Nil

Information pursuant to general exemption granted by Central Government under Section 212(8) of the Companies Act, 1956, relating to subsidiary companies, AIS Glass Solutions Limited, GX Glass Sales & Services Limited and Integrated Glass Materials Limited for the year ended 31st March, 2013

₹ Lakhs

S. No.	Particulars	AIS Glass Solutions Ltd.	GX Glass Sales & Services Ltd.	Integrated Glass Materials Ltd.
1.	Capital	398	353.5	140
2.	Reserves	-	-	5
3.	Total Assets	7748	534	1095
4.	Total Liabilities	7748	534	1095
5.	Details of Investments (except in case of investment in subsidiaries)	-	-	-
6.	Turnover	4007	978	348
7.	Profit before Taxation	(500)	(165)	3
8.	Provision for Taxation (FBT)	-	-	-
9.	Profit after Taxation	(500)	(165)	2
10.	Proposed Dividend	-	-	-

For and on behalf of the Board

Place : Gurgaon
Dated : 21st May, 2013**Sanjay Labroo**
Managing Director
& Chief Executive Officer**Hideaki Nohara**
Dy. Managing Director
& Chief Technical Officer (Auto)**Shailesh Agarwal**
Chief Financial Officer**Gopal Ganatra**
Chief Legal Officer
& Company Secretary

Independent Auditors' Report

To the Board of Directors of Asahi India Glass Limited

We have audited the accompanying Consolidated Financial Statements of ASAHI INDIA GLASS LIMITED ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of The Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its Subsidiaries as at March 31, 2013;
- b) in the case of Consolidated Statement of Profit and Loss, of the loss of the Company and its Subsidiaries for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company and its Subsidiaries for the year ended on that date.

Other Matters

We did not audit the Financial Statements of the subsidiaries whose Financial Statements reflect total assets of ` 9646 Lakhs as at March 31, 2013 and total revenue of ` 5864 Lakhs for the year ended on that date. The Financial Statements have been audited by other auditors whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of said Subsidiaries is based solely on the reports of other auditors.

For Jagdish Sapra & Co.
(Firm Registration No. 001378N)
Chartered Accountants

Jagdish Sapra
Partner
Membership No. 009194

Place : New Delhi
Dated : 21st May, 2013

Consolidated Balance Sheet As At 31st March, 2013

` Lakhs

	Note	As At 31st March, 2013	As At 31st March, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	1599	1599
b) Reserves and Surplus	3	2402	4001
			12282
			13881
2. Advance against Share Application Money (Refer Note 31)		5000	-
3. Minority Interest			
a) Capital		123	123
b) Reserves and Surplus		(324)	(203)
4. Non-Current Liabilities			
a) Long Term Borrowings	4	61169	73676
b) Other Long Term Liabilities	5	1599	1605
c) Long Term Provisions	6	24	30
5. Current Liabilities			
a) Short Term Borrowings	7	78217	62164
b) Trade Payables	8	51912	35669
c) Other Current Liabilities	9	30597	38221
d) Short Term Provisions	10	1146	805
Total		233464	225971
II. ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	11	122868	130992
ii) Intangible Assets	11	679	676
iii) Impaired Assets Held for Disposal	11	105	123
iv) Capital Work-in-Progress	12	3332	126984
			2307
			134098
b) Non-Current Investments	13	1302	1222
c) Deferred Tax Assets (net)	14	9194	4415
d) Long Term Loans and Advances	15	4194	4314
2. Current Assets			
a) Inventories	16	48362	48504
b) Trade Receivables	17	30581	26268
c) Cash and Cash Equivalents	18	6249	1795
d) Short Term Loans and Advances	19	6513	5328
e) Other Current Assets	20	85	27
Total		233464	225971
Significant Accounting Policies	1		
Notes to Accounts form an integral part of Consolidated Financial Statements			

For and on behalf of the Board

In terms of our report attached
For Jagdish Sapra & Co.
 (Firm Registration No. 001378N)
 Chartered Accountants

Hideaki Nohara
 Dy. Managing Director
 & Chief Technical Officer (Auto)

Sanjay Labroo
 Managing Director
 & Chief Executive Officer

Jagdish Sapra
 Partner
 Membership No. 009194
 Place : New Delhi
 Dated : 21st May, 2013

Place : Gurgaon
 Dated : 21st May, 2013

Shailesh Agarwal
 Chief Financial Officer

Gopal Ganatra
 Chief Legal Officer
 & Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2013

₹ Lakhs

	Note	Year Ended 31st March, 2013	Year Ended 31st March, 2012
REVENUE FROM OPERATIONS			
Sale of Products			
Turnover and Inter Division Transfer		217085	186366
Less : Inter Division Transfer		8762	8292
Turnover		208323	178074
Less : Excise Duty		15590	11538
Net Sale of Products		192733	166536
Sale of Services		177	114
Other Operating Revenue		1531	1475
Other Income	21	972	1054
Total Revenue		195413	169179
EXPENSES			
Cost of Materials Consumed	22	65551	56578
Purchase of Stock-in-Trade	23	1343	1280
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(1612)	(6942)
Employee Benefits Expense	25	16334	14321
Finance Costs	26	16959	14823
Depreciation and Amortisation Expense	27	15420	13191
Other Expenses	28	96091	85410
Total Expenses		210086	178661
(Loss) Before Tax		(14673)	(9482)
Tax Expense			
Current Tax		(1)	(2)
Deferred Tax		4779	2799
MAT Credit Entitlement		1	2
(Loss) for the Year before Minority Interest and Share of Profit of Associates		(9894)	(6683)
Share of Profit of Associates		23	59
Minority Interest		121	112
(Loss) for the Year		(9750)	(6512)
Earnings Per Equity Share - Basic (₹)	33	(6.10)	(4.07)
- Diluted (₹)		(6.10)	(4.07)
Significant Accounting Policies	1		

Notes to Accounts form an integral part of Consolidated Financial Statements

For and on behalf of the Board

In terms of our report attached
For Jagdish Sapra & Co.
 (Firm Registration No. 001378N)
 Chartered Accountants

Hideaki Nohara
 Dy. Managing Director
 & Chief Technical Officer (Auto)

Sanjay Labroo
 Managing Director
 & Chief Executive Officer

Jagdish Sapra
 Partner
 Membership No. 009194
 Place : New Delhi
 Dated : 21st May, 2013

Place : Gurgaon
 Dated : 21st May, 2013

Shailesh Agarwal
 Chief Financial Officer

Gopal Ganatra
 Chief Legal Officer
 & Company Secretary

Notes forming part of the Financial Statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The Financial Statements comply in all material aspects with the accounting standards notified under section 211 (3C) (Companies (Accounting Standards), Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non current as per the normal operating cycle and the criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities.

b) Principles of Consolidation

The Consolidated Financial Statements relate to Asahi India Glass Ltd. (the Company), its subsidiaries AIS Glass Solutions Ltd., Integrated Glass Materials Ltd., GX Glass Sales & Services Ltd. and associates.

The subsidiary companies considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% of share holding	Held by
i) AIS Glass Solutions Ltd.	India	82.55	Asahi India Glass Ltd.
ii) Integrated Glass Materials Ltd.	India	100.00	Asahi India Glass Ltd.
iii) GX Glass Sales & Services Ltd.	India	84.79	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
i) AIS Adhesives Ltd.	Audited	India	47.83	Asahi India Glass Ltd.	As on 31st March, 2013
ii) Asahi India Map Auto Glass Ltd.	Audited	India	49.98	Asahi India Glass Ltd.	As on 31st March, 2013
iii) Vincotte International India Assessment Services (P) Ltd.	Unaudited	India	20.00	Asahi India Glass Ltd.	As on 31st March, 2013

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company 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.
- The goodwill/capital reserve on consolidation is recognised in the Consolidated Financial Statements.
- 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.
- Minority interest in the net income and net assets of the Consolidated Financial Statements is computed and shown separately.
- 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) Revenue Recognition

Sales are recognized on transfer of significant risks and rewards which takes place on dispatch of goods to the customer. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. Sales exclude VAT/Sales tax and are net of returns and transit insurance claims short received.

Earnings from investments, are accrued or taken into revenue in full on declaration or receipts.

Profit/loss on sale of raw materials and stores stand adjusted in their consumption account.

d) Fixed Assets

- Fixed assets are carried at the cost of acquisition less accumulated depreciation. The cost of fixed assets include taxes (net of tax credits as applicable), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Interest on borrowed funds attributable to the qualifying assets up to the period such assets are put to use, is included in the cost of fixed assets.
- Capital work in progress includes expenditure during construction period incurred on projects under implementation.
- Project expenses are allocated to respective fixed assets on completion of the project i.e. when it is ready for commercial production. Specific items of expenditure that can be identified for any particular asset are allocated directly to related assets head. Where such direct allocation is not possible, allocation is made on the basis of method most appropriate to a particular case. Sales and other income earned before the completion of the project are reduced from project expenses.
- Assets identified and evaluated technically as obsolete and held for disposal are stated at lower of book value and estimated net realisable value/salvage value.

e) 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 except leasehold assets depreciated over the period of lease.

ii) Assets costing upto ` 5000/- each are depreciated fully in the year of purchase.

Fixed assets not represented by physical assets owned by the Company are amortised over a period of five years.

Intangible Assets

Computer Software, Products Designs and E-mark charges are amortised over a period of five years proportionately when such assets are available for use. Trademarks are amortised over a period of ten years.

f) 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 bases of determining cost for various categories of inventories are as follows:

Stores, spare parts and raw material Actual/Weighted average cost (except stores segregated for specific purposes and materials in transit valued at their specific costs).

Work in progress and finished goods Material cost plus appropriate share of production overheads and excise duty wherever applicable.

Stock in Trade First in First Out Method based on actual cost.

g) Employee benefits

Contribution to Defined Contribution Schemes such as Provident Fund etc. are charged to the Statement of Profit and Loss as incurred. The Company has a scheme of Superannuation Fund in Float SBU towards retirement benefits where the Company has no liability other than its annual contribution.

The Gratuity Fund benefits are administered by a Trust recognised by Income Tax Authorities through the Group Gratuity Schemes. 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 on the basis of projected unit credit method as confirmed to the Company. Company's contributions are charged to the Statement of Profit and Loss.

Profits and losses arising out of actuarial valuations are recognised in the Statement of Profit and Loss as income or expense.

The Company provides for the encashment of leave as per certain rules. The employees are entitled to accumulated leave subject to certain limits, for future encashment/availment. In Float SBU of the Company the liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of actuarial valuation using projected unit credit method.

Liability on account of short term employee benefits comprising largely of compensated absences, bonus and other incentives is recognised on an undiscounted accrual basis.

Termination benefits are recognised as an expense in the Statement of Profit and Loss.

In subsidiaries, gratuity liability is provided as per actuarial valuation on balance sheet date.

h) Foreign Exchange Transactions

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Transactions outstanding at the year end are translated at exchange rates prevailing at the year end and the profit/loss so determined is recognised in the Statement of Profit and Loss.

The Company has opted for accounting the exchange differences, arising on reporting of long term foreign currency monetary items as per notification dated 31st March, 2009 further amended by notifications dated 11th May, 2011 and 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India.

i) Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps etc. to hedge its risk associated with foreign currency fluctuations relating to the firm commitment. The premium or discount arising at the inception of such contracts is amortised as expense or income over the life of the contract. Derivative contracts outstanding at the balance sheet date are marked to market and resulting profit/loss, if any, is provided for in the financial statements. Any profit or loss arising on cancellation of instrument is recognised as income or expense for the period.

j) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income 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 assets are recognised only to the extent there is virtual certainty and convincing evidence that there will be sufficient future taxable income available to realise such assets.

k) Impairment of Assets

Regular review is done to determine whether there is any indication of impairment of the carrying amount of the Company's fixed 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 Statement of Profit and Loss.

l) Provisions and Contingencies

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.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 2. SHARE CAPITAL		
Authorised		
500000000 (500000000) Equity Shares of ` 1 each	5000	5000
600000 (600000) Preference Shares of ` 100 each	600	600
9000000 (9000000) Preference Shares of ` 10 each	900	900
	6500	6500
Issued, Subscribed and Paid Up		
159927586 (159927586) Equity Shares of ` 1 each fully paid	1599	1599
	1599	1599

The Company has only one class of issued shares referred to as equity shares having a par value of ` 1 each. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

The details of Shareholders holding more than 5% of the aggregate shares in the Company:-

Name of Share Holder	As At 31st March, 2013		As At 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Asahi Glass Co Ltd., Japan	35520000	22.21	35520000	22.21
Maruti Suzuki India Limited	17760000	11.11	17760000	11.11
Mr. B. M. Labroo	13783920	8.62	13783920	8.62
Mr. Sanjay Labroo	10525237	6.58	10456237	6.54

Reconciliation of the equity shares outstanding

` Lakhs

Particulars	As At 31st March, 2013		As At 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	159927586	1599	159927586	1599
Changes during the year	-	-	-	-
Balance at the end of the year	159927586	1599	159927586	1599

	As At 31st March, 2013	As At 31st March, 2012
NOTE 3. RESERVES AND SURPLUS		
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	23
Capital Redemption Reserve		
As per last Balance Sheet	1395	1395
Amalgamation Reserve		
As per last Balance Sheet	637	637
General Reserve		
As per last Balance Sheet	10498	10498
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	909	7421
Less: Net (Loss) after tax transferred from Statement of profit and loss	(9750)	(6512)
Closing Balance	(8841)	909
Foreign Currency Monetary Item Translation Difference Account (Refer Note 32)	(1310)	(1180)
	2402	12282

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 4. LONG TERM BORROWINGS		
Secured Term Loans from Banks		
Foreign Currency Loans	23882	31220
Rupee Term Loans	8915	14814
Secured Term Loans from Others		
Foreign Currency Loans	764	1002
Rupee Term Loans	1578	2206
Unsecured Loan		
Foreign Currency Loan from a Related Party	25914	24287
Long Term Maturities of Finance Lease Obligations		
Secured	4	9
Unsecured	112	138
	61169	73676

Statement of Securities Given and Terms of Repayment of Loans

Banker's Name	As At 31st March, 2013 ` Lakhs		Security Given	Instalments Outstanding	Maturity
	Non-Current	Current			
Secured Term Loans from Bank					
Foreign Currency Loans					
Citi Bank	6228	4152	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets both present and future	5	Jun 2015
ICICI Bank Ltd.	1551	776	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets both present and future	6	Feb 2016
ICICI Bank Ltd.	3303	1321	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets and Immovable Fixed Assets of Roorkee Auto Plant both present and future	7	Sep 2016
ICICI Bank Ltd.	2823	941	First pari-passu charge on Chennai Auto Plant Movable Fixed Assets and Immovable Fixed Assets of T-16 Talaja Plant both present and future	8	Nov 2016
State Bank of Mauritius	4887	543	First pari-passu charge on Rewari Plant Movable and Immovable Fixed Assets both present and future	11	Sep 2018
State Bank of India	2036	679	First pari-passu charge on Chennai Auto Plant Movable and Immovable Fixed Assets both present and future	4	Apr 2016

Banker's Name	As At 31st March, 2013 ` Lakhs		Security Given	Instalments Outstanding	Maturity
	Non-Current	Current			
State Bank of India	3054	1018	First pari-passu charge on Roorkee Float Plant Movable and Immovable Fixed Assets both present and future	4	Apr 2016
Total	23882	9430			
Rupee Term Loans					
State Bank of Mysore	-	563	First pari-passu charge on T-16 Talaja Plant Movable Fixed Assets both present and future	3	Oct 2013
State Bank of Mysore	-	375	First pari-passu charge on T-7 Talaja Plant Movable and Immovable Fixed Assets both present and future	3	Oct 2013
ICICI Bank Ltd.	2813	1125	First pari-passu charge on T-16 Talaja Plant Movable and Immovable Fixed Assets both present and future	7	Jun 2016
ICICI Bank Ltd.	2500	1000	First pari-passu charge on T-7 Talaja Plant Movable and Immovable Fixed Assets both present and future	7	Sep 2016
Yes Bank Ltd.	1482	659	First pari-passu charge on Rewari Plant Movable and Immovable Fixed Assets both present and future	13	May 2016
Yes Bank Ltd.	2118	941	First pari-passu charge on Roorkee Plant Movable and Immovable Fixed Assets both present and future	13	May 2016
State Bank of India	2	47	Secured by way of hypothecation charge over plant and machinery and other Movable Fixed Assets of Integrated Glass Materials Limited , the subsidiary and corporate guarantee of the Company	13	Apr 2014
Total	8915	4710			
Secured Term Loans from others					
Foreign Currency Loans					
Export-Import Bank of India	764	305	First pari-passu charge on T-7 Talaja Plant Movable and Immovable Fixed Assets both present and future	14	Aug 2016
Total	764	305			

Banker's Name	As At 31st March, 2013 ` Lakhs		Security Given	Instalments Outstanding	Maturity
	Non-Current	Current			
Rupee Term Loans					
Export-Import Bank of India	1578	631	First pari-passu charge on T-7 Taloja Plant Fixed Assets Movable and Immovable both present and future	14	Aug 2016
Total	1578	631			
Unsecured loans from a related party					
Foreign Currency loan	25914	-	-	4	May 2015
Total	25914	-			
Long Term Maturity of Finance					
Lease Obligation					
Srei Equipment Finance Pvt. Ltd.	112	105	Unsecured	12	Jan 2015
Kotak Mahindra Primus Ltd.-Secured	4	5	Hypothecation of Vehicle	22	Jan 2015
Total	116	110			

	As At 31st March, 2013	As At 31st March, 2012
NOTE 5. OTHER LONG TERM LIABILITIES		
Deposits from customers/vendors	1599	1605
	1599	1605

NOTE 6. LONG TERM PROVISIONS

Provision for Employees' Benefits		
Leave Encashment	6	4
Gratuity	18	26
	24	30

NOTE 7. SHORT TERM BORROWINGS

Loans Repayable on Demand		
Secured		
From Banks *	50824	44712
From Others **	17443	17452
Unsecured		
From Banks	5050	-
From Others	4900	-
	78217	62164

* ` 26265 Lakhs are secured by first pari-passu charge on current assets of the Company, ` 20111 Lakhs are secured by first pari-passu charge on current asset of the Company and second pari-passu charge on the fixed assets of the Company, ` 1950 Lakhs are secured by first pari-passu charge on all movable and immovable fixed assets of Chennai Plant, ` 967 Lakhs are secured by second pari-passu charge on Immovable fixed assets of T-16 Taloja Plant and ` 781 Lakhs are secured by second charge on current assets of the Company. Balance amount of loan of ` 750 Lakhs is secured by first pari-passu charge on Rewari Plant Movable and Immovable fixed assets of the Company both present and future.

** Include ` 15000 Lakhs secured by subsequent and subservient charge on the entire movable fixed assets of the Company and ` 2443 Lakhs are secured by first pari-passu charge on current assets of the Company both present and future.

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 8. TRADE PAYABLES		
Sundry Creditors		
Micro, Small and Medium Enterprises	620	327
Others	51292	35342
	51912	35669

NOTE 9. OTHER CURRENT LIABILITIES

Current maturity of Long Term Debt (Refer Note 4)		
From Banks	14140	20545
From Others	936	1245
Current Maturity of Finance Lease Obligations (Refer Note 4)	110	281
Interest Accrued but not Due on Borrowings	842	787
Interest Accrued and Due on Borrowings	53	117
Book overdraft with banks	174	-
Unpaid Dividend *	22	102
Other Payables		
Accrued Salaries and Benefits	1594	902
Statutory Dues	3345	2499
Creditors for Capital Goods	1019	2760
Advances from Customers	6266	6936
Royalty	2096	2047
	30597	38221

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

NOTE 10. SHORT TERM PROVISIONS

Leave Encashment	268	221
Gratuity	848	553
Superannuation	30	31
	1146	805

NOTE 11. FIXED ASSETS

` Lakhs

Description	Gross Block					Depreciation/Amortisation				Net Block	
	As At 1st April, 2012	Additions During The Year	Other Adjustments	Deduction/Retirement During The Year	As At 31st March, 2013	As At 1st April, 2012	For The Year	Deduction/Retirement During The Year	As At 31st March, 2013	As At 31st March, 2013	As At 31st March, 2012
Tangible Assets											
Freehold Land	2540	-	-	-	2540	-	-	-	-	2540	2540
Leasehold Land	1619	-	-	-	1619	263	18	-	281	1338	1356
Buildings	43000	199	937	1	44135	7930	1269	1	9198	34937	35070
Plant and Equipments	167403	2828	2567	24	172774	86522	12751	2	99271	73503	80881
Electrical Installations and Fittings	16779	194	148	1	17120	8150	830	1	8979	8141	8629
Furniture and Fixtures	1212	91	-	2	1301	654	73	1	726	575	558
Office Equipments	1895	136	-	1	2030	934	82	1	1015	1015	961
Data Processing Equipments	1717	88	-	5	1800	1397	114	4	1507	293	320
Vehicles	1070	30	-	183	917	393	85	87	391	526	677
	237235	3566	3652	217	244236	106243	15222	97	121368	122868	130992
Intangible Assets											
Computer Software	2362	178	-	-	2540	1783	187	-	1970	570	579
E-Mark Charges	87	26	-	-	113	65	14	-	79	34	22
Licence Fees, Product Designs and Trademarks Including Pre-Operative Expenses	1198	-	-	-	1198	1123	-	-	1123	75	75
	3647	204	-	-	3851	2971	201	-	3172	679	676
Total	240882	3770	3652	217	248087	109214	15423	97	124540	123547	131668
Previous Year	213566	18027	9677	388	240882	96248	13191	225	109214	131668	
Impaired Assets Held For Disposal										105	123

Notes :

1. Electrical Installations and Fittings (Gross Block) include ` 334 Lakhs (Previous Year ` 334 Lakhs) paid to State Electricity Board not represented by physical assets owned by the Company.
2. Other Adjustments (Gross Block) include increase in rupee liability ` 937 Lakhs, ` 2514 Lakhs and ` 147 Lakhs (Previous Year ` 1821 Lakhs, ` 4701 Lakhs, and ` 285 Lakhs) in respect of differences in foreign exchange rates in Buildings, Plant and Equipments and Electrical Installations and Fittings respectively.

	As At 31st March, 2013	As At 31st March, 2012
NOTE 12. CAPITAL WORK IN PROGRESS		
Building Under Construction	90	31
Plant and Machinery Under Erection	2825	897
Electrical Installation Under Erection	47	5
Expenditure incurred in the course of construction or acquisition	326	1335
Others	44	39
	3332	2307

` Lakhs

	As At 31st March, 2013		As At 31st March, 2012	
NOTE 13. NON-CURRENT INVESTMENTS				
a) Associates (Including goodwill ` 190 Lakhs arising on acquisition of associates)		772		750
b) Others		530		472
		1302		1222
NOTE 14. DEFERRED TAX ASSETS (NET)				
Deferred Tax Assets				
Unabsorbed Depreciation/Carried forward losses under tax laws		17286		14435
Expenses allowed for tax purpose on payment basis		813		54
Provision for Doubtful Debts and Advances		65		36
		18164		14525
Deferred Tax Liability				
Difference between Book Depreciation and Depreciation under the Income Tax Rules		(8970)		(10110)
Deferred Tax Assets (Net)		9194		4415
NOTE 15. LONG TERM LOANS AND ADVANCES				
(Unsecured Considered Good)				
Capital Advances		326		273
Security Deposits		1895		1860
MAT Credit Recoverable		1973		1973
Others - Prepaid Expenses		-		208
		4194		4314
Note 16. INVENTORIES				
(As taken, valued and certified by the Management) - At cost or net realisable value, whichever is lower except waste at estimated realisable value				
i) Raw Materials		10026		11861
ii) Work-in-Progress		3797		3320
iii) Finished Goods		25336		24348
iv) Stock-in-Trade		212		241
v) Stores, Spares and Loose Tools		8738		8657
vi) Others - Waste, By Products etc.		253		77
		48362		48504
NOTE 17. TRADE RECEIVABLES				
Secured Considered Good				
Over Six Months		37		47
Others		459	496	767
				814
Unsecured				
Over Six Months		3391		2950
Others		26905	30296	22655
			30792	25605
				26419
Considered Good	30559		26268	
Considered Doubtful	233		151	
Less : Provision for Doubtful Debts		211		151
		30581		26268

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 18. CASH AND CASH EQUIVALENTS		
a) Balances with Banks		
In Unpaid Dividend Accounts	22	102
In Group Gratuity and Superannuation Accounts *	-	-
In Current Accounts	5961	1154
In Fixed Deposit Accounts	-	30
In Fixed Deposits held as Margin Money	-	201
b) Cheques on Hand/Remittances in Transit	3	105
c) Cash on Hand (as certified)	213	156
d) Others		
Bank deposits with more than 12 months maturity	50	47
In Post Office Saving Account *	-	-
	6249	1795
* Rounded off to Nil.		
NOTE 19. SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good)		
Loan to Related Party	110	153
Advances to Related Parties	-	30
Others		
Against Supply of Goods and Services	4091	3179
Prepaid Expenses	627	675
Advance Income Tax (Net of provisions)	443	343
Advances with Government Authorities	1242	948
	6513	5328
NOTE 20. OTHER CURRENT ASSETS		
(Unsecured considered good)		
Interest Accrued on Investments and Government Deposits	34	27
Proposed Rights Issue Expenses	51	-
	85	27
	31st March, 2013	Year Ended 31st March, 2012
NOTE 21. OTHER INCOME		
Interest Income	160	134
Liabilities and Provisions Written Back	415	463
Other Non Operating Income	397	457
	972	1054
NOTE 22. COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Float Glass	32584	27296
PVB Films	11301	9771
Soda Ash	10198	9133
Others	11468	10378
	65551	56578
NOTE 23. PURCHASES OF STOCK-IN-TRADE		
Toughened Glass	957	473
Others	386	807
	1343	1280

` Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at the beginning of the year		
Finished Goods	24348	18347
Work-in-Progress	3320	2403
Stock-in-Trade	241	264
Others - Waste, By Products etc.	77	30
	27986	21044
Stock at the end of the year		
Finished Goods	25336	24348
Work-in-Progress	3797	3320
Stock-in-Trade	212	241
Others - Waste, By Products etc.	253	77
	29598	27986
	(1612)	(6942)
NOTE 25. EMPLOYEE BENEFITS EXPENSE		
Salary, Wages, Allowances and Bonus	12913	11299
Contribution to Provident and Other Funds	1006	790
Staff Welfare Expenses	2415	2232
	16334	14321
NOTE 26. FINANCE COSTS		
Interest Expense	16429	14497
Other Borrowing Costs	530	326
	16959	14823
NOTE 27. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	15219	13002
Amortisation	201	189
	15420	13191
NOTE 28. OTHER EXPENSES		
Consumption of Stores and Spares	16653	14045
Power, Fuel, Water and Utilities	44408	38622
Excise Duty	291	174
Rent	525	505
Rates and Taxes	479	559
Insurance	411	455
Net Loss on Foreign Currency Transactions and Translation	855	1416
Payment to the Auditors		
Statutory Audit	43	43
For Other Services	6	4
For Reimbursement of Expenses	2	4
Forwarding	12640	11708
Packing	2832	2422
Royalty	1040	2045
Repairs to Machinery	4915	3861
Repairs to Buildings	264	230
Miscellaneous Expenses		
Manufacturing	1946	1878
Others	7891	6924
Provision for Doubtful Debts	60	24
Amortisation of Foreign Currency Monetary Items Translation Difference Account	744	428
Bad Debts Written Off	27	57
Prior Period Items (Net)	41	1
Impairment Loss	18	5
	96091	85410

` Lakhs

	As At 31st March, 2013	As At 31st March, 2012
NOTE 29. CONTINGENT LIABILITIES		
(To the extent not provided for)		
a) Claims against the Company not acknowledged as debts		
i) Excise and Custom duty (including excise duty liability of ` 311 Lakhs (` 311 Lakhs) settled by Settlement Commission deleted by Delhi High Court against which SLP of Excise Department has been accepted by Supreme Court of India)	1509	1328
ii) Disputed Income Tax Demand	380	387
iii) Disputed Sales Tax Demand	1159	1091
iv) Others	22	-
b) Guarantees		
i) Bank Guarantees and Letter of Credit Outstanding	6261	3051
ii) Corporate Guarantees	2465	8201
c) Other money for which the Company is contingently liable		
Channel Financing from Bank	687	947

NOTE 30. There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and its subsidiaries. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

NOTE 31. During the year, the Company decided to increase the issued capital by allotment of further equity shares on right basis (Rights Issue) and accordingly Board approved issuance of such shares in their Meeting held on 10th October, 2012. The "Draft Letter of Offer" was filed with SEBI on 8th February, 2013 against which the Company received interim observations from SEBI and filed reply to them.

In March 2013, the Company received advance subscription of ` 5000 Lakhs against share application money from one of the promoters in the proposed Rights Issue towards its entitlement. The said advance against share application money is being used towards the objects of the proposed Rights Issue. The terms and conditions, number of shares proposed to be issued and the amount of premium etc. will be ascertained on receipt of approval from SEBI.

NOTE 32. The balance of ` 1310 Lakhs (` 1180 Lakhs) in 'Foreign Currency Monetary Item Translation Difference Account' is after adjustment of ` 744 Lakhs (` 428 Lakhs) recognised as expense for the period pursuant to option exercised by the Company given in Paragraph 46A of Accounting Standard (AS) -11 "The Effects of Changes in Foreign Exchange Rates" inserted by the Notification dated 29th December 2011 issued by the Ministry of Corporate Affairs, Government of India.

NOTE 33. EARNINGS PER EQUITY SHARE (EPS)

` Lakhs

	2012-13	2011-12
(Loss) After Tax as per Statement of Profit and Loss	(9750)	(6512)
(Loss) Attributable to Equity shareholders – (A)	(9750)	(6512)
Basic / Weighted average number of Equity Shares outstanding – (B)	159927586	159927586
Nominal Value of Equity Shares (`)	1/- each	1/- each
Earnings Per Share (Basic and Diluted) (`) – (A)/(B)	(6.10)	(4.07)

NOTE 34. 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, Krishna Maruti Ltd.
- iii) Key management personnel and their relatives:
Directors : Mr. B. M. Labroo, Mr. Sanjay Labroo, Mr. H. Nohara
Relatives : Mrs. Kanta Labroo
- iv) Other related parties where control exists : Asahi Glass Co. Limited, Japan and its subsidiaries (except subsidiaries with whom no transactions took place) - AGC Flat Glass Asia Pacific Pte. Ltd., AGC Technology Solutions Co., Ltd., AGC Automotive Europe SA, AGC Automotive Philippines Inc., PT Asahimas Flat Glass Co., Tbk., AGC Automotive Thailand Co., Ltd., AGC Flat Glass Hellas SA, AGC Flat Glass Coating SA, AGC Glass Europe (Formerly AGC Flat Glass Europe), AGC Flat Glass Nederland BV, AGC Automotive (Foshan) Co., Ltd.

b) Transactions with Related Parties

` Lakhs

Nature of Transaction	Associates		Enterprise owned or significantly influenced by Key Management Personnel		Key Management Personnel and their relatives		Others	
	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	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012
1. Expenses								
- Purchase of Raw Materials and Power and Fuel	-	-	-	-	-	-	15419	9970
- Stores and Spares	-	-	-	3	-	-	1825	1837
- Purchase of Traded Goods	-	-	-	-	-	-	149	95
- Purchase of Finished Goods	-	-	-	-	-	-	740	372
- Remuneration to Directors	-	-	-	-	96	139	-	-
- Directors Sitting Fee	-	-	-	-	1	1	-	-
- Rent Paid	-	-	18	18	4	9	-	-
- Fee for Technical and Consultancy Services	-	-	-	-	-	-	3	9
- Repairs and Maintenance	-	-	-	-	-	-	87	102
- Miscellaneous Expenses	-	-	7	1	-	-	-	-
- Royalty	-	-	-	-	-	-	1040	2045
- Interest	-	-	-	-	-	-	452	342
2. Income								
- Sale of Goods etc.	4605	4570	-	-	-	-	1911	2758
- Interest/Commission Received/ Liability Written Back/Others	1	8	14	9	-	-	12	284
3. Purchases of Capital Goods	-	-	-	-	-	-	457	191
4. Advance against Share Application Money	-	-	-	-	-	-	5000	-
5. Loans/Advances Given	-	50	-	90	-	30	-	-
6. Balance as on	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012	31-03-2013	31-03-2012
- Loans and Advances	-	50	129	108	-	30	-	-
- Advance against Share Application Money	-	-	-	-	-	-	5000	-
- Creditors	-	-	7	-	-	-	19692	8282
- Debtors	708	639	1	-	-	-	412	235
- Foreign Currency Loan	-	-	-	-	-	-	25914	24287

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

NOTE 35. SEGMENT INFORMATION

a) Information about Primary Business Segments

` Lakhs

Particulars	Automotive Glass	Float Glass	Unallocable	Eliminations	Total
Segment revenue					
External	104939	82925	7196		195060
	(92460)	(68764)	(7507)		(168731)
Inter Segment Sales (Net of excise duty)	420	5385	2733	(8538)	-
	(253)	(5229)	(2693)	(-8175)	-
Other Income			353		353
			(448)		(448)
Total Revenue	105359	88310	10282	(8538)	195413
	(92713)	(73993)	(10648)	(-8175)	(169179)
Segment Result	7222	(3534)	(1612)		2076
	(7274)	(-731)	(-1386)		(5157)
Unallocated Income (net of expenses)			50		50
			(50)		(50)
Operating Profit	7222	(3534)	(1562)		2126
	(7274)	(-731)	(-1336)		(5207)
Interest Expense			(16959)		(16959)
			(-14823)		(-14823)
Interest Income			160		160
			(134)		(134)
Provision for Taxation - Current Tax			(1)		(1)
			(-2)		(-2)
- Deferred Tax			4779		4779
			(2799)		(2799)
- MAT Credit Entitlement			1		1
			(2)		(2)
Net Profit	7222	(3534)	(13582)		(9894)
	(7274)	(-731)	(-13226)		(-6683)
Other Information					
Segment Assets	91144	117589	15537		224270
	(90069)	(119210)	(13457)		(222736)
Total Assets	91144	117589	15537		224270
	(90069)	(119210)	(13457)		(222736)
Segment Liabilities	43943	23332	2817		70092
	(30929)	(20899)	(2431)		(54259)
Share Capital and Reserves			4001		4001
			(15061)		(15061)
Advance against Share Application Money			5000		5000
			(-)		(-)
Minority Interest			(201)		(201)
			(-80)		(-80)
Secured and Unsecured Loans			154572		154572
			(157911)		(157911)
Deferred Tax (Assets)			(9194)		(9194)
			(-4415)		(-4415)
Total Liabilities	43943	23332	156995		224270
	(30929)	(20899)	(170908)		(222736)
Capital Expenditure	5171	3193	83		8447
	(11167)	(8501)	(1600)		(21268)
Depreciation/Amortisation	6636	7631	1153		15420
	(5588)	(6503)	(1100)		(13191)

` Lakhs

b) Information about Secondary Business Segments

Particulars	India	Outside India	Total
Revenue by Geographical Market			
External	198510	5441	203951
	(172537)	(4817)	(177354)
Less : Inter Segment Sales (Net of excise duty)	8538		8538
	(8175)		(8175)
Total	189972	5441	195413
	(164362)	(4817)	(169179)

NOTE 36. Previous year's figures have been regrouped/rearranged, wherever found necessary. Figures in the brackets above are in respect of the previous year.

NOTE 37. Figures have been rounded off to ` Lakhs.

For and on behalf of the Board

In terms of our report attached
For Jagdish Sapra & Co.
 (Firm Registration No. 001378N)
 Chartered Accountants

Hideaki Nohara
 Dy. Managing Director
 & Chief Technical Officer (Auto)

Sanjay Labroo
 Managing Director
 & Chief Executive Officer

Jagdish Sapra
 Partner
 Membership No. 009194
 Place : New Delhi
 Dated : 21st May, 2013

Place : Gurgaon
 Dated : 21st May, 2013

Shailesh Agarwal
 Chief Financial Officer

Gopal Ganatra
 Chief Legal Officer
 & Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31st March, 2013

` Lakhs

	Year Ended 31st March, 2013 Amount	Year Ended 31st March, 2012 Amount
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before tax and extraordinary items	(14673)	(9482)
Adjustment for:		
Depreciation and Amortisation of Intangible Assets	15420	13191
Reversal of Impairment Loss	18	5
Loss on Sale of Fixed Assets and Assets Discarded (Net)	50	50
Amortisation of Foreign Currency Monetary Items	744	428
Interest Paid	16959	14823
Interest Received	(160)	(134)
Operating Profit Before Working Capital Changes	18358	18881
Adjustment for :		
Trade and Other Receivables	(10215)	(2644)
Inventories	142	(9542)
Trade Payable	15913	24736
CASH GENERATED FROM OPERATIONS	24198	31431
Interest Paid	(16959)	(14823)
Direct Taxes Paid	4779	2799
Increase in Foreign Currency Monetary Items	(874)	(1608)
NET CASH FROM OPERATING ACTIVITIES	11144	17799
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets, Including Capital Work-in-Progress	(8447)	(21268)
Sale of Fixed Assets	73	113
Purchase of Investments	(58)	(435)
Interest Received	160	134
NET CASH USED IN INVESTING ACTIVITIES	(8272)	(21456)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares in Subsidiaries	-	35
Proceeds from Share Application Money	5000	-

` Lakhs

	Year Ended 31st March, 2013 Amount	Year Ended 31st March, 2012 Amount
Proceeds of Long Term Borrowings	2708	23202
Repayment of Long Term Borrowings	(22099)	(23603)
Net Proceeds of Short Term Borrowings	16053	3161
NET CASH USED IN FINANCING ACTIVITIES	1662	2795
NET (DECREASE)/INCREASE IN CASH AND		
CASH EQUIVALENT (A+B+C)	4534	(862)
CASH AND CASH EQUIVALENT As At 1st April, 2012		
(Opening Balance)	1693	2555
CASH AND CASH EQUIVALENT As At 31st March, 2013		
(Closing Balance)	6227	1693

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.

In terms of our report attached
For Jagdish Sapra & Co.
(Firm Registration No. 001378N)
Chartered Accountants

Jagdish Sapra
Partner
Membership No. 009194
Place : New Delhi
Dated : 21st May, 2013

Place : Gurgaon
Dated : 21st May, 2013

Hideaki Nohara
Dy. Managing Director
& Chief Technical Officer (Auto)

Shailesh Agarwal
Chief Financial Officer

For and on behalf of the Board

Sanjay Labroo
Managing Director
& Chief Executive Officer

Gopal Ganatra
Chief Legal Officer
& Company Secretary

Business Locations

REGISTERED OFFICE

Unit No. 203 to 208, Tribhuwan Complex, Ishwar Nagar, Mathura Road, New Delhi – 110 065
Tel: (011) 49454900
Fax: (011)49454970

CORPORATE OFFICE

Global Business Park, Tower – B, 5th Floor, Mehrauli – Gurgaon Road, Gurgaon-122 002 (Haryana)
Tel: (0124) 4062212-19
Fax: (0124) 4062244/88

INTEGRATED GLASS PLANT

Float, Automotive, Architectural

Plot - A, AIS Industrial Estate, Village Latherdeva Hoon, Mangar Jhabrera Road, PO: Jhabrera, Tehsil-Roorkee, District Haridwar, Uttarakhand - 247 667
Tel: (01332) 224010/14/15/88
Fax: (01332) 224114

AIS AUTO GLASS

Plants

94.4 Kms., National Highway 8, Village - Jaliawas, Tehsil - Bawal, District Rewari - 123 501, Haryana
Tel: (01284) 264306/366/367/274
Fax: (01284) 264185

Plot No. F - 76 to 81, SIPCOT Industrial Park, Irungattukottai, Sriperumbudur, District - Kancheepuram, Tamil Nadu 602 117
Tel: (044) 47103442/45
Fax: (044) 47100441

Plot No. T - 16, MIDC Industrial Area, Talaja, District - Raigad-410 208
Tel: (022) 27412256/27411614/27410328/27412165
Fax: (022) 27412595

Sub-Assembly Units

Onsite Supplier Park-Building No.5, Toyota Kirloskar Motors Pvt. Ltd. Plot No.1, Bidadi Industrial Area Bidadi, District-Ramanagaram-562109, Karnataka
Tel: (080) 66701100/1-7

Gat No. 123, Kuruli Taluka - Khed, Distt. Pune, Maharashtra-410501
Tel:(02135) 676869

1301/B, GIDC, Halol, Distt - Panchmahal, Gujrat - 389350
Tel: +91 9974173069, +91 9913867383

AIS GLASS SOLUTIONS LTD.

Corporate Office

Unit No. 209-210, Tribhuwan Complex, Ishwar Nagar, Mathura Road, New Delhi – 110 065
Tel: (011) 49454900
Fax: (011)49454970

Faridabad-uPVC Unit

Plot No. 17-F, Industrial Area, (NIT), District - Faridabad, Haryana - 121001
Tel: (0129)2442122

Bangalore Office:

Unit-1-A, 14, Wood Street, Bangalore - 560025
Tel: (080) 41512634
Fax: (080) 41512636

Taloja Office:

T-16, MIDC Industrial Area, Talaja, Dist Raigad, Taluka-Panvel Maharashtra - 410208
Tel: (022) 27410328, 27412165, 27402286

AIS FLOAT GLASS Plant

Plot No. T - 7, MIDC Industrial Area Talaja, District Raigad - 410 208, Maharashtra.
Tel: (022) 39256000
Fax: (022) 27410449, 27410176

Sales and Marketing Office

Unit No. 305 to 308 and 312 to 314, 3rd Floor, Platinum Techno Park, Sector - 30A, Vashi, Tal & Distt-Thane, Navi Mumbai - 400 705
Tel: (022) 66568700
Fax: (022) 66568701

Corporate Project Team

Unit No. 209-210, Tribhuwan Complex, Ishwar Nagar, Mathura Road, New Delhi – 110 065
Tel: (011) 49454900
Fax: (011)49454970

Zonal Office-North

Unit No. 209-210, Tribhuwan Complex, Ishwar Nagar, Mathura Road, New Delhi – 110 065
Tel: (011) 49454900
Fax: (011)49454970

Zonal Office-South

No. 2-C, 1st Floor, Ruby Regency Dinrose Estate, No. 69, Anna Salai, Chennai - 600 002
Tel: (044) 28542491/92/93
Fax: (044) 28542494

Zonal Office-East

86-B/2, Topsia Road, 4th Floor, Room No. 4H, Gajraj Chamber, Kolkata - 700046
Tel: (033) 28853204, 22853201/02/03, 91 983105995
Fax: (033) 22853204



ASAHI INDIA GLASS LIMITED

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